

EIR

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LaRouche Leads Resistance to Bush Fascism
Bush Tells California to Drop Dead
LaRouche in Sudan: Peace Through Development

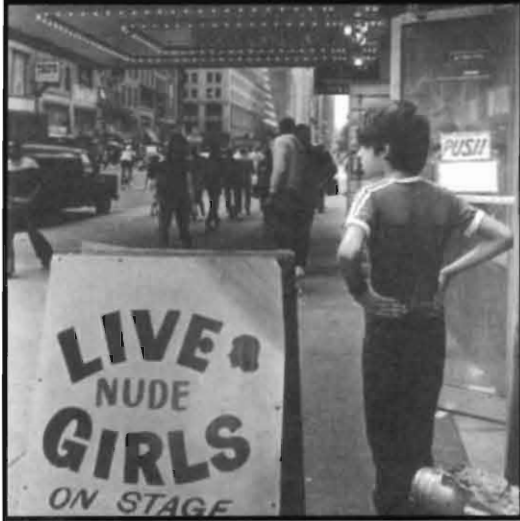
**Look At What
Happened in Brazil**



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From the Associate Editor

A journalist from an Ibero-American country, stationed in Washington, was invited by an *EIR* staff member to attend Lyndon LaRouche's Dec. 12 post-election seminar, on the theme, "Election Crisis 2000: The Fall of Ozymandias." The journalist pulled from his wall a well-worn piece of paper, on which was written Shelley's "Ozymandias," in English. "My favorite poem," he said. Looking out at the skyline of Washington, he explained: "All empires come to an end; Rome did, and so will this one!"

This "Ozymandias Principle," the inevitable doom of the oligarchical model in world history, is a recurrent topic in this week's issue. LaRouche's *Strategic Memorandum*, on the startling developments in Brazil and Australia, demonstrates what is at stake, in the British monarchy's latest assault on himself and his associates. Paradoxically, he writes, "the system represented by that monarchy is doomed to precisely the relative degree it tends to converge upon becoming globally hegemonic!" Therein, lies the tale.

It is no coincidence that these renewed attacks on LaRouche occurred during the same time-frame as the inauguration of George W. Bush as President of the United States. Bush, who is as much beloved of the House of Windsor as was his father before him, is the instrument for crisis-management fascist rule, on the part of the global financier oligarchy. He and his controllers staged a "Reichstag fire" confrontation with the U.S. Senate, over the appointment of John Ashcroft as Attorney General. They succeeded in ramming the nomination through, but, as we report in *National*, the "Stop Ashcroft" mobilization led by the LaRouche Democrats has changed the face of American politics, and will make it harder for the next steps in fascist "emergency rule" to be taken. And, with the daily escalation of the economic crisis, as seen in California most immediately, the political fight will soon get even more intense.

Our *Feature* points to the approach required in foreign and economic policy, for the United States to regain the respect of those world citizens who currently view it only as an "evil empire," a doomed Ozymandias. We present the first installment of a report on a conference in Khartoum, Sudan, co-sponsored by *EIR*, and dedicated to the proposition that economic development can reconcile the warring parties of Africa, and bring about a just peace. We'll have more on that next week.

Susan Welsh

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Queen Elizabeth and the Duke of Edinburgh, at the state opening of Parliament on Dec. 6, 2000.



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By Lyndon H. LaRouche, Jr. It is not some particular deeds of the British monarchy's representatives, which are the determining consideration in the pattern of events addressed in this report; the threatened evil comes from that monarchy's intention, or, one might say, the orbit of that monarchy's history, an intention which, as the great Carl Gauss proved Kepler's method for the case of the asteroid Ceres, is merely expressed by the recent developments in Brazil and Australia.

Appendix: WWF's October 2000 Brief.

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Halt Energy Speculation Before It Shuts Down the Nation

by John Hoefle

While the deregulation spin-doctors promised lower electric rates, what they delivered was just the opposite. Californians, for example, saw the price for electricity quadruple from 1999 to 2000, with the cost of electricity jumping from \$7.4 billion in 1999 to \$28 billion in 2000. In November and December 2000 alone, Californians spent \$9.5 billion on electricity—\$2 billion more in just two months, than they spent in all of 1999! Utilities absorbed most of the increase, and are facing bankruptcy as a result.

Deregulation proved to be a complete disaster. Not only did the state's electricity bill increase fourfold, but the reliability of the system has decreased to the point where blackouts and the threats of blackouts have become commonplace.

The effect of this goes far beyond the bankruptcy of Pacific Gas & Electric (PG&E) and Southern California Edison, the state's two biggest utilities. Businesses have been forced to close or scale back their operations, and many of the larger companies have either shelved expansion plans, or are considering relocating outside the state. Households, even those whose electric bills have not yet increased because of price caps, are also suffering, because the sharp rise in the price of energy raises the cost of just about every product on the shelves.

The very public catastrophe in California sent the deregulation spin-doctors into overtime, and they eventually came up with the line that California's problem was not that it deregulated, but that it didn't—that is, it did not *fully* deregulate. California's mistake, they claim, is that it deregulated the prices the utilities would have to pay, but left caps on what they could charge their customers. Had California fully deregulated in the first place, the spin-doctors insist, there

would be no problem now.

Oops! The cat's out of the bag. Were deregulation to have lowered prices as claimed, the price caps would not have been an issue. The new line is, somewhat indirectly, an admission that prices will rise under deregulation. Those who told you that deregulation would lower your electric bills were, in fact, just flat-out lying. Even in states where short-term price cuts were written into the deregulation laws, the manipulation of natural gas prices will end the honeymoon quickly.

Bare Market

The essence of deregulation is the shift in the price structure from the traditional "cost of production plus a reasonable profit" model, to a "market-based" pricing system, with "market-based" being a more polite way to say "whatever the market will bear."

In the "old days," i.e., before Enron became a major player, and after FDR's New Deal initiatives, electricity was considered an essential component of the national infrastructure, regulated to keep the prices reasonable and the supplies stable. Utilities were required to provide universal service, even if providing electricity to a farm in the boondocks cost more than hooking up a new house in the city. It was understood that electricity, cheap and plentiful, was an important factor in the drive to improve the standard of living and the productive power of human labor. The increases in productivity more than offset the cost of providing the power.

But, my, how we've "progressed." We've seen the error of our ways in giving electricity away cheaply; if people want it, they're going to have to pay, and pay big. To do anything less, is just not "good business."

The California disaster is instructive. As part of deregulation, the utilities were required to divest themselves of about half of their fossil-fuel electricity generation capacity, meaning that they would not have nearly enough generation capacity to supply their customers and would have to buy power from outsiders. The state created the California Power Exchange (Cal PX) to hold auctions to facilitate such sales, and a California Independent System Operator (Cal ISO) to manage the transmission system.

Each day, the utilities would estimate the amount of electricity their customers would need the next day, then put out bids for that amount of power through Cal PX. The electricity generators would, in turn, offer to supply a given amount of power at a given price. The utilities would accept those bids, starting with the cheapest and working their way up, until they had the power they needed. However, the way the bidding worked, everyone whose bid was accepted got the highest accepted price.

Suppose, as a simplified example, companies A, B, and C each agreed to supply 30% of a utility's need for \$75 a megawatt-hour, company D agreed to supply an additional 9% for \$90, and company E agreed to supply the remaining 1% for \$100 a megawatt hour. In this case, all of the companies involved would be paid \$100 a megawatt-hour, regardless of their initial bids.

Under such a system, making sure that the last bid is a high one becomes a matter of much importance to the financial sharks. The process — “gaming,” in the parlance — of discreetly maneuvering to jack up the prices soon became a factor.

The effect of this process was to create sharp spikes in the price of electricity sold on the Cal PX (**Figure 1**). On Dec. 13, 2000, the day-ahead average Unconstrained Market Clearing Price (UMCP) of electricity on the Cal PX hit \$1,406.76 per megawatt-hour, more than 15 times California's 1998 average price of \$90.30 per megawatt-hour. During December 2000, the average UMCP was \$398.97 per megawatt-hour.

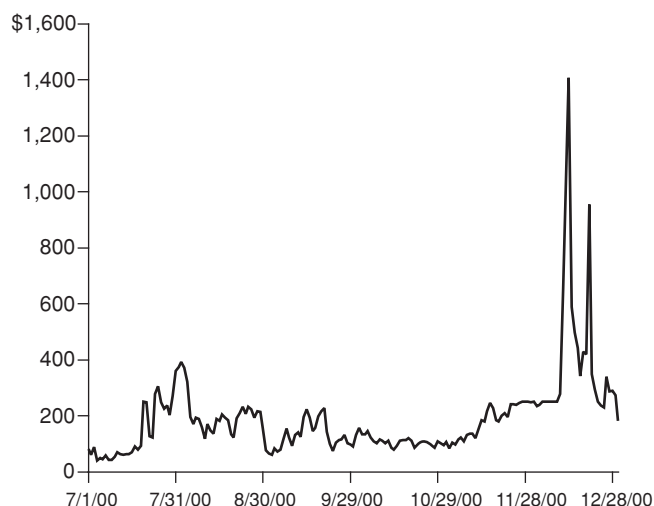
On top of that, on days when the Cal ISO needed more power than contracted for through the Cal PX, the ISO had to buy the extra power on the open market, where it was often even more expensive. Naturally, the “gamers” soon learned to hold some of their electricity out of the Cal PX auction, and save it for the ISO.

In such circumstances, it is hardly surprising that the non-utility power producers, such as Reliant, Southern, Duke, and Dynegy, made record profits in the fourth quarter of 2000, and that PG&E and Southern California Edison, operating with caps on what they could charge their customers, were bankrupted.

Enron Leads the Pack

The ringleader of this crop of energy pirates is Enron, a natural gas company which has transformed itself into the

FIGURE 1
Deregulation Sends California Electricity Prices Soaring (Day Ahead Average Unconstrained Market Price)
 (\$ per Megawatt-hour)



Source: California Power Exchange.

world's leading energy speculator. Enron's Houston headquarters contains a trading floor comparable to the trading floors of the Wall Street investment banks, which are also turning increasingly to energy speculation. Its activities have been highly profitable, with revenues soaring to more than \$100 million in 2000, thanks to the sharp rises in electricity and natural gas prices (**Figure 2**).

In its 1999 annual report, Enron defines itself as a “New Economy” company “driven by a quest to restructure inefficient markets,” a polite way of saying that it intends to do to the energy market what Wall Street has done to the financial markets—namely, turn it into a giant casino. For several years, Enron has held a seat on the board of the International Swaps and Derivatives Association, the major derivatives trade group, and its board includes Wendy Gramm, who, as chairman of the Commodity Futures Trading Commission in 1993, issued an illegal regulatory decree which opened the door to a new wave of derivatives speculation.

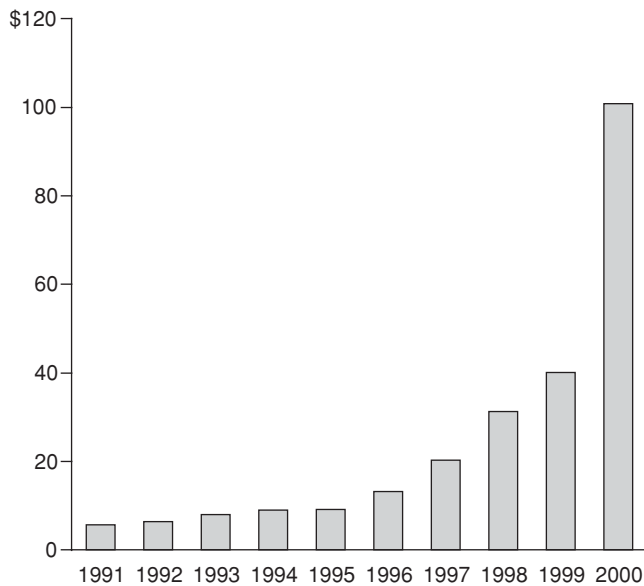
Enron's rise to international infamy began in 1989, when it was selected to play a role in the deregulation of Britain's electricity and natural gas markets. Britain, under Prime Minister Margaret Thatcher, was the staging ground for pushing deregulation in the United States, Europe, Ibero-America, and Asia; Lord John Wakeham, Thatcher's deregulation czar, currently sits on the Enron board.

The company made its move into the Big Time in February 1993, when the Administration of Sir George Bush re-

FIGURE 2

Enron Revenues Surge as Energy Prices Climb

(\$ Billions)



Source: Enron.

turned to private life and began cashing in their chips. Secretary of State James A. Baker III and Commerce Secretary Robert Mosbacher both joined Enron as consultants, and former President Bush accepted a number of lucrative speaking assignments for the company. Enron chairman Kenneth Lay stated at the time that the presence of former Bush Administration officials would “greatly enhance Enron’s goal of becoming the world’s first natural gas major.”

Within weeks, Enron announced a \$1 billion expansion into Ibero-American power markets, and by August announced a natural gas development deal with Russia. Earlier, in 1992, Enron had announced a deal to build a power plant in Dabhol, India, a plan which by 1995 had proved so controversial that some in India have described Enron as the modern incarnation of the British East India Company. Thanks to heavy political pressure—some called it thuggery—Enron then moved in on natural gas fields in Mozambique, Qatar, and Jordan.

In July 1996, the Bush-connected Enron made a bid to buy Portland General Electric, an Oregon electric utility, for \$3.2 billion, as a way to jumpstart its electricity generation business. Enron, helped by the Federal Energy Regulatory Commission, managed to overcome the objections of the Oregon Public Utility Commission and complete the deal. It was the first purchase of a regulated utility by a non-utility power producer, and opened the floodgates for the disaster to follow.

By 1998, Enron was making a killing on the Summer heat waves in the Midwest and on the East Coast, selling electricity to utilities whose own generating capabilities proved inadequate to meet demand.

Enron also became a major player in the weather derivatives business, selling “hedgies” against unprofitable weather to theme parks, breweries, fertilizer companies, sports-drink companies, film studios, golf resorts, snow removal companies, and others. (About the only thing for which Enron had no hedgies to sell, was stupidity.)

In 1999, Enron launched a major media campaign to scare people into supporting electricity deregulation, suggesting that without deregulation, the country would be hit with brownouts and blackouts. Typical of such propaganda campaigns, Enron acted through a front group, Americans for Affordable Electricity (AAE). According to Electric USA, a coalition of rural electric cooperatives and others, the AAE was Enron’s “puppet coalition,” with Enron paying 75% of the group’s expenses.

Enron has also been active in the water privatization business. In April 1998, Enron formed a company named Azurix to buy water companies around the world. In July, Azurix paid \$2.4 billion to buy Wessex Water, a British water utility. Fortunately, Azurix proved something of a failure, as the concept of water privatization has thus far seen limited support.

Deepening its ties to the Mother Country, in 1999 Enron contributed £300,000 to Prince Charles’s Prince of Wales Trust, bringing its total contributions to the Trust to nearly £1 million.

Enron’s Lay, a longtime friend of the Bush family, is currently an adviser to both President George W. Bush and Energy Secretary Spencer Abraham, and is said to be in the running to be appointed U.S. Ambassador to Britain, a prized position among U.S. Anglophiles.

Shut Down Enron

In recent comments to *EIR*’s staff, Lyndon LaRouche called for Enron to be shut down, both as a threat to the nation, and as an example of the corruption of the Bush Administration. LaRouche noted that to even begin to solve the California breakdown, President Bush would have to do something he has shown no inclination to do, namely, immediately re-regulate the electricity and natural gas industries. Such re-regulation would bankrupt Enron and wipe out a huge chunk of the speculators who financed young Bush’s political career. (Enron was *the* leading contributor to George W. Bush’s gubernatorial and Presidential campaigns.)

As long as deregulation remains U.S. policy, the situation in California will only get worse, and spread. The danger is not restricted to California, or the Western United States. Unless this speculation-induced breakdown is contained, the “California crisis” could be the trigger which detonates a global financial crash, turning lights out all over the world and sending mankind down a path to a New Dark Age.

Thousands More Job Cuts Hit U.S. Economy

by Marcia Merry Baker

Each day brings news of thousands more job cuts in the United States. They are not the result of many “coincidental” bankruptcies, mega-mergers, or restructurings: The wave of layoffs now hitting every sector of the U.S. economy, is part of an overall breakdown. This is what Lyndon LaRouche forewarned of, in his now famous “Triple Curve, A Typical Collapse Function” (Figure 1).

Energy hyperinflation is the immediate cause of many shutdowns. So is the bursting of the bubble of “New Economy” dot-com firms. But even these individual factors are the predictable part of the inevitable blowout of years of “casino” economics. The following are just a few of the many recent job-cut announcements, now having chain-reaction effects throughout the U.S. and world economy.

Manufacturing:

DaimlerChrysler AG, the world’s fifth-largest automaker, announced on Jan. 26 that it will fire 26,000 workers, 20% of its total workforce; 75% of the cuts will take place this year. Chrysler will eliminate one shift at Belvedere, Illinois; Jefferson North in Detroit; a plant in Toledo, Ohio; and Bramalea and Pillette Road, Ontario. Chrysler will shut down two factories in Toluca, Mexico, and one in Córdoba, Argentina. An assembly plant in Paraná, Brazil will be idled.

The week before, Ford “idled” 33,600 workers for one week and shut down plants in Illinois, Missouri, Michigan, Virginia, New Jersey, Mexico, and Canada. Other automakers are expected to close down factories, as auto sales are expected to go down by 1.4 million this year. The job cuts “may be painful for many people,” said Chrysler president Dieter Zetsche. “However,” he added, “to be truly competitive in today’s auto industry, we need to be a more nimble company.”

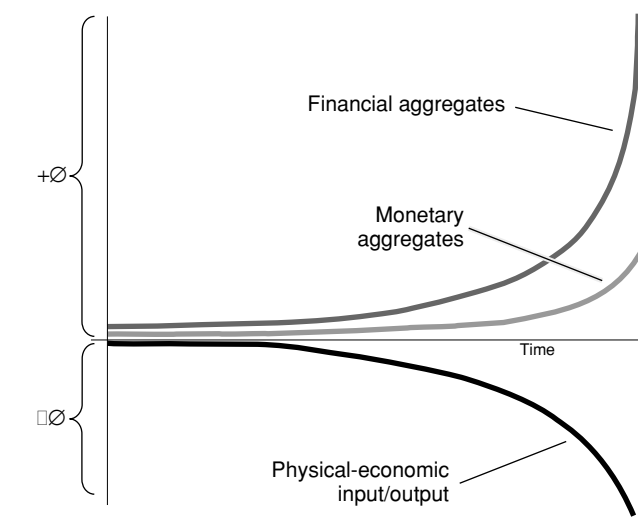
Textron Inc. announced in late January, that it will sell or shut dozens of factories and fire 3,600 workers to cut costs. Based in Providence, Rhode Island, the firm makes Cessna airplanes and Bell helicopters.

Caterpillar shut down two plants for the week of Jan. 21-27, idling nearly 2,500 workers in Mossville and East Peoria, Illinois, in an effort to bring production in line with falling demand.

International Truck and Engineer Corp. of Springfield, Ohio, plans to lay off 500 workers on March 5 because of slow truck sales, the company announced on Jan. 24. The

FIGURE 1

LaRouche's Typical Collapse Function



company, a subsidiary of Navistar (née International Harvester), laid off 500 workers in November, and halted production at its plant from Dec. 18 to Jan. 2; also, one of its production lines was shut down for two weeks in January, temporarily idling 600 workers.

Boeing Co. on Jan. 15 announced plans to further reduce its workforce in Ridley, Pennsylvania, by 300-500 workers this year. Its helicopter facility in Ridley now has 5,500 workers, already down from 6,400 in 1997. This downsizing has come in conjunction with a 1998 subcontracting agreement between Boeing and British Aerospace. Boeing announced massive corporate-wide restructuring and job-cutting in 1997.

Xerox Corp. announced on Jan. 29, it will cut 4,000 jobs immediately, and fire an additional number of workers later this year, after a fall in its sales of 13%. Xerox’s strategy “to return to profitability,” is to cut \$1 billion in annual costs. Last October, Xerox fired 2,000 employees. “We are aggressively implementing our cost-reduction plans which will yield more than \$1 billion in savings by the end of 2001,” said the president of Xerox.

Mining and Metals:

Phelps Dodge, based in Phoenix, announced in late January, that 2,360 persons may be laid off, if the company reduces operations at three copper sites in Arizona and New Mexico. The immediate cause cited, is high energy costs.

Kaiser Aluminum, whose operations are based in the West, warned at the end of January that it cannot stay in business, if electricity rates continue to increase. Under the power crisis, Kaiser has curtailed production, shutting several sites, and laying off hundreds of workers.

Telecommunications:

Lucent Technologies, the telecommunications equipment maker and AT&T spin-off formerly known as Bell Labs, announced on Jan. 24 that it will eliminate up to 16,000 jobs (13% of its worldwide workforce of 123,000). Some 10,000 of the jobs will be cut mostly by layoffs, with some by attrition and retirements; another 6,000 jobs will be moved off the payroll through selling plants in Oklahoma and Ohio to companies which will then be hired as contractors—contractors which would be expected to hire the majority of Lucent's former plant workers.

WorldCom, Inc. plans to cut 10-15% (as many as 11,550 people) of its 77,000 workforce, to eliminate jobs in its slower-growing operations, particularly its long-distance MCI Communications business. The cuts were announced in late January. In 1998, WorldCom cut some 2,300 jobs in connection with its acquisition of MCI.

AT&T Corp., the largest U.S. long-distance phone company, announced in late January a drop of 68% in profits in the fourth quarter. Interest expenses rose from \$577 million to \$1.03 billion; debt soared by \$29.2 billion to \$65 billion.

AOL Time Warner, which have just merged, will issue pink slips to some 2,400 workers—3% of its 83,000 workforce—and may cut another 3,800 workers at its Warner Brothers retail stores. In 1999, AOL cut 825 jobs as part of its acquisition of Netscape.

Food Processing:

Sara Lee Corp. is laying off 7,000 employees worldwide, or more than 4% of its 154,000 employees in 40 countries, the company announced on Jan. 24. The Chicago-based firm plans to sell 14 subsidiary companies as part of a global consolidation. The 7,000 job cuts will be primarily in food processing and apparel.

Vlasic Foods International filed for Chapter 11 bankruptcy on Jan. 29.

Retail:

J.C. Penney Co. announced on Jan. 25 that it will close 47 stores and cut as many as 5,565 jobs, or 1.5% of its workforce. In 2000, Penney closed about 40 stores and cut 2,000 jobs. Penney has about 1,100 department stores and more than 2,600 Eckerd drugstores.

Amazon.com, the Internet retailer, announced on Jan. 30 that it is eliminating 1,300 jobs, a workforce cut of 15%.

Crown Books, based in Maryland, announced in late Jan-

uary, that it will close 28 stores, eliminating 450 jobs.

Transportation:

Norfolk Southern Corp. announced on Jan. 24, that it will eliminate 1-2,000 jobs over the next year. This comes on top of some 3,500 layoffs and early retirement of workers in 2000, paring the company's payroll down to 33,000. The firm's job cuts are part of cost reductions, including disposing of 12,000 "surplus" freight cars, and other extreme downsizing of railroad operations. The company says it must adjust to the decline in the economy.

Power:

Southern California Edison announced on Jan. 5 that it had laid off 1,450 workers; this is in addition to 400 employees previously laid off.

Oil and Gas:

Texaco expects to abandon its headquarters in suburban Harrison, New York, and cut or move 1,000 jobs, if its takeover by San Francisco-based Chevron is approved by regulators.

El Paso Energy, which completed on Jan. 29, its \$21.7 billion merger with Coastal Corp., announced that it will cut 3,285 jobs—about 20% of its U.S. workforce. Earlier, the company implemented a job reduction of 1,635 workers, through early retirement. El Paso is the largest interstate gas transmission company.

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The LaRouche Record of Economic Forecasts, Fall 1999-Election 2000

The greatest scandal of the U.S.A.'s Year 2000 Presidential campaigns, is not only that only the statements of candidate Lyndon LaRouche have any correspondence to the present post-election realities of the world's economic situation. The scandal is, that, even today, none of the opposing candidates, or the leading U.S. news media, have admitted the awful incompetence of everything they said on U.S. economic policy over the entire campaign period, even still today!

Look at the period between the Fall of 1999 and the election. Consider what candidate LaRouche said, either as a candidate or as a contributor to *EIR*, with what the opposing candidates and their spokesman said, and compare both with what has actually happened. Look at these developments blow by blow. Ask yourself, "How should we connect those dots?"

Fourth Quarter 1999

What LaRouche Said:

Oct. 17, 1999: "Nothing can save this financial and monetary system. Nothing. It is systematically doomed. . . . We've gone through a long period of hyperinflation in so-called asset values, typified by the celebrated boom on the New York Stock Exchange. We're now getting to a point . . . where commodity prices in general will begin to turn upward, in a direction which is potentially hyperinflationary, which is what happened in Germany under the conditions of 1921-23."

Dec. 22, 1999, international webcast with journalists: "Now, actually three things are likely. We're on three tracks right now, so that you cannot predict what's going to happen at a particular time. . . . One way, you can have a chain-reaction collapse of the stock market, and other financial markets. . . . The other alternative, which is also very much on the way, is that if Alan Greenspan and other central bankers continue to print money at the unprecedented and growing rates that they're printing, the whole system would blow out in a hyperinflationary blowout, like that which happened to Germany in 1923. The third thing, is getting new wars."

How Popular Opinion Was Misinformed:

Austrian Central Bank head Liebscher, [Sept. 2, 1999: "There is no reason, in my opinion, to fret about the escalating global crisis . . . in view of the stability of the financial markets and banking systems of the European Union."

Federal Reserve Board Chairman Alan Greenspan, Washington, D.C., Oct. 14, 1999: "The rising share of finance

in the business output of the United States and other countries is a measure of the economic value added from its ability to enhance the process of wealth creation. . . . There can be little doubt that the dramatic improvements in information technology in recent years have altered our approach to risk. Some analysts perceive that information technology has permanently lowered equity premiums [i.e., permanently increased price-earnings ratios] and, hence, permanently raised the prices of the collateral that underlies all financial assets. . . . The marked increase over this decade in the projected slope of technology advance, of course, has also augmented expectations of earnings growth, as evidenced by the dramatic increase since 1995 in security analysts projections of long-term earnings."

Greenspan, Nov. 3, 1999, to American bankers' meeting, in praise of the "wealth effect" of inflation of the price of existing housing: "The trend has important implications for economic activity beyond its impact on home building, because . . . the purchasing power released through converting home equity to unencumbered cash can affect overall consumer demand and the economy, just as the stock market gains of recent years have boosted consumption."

George W. Bush, Nov. 8, 1999, in an interview with the *New York Post*: "I think Alan Greenspan has done a good job, and I think the President ought to reappoint him."

What Actually Happened: See **Figures 1 and 2.**

First Quarter, 2000

What LaRouche Said:

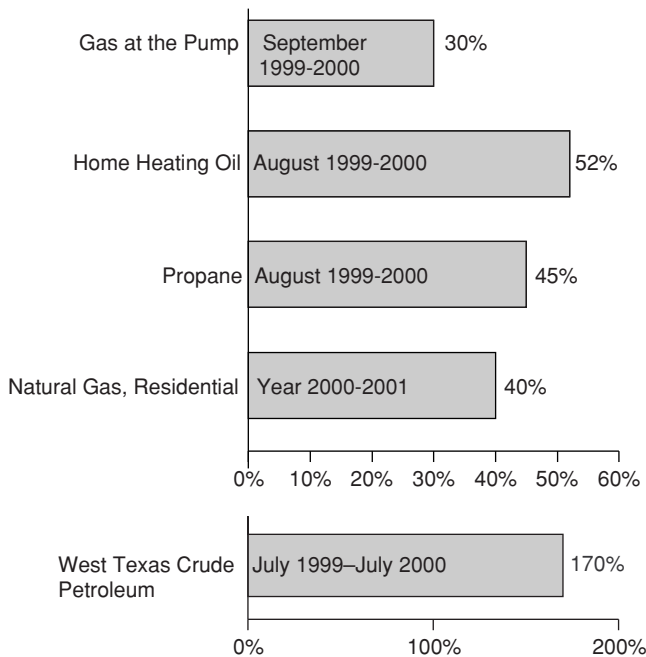
Jan. 11, 2000, campaign webcast from Boston: "Contrary to the kinds of statement you're getting as propaganda—and I say lying propaganda—the United States economy is not growing at the fastest rate in its history, or anything of the sort. . . . What will happen when this market collapses, as it will soon?"

Jan. 14, 2000 webcast from Massachusetts: "The United States has no growth, really no net growth. You take the hot air out of our financial system, we are contracting, as manifest by the fact that we can no longer afford the health care we used to have. They tell us we can no longer afford the pensions we used to have, we can no longer have the educational system we used to have. . . . So, obviously, we've become much poorer. And anybody who's telling us that things have be-

What Actually Happened: Fourth Quarter 1999

FIGURE 1

Energy Hyperinflation

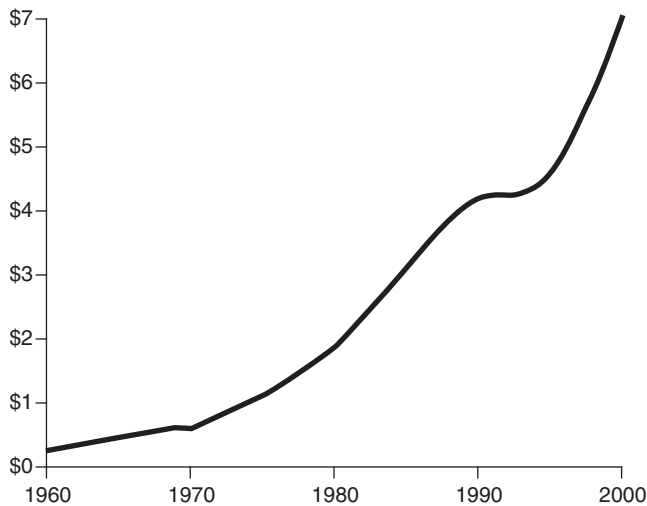


Energy prices began to take off in the last months of 1999.

FIGURE 2

Chairman Greenspan's Money Supply

(M3 Money Supply, Monthly, Trillions \$)



Under the guise of preparing for the Y2K hoax, Federal Reserve Chairman Alan Greenspan turned on the money pumps during the last quarter of 1999.

come better is kidding themselves, or blowing hot air, blowing bubbles, as they're doing on Wall Street. . . .

"You will have people who are now in the upper 20% of income brackets, working as middle management at \$60,000, \$70,000 a year, with stock option bonanzas, which they're using to buy \$300-400,000 shacks, tar-paper shacks with Hollywood frontages on them. . . . And when they lose their jobs, when the Internet bubble collapses . . ."

March 4, 2000 webcast: We're in a "phase shift. The only thing that is uncertain in this respect, is exactly when, and in exactly what form, will the blowout occur?"

How Popular Opinion Was Misinformed:

Feb. 1, 2000: **The National Bureau of Economic Research** proclaimed that the American economy was in its longest continuous expansion in history.

Feb. 3, 2000: **Alan Greenspan** confirmed, within four votes of unanimously, by Congress, for another term as Federal Reserve Chairman.

Feb. 11-13, 2000: At the **World Economic Forum**, an annual economic extravaganza at Davos, Switzerland, lead speakers proclaimed that the United States economy, with its surpluses, low inflation, and high productivity and employment, was the model for Europe and for the world.

March 7, 2000: The **Nasdaq stock index** reaches all-time high of more than 5,000, with forecasts for 10,000, and the Dow Jones to go to 20-30,000.

What Actually Happened: See **Figures 3 and 4.**

Second Quarter, 2000

What Lyndon LaRouche Said:

April 3, 2000: An *EIR Special Report*, entitled "Why the New Economy Is Doomed," commissioned by LaRouche, is released at a seminar in Berlin. LaRouche's introduction is entitled, "On the Crash of the Nasdaq, Information Society: A Doomed Empire of Evil." He said, "In any crisis expressing the collapse of a long and deeply held delusion, there are always people in the relatively highest positions, who will cling desperately to a sinking ship."

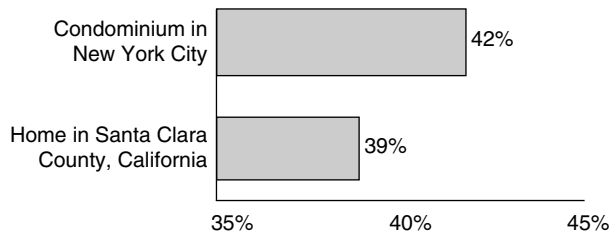
May 2000: In a half-hour TV show prepared for the Michigan primary, LaRouche said, "Some people think, on the Democratic Party side, that they can — by hook or crook, especially crook — postpone the crash until *after* the November elections, in which case they believe that Al Gore might beat Bush in the general election by taking California and New York State. It's not impossible. Al Gore is intrinsically unelectable, but George W. Bush is no great shakes either. That would mean, that with the crash coming on anyway — which everyone knows who knows anything about the world today: this system is *gone* — it's just a question of *when*. That would mean, that if either a Bush or a Gore were elected in the Fall, that you would have the equivalent, or worse, than a Herbert Hoover as President, as in 1929."

June 3, 2000, LaRouche released a statement on "Regional Organization Under a New Bretton Woods System": "The world's present financial system is already in the last

What Actually Happened: First Quarter 2000

FIGURE 3

U.S. Hyperinflation, 2000

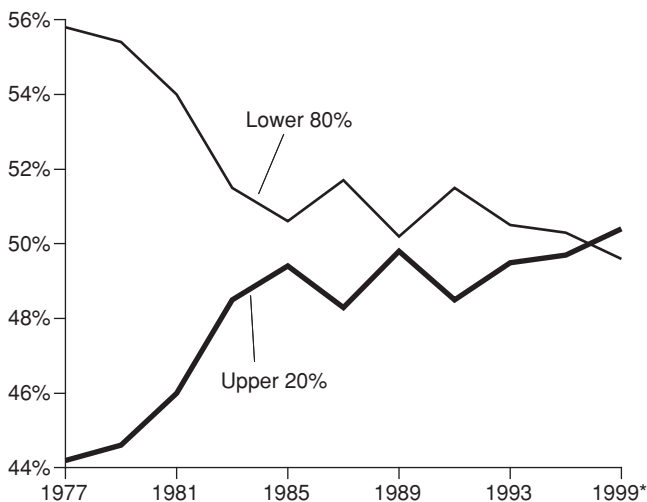


Hyperinflation began to show up big time in the housing sector during the beginning of 2000, as these figures show.

FIGURE 4

America's Richest 20% Now Make More than the Other 80%

(Percent)



*Projected
Sources: Congressional Budget Office; *EIR*.

The impoverishment of the 80% of the U.S. population in the lower family-income brackets accelerated in this period.

phase of a terminal collapse. Only lunatics, and other desperate fools, such as U.S. Treasury Secretary Larry Summers, are still hoping to keep that system from collapse. All of the world's intelligent and well-informed government officials, leading bankers, and economists, are preparing for the kind of world which will come into existence, very soon, after the present IMF [International Monetary Fund] system has been wiped out."

How Popular Opinion Was Misinformed:

George W. Bush, presenting a "New Prosperity Initiative" in Cleveland on April 11, 2000: "Ours is an age of unmeasured prosperity. Despite corrections and setbacks, the stock market continues its rise, and more Americans than ever own a share in its success. From the millionaire next door to the increasing affluence of the middle class, America is wealthier than it has ever been."

Alan Greenspan, speaking at the White House Conference on the New Economy, April 5, 2000: "It has become increasingly difficult to deny that something profoundly different from the typical postwar business cycle has emerged in recent years. Not only has the expansion reached record length, but it has done so with far-stronger-than-expected economic growth. Most remarkably, inflation has remained subdued in the face of labor markets tighter than any we have experienced in a generation. While there are various competing explanations for an economy that is in many respects without precedent in our annals, the most compelling appears to be the extraordinary surge in technological innovation that developed through the latter decades of the last [20th] Century."

Vice President Al Gore, May 3, 2000: "You will find no greater supporter and admirer of the Federal Reserve and its chairman, Alan Greenspan . . . [than myself]."

What Actually Happened: See Figure 5.

What Actually Happened: Second Quarter 2000

FIGURE 5

Nasdaq Composite Index, 1997–2001



Source: Nasdaq.

The Nasdaq "new economy" stocks hit their high on March 9, and then began to crash, as this figure, taken from Nasdaq statistics, shows.

What Actually Happened: Third Quarter 2000

FIGURE 6

Why the Fuse to War Was Lit in the Middle East



The cover of EIR's Oct. 13, 2000 issue, reflects the shift toward war provocations in the Middle East, which had taken off in the late Summer, after Camp David negotiations failed.

Third Quarter, 2000

What Lyndon LaRouche Said:

LaRouche, "Wherein Clinton Failed," *EIR*, Aug. 6, 2000, on the Mideast peace negotiations under President Clinton's sponsorship at Camp David, Maryland: LaRouche stated that Clinton's failure to base either the Syrian-Israeli or the Palestinian-Israeli talks on economic development projects for the Mideast, particularly water development projects along the lines of LaRouche's "Oasis Plan," would doom the talks and was setting the stage for a new war in the Mideast.

Sept. 2, 2000, speech at a conference in Washington, D.C.: "We're now in a situation similar [to the 1920s-30s period in Weimar Germany], in which the total amount of monetary aggregate which must be poured into the United States, to bail out Wall Street, is of the same nature. Thus, any attempt to maintain the present policies of the United States, even for the next two months, the period of the election campaign, would be sufficient to destroy the U.S. economy flat."

LaRouche, "The Lost Art of Management," *EIR*, Sept. 8, 2000: "As of mid-August, the world's ongoing financial crisis has reached the terminal phase, at which there can be no reasonable doubt of this fact among leading circles. The U.S. economy is lurching at the brink of the worst systemic, global financial collapse which European culture has experienced during recent centuries."

How Popular Opinion Was Misinformed:

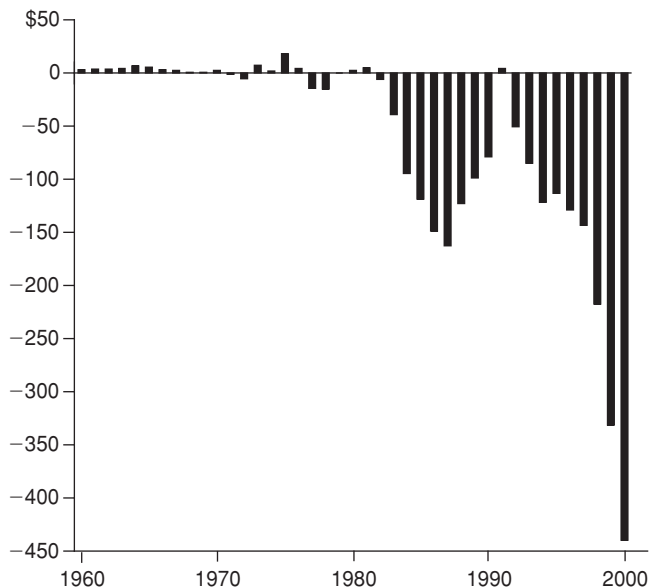
Alan Greenspan, in testimony to Congress on July 20, 2000, "Made the Case for Believing in a Soft Landing," according to headlines around the country.

Aug. 12, 2000, the **Republican Party national platform** released at the party's national convention: "Inspired by Presidents Reagan and Bush, Republicans hammered into place

FIGURE 7

U.S. Current Account, 1960-2000

(\$ Billions)



*first nine months of 2000 annualized

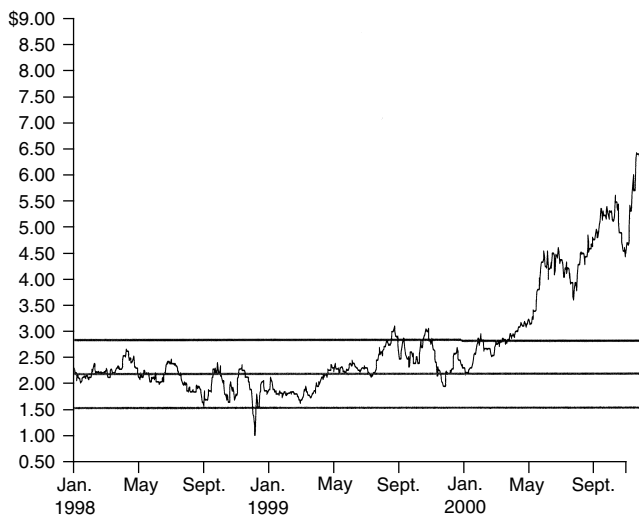
Source: U.S. Department of Commerce; *EIR*.

Every quarter in 2000 showed a dramatic increase in the U.S. Current Account Deficit, as money was drawn into the United States to support the bankrupt system.

FIGURE 8

Henry Hub Daily Spot Prices for Natural Gas Compared to Typical Range for 1998-99

Dollars per Million BTU



Source: *Gas Daily*.

Hyperinflation in energy prices took off even more dramatically in the third quarter of 2000.

the framework for today's prosperity and surpluses [and] the origin of what is now called the New Economy: the longest economic boom in the 20th Century."

Al Gore, at a Boston Presidential debate, Sept. 30, 2000: "I think that the American people deserve credit for the great economy that we have. . . . Look, we have gone from the biggest deficits to the biggest surpluses; we've gone from a triple-dip recession during the previous 12 years to a tripling of the stock market."

What Actually Happened: See Figures 6, 7, and 8.

Fourth Quarter, 2000

What Lyndon LaRouche Said:

LaRouche, in "Jesus Christ and Civilization," *EIR*, Oct. 6, 2000, writes that the failures of policy have already "brought the U.S.A. into the final phase of an already onrushing, global financial collapse. Worse, that onrushing, global financial collapse, threatens now to plunge global civilization into a *threatened* new dark age for all humanity."

In a statement issued on Nov. 4, entitled "Al Gore Might Elect George Bush," LaRouche said: "Whether or not either of these two clowns makes it through the delayed counting of the mail-in ballots, and survives what may turn out to be an electoral-college impasse, there is no certainty yet, as to who will actually be inaugurated as the next President. Even the fellow who seems to have won on Nov. 7, might not actually become the next President. Many seemingly strange things not only could happen, but are likely to happen, between Election Day and the next inauguration. So far, on this count, absolutely nothing is in the cards. . . ."

"There are two leading subjects on which I can give you some definite answers, and, otherwise, some hints at what you should be worrying about. First, peek at the economic situation, and then the rapidly deteriorating political situation of the United States, at home and also abroad.

"First, the entire global financial system is now overripe for the biggest collapse in three centuries, and the collapse of the value of the U.S. dollar on the world market, will be the event which officially pushes the world as a whole into that new great depression."

How Popular Opinion Was Misinformed:

Al Gore, in his Oct. 3 debate with George W. Bush, said, "I think this is a very important moment for our country. We have achieved extraordinary prosperity, and in this election America has to make an important choice: Will we use our prosperity to enrich not just the few, but all of our families?"

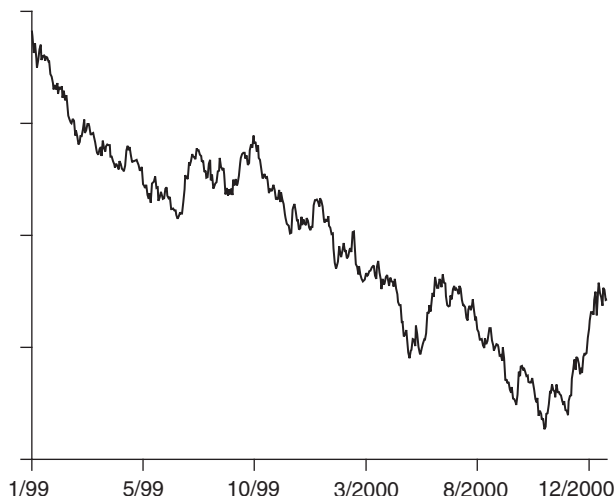
George W. Bush didn't disagree, in a campaign speech in Michigan that month. He said, "Some people in Washington, D.C. have been taking credit for the strong economy. . . . The real credit for our prosperity goes to American workers and American entrepreneurs."

On Oct. 19, **Alan Greenspan** announced that the Federal Reserve "has squeezed out an inflationary excess of liquidity."

What Actually Happened: See Figures 9 and 10.

What Actually Happened: Fourth Quarter 2000

FIGURE 9
Euros per Dollar

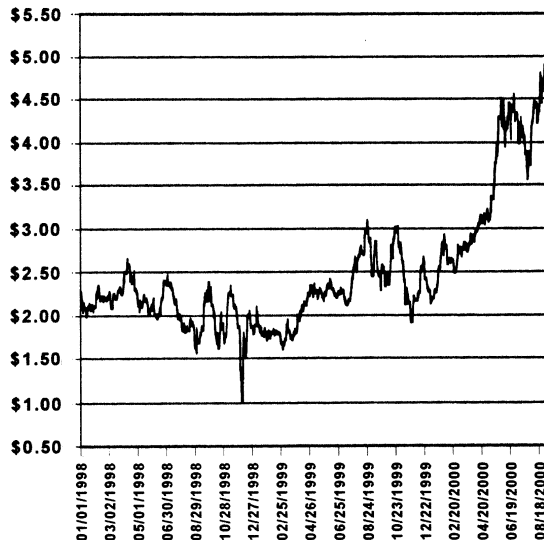


Source: Wall Street Journal.

A reversal in the value of the euro against the dollar began to show itself definitively in the fourth quarter, threatening a dollar collapse.

FIGURE 10
Natural Gas Prices

Henry Hub Daily Spot Prices, \$ per Million BTU



Source: Energy Information Administration, from *Gas Daily*.

Natural gas hyperinflation skyrocketed even more dramatically in the fourth quarter.

Bush's 'Faith-Based' Policy Returns United States to Feudalism

by Marianna Wertz

On Jan. 29, President George W. Bush signed two executive orders, creating a new White House office of Faith-Based Action and clearing the way for the Departments of Health and Human Services; Housing and Urban Development; Labor; Justice; and Education to set up guidelines for “faith-based groups”—churches, mosques, synagogues, etc.—to “participate,” i.e., receive government money for administering, those departments’ programs.

Activities such as operating homeless or domestic-abuse shelters, after-school programs, drug and alcohol treatment centers, and food banks, whose demand has already been skyrocketing since the 1996 Federal “welfare reform” legislation, will be handed over to so-called religious groups, including every Pentecostal sectlet that wants to stand in line at the government money-spigot.

“In many ways, this is the next step in welfare reform,” Bush’s spokesman said, on announcing the initiative. The 1996 law will expire in September 2002, and Bush’s initiative is aimed at setting the groundwork for the sweeping changes which an “emergency-rule” government will be forced to push through, under conditions of global economic collapse.

Eliminate the Nation-State

Under the cover of Bush’s rhetoric about “armies of compassion” and “faith-based initiatives,” the President is in fact proposing to remove the Federal government from responsibility for the general welfare of the population, to throw away the centuries of progress achieved since the Middle Ages.

As Lyndon LaRouche has repeatedly written, modern civilization is the product of the successful battle for the nation-state, begun in the Fifteenth Century under France’s Louis XI, and which reached its apogee in America’s successful revolution against the British Empire, and America’s Constitutional principle of “the general welfare” as the responsibility of the nation.

Bush’s plan to turn over the nation’s welfare, health, housing, criminal justice, and other social service programs to “faith-based communities,” is not only a complete annihilation of President Franklin Roosevelt’s “safety-net” concept; it is not just a dangerous mixing of church and state; it is, most dangerously, a return to the period in human history known as feudalism, before nation-states took responsibility for the general welfare of the population, and 90% of the population, the serfs, were treated as human cattle.

The context for this treason against the Constitution is the onrush of outright depression conditions in the nation, with mass layoffs and energy crises condemning to misery additional millions—beyond the millions already living in poverty as a result of the 1996 welfare reform policy—while the Bush Administration says, “Let them eat faith.”

Two of the most extreme “states’ rights” (i.e., Confederate) defenders in the Bush Cabinet, will be primarily responsible for the implementation of this policy. First and foremost, will be John Ashcroft, Bush’s racist nominee for Attorney General, who will be defending the policy from the numerous expected lawsuits challenging its Constitutionality, and pushing “faith-based” initiatives on the criminal justice level. Ashcroft is, himself, the champion of the “charitable choice” provision in the 1996 welfare reform bill, which the Clinton Administration limited by excluding organizations involved directly in religious worship. Bush’s plan will allow such organizations to participate, and expand their participation beyond welfare services.

Health and Human Services Secretary Tommy Thompson, who fought for just this national policy as Governor of Wisconsin, will oversee its implementation. Thompson’s Wisconsin was famous for its “light touch” welfare policy—welfare recipients being forced to work were not to be told about programs such as food stamps and health care, which were supposed to be available to them from the state and Federal governments, even under the reform law.

Directly responsible for the White House initiative, will be John J. DiIulio, a political science professor at the University of Pennsylvania. Former Indianapolis Mayor Stephen Goldsmith, a pioneer of privatization schemes, will chair the advisory board. (*EIR* will have more to say on their backgrounds in an upcoming article.)

Homelessness and Hunger Are Skyrocketing

Three studies released at the end of 2000, document the fact that the nation’s homeless and hungry population—the majority of whom are families thrown off the welfare rolls since 1996—has already been skyrocketing, before the full impact of the onrushing depression has even hit. The studies indicate a rise in homelessness and hunger in the range of 15-30% in 1999 and 2000.

In addition, the case study of the New York Building Trades Council’s defeat of a state welfare-to-work program

(see interview, below), makes clear that the jobs which the majority of welfare recipients are getting are simply not the “real jobs” that welfare reform proponents claim.

The 16th Annual Survey on “Hunger and Homelessness in America’s Cities,” released on Dec. 14 by the U.S. Conference of Mayors, found the largest demand for emergency shelter in a decade, in its survey of 25 cities. Requests for emergency shelter increased by 15% in 2000, compared to the year before, the survey found; 76% of the cities reported that demand for emergency shelter had increased. This, despite the fact that 25% of the nation’s homeless people are employed.

The Mayors’ survey also found that requests for emergency food assistance grew in 2000 by an average of 17%, with 83% of the cities registering an increase. This 17% rise is the second-highest rate of increase since 1992. Requests for food assistance by families with children climbed by an average of 16%—the highest rate of increase since 1991. Requests for emergency food assistance by elderly persons rose by an average of 9%, with 75% of the cities reporting an increase. A full 62% of the people requesting emergency food assistance were family members—children and their parents—and 32% of the adults requesting food assistance were employed at the time they made the requests.

The Washington, D.C.-based Children’s Defense Fund also released its report on Dec. 14, titled “Families Struggling To Make It in the Workforce: A Post-Welfare Report.” CDF asked about 180 local service providers nationwide to survey their clients, with more than 5,200 families and individuals interviewed in 1999.

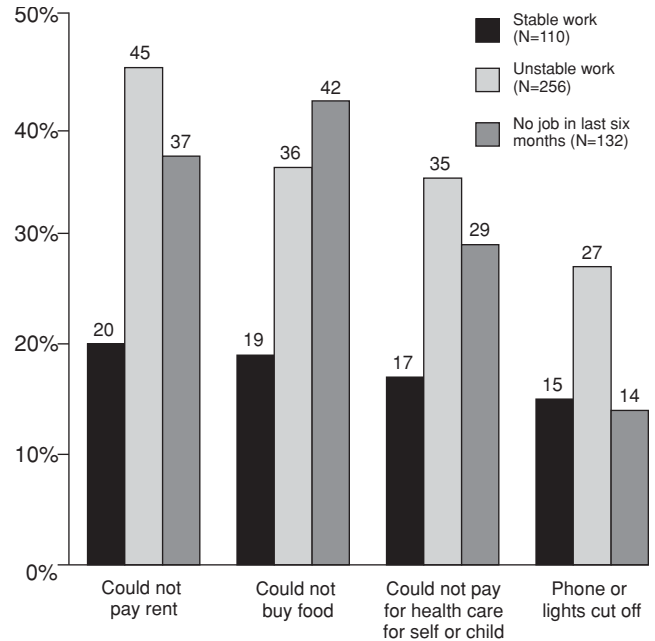
CDF found that 58% of those among former welfare recipients who were working, had family earnings below the poverty line. More than half of *employed* parents were unable to pay the rent, buy food, afford needed medical care, or maintain their telephones or electricity. And this is *before* energy prices skyrocketed this year. Despite low earnings, approximately half of the families surveyed were not receiving the Federal food stamps for which they were eligible.

The third report, Catholic Charities U.S.A.’s 1999 National Survey of Services to Families and Communities, also issued last December, reported even more drastic findings than the other two. Catholic Charities agencies make up the nation’s largest private network of social service organizations, serving more than 9.5 million people in almost every state.

It is notable that an official at Catholic Charities warned parishes against Bush’s plans, according to the Jan. 31 *Washington Post*. Sharon M. Daly, vice president for social policy, said, “Our agencies always lose money on contracts with the government, so it could mean the parish subsidizing government.”

Catholic Charities reports that the total number of people receiving emergency food services in 1999 “rose by a dramatic 32%” over 1998. Soup kitchen usage increased 13%, food banks and pantry use rose 15%, and 10% of the 150

FIGURE 1
Percent of Former Welfare Recipients Reporting Hardships in the Last Six Months, by Stability of Employment



Source: Children’s Defense Fund.

agencies in their analysis saw an increase of 40% or more in people receiving emergency food services between 1998 and 1999. In addition, local Catholic Charities agencies distributed 29% more emergency cash assistance in 1999, to help people pay for rent, utilities, medicine, transportation, and other essentials.

Case Study: New York

Building Trades Defeat Welfare-to-Work Program

by Marianna Wertz

After a protest by the New York State Building and Construction Trades Council, the State of New York recently cancelled a \$790,000 welfare-to-work training contract with Construction Force Services, a New York-based temporary employment agency. The state welfare-to-work program, entitled

“Individual Vocational Education and Skills Training” (INVEST), is supposed to help low-income people, especially welfare recipients, move to permanent, full-time jobs.

However, as New York State Building and Construction Trades President Edward J. Malloy wrote, in a Dec. 5 letter to Gov. George Pataki, “this firm provides temporary labor. By definition, it does not provide access to sustained employment.” Construction Force Services pays “wage and benefit levels far below prevailing industry standards,” according to Malloy. Malloy also cited the fact that the New York Department of Labor does not recognize the training classifications of “carpenter’s assistant” and “electrician’s assistant,” for which Construction Force Services sought to receive funding. Finally, Malloy wrote, Construction Force Services was cited by the National Labor Relations Board for violating the law. The company has had liens and judgments levied against it. In fact, in December 1999, Construction Force Services, Inc. was dissolved by proclamation of the New York State Department of State, for failure to comply with New York State Law. Such a company, Malloy wrote, “should not be receiving public funds.”

Interview: Will Collette

Will Collette is a spokesman for the Building and Construction Trades Department of the AFL-CIO in Washington, D.C. He spoke with Marianna Wertz on Jan. 29.

EIR: I read about your victory against “corporate welfare” in New York. Do you know if this kind of thing is going on in other places? Is it a widespread problem, or is it just this one situation?

Collette: We don’t know. We’ve actually asked groups like Good Jobs First and the National Alliance for Fair Employment to look closer at whether this is a widespread phenomenon.

EIR: Is this the first place that you’ve found this kind of thing going on?

Collette: This is the first time we’ve been able to nail it down. We think that it’s a widespread phenomenon, largely because there are companies who serve as brokers to get their clients signed up for these programs. One of the problems with a lot of the corporate welfare programs, especially those aimed at creating jobs for former welfare recipients and folks that the states are trying to move off of welfare programs, is that the states now are the ones who do the action of administering the program—it’s all devolved to the states.

EIR: And will be even more so with Tommy Thompson as head of the Department of Health and Human Services.

Collette: Yes. We checked in states like Washington, Flor-

ida, and Ohio, where some of the major temp agencies are headquartered. The U.S. Labor Department suggested that that would be the only place to turn to, to try to find out whether or not these program were certified as eligible to participate, and the states wouldn’t disclose the information. Their line was, “We don’t have to tell you, so we’re not.”

They hinted that they believe that some of the temp agencies were indeed receiving corporate welfare benefits, like, for instance, work opportunity tax credits, but that they were doing so through the broker agencies.

EIR: How does a broker agency work?

Collette: For example, there’s a company called Net Profit, that is a member of the American Staffing Association [ASA], and does workshops and national conferences at the ASA to teach executives from temp agencies how to take full advantage of corporate welfare. What they will do is, let’s say you’re Kelly [a temporary staffing agency], and you want to maximize the amount of use of corporate welfare programs, particularly tax credit and other kinds of direct-subsidy programs. You start a contract with Net Profit.

Net Profit will check in every state where you do business, to see what programs are being offered in that state, and will actually do the paperwork to get you signed up, will supply your office staff with the forms that have to get filled out at the office level, like the form that an eligible worker would have to sign, so that the temp agency can collect on their behalf, and the broker processes the forms and the temp agency gets the money, minus the 20% broker commission.

The ASA’s website also gives you some links to articles they’ve published for ASA members only, on the “golden opportunities” in welfare reform for temp companies.

EIR: So, a lot of companies are making a lot of money off welfare reform?

Collette: What you’ve got is a cottage industry that’s cropped up to serve as the intermediary between the end-user, i.e., the employer, in this case, the temp agency, and the government agencies.

EIR: I had a specific question on the New York case. You said that the New York Department of Labor does not recognize training classifications of “carpenter’s assistant” and “electrician’s assistant.” Does that mean that they would not be recognized if they were trained in that program?

Collette: They’re not certified under the State of New York’s prevailing wage program and apprenticeship and training program.

EIR: So, even though they got the training through the temp agency, it wouldn’t be worth anything?

Collette: A non-union employer would probably hire them, but they wouldn’t be able to work on a prevailing wage job, for example.

China Deal Gives New Push For Transrapid

The world's first fully commercial magnetically levitated train will operate in China.

The Jan. 23 signing of a Sino-German contract for the construction of a maglev rail project in China, the 32 kilometer line from Shanghai to the trade zone and international airport at Pudong, is a breakthrough. It is a technological breakthrough, as it will be the world's first fully commercial maglev rail line, and it is a political breakthrough, because it will be the first such "train of the 21st Century" outside Germany.

In Germany, where the technology was developed in the 1970s, the maglev has so far run only on a 34 km experimental track at Lathen. Chinese Prime Minister Zhu Rongji and Shanghai Mayor Xu Huangdi took a test ride there, during their visit to Germany in July 2000, and on that occasion committed China to the Shanghai-Pudong project.

The Shanghai-Pudong project opens the door for bigger projects: for example, a 200 km line from Shanghai to the industrial center of Hangzhou, a 300 km line from Shanghai to Nanjing, and a 1,300 km line from Shanghai to Beijing. The implication is, that China will apply it on thousands of routes. A decision on the three maglev projects is expected in the Spring or Summer of 2003, when the next stage in the national rail development plan of China is to be decided. That is also when the first maglev trains are expected to begin commercial operation between Shanghai and Pudong.

If China decides to build maglev routes on a broad scale, the system will also be produced in Chinese factories. For the Shanghai-Pudong project, the trains will be produced in Germany. Construction work on the first line will

be done by Chinese workers, who already are under supervision by medium-sized specialized German firms—a program co-funded by the German government with \$100 million. The investments in the Shanghai-Pudong project, \$1.2 billion, are estimated to be below those for the new, conventional-technology metroline in Bangkok, Thailand's capital (\$1.7 billion), which is about the same length.

One question is, when will the first commercial line finally be built in Germany? After years of ecologist and other objections, a contract for a 285 km line between Germany's two biggest cities, Hamburg and Berlin, was signed in February 1994. But for six years, the project remained on paper, as construction work was repeatedly delayed. In February 2000, the project was cancelled by the Social Democratic-Green coalition government in Berlin, because of budget cuts. As of a year ago, the technology was generally considered dead. The Chinese interest saved it, including in Germany itself.

In October 2000, the German Transport Ministry selected two candidates for commercial maglev projects in the range of 30-50 km, one from Munich to its international airport at Erding, the other connecting the biggest cities of the Ruhr region, the "Metrorapid." However, a decision on even one of these projects cannot be expected before late 2002.

The advantage of the Ruhr project is that it could potentially hook up with a maglev project linking several big cities in the Netherlands. If the vote is positive in the Dutch Cabinet, a letter of intent is expected to be signed by

the end of February.

But a more immediate potential, is a project which was removed from the official priority list of the German government last October—a 116 km line from Frankfurt to Hahn, which would connect both airports and relieve the Rhine-Main region from considering another runway at the already overloaded Frankfurt international airport. Apart from the problem that another runway project near Frankfurt would run into massive opposition because of ecological concerns and noise pollution (implying a ban on night-time flights), there are other reasons that favor the Frankfurt-Hahn option: The former U.S. military airfield at Hahn has a permit for night-time flight operation, it is located in a far less populated area than the Rhine-Main region, and it has capacities that are yet untapped. Frankfurt could shift a substantial part of its operation to Hahn, and the attraction for passengers would be immensely increased if a super-fast rail connection between the airports existed. A maglev line between Frankfurt and Hahn, via Mainz, would be the ideal option, because its speed, in excess of 400 kilometers per hour, would reduce travel time between the airports to 20 minutes, one-third the time of a modern intercity train.

The Hahn project also has a political advantage: There is a strong lobby for it, in the municipalities in the otherwise underdeveloped region around Hahn, which are in need of thousands of new jobs to compensate for the economic losses caused by the pull-out of U.S. troops during the early 1990s. The maglev line would be an incentive for the creation of new jobs, because firms would settle around the airport and its Transrapid station, which would guarantee quick access to the region from other parts of Germany and beyond.

Business Briefs

Europe

Italy, France Start Lyon-Turin Railway

Italy and France plan to start construction of a Lyon-Turin high-speed rail line. The 254 kilometer project, the "Transpadana," will include a 53 km Alpine tunnel, connecting the Maurienne Valley in France with the Val di Susa in Italy, and will cost about 10 billion euros (a little less than \$10 billion). The Transpadana was discussed at a conference chaired by former industry association head Sergio Pininfarina, on Jan. 24. The Italian and French governments are expected to give the green light for the project soon.

The most probable solution for the tunnel is a double rail line, one for passengers and one for freight. The project is included in the original Trans-European Network ("Delors Plan"), and is part of the larger Lyon-Ljubljana southern east-west European transport corridor, but has so far been blocked by environmentalist opposition. Once completed, the route would cut travel time from Turin to Lyon to 1.5 hours (down from 4 hours now), and from Turin to Paris to 3 hours. The connection would allow transport of 60 million tons of goods per year, reducing transport of freight by road, which today requires 10,000 trucks.

Trade

KMT Leader Sees Chinese Cross-Strait Common Market

Vincent Siew, vice chairman of the Taiwan Kuomintang (KMT) party, proposed a "cross-strait common market" between Taiwan and the mainland, during a speech at the American Enterprise Institute in Washington, D.C. on Jan. 22. Siew, a former Taiwanese Prime Minister, launched his proposal in an article last November in the *Asian Wall Street Journal*.

Siew pointed out that European integration began "with the Coal and Steel Union, followed by the customs union, the European Common Market, and then moves toward monetary union. This process took 50

years . . . but it began with the elimination of trade barriers." He said, "The establishment of a cross-strait common market can help to overcome existing political and economic impediments by creating a framework for integration while implementing concrete projects" over 20 or 30 years.

Siew said that such a common market could establish areas of "shared sovereignty." "The future establishment of a cross-strait common market will reduce the areas where the One China dispute is relevant, thus lessening mutual political arguments. . . . Under this concept the One China issue will be solved gradually as the jurisdiction of 'A Greater China' is phased in." Gradually, the areas encompassed by the "common market" can be broadened, he said. At a later stage, both sides could consider issues such as currency unification, collaboration on labor policies, and other forms of cooperation.

"Also, joint studies and the regular exchange of views, drawing on our collective cultural heritage and traditions, will assist us in the process of making the transformation toward political unification," Siew said. The "common market" proposal could become "a path-breaking concept allowing both sides to step out of the current deadlock and to create new potential for advancement."

Croatia

Economic Breakdown Proceeds under the IMF

As International Monetary Fund (IMF) policies are implemented, the Croatian economic situation is going from bad to worse. In the eastern Croatian region of Slavonia, which is still feeling the effects of the Balkans war, businesses and households with more than roughly \$160 in debt to the utility company, HEP, are being disconnected from service. So far, more than 1,100 homes have been cut off, including those of returning war refugees. While the government plans to organize a three-week "grace period," the policy will stay in force. Because of lack of maintenance, a gas explosion in the sewage system in the Istrian regional center of Pula injured 13 residents and damaged buildings and vehicles.

In Slavonia, which is the most fertile agricultural area of the country, farmers are demanding higher subsidies for production, while the government is offering substantially less, because of the harsh, IMF-dictated austerity budget.

Croatia, one of the most underpopulated countries in Europe, continues to lose population because of war, emigration because of lack of jobs, and unfavorable economic policies. The population in 1991 was 4.5 million; now, it is 4.2 million. The average age in 1998 was 39.2 years. Now, only 17% of the population is under 14, and the birth rate is 1.4 per woman of child-bearing age. The population in 2050 is projected to be only 3.5 million.

Meanwhile, Croatia is being offered the chance to produce for the weapons market: The Austrian weapons-producing firm Binder and Kepler, which has powerful banks behind it, has announced its intent to take over one of the remaining symbols of Croatia's metal industry, a sewing machine factory in Split, which is bankrupt. Binder, which is producing arms for NATO and exporting to the United States, is planning to use the facility "as a springboard for the entire market in the region."

Finance

Hong Kong Is Expected To Introduce Controls

Hong Kong may introduce new international guidelines to stabilize foreign currency trading, the *South China Morning Post* reported in January. The guidelines are intended to avoid a repeat of the 1997 crisis in Asia.

Hong Kong Monetary Authority chief executive Joseph Yam Chi-kwong said that the Hong Kong Foreign Exchange and Money Market Practices Committee is considering the guidelines. Yam said that the "draft guidelines are formulated to ensure the industry will follow the best market practices and avoid potentially problematic trading practices, such as trading at illiquid hours or spreading rumors and false information. . . . This is a very positive move. An abundance of international financial activity takes place in Hong Kong. The adoption of the pro-

UKRAINIAN President Leonid Kuchma will order the reorganization of the energy sector, to restructure especially the energy and electricity debts of the industrial sector, according to National Security and Defense Council chairman Yevhen Marchuk. The restructuring of the electricity debt is imperative, to enable companies to produce.

THAILAND'S 59 state enterprises will be ruled off-limits to foreign takeover by incoming Prime Minister Thaksin Shinawatra, according to Phadhadej Dhamcharee, an adviser to Thaksin's Thai Rak Thai Party. The firms have assets topping \$100 billion.

INDONESIAN and German officials met in Berlin on Jan. 30. They discussed cooperation in infrastructure, machinery, agro-industry, medical services, and information technology.

GERMANY'S Deutsches Bundesbahn rail company will be unable to make use of 2 billion deutschemarks to which it is entitled from the government, for new construction projects, because it no longer has enough engineers. Nor will it be possible to hire them before the end of the fiscal year, in late June.

ZAMBIAN Health Minister Enoch Kavindele said on Jan. 24 in Lusaka, that malnutrition is to blame for about 80% of child deaths, and for increasing mortality rates from other illnesses. He said that many children would not die from diseases such as measles, diarrhea, or pneumonia if they were well nourished. He said his ministry is preparing a policy to help fight malnutrition.

GREECE will contribute \$500 million to Balkans reconstruction over the next five years, National Economy Deputy Minister Yiannis Zaphiropoulos announced on Jan. 22. The money is to be invested in social and financial infrastructure, services, production, and, possibly, investments in power infrastructure.

posed guidelines in Hong Kong will go a long way toward enhancing the integrity of our markets. . . . It will also contribute to greater financial stability in our domestic market."

In 1997 and 1998, speculators trading the Hong Kong dollar in the United States, had distorted its price and created panic, something which would not be allowed under the new rules.

Hong Kong is the world's seventh-largest foreign exchange trading center in terms of volume, down from fifth place in 1995.

Russia

Siberian Winter Cracks Aging Infrastructure

Some Russians who heard about the lights going out in California, chuckled: "Ah, the long arm of Anatoli Chubais!" the Russian free-market reformer who heads United Energy Systems, the state-controlled gas monopoly. The phenomenon of regular lights-out and heat-off, though, has far exceeded his bill-collecting methods. The 18 million Russians living east of the Ural Mountains are experiencing the worst winter in decades. With temperatures dipping as low as -40-45°C (-40-50°F) and staying in the range of -20-30°C for sustained periods, elements of the aging infrastructure in that region are giving out.

As of Jan. 15, eleven people had died in Irkutsk Province, while more than 100 were admitted to hospitals with frostbite. In Irkutsk city, buses were ordered to take their routes in pairs, so that if one bus broke down, its stranded passengers would not freeze to death.

In western Siberia, the rupture of a natural gas mainline played havoc with energy supplies for industry, as well as home heating. Jan. 12 was declared a holiday in Vladivostok, because of low temperatures and lack of fuel. Schools have been closed, off and on, throughout Siberia and the Far East. Also in Primorye, the Maritime Territory, the regional office of the Russian Ministry for Emergency Situations states that 18 large apartment buildings have been without central heating for a long time, because of cold-

induced breakages in the heating systems. In Magadan, tankers cannot reach the port to deliver fuel, because of ice fields more than a meter thick, which hasn't happened in a quarter-century.

Nezavisimaya Gazeta of Jan. 12 suggested that the weather could crimp President Vladimir Putin's "room for maneuver and limit the implementation of radical economic and political reforms." Some Russian patriots have hoped that the crunch of the crisis in the real economy and the global financial system, would prompt Putin to make a more radical turn in economic policy than he has so far. *Nezavisimaya* wrote that the much-touted "Year 2003" crisis, when debt obligations and infrastructure breakdown would intersect, has arrived early.

South Asia

India, Bangladesh Resume Rail Links

Rail service linking India and Bangladesh was resumed on Jan. 19, after more than a quarter-century. The rail links were first suspended in 1965 when war broke out between India and Pakistan, and Bangladesh was then East Pakistan. After Bangladesh became independent in 1971, train service resumed briefly, but stopped in 1975 because of political turmoil in its capital, Dhaka. Last July, India and Bangladesh signed the agreement to reestablish the rail links.

India and Bangladesh may soon relaunch passenger rail service, Bangladesh Communications Minister Anwar Hossain Monju said. "The governments of India and Bangladesh would actively consider the growing popular demand for a passenger rail link between the two countries."

Monju also said that Bangladesh is studying the potential of linking Bangladesh's national railways with the proposed Trans-Asian Railway network. "We would like to link ourselves with the international network for our own benefit," he said. A Bangladesh delegation recently visited Iran to participate in a meeting on the proposed network, Monju said. "The Asian Development Bank and India are providing assistance for rehabilitation of tracks to improve rail communications."

Look At What Happened in Brazil

by Lyndon H. LaRouche, Jr.¹

January 27, 2001

As more and more among the world's best-informed people will soon see, as they turn from the ugly noises in Washington, D.C., and toward the panic spreading from the U.S. state of California, this planet is teetering at the brink of the horror which is threatened by the combination of the habituated obsessions of the new administration in Washington, and the influence of the thuggish, maddened religious fanatics within that large and growing popular minority composing its mass political base. The looming threat is, that the U.S. is at the verge of being toppled into not merely a looming general, planet-wide breakdown of the presently depleted world economic system, but, possibly, even, desperate and chaotic actions, such as those now threatening Brazil, Indonesia, and others, actions, such as the wildfire spread of a new Middle East religious war, which could trigger the descent of the planet, chain-reaction-style, into a global new dark age.

Unless something is done, very soon, to reverse the policies now prevailing in Washington, that is the gloomy course of probable events, with which the British monarchy's newly reigning asset in Washington threatens our planet today. Of such times as these, it was often said, that those whom the gods would destroy, they first make mad. As certain symptomatic events in Washington, Brazil, Australia, and elsewhere, attest, the British monarchy, and probably the new Administration in Washington, too, is either already that mad, as mentally deranged as a barking "fundamentalist," or likely to soon become so.²

1. The author is a registered candidate for the 2004 nomination to become the President of the U.S.A.

2. "Mad as a hatter," were the appropriate term, were the reader familiar with

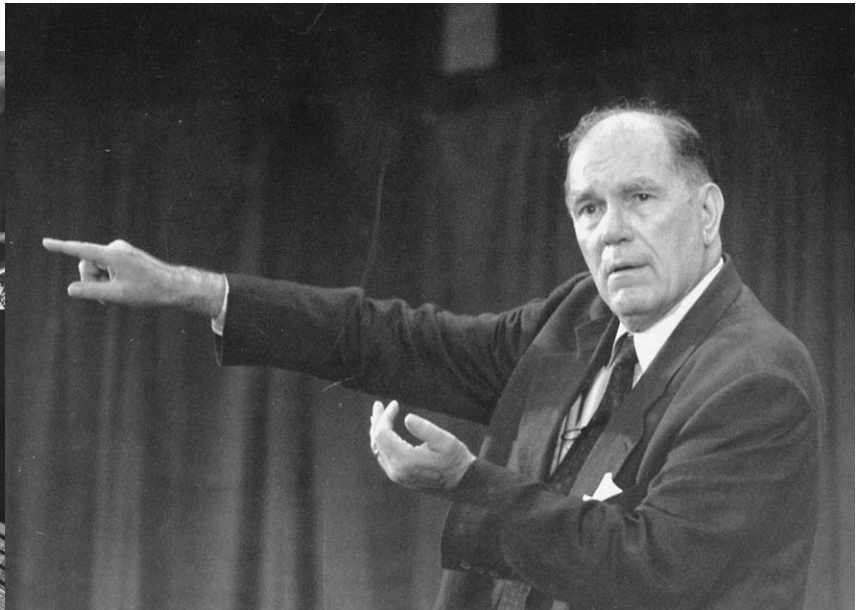
Against this background, what may prove to be one of the hottest stories breaking world-wide today, involves a fresh attack on me by the Bush Administration's beloved British monarchy, in both Australia and Brazil.

Once again, as on earlier occasions, the mere mention of my continued existence, seems to unsettle the British monarchy in about the same degree a passing thought about the Ardvaark might strike fear and trembling in a colony of termites. Not that Queen Elizabeth II and her family have ever had reasons to suspect they might be put at physical risk by me. That monarchy's repeatedly expressed fear, is of that type which may sometimes seize the guilty imagination of such royally predatory Romantic figures.

Those recurring fits of madness by that monarchy, foretell the likely toppling of a modern Nineveh. We may be near the time when the hand of history has lost its patience with such royal Olympian antics as those of Elizabeth II's crew. If you doubt that history has an efficient hand, I shall show you, before you have reached the close of this report, that, indeed, history does command the power to use exactly such a miraculous organ in its own defense of its continued existence.

This situates us to begin our account of some significant bits of current world history, by reference to breaking British news from Brazil. Start with that breaking story there, and then go up the back-trail, to discover the much bigger story behind that story, the bigger story, which affects our nation,

the implication of that English expression. The source of the expression was not the hatter's choice of profession, but the mental state induced by prolonged exposure to certain toxic materials once employed in that trade. Thus, one should be cautious about blaming a profession for the ills which may have been locally induced by some errant choice of employed human, or other materials, such as its selection of Prince Consort in the matters at hand in this report.



The latest attack on Lyndon LaRouche by the British monarchy, in both Australia and Brazil, is one of the hottest stories breaking internationally. The much bigger story behind that story, affects the future of all nations.

and will determine your personal fate as well.

The breaking story is this.

The Jan. 20 inauguration of U.S. President George W. Bush defined the global setting, in which fresh attacks were launched upon me personally, once again, from institutions, such as the World Wide Fund for Nature (WWF), associated with the interests of two picaresque figures, the veritable “Burke and Hare” of world politics today, British Royal Consort Philip Mountbatten and his most notable accomplice, “1001 Club” figure, and one-time Nazi party member, Prince Bernhard of the Netherlands.

Two currently notable such attacks erupted during the same fortnight within which that inauguration was situated. One of that pair of such atrocities against me, occurred in Brazil, on the day before the Bush inauguration, Jan. 19, in a disgusting action conducted on behalf of the local, national subsidiary of the WWF. The second, in Australia, on Jan. 24, was a travesty launched on behalf of an organization represented by four officials of Queen Elizabeth II’s Privy Council. In both incidents, the attacks came in the form of malicious actions demanding a summary suppression of the human rights of designated persons, whom the perpetrators identified as associated with me personally. As on earlier such occasions, the predators in these cases, have expressed themselves with a barrage of perverse British actions wrought in willfully reckless disregard for truth.

Some presumably authoritative sources, have attributed the British monarchy’s recurring such role in targetting of

me, to an obsessive and even perhaps murderous obsession with me by the Royal Consort, Prince Philip. For example, on June 15, 1998, the London *Guardian* published a vile slander article by Francis Wheen, characterizing a raging fight between “Mr. LaRouche and Mr. Big,” a reference to Royal Consort Prince Philip. In the piece, Wheen, who has been identified by reliable London sources as a “poison pen” for the Monarchy, charged that I was behind a campaign to vilify Prince Philip as the man behind the assassination of Princess Diana in August 1997, and behind the conspiracy to bring down the Presidency of Bill Clinton — in order to consolidate a world dictatorship under the House of Windsor. The Wheen article was provoked by the appearance of my associate, *EIR* editor Jeffrey Steinberg, on two British television broadcasts on June 3 and 4, 1998, reviewing evidence that the wrongful deaths of Princess Diana and Dodi Fayed were murders. Steinberg told Channel 4 interviewer Martyn Gregory that he “could not rule out” that Prince Philip was behind the death of Princess Diana. Those remarks triggered a flurry of British media slanders against me — all emanating from news organizations fiercely loyal to the Windsors, led by the *Daily Telegraph* of Prince Philip’s 1001 Club associate Conrad Black. That is at least a plausible report, and might be both true and relevant. Nonetheless, I would place the crucial emphasis on a more scientific appreciation of the way in which important developments are caused to appear, as I explain in the concluding portion of this present report.

Then comes the bigger story, the story behind the story.

As in astrophysics, so in real-life politics, any observed object's mere existence, is always less important, than the orbit which controls its destination, whether as a comet, a planet, a moon, an asteroid, a national culture, a political institution, or Philip Mountbatten. It is a regime's intention, as expressed by the crucial physical effects of its orbit, which controls the shape of its events, and usually the behavior among most of the relevant actors.

The cause of a planet's motion, is not the mere individual events observed within the orbit itself. Only a fool focusses only on the local events occurring on the surface of an asteroid which is targetting our Earth. As the founder of modern astrophysics, Johannes Kepler, emphasized, in his *The New Astronomy*, in connection with his original discovery of a principle of universal gravitation, it is the apparent intention, as expressed by the paradoxical features in the trajectory of that asteroid itself, its orbit, which is the threat to be addressed. So it is with great empires, or entire cultures which have vanished into the past, or in the case of the presently hegemonic political institutions of our planet today.

In this case, the bigger story is, that what is threatening Earth, is not an asteroid, but the broader and deeper implications associated with the greatest financial collapse in history, a collapse long oncoming, and due to arrive at its destination very soon, unless, as I have demanded, the new Bush Administration changes its policies, on energy deregulation and other matters very soon, profoundly, and suddenly.

It is not some particular deeds of the British monarchy's representatives, which are the determining consideration in the particular pattern of events addressed in this report; the threatened evil, in this case, comes not from isolable particular policies, but, rather, from that intention, or, one might say, the orbit of that monarchy's history, an intention which, as the great Carl Gauss proved Kepler's method for the case of the orbit of the asteroid Ceres, is merely expressed by the incidents such as those bearing on recent developments in Brazil and Australia.

1. The Brazil and Australia Cases

The Jan. 19 attack, in Brazil, was first attempted on behalf of the World Wide Fund for Nature, in a brief dated Oct. 16, 2000.

WWF-Brazil first filed that 23-page brief against persons associated with me, the Ibero-American Solidarity Movement (MSIA), before a civil court in the city of Rio de Janeiro. The WWF's request, for an order to search for and seize MSIA documents, was denied by Judge Paulo Mauricio Pereira, who ruled:

"... Secondly, no concrete evidence is presented that the information issued by the first party [defendant] is false or distorted, and it is also the case that they are not the only ones issuing such opinions, which summarize an entire discussion

involving what nationalists call the 'imperialist policy of the great world powers' and 'the policy of internationalizing the Amazon,' matters which have for a long time been discussed in the press, including by members of the Brazilian government and military, the latter because of the duty they have to safeguard our borders and sovereignty."

A desperate WWF then appealed to the Court of Justice of the State of Rio de Janeiro, filing a second, 18-page brief dated Dec. 11, 2000, together with an earlier brief. That appeal was granted on Jan. 17, 2001, in an Antonin Scalia-style intervention by an appeals court judge, Edson Scisínio. Although no evidence has been presented which would competently contradict Judge Paulo Mauricio Pereira's ruling as to fact, a raid against the MSIA office was carried out on Friday, Jan. 19, 2001 at 5 p.m.

In assessing the international pattern of developments, of which the Brazil case is only one important aspect, the outstanding fact is that WWF-Brazil targets me personally. On that account, the WWF-Brazil's brief states the following:

"... the MSIA [the publisher which is the leading defendant in the case] says that it is part of an international movement led by the U.S. economist Lyndon LaRouche, which has as its objective the defense of sovereign nation-states and the reconstruction of the world economy, based on the adoption of a new international monetary and financial system and on great infrastructure projects. They believe that, in these initiatives, 'are found the bases for a new Renaissance that will allow humanity to overcome the present crisis of civilization and avoid the onset of a New Dark Age.' "

That far, that isolable portion of the WWF brief is, its defects aside, fair comment.

The WWF-Brazil then adds a wildly false statement, in which WWF proceeds in what proves to be, characteristically, willfully reckless, and systemic disregard for truth. It argues, thus, that its

"... image before Brazilian society is vital for its very survival. Because of the above, it is patently clear that the intent of the Defendants to truly damage the honor of the Appellant before society, using a frightening exercise of speculative fantasy, distorting known facts, and adding them to events constructed in their own imagination, and to unsustainable lies."

There is no truthfulness in that WWF characterization of the relevant MSIA publications.

There are many additional falsehoods, and what may be simply, negligent, if important errors of fact, in addition to those, in both the two, October and December, briefs which have been submitted by WWF-Brazil to date. At the same time, everything which the MSIA has published is verified as true, in contrast to much in these WWF briefs that is either explicitly lies, or, at its best, willfully reckless in disregard for fact.

In short, the evidence on the public record so far, is, that everything which the WWF considers damaging to its cause,

in material actually reported by MSIA, is not only heavily documented fact, but its truthfulness had been, as had been implied by Judge Paolo Mauricio Pereira's cited ruling, widely acknowledged among numerous representatives of the most responsible and prestigious circles of Brazilian society.

The desperation shown by the WWF in this case, is therefore understandable. It is WWF-Brazil's actions on behalf of its global, mother organization, which are the more significant feature of the action, a feature even more ominous globally than the immediate and obvious, awful threat, which some might view as even treasonous, represented by WWF's policy, to the continued political stability of Brazil itself.³ The personal attack on me, shows that WWF's targeting of Brazil expresses a much broader, global intention.

If Brazil's government were toppled by aid of WWF's activity, then all of continental Europe, not excluding "Teddy" Goldsmith's France, in addition to Brazil itself, would be obviously the next target on the list for destruction. If Europe, too, goes under as a continuation of the chain-reaction touched off in Brazil, the fate of the rest of the planet is menaced accordingly.

Therefore, as its own brief implies, the WWF has no true facts it has been willing to present, to support its plea for official help from the legitimate institutions of Brazil. Instead of relevant facts, WWF and its legal representatives have resorted to the following legal sophistry:

"We are not here discussing the constitutional right of the free expression of thought, but rather demonstrating that a defamatory campaign perpetrated by the Defendants . . . is causing incalculable damage to its [WWF's] image, as well as to its members and supporters."

WWF-Brazil's December appeal brief argues:

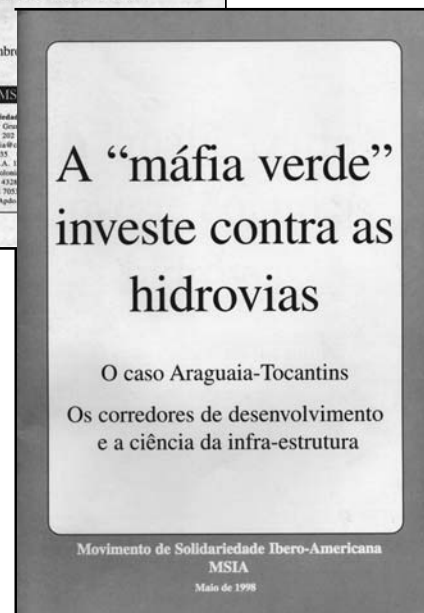
"The logical conclusion drawn is, that these defamatory activities, including the improper use of our trademark [no trade-mark infringement actually occurred], would continue, unless Your Excellency were to take immediate measures; it being the case that, were the Defendants allowed to continue with their defamatory activities until such time as a judge would rule on the matter, Appellant's reputation would be irreparably affected."

In choosing to employ the latter argument, the Appellants have implied that Brazil is a virtual colony of the British monarchy, and thus, not a sovereign nation, but, rather, subject to presumptive forms of laws, according to the principle of *lèse majesté*, which are among the peculiarities of that monarchy. In this case, it is the claim of the British monarchy's creation, the WWF, which claims, through WWF-Brazil, to invoke a higher, supranational authority over Brazil than the Brazil constitution and legal tradition itself. It was, therefore, not prudent of the Appellants to demand, as WWF's virtual plea of last resort did, that Brazil's courts rule to such

3. See Appendix for a summary of the issue of the original brief submitted by the WWF-Brazil.



Pamphlets issued by the MSIA in Brazil, exposing the plot to internationalize the Amazon.



effect. That imprudence might, and, speaking morally, probably should become the instrument of WWF-Brazil's undoing.

By its choice of that form of its argument in its own brief, the issue for WWF, is that the relevant facts published by MSIA happen to be known to WWF as true facts and, as the contortions of the WWF brief implicitly attest, by its legal counsel, too. This condition is reflected in the fact, that WWF evades its obligation to muster evidence which addresses seriously and rationally the issue of the truthfulness of the content of those MSIA documents against which it complains. In short, WWF-Brazil argues for a summary, pre-emptive, virtually final decision gagging the future truthful speech of the defendants, that by an action which is premised essentially on the Appellant's own exhibition of systemically and willfully reckless disregard for truth.

Instead of seeking to present some truthful evidence in support of its attacks on the factual content of the MSIA publications, WWF-Brazil makes the burden of its complaint its own insistence, that the MSIA has been very effective politically, in securing widespread acceptance of the truthfulness of its heretofore published, relevant documents. The

WWF demands that the publication of those facts, which it has so far declined to refute with truthful evidence as to matters of fact, must be suppressed, that solely on the grounds, asserted by WWF itself, that the MSIA's facts, whose truthfulness it has not challenged factually, have more or less effectively discredited WWF's political cause in Brazil's public market-place for ideas. That logic of the construction of WWF's argument, reminds us of the old quip about the fellow who killed his parents and then sought clemency from the court, as an orphan.

There, in the most significant of the symptomatic features of WWF's own briefs, we are presented with the nub of the most immediate issue in that case.⁴

Thus, to summarize the issues of that case, the essential feature of WWF's legal intervention is the following.

As just described, WWF-Brazil has not only conceded, but laid heavy emphasis on the point, that the MSIA has gained wide and largely successful circulation of a number of printed publications documenting the leading issues involving the international WWF and its network of accomplices.⁵ These publications have radiated throughout many of the leading channels of Brazil's influential state, scientific, and other strata, to the point, that many of those circles have reached the conclusion that WWF's policies are both largely false as to fact, and represent a clear and present threat to the welfare of Brazil as a sovereign nation.

When the WWF briefs are read in the light of the actual content and successful impact of those MSIA publications, WWF's court actions are those of an organization which has described itself, in its own briefs, as in danger of losing any continuation of the relevant public policy-debate. It claims that it is therefore desperately in need of aid in the form of repressive official measures, to accomplish an end which it could not achieve by honest practice of reason and fact presented according to due process in the market-place of ideas, but only by pre-emptive decree akin in spirit to the legal philosophy of the notorious Carl Schmitt, as Schmitt's doctrine was employed in establishing the Nazi dictatorship on February 28, 1933.

Meanwhile, in Australia

Comparing the actions of WWF Brazil with the related action in Australia, makes the point still clearer.

In both Brazil and Australia, one among the leading strategies used by the anti-technology, neo-Malthusian NGOs and kindred associations, has been to exploit the name of "indigenous peoples" as a way of conduiting enormous tracts of land containing natural resources, out from under the control of the nation and its elected government, and into the hands, in fact, of private multinational interests contracting with the

4. See Appendix.

5. Two pamphlets, "The Green Mafia Attacks the Waterways," 5,000 of which had been printed in 1998, and "Roraima at the Center of the Internationalization of the Amazon," printed in November 1999, with a run of 15,000.

representatives of the so-called "indigenous peoples." We should compare this, with what is being done, aided by mercenary armies, in takeovers of large tracts of mineral resources in Brazil's neighbor, war-torn sub-Sahara Africa.

In Australia, it is that use of the "indigenous peoples" variant of the general WWF line, which is the strategy in the attacks upon my associates by the Australia Anti-Defamation Commission, Inc. (ADC), a privately controlled entity whose relevant Board of Advisors includes four members of the British Privy Council. These are, the Right Honorable Sir Zelman Cowen, Knight Grand Cross of the Order of St. Michael and St. George; the Right Honorable Malcolm Fraser, former Liberal Prime Minister; the Right Honorable Bob Hawke, former Labor Prime Minister; and, the Right Honorable Ninian Stephen, a former Governor-General, and Knight Grand Cross of the Order of St. Michael and St. George. Those titles of these gentlemen have a special relevance, because Queen Elizabeth II is the sovereign of not only the United Kingdom, but also Canada, Australia, and certain additional member-states of the British Commonwealth (not quite yet including the U.S.A. as a royal satrapy).

Thus, in the tradition of the British East India Company as once represented by Lord Shelburne, we have the agents of an imperial form of political rule, employing entities which are, in turn, its agents, either as nominally private mercenary armies, or other forms of private associations, as instruments of, first, furthering the personal whims of the imperial ruling family under private covers, and, secondly, denying the ruling family's accountability for the actions it so fosters.

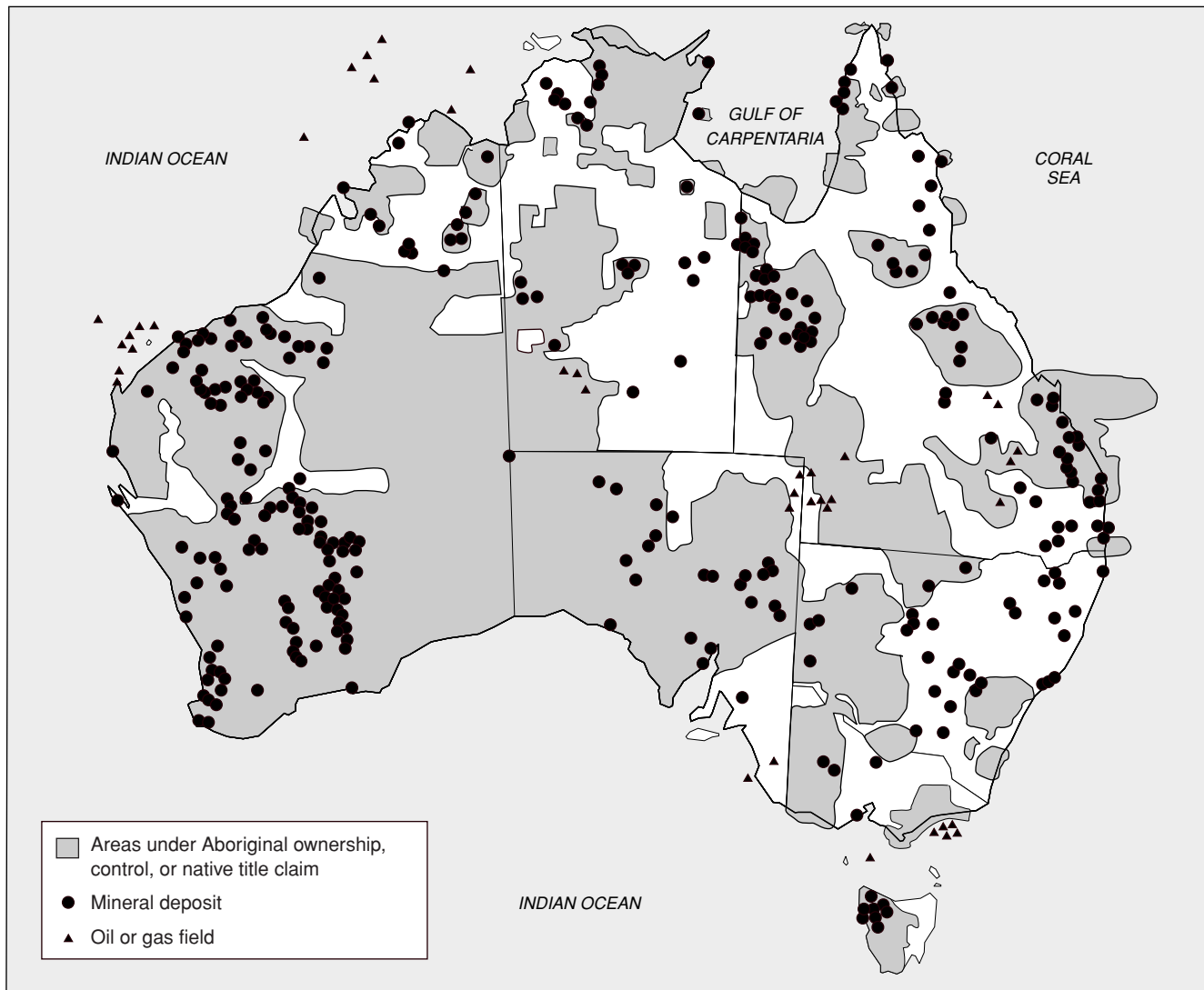
ADC's current propaganda concentrates on attacking a certain Tony Drake's candidacy for Senate in Western Australia. ADC, in its complaint, complains that my associates depict "Aboriginal land rights as a 'fraud concocted by Prince Philip' to splinter Australia," and identify Drake as linked to me, through the Australia Citizens Electoral Council (CEC). ADC complains that Drake issued a 1998 public statement, stating that "The Citizens Electoral Council derives its credibility from the fact that we alone among Australian political institutions have for four years issued repeated warnings based on the economic forecast of Lyndon LaRouche that the world's financial system and monetary system would collapse."

The attack upon Drake and the CEC by ADC has been widely reported by the Australian Broadcasting Corporation, and other radio broadcasts in Western Australia.

The connections of the ADC itself cast additional light on the background for the sundry WWF and related hysteria against me at this time. Typical are the ADC and related connections of Canada's Edgar Bronfman, a one-time booster of East Germany's Honecker regime. The following documentation, not only gives additional exposure to evidence of the fraudulent disregard for truth by WWF's actions on those two continents, but points to the nature of the influence which the British Commonwealth's (Canada's) Edgar Bronfman et al. have exerted within Australia through channels associated with ADC.

FIGURE 2

The Queen's 'Indigenous' Control Over Australia's Raw Materials



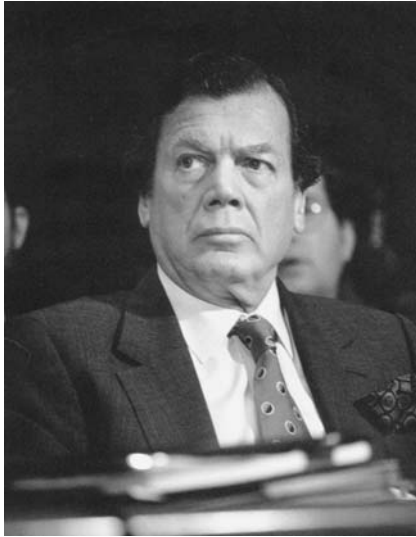
Sources: Department of Primary Industries and Energy 1997; Bureau of Resource Sciences; Minerals Council of Australia.

The Queen's mining cartel, led by Rio Tinto, Funds Aboriginal "land rights" in order to lock up Australia's vast mineral wealth.

Bronfman's role in this is better understood when we recall British Prime Minister Margaret Thatcher's frenzied attempt to prevent the reunification of Germany, an attempt which came prominently to the surface early during the 1989-1990 crisis of the Soviet Union and its Warsaw Pact allies. However, efforts by her government, and related attitudes by France's President François Mitterrand to similar effect, were already evident before the eruption of the Eastern Europe crises of 1989. There are certain strategic developments of a related nature, which bear in an important way upon the issues posed by the cited Brazil and Australia developments.

On pages 54-55 of its Jan. 11, 1991 issue, *EIR* published

a report entitled, "Bronfman Colluded with Communists." This report, by *EIR*'s Jeffrey Steinberg, cited a Dec. 21, 1990 *Frankfurter Allgemeine Zeitung (FAZ)* article by Michael Wolffsohn, quoting from former German Democratic Republic (D.D.R.) Foreign Ministry files on years-long collusion between Edgar Bronfman and his WWF associates with the D.D.R. regime, including Honecker, ex-Foreign Minister Oskar Fischer, and Foreign Ministry U.S.A. Department head Herbert Barth. Citing minutes from an Oct. 17, 1988 meeting in East Berlin, between Bronfman and Honecker, and subsequent meetings between Fischer and Dr. Maram Stern, World Jewish Council (WJC) representative to the D.D.R., that arti-



Canada's Edgar Bronfman, the one-time booster of East Germany's Honecker regime, is a point-man for British Commonwealth influence internationally.

cle, authored by notable journalist Wolffsohn, detailed the ongoing role of Bronfman as mediator between East Berlin and Washington, a role dating at least to 1985.

On Oct. 17, 1988, five days after my nationally televised press conference held in Berlin, where I had pre-announced, in significant detail, and great accuracy, some crucial and detailed features of the imminent collapse of the Soviet economic system and probable early reunification of Germany, Bronfman was awarded the Gold Star of People's Friendship, the highest civilian honor, by Honecker, in person. The Wolffsohn article, cited in *EIR*, quoted from a *Newsweek* magazine interview with Bronfman, two weeks after the D.D.R. award ceremony, calling for East Germany to be given Most Favored Nation status by the U.S. government, and calling for Honecker to be invited to the White House for a state visit. Just over a year later, the East Germany regime of Bronfman crony Erich Honecker collapsed, and Germany moved toward reunification, despite Mrs. Thatcher's characteristically ill-tempered objections to such developments.

In *EIR*'s Aug. 19, 1994, edition, under the title of "Thirty Years of Collusion Between the ADL and Stasi," Jeffrey Steinberg detailed four case studies of ADL and Bronfman collusion with East German intelligence, including: 1) the Eichmann trial; 2) intensifying the 'Nazi hunt;' 3) the 'Get LaRouche' task force; 4) Shabtai Kalmanowitch. On Kalmanowitch, the *EIR* story cited another Michael Wolffsohn article, appearing in the June 28, 1994 *Frankfurter Allgemeine Zeitung*, detailing the role of Alexander Schalck-Golodkowski in financing the spy swap that freed Kalmanowitch.

The subject here is not Bronfman's policies and actions as they might be only narrowly considered. The subject is the British monarchy's policy, as it may or may not coincide, from time to time, with particular actions by Bronfman. The issue is the role of the British monarchy's actions toward the goal of bringing about the dismemberment, or even dissolu-

tion, through aid of "ecological" and "indigenous peoples" gambits, of nation-states such as Brazil and Australia, among many others. The related issue is the use of methods, such as in the instance of the promotion of the recently accelerated threat of a new Middle East war, which latter has come about as a consequence of that monarchy's policies and actions.

The monarchy's Middle East policy has been essentially continuous since the early days of the Napoleonic wars, when its long-range intentions respecting the break-up of the Ottoman Empire, began a British centuries-long double game, of British-backed gang versus British-backed counter-gang, throughout the Middle East region as a whole. The London-directed creation of the body which became the "Young Turk" regime, is but one, very significant aspect of this history. The way in which London has concocted the presently continuing, decades-long Israeli-Palestinian conflict, since the Jewish settlers' defense against the attacks led by the pro-Nazi Grand Mufti, is reflected, today, as a pivotal feature of current Anglo-American geopolitical concoctions for Asia and North Africa as a whole.

At the present moment, the respective and overlapping intentions of the new U.S. administration and London, on the matter of exploiting, strategically, the potential for a new Middle East war, is a center-piece of the strategic policies of relevant factions among governments, policies reflecting the way in which the deployment of the WWF and related assets will be folded into what putatively mad Zbigniew Brzezinski's Samuel P. Huntington has defined as his geopolitical scheme for a "Clash of Civilizations" between the Islamic world and "the West."

The repercussions of the presently threatened outbreak of Israeli attacks upon Lebanon, Syria, Iraq, and Iran, in addition to the Palestinians, with or without "Desert Storm"-like roles of the military forces from NATO, will largely determine the way in which strategic cultural subversion is deployed, globally, through aid of such elements of the world's landscape as WWF.

In this and related matters, the customary silliness of most leading journalists and others, about such strategic factors, must be put aside. A new Middle East war of the general type and implications indicated, will occur or not, whether or not certain specified incidents materialize. It will occur only if the combination of the Israeli government and certain Anglo-American circles wish to have it occur. If they should wish it to occur, the incidents to "explain" that occurrence, will be arranged, just as the Hitler regime concocted the incidents used as the pretext for the invasion of Poland.

Contrary to widespread childish opinion, most of the important things that happen in the world, happen because powerful forces intend them to happen, not because of some so-called "sociological" or other merely statistical coincidence of the types reported for the popular edification of the easily deluded. The new Bush Administration wishes to settle accounts with Iraq, in memory of the passions of former Prime

Minister Margaret Thatcher and former U.S. President George Bush. As long as that remains a prevalent Anglo-American intention, a new Middle East war, bigger than any yet seen, is more or less inevitable under presently reigning global influences, whether or not any significant number of Israeli or Islamic leaders wish it to occur.

The Case of 'Teddy' Goldsmith

To better understand the importance of the facts I have just outlined, consider a related current development, and some of its relevant background.

At the same time as the referenced attacks from WWF-Brazil and Australia, there has been a relevant, ongoing operation, targetting Brazil from Pôrto Alegre, led by the Edward "Teddy" Goldsmith, the brother of the late Sir Jimmy Goldsmith, and former, 1950s, witting, Paris-based collaborator of both Stephen Spender and a figure who later became an old adversary of mine from the 1983-1984 days of the launching of the Strategic Defense Initiative (SDI). That adversary is "Teddy" Goldsmith's old crony from Paris days: spooky New York banker John Train.

Whereas, WWF and related neo-Malthusian organizations, are among the chief world-wide arms of the effort to bring about the extermination of the sovereign nation-state throughout this planet, through "globalization," "Teddy" Goldsmith is a central figure of a riotous collection of so-called "activists" following in the tradition of the British Foreign Office's Jeremy Bentham from the terrorist days of Robespierre, Danton, and Marat. This rabble is deployed in protesting impotently, if with some proclivity for violence, against "globalization." Goldsmith acts, not to the effect of defeating globalization, but, rather, ensuring its success, by deploying to take control of the opposition to globalization, pre-emptively, out of the hands of what might otherwise emerge as the leading opposition.

After considering Goldsmith's background and his family's spooky connections over decades, one may be disgusted, but not honestly surprised, by the suspicious, Jacobin-like, leftist rabble-rouser role, being played by the followers of veteran British-French-American spook Goldsmith, in places such as Seattle, Pôrto Alegre, and other parts of the world. His involvement at Pôrto Alegre during this time-frame, happens to be, at this moment, among the most politically significant of his spooky countergang escapades currently, this time directly threatening to destabilize the government of Brazil.

To appreciate the significance of Goldsmith's personal appearance in that context, the following background should prove most helpful. *EIR* has followed Goldsmith's role closely and carefully, over the years.

The Feb. 1, 1991 *EIR*, pp. 20-25, "John Train, *Paris Review*, and the 'Get LaRouche' Gang," by Scott Thompson, detailed the 1950s *Paris Review* nexus involving John Train, W.H. Auden, Stephen Spender, Aldous Huxley, Jimmy Goldsmith, Edward ("Teddy") Goldsmith, and Saddrudin Aga

Khan. Teddy Goldsmith's wife at the time, Gillian Marion Pretty, was editorial assistant to Train at *Paris Review*.

Another report by Scott Thompson, in an Oct. 28, 1994 *EIR* article, "The Train/Goldsmith Nexus," reported that Saddrudin Aga Khan, publisher of *Paris Review* during the heyday of Train et al., is a member of Prince Philip's 1001 Club, funding arm of WWF. A later Scott Thompson report, logged an interview conducted with Teddy Goldsmith, in which he personally confirmed ties to John Train dating back to the 1950s *Paris Review* epoch, adding that his brother (and funder of his own *The Ecologist* magazine), "Iran-Contra" days Vice-President George Bush associate Sir Jimmy Goldsmith, remained in "almost weekly contact" with John Train up to that time.

New York banker John Train played a crucial role in a 1982-1984 effort, initiated, at the persistent instigation of former U.S. Secretary of State Henry Kissinger, to launch a U.S. "secret government" operation against me and my associates under the foreign intelligence operations provision of U.S. Executive Order 12333 and related provisions. According to official U.S. government records which have been released, this action by Kissinger was first launched during the Summer of 1982, following a keynote address delivered publicly at a London Chatham House conference on May 10, 1982.

It was in this setting, that former British Foreign Minister Lord Peter Carrington acted to assist the subsequently royally knighted Kissinger, in the formation of a lucrative venture known as Kissinger Associates, Inc. It was in this and related circumstances that Kissinger, in August 1982, wrote a letter, demanding a special operation against me. During January 1983, Kissinger's demand was authorized through a rump session of the official President's Foreign Intelligence Advisory Board (PFIAB), and immediately set into motion that same month.

In the context of that E.O. 12333 action, a combined task-force of both public and private intelligence and news-media capabilities, was put into operation, in support of the project set up by Kissinger's insistence. John Train, beginning about April 1983, set up a salon on the premises of his New York City office, during which he brought together a group of intelligence operatives and press representatives for the purpose of coordinating a 12333-style operation, in cooperation with agencies including NBC-TV and the *Wall Street Journal*, among numerous others. Most of the defamation circulated by leading U.S. television and print media during 1983-1984, and later, was orchestrated through participants in the meetings of that salon. Most of the defamatory propaganda against me and my associates, which is circulated, through major news media, and others, against me internationally, and also legal actions targetting me and my associates, has had its origin in the still never-ended collaboration between official and other activities associated in an exemplary way with that Kissinger-prompted action, and with that salon.

Similarly, "Teddy" Goldsmith's operations, as in Pôrto



EIR's covers chronicle our ongoing battle with the House of Windsor.

Alegre, have, to the present day, the characteristics of a high-level intelligence operation of a type traceable to the nature of Anglo-French and American activities around the “witting” *Paris Review* of the 1950s. In this light, the French connections of Goldsmith’s operations targetting Brazil today, coincide with the intention of some to bring down the present government of Brazil.⁶

Brazil, the last major point of resistance to British Commonwealth-initiated, NAFTA-style globalization of all of Central and South America, is one of the key nations on the current list of leading targets of so-called “environmentalist” and related pro-globalization projects world-wide. Goldsmith’s influence within Brazil’s political life is notable under such circumstances.

Consider some typical related earlier actions by WWF against us, and how we responded to them.

EIR, Nov. 25, 1994, pp. 30-32, “EIR Goes Toe to Toe Against the House of Windsor,” by Carlos Wesley, and “Geneva Gatherings Will Fund WWF Mass Murder,” by Our Special Correspondent, contains details of the WWF reaction to the initial release of *EIR*’s “Coming Fall of the House of Windsor,” Special Report edition. The Oct. 30, 1994 edition of *People*, a London weekly with circulation of 5 million, reported that the *EIR* study “compares Philip with Hitler and brands him a mass murderer who is plotting to stamp out Africa’s ‘darker complexioned peoples.’ . . . The WWF was staggered at the attack on Philip and the charity.” To call

6. The track of the Goldsmiths, Train, et al. intersects the network of Paul Rivet, Jacques Soustelle, and Jean de Menil, in sundry operations over the period from the 1930s into the 1960s targetting of Charles de Gaulle and others by these circles. All three of the later, as most of the leading Permindex figures, are now deceased, but the legacy continues.

WWF a “charity,” is a very charitable characterization, indeed.

WWF public affairs executive Dana West had said: “It’s just nonsense. We are helping people in Africa—not killing them. It’s laughable. We’ve never even heard of this organization,” she lied. The *EIR* article noted that WWF had earlier threatened, explicitly, to sue *EIR*, obviously not an organization unknown to WWF.

The same *EIR* article reported that on Nov. 16, 1994, the Australian Labor Party government of Prime Minister Paul Keating threatened to deport *EIR* editor Webster Tarpley, to prevent a news conference by Tarpley at the National Press Club in the capital of Canberra on the release of the *EIR* “Coming Fall of the House of Windsor.”

A second *EIR* article, “Geneva Gatherings Will Fund WWF Mass Murder,” detailed a large fundraiser for WWF in Geneva, Switzerland, on Nov. 28, 1994. Sponsors of the event, to feature a speech by Prince Philip, included: Coutts private bank, Kleinwort Benson, British Bank of the Middle East, Pictet and Lombard Odier banks, Swiss Omega and Rolex watch companies, Edmond Safra, and Mr. and Mrs. Edgar Picciotto, of Union Bancaire Privée. Picciotto is involved in GeoPol, a Swiss think tank, implicated in anti-LaRouche operations conducted via a certain Laurent Murawiec, a real-life “Beetlebaum” of the legendary mythical horserace, and a hand-me-down political carcass, currently in the possession of institutions of a peculiar odor.

EIR’s June 19, 1998 cover story, contains a report entitled “Prince Philip’s Minions Lash Out Against LaRouche,” pp. 40-43, detailing certain of the London *Telegraph*’s published attacks on LaRouche associates, over the linking of Prince Philip to the death of Princess Diana.

In an *EIR* Aug. 13, 1999 cover story, one is reminded of

a published item bearing the title, "The Queen on LaRouche: 'Shut That Man's Mouth!'" The item features details of a *Take a Break* libel against LaRouche, by Katie Fraser, noting that Buckingham Palace has become "increasingly alarmed" at LaRouche activities, quoting an unnamed palace source that LaRouche represents "the biggest threat ever to the reputation of the Queen worldwide . . . Something has to be done." The article quotes another commentator, "It is vital to protect the Queen as a symbol of decency in a sometimes wicked world. She is a figurehead for all that is good about Britain. That must be protected at all costs." One was left to wonder what "at all costs" is intended to mean.

To understand that British monarchy, one must take into account the fact, that it was originally the Eighteenth-Century creation of an association known to Eighteenth-Century Europe as "the Venetian Party," which used the House of Hanover and its royal descendants, as Venice had, earlier, used so many among the old Norman occupiers of England, France, Sicily, and elsewhere. It is a British monarchy originally selected for the same general purpose for which Venice had formerly selected its Doges.

The ruling oligarchy of the United Kingdom mimics the financier oligarchical families of old Venice. That Kingdom requires an agency, in this case the monarchy, to hold its heteronomic ranks together as a unified force, against both the population of the British isles in general, and also as much of the larger world as it might gather into its imperial roster of colonies, satrapies, and World Bank dependencies. Thus, the Queen, as head of state for several individual Commonwealth-member nations, and *primus inter pares* for the Commonwealth as a whole, has, like a Venetian Doge of yore, relatively tremendous, including arbitrary powers and privileges, if chiefly within the scope of the imperial monarchy's globally far-flung state apparatus and associated custom as such.⁷

This power is conditional, in the sense that a loss of the monarchy's image of authority in and among the victims of that affliction known as British public opinion, might lead to the toppling of the tiresome royal house itself. Yet, at the same time, the oligarchy, especially its explicitly financier component, and the Commonwealth, too, require the existence of the monarchy as an institution, to hold the inherently heteronomic tendencies among the oligarchy, the kingdom, and the Commonwealth together. Not so unified, divided, their unity would easily collapse.

The key issue of law involved in that role of the monarchy, is the concept sometimes identified as "shareholder interest." Unless there is some powerful authority, to compel a people to give up modern society's inclination that government must efficiently promote the general welfare of all of the nation's current population and posterity alike, and must also promote those institutions of government on which defense of the gen-

7. A monarchy which claims sovereignty over a number of nations simultaneously is nothing but an empire.

eral welfare depends absolutely, the rapacious claims of an arbitrary "shareholder interest," could not compel a people to abandon the self-defense of its general welfare.

Herein lies the dependency of the world's presently hegemonic financier oligarchy on a combination of the British monarchy-led Anglo-American financier interest, and the destruction, through "globalization," of the authority of those forms of sovereign government, to which a people might turn, in a time of crisis, for defense of the people and nation against rapacious "shareholder interest," as we see an example of this in the California energy crisis today. Hence, the power of the monarchy lies in the symbiotic dependency of the intrinsically anarchic impulse of "shareholder interest," upon the role of arbitrary power represented by the monarchy.

As I shall indicate in the closing section of this present report, it is precisely that characteristic feature of the British monarchy which now threatens it with the prospect of extinction by its own hand. Pending that concluding observation, I continue with my summary description of the apparent characteristics of that monarchy at this instant.

As a consequence of this disgusting symbiosis, which some may consider reminiscent of a caddis-fly's pupal state, among royal house, financier oligarchy, and the generality of the population, the monarchy exerts a powerful grip upon the kingdom, throughout the Commonwealth, and intruding into the world at large. What holds the whole mess together, is an ideology expressing the interdependency of these elements. The sticky stuff which keeps these assorted elements tied to one another, is the mortal advantages and pleasures which the participants share, that through the predominantly predatory role enjoyed by the slime-mold-like concoction as a whole.

Reduced to essentials, Queen Elizabeth II today has a certain ominously ironical resemblance to the Babylonian figure popularly known as Belshazzar. In performing that role, like doomed tyrannies of ancient Mesopotamia, the Delphi cult of the Pythian Apollo, and ancient pagan Rome, the Queen is, essentially, like the Emperor Napoleon Bonaparte or disgusting Napoleon III, or Benito Mussolini, a *Romantic* figure, in the literal sense of that term.

That monarchy is a modern expression of what was known to ancient Greeks and others as "the oligarchical model" of society, in which some people, and their armed and other lackeys, herd, use, and cull a mass of subjects maintained, as the most numerous class, that of virtual human cattle, with aid of sundry measures of the kind of population-control outlined in Secretary of State Henry A. Kissinger's pro-genocidal, 1974 NSSM-200 and President Jimmy Carter's population-control policies.

To understand that royal house, and such associates as the neo-Malthusian World Wide Fund for Nature, it is sufficient to think of historical precedents such as that arrangement among the Spartans and their helots, as the Lycurgan code was conceived by the Delphi Apollo cult, or the slave-owning Confederate States of America, and the latter's tradition of so-called "shareholder interest" continued today. That topic

is key to defining the orbit in which objects such as the World Wide Fund for Nature are moved, that according to the intention of the oligarchical principle.

2. Now, Study the Orbit Itself

The foregoing points taken into account, we have come to the crucial issue: why that monarchy is doomed, at least in its present form, carrying to its doom, like a sinking *Titanic*, anyone wrapped in its continued embrace.

As in all similar attacks upon me from British quarters, by the Mont Pelerin Society and others, during more than a score years, the charges circulated against me and my associates, which have been made by foregoing types of sources, are either pure and simple lies, or other expressions of willfully reckless and malicious disregard for truth. Nonetheless, behind that royal bodyguard of lies, there are real issues, some of them issues of great importance for humanity as a whole.

It is on account of those real issues, as distinct from the lying propaganda of those adversaries of mine, that the inauguration of President George W. Bush appears to have been taken by those royal and related interests as the opportunity for making me, personally, once again as during the 1980s, a principal, and most consistent choice of target of their malice, as expressed throughout diverse regions of this planet. Some of the shrewder such opponents, hate me because they fear that I am accurate in my forecaster's outlook on the current situation. Other opponents hate me, because my warnings threaten to shatter their desire for the consolations of blind faith in the their current religious or other wishful delusions; these latter, are typified by that referenced British tabloid which headlined its attack, "Shut This Man's Mouth!"

However, there is a deeper issue, which is reflected by that pagan religious quality of "fundamentalist" belief, which is expressed by neo-Malthusian cults such as the World Wide Fund for Nature. Here lies the key to recognizing the present British monarchy's propensity for impending self-inflicted doom.

Prince Philip: Man or Beast?

So, considering the arguments of my adversaries from among certain of that monarchy's accomplices, the Queen's Consort would appear to believe, that I, as a professed and practicing human being, am thus a representative of a species which is superior to that lower form of life which he, Philip Mountbatten, has repeatedly claimed himself to represent.

Lest any person receiving my report, might be so naive as to suspect that my immediately preceding statement is exaggerated on any point, the following summarizes the most relevant evidence bearing upon the two incidents, those, in Brazil and Australia, just identified above. This report has identified but a sampling of the decades-long pattern of those incidents which indicate that the attacks upon me and my associates

from actual or otherwise avowed representatives of that monarchy, are but various threads of the same continuing cloth.

I include a summary of the proofs, that, in both the recent and some earlier comparable cases, the issues raised by the actions of the Prince's sundry relevant supporters and agents, center on a conflict, that between me and those, among adversaries who claim to represent a different species, Princes Philip and Bernhard. On the one side, there is the human species, as defended by me; and, on the opposing side, there is the WWF, which acts in service of its often expressed conviction, that mankind is just another form of beast, fit only to be ruled by beastly predators, its population used, herded, hunted, or culled, as beastly cattle might be.

The existence of that difference in belief and practice, is no mere matter of opinion. Since the first emergence of the modern sovereign nation-state as an institution, during the course of Europe's Fifteenth-Century Renaissance, all of modern, globally extended European civilization has been divided between two principles. One of these has been, since Europe's Fifteenth-Century, Italy-pivoted Renaissance, the modern nation-state, which is premised upon the constitutional principle of service to the *general welfare* of all of the population, as typified by the opening three paragraphs of the 1776 U.S. Declaration of Independence and the Preamble of the Constitution of the U.S.A. The opposing, more ancient principle, is the modern continuation of the ancient, pre-modern, oligarchical model, for which the British monarchy is the leading expression on this planet today.

The issues set forth in the opening paragraphs of the 1776 U.S. Declaration of Independence and the Preamble of the 1789 Federal Constitution, express the unbridgeable gulf separating the principle of a modern sovereign nation-state republic from an oligarchy of such forms as the British monarchy.

Inside the U.S.A. itself, the sometimes mortal conflict between republican patriots and pro-monarchy, pro-oligarchical American Tories, has been that division of opinion respecting the nature of the human individual.

The patriot's view, gave political expression to the Christian view of the Mosaic principle, that man and woman are made equally in the image of the Creator of the universe, and empowered, and also obliged, to rule over all lower forms of life in that universe, for their own benefit.

The American Tory's pro-monarchy view expressed the pro-oligarchical view which has persisted into modern times, since ancient Babylon, the Delphi cult of the Pythian Apollo, pagan Rome, and the Confederate States of America, and is premised upon the presumption of both doctrine and practice, that, contrary to that Christian principle, some men, as rulers, may use, herd, or cull other persons, as virtually human cattle, to whatever those rulers perceive to be their pleasure in adopted perception of self-interest.

In the earliest history of the United States, this American Tory view was expressed most efficiently by the followers of

the British empiricism of Francis Bacon, Thomas Hobbes, and John Locke. From the beginning of U.S. independence and the debate impinging upon adoption of its Federal Constitution, the Tory view was centered in circles such as those of New England's Judge Lowell and the slaveholders, especially those of the Federal States of Georgia and South Carolina.

At later times in our national history, the pro-oligarchical view came to be centered in circles and followers of the perennially treasonous Aaron Burr, the agent of the British Foreign Office's Jeremy Bentham, who founded the Bank of Manhattan. Burr and his legacy, united Wall Street, the New England drug-trafficking partners of the British East India Company drug-trafficking interests, and the rabidly Anglophile slaveholder of the slave states. Today, that degraded, anti-Christian, anti-Mosaic view respecting the nature of the human species, is expressed, systemically, by the alliance of Wall Street-centered "shareholder interest" with the pro-Confederacy tradition mustered by Republican Presidential candidate Richard Nixon's so-called "Southern Strategy" of his 1966-1968 election-campaigns.

Admittedly, because of that division of European civilization, between two opposing currents, even without such attacks upon me from sources such as the World Wildlife Fund, I, as a U.S. patriot, could not be other than a political and philosophical adversary of that monarchy. My own historic opposition to the British monarchy and the American Tories and Confederacy's legacy, not only as a candidate for election to be a President of the United States, but in every other way, since childhood, has always been, as I have said, the same difference with the British monarchy and American Tory legacy, expressed by every fully witting, patriotic President of the United States, such as John Quincy Adams, Abraham Lincoln, and Franklin D. Roosevelt, since the opening three paragraphs of the 1776 U.S. Declaration of Independence and the Preamble of the Federal Constitution. My views and action express thus what is sometimes called "the American intellectual tradition."

There are three principal causes for that difference between my standpoint and what the Queen's admirer and benefactor, Henry A. Kissinger, has described as the motive for his own hatred for what he has described as "the American intellectual tradition."⁸ My patriotism, is the first of three issues posed by the recurring attacks upon me from the circles of Princes Philip and Bernhard.

The second, related issue, is typified by my hatred against Malthusianism, as that has been expressed by such official documents as Secretary of State Henry A. Kissinger's progenocidal 1974 NSSM-200. This, in and of itself, is an immediate issue to be recognized in connection with the most recent

attacks upon me. Admittedly, although the monarchy's recent revival of its hateful Malthusian dogma, is an issue in itself, there is nothing in its neo-Malthusian rantings which is philosophically inconsistent with the legacy of such past British notables as Lord Shelburne and Jeremy Bentham, or Bertrand Russell and H. G. Wells more recently.

Thirdly, there is the issue of those who not only advocate neo-Malthusian policies and practices launched world-wide, by the two princes and their lackeys, or the presently leading circles of the International Monetary Fund and World Bank, but who also use their influence on governments and other powerful forces, to force Malthusian and kindred pro-oligarchical policies on individual nations, as "conditionalities," and upon powerful international authorities as well.

Despite the fact that those three points of conflict, either are, or underlie the only true and significant differences between that Queen and me, none of her family's public advocates, past or present, have presented any pertinent evidence in support of their recurring actions against me, but have relied, instead, as in the referenced Brazil and Australia cases, upon statements readily exposed as being a mixture of outright lies and willfully reckless disregard for readily and copiously available true facts. For proof of that pattern of lying in their attacks, I rely upon extensive relevant documentation which my associates have maintained in our journalists' files over the greater part of three decades to date.

Now, as the Biblical prophet Jonah warned the men and women of Nineveh, the very highest court, that of history, is moving to remove from power that which that monarchy represents, *in one way or another*. On that account, now consider the relationship between those three issues and that tragic flaw within the monarchy, which impels it, like Hamlet, toward its evidently chosen, self-induced doom. I expand somewhat on the summary of the three issues just stated.

The Three Strategic Issues Posed

In considering the repressive actions taken against me by agents of Britain's Prince Philip and the Netherlands' Prince Bernhard, we have, thus, the three referenced, overlapping, but nonetheless distinct issues to take into account in somewhat greater detail.

The first issue of the British monarchy's personal quarrel with me, is the fact, already referenced. Historically, that monarchy has been the consistently avowed enemy of the principles upon which the United States was founded, since before the 1776 U.S. Declaration of Independence, until the current day. It has sought to crush my republic at the outset, in which attempt it failed, as Prince Metternich's Holy Alliance did, also. It tried to tear my republic apart, through backing the Confederate States of America, as Lord Palmerston attempted, but was defeated by President Lincoln's leadership. It has sought to destroy us by its corrupting embrace, as it has acted since the assassination of our President William McKinley, to the present day. For a time, during the past

8. Henry A. Kissinger, "Reflections on a Partnership: British and American Attitudes to Postwar Foreign Policy, Address in Commemoration of the Bicentenary of the Office of Foreign Secretary," May 10, 1982, Royal Institute of International Affairs (Chatham House), London.

century, those enemies were defeated by the leadership of President Franklin Roosevelt's return of the nation to its principle of the promotion of the general welfare, and might have been turned back by the assassinated President Kennedy, had he lived. More recently, during the recent thirty-five years, the pro-racist, so-called Southern Strategy, and the related "fiscal conservatism" and "free trade" fads, has been used by the American Tory tradition, in a fresh attempt to destroy this republic.

Those efforts to destroy my nation, are not merely schemes. Like the attacks of the jackal or hyena upon its intended prey, the quarrel which that monarchy has with both my republic and with me, expresses the deeply rooted character of that species which the monarchy of the United Kingdom has claimed itself as representing, from the start to the present day.

Notably, those who share the American Tory outlook in the U.S. today, including all of those morally depraved strata which are politically committed to the supremacy of neo-Malthusian and shareholder-value dogmas, represent, in their practice, a continuation of the tradition of those treasonously inclined adversaries of the principle of the general welfare during the American War for Independence and the defense of our republic against the Confederacy. This puts all of the patriots of the republican cause, world-wide, into principled opposition to the nature and practice of the British monarchy. The issue of that conflict is nothing less significant, than two mortally opposing views of the nature of the individual member of the human species. Hence, the form of that global conflict has the form of mortal strife between what are self-defined, functionally, as two irreconcilably different species.

The currently reigning British royal family, represents, as such a species-type, that tradition of the bloody tyrant, William of Orange, which was known, during the Eighteenth Century, as "The Venetian Party." It is a party which had dominated the English monarchy, recurrently, since such agents of Venice as Cardinal Pole, Francesco Zorzi, and Thomas Cromwell, had seduced King Henry VIII and beheaded the sainted Sir Thomas More. From about the time of the death of Queen Anne and the ouster from England of the Gottfried Leibniz otherwise intended to serve as England's first minister, the present monarchy, in its self-defined character as a species-type, has defined the nature of both the Kingdom and the Empire.

This legacy of William of Orange's "Venetian Party," has thus dominated the present British monarchy since the coronation of George I. It is a monarchy selected to serve as presiding head of state in the interest of an imperial form of financier-oligarchical caste. On that account, the conflict between that monarchy and my republic, has always been of an incurable, systemic nature, a conflict between species of society which are natural adversaries by birth.

We human beings, as creatures of free will, have the power to improve, even greatly change our character. How-

ever, as the Biblical Jonah warned Nineveh, unless we exercise that free will, to make such improvements in a timely way, our fate is less often the outcome of what we might imagine our goals to be, than what our character causes us to bring upon ourselves, whether we are conscious of that connection or not.

Such is the tragic flaw so nakedly displayed by the newly inaugurated Bush Administration, which it shares, in large degree with the British monarchy.

The second issue of that monarchy's quarrel with me, its Malthusianism, is expressed in the fact, that, since no later than 1973, the accomplices Princes Philip and Bernhard, have used their positions as contemporary, royal representatives of that Anglo-Dutch Venetian Party, to introduce global measures of population control which, if not prevented, would plunge this entire planet into a new dark age for all humanity.

This awful belief, whether it is called "Malthusianism," "neo-Malthusianism," "environmentalism," or "ecology," is derived from, and expresses a pro-oligarchical view of each and all members of the human species, as "no better than a beast," as Prince Philip does. Such views, the same from which Adolf Hitler's Nazi regime derived its legal doctrine of "useless eaters," under the rubric of "eugenics," are the leading practical expression of today's global conflict between two mortally opposing views on the nature of the human species.

The third issue, is that the proponents of these personal attacks, not only upon me and my friends, but also on entire nations, are liars of the sort not content to rob and kill their victims, but who must defame them, too, as they have lied so persistently in deploying their lackeys to defame me and my associates, world-wide, during recent decades.

On this account, their legal practice differs in no point of principle from that of either U.S. Supreme Court Associate Justice Antonin Scalia, or of the Carl Schmitt from whose doctrine the legal coup d'état establishing the Hitler dictatorship was derived. The argument typical of the ideologues of the World Wide Fund for Nature, that they have the right inhering in their arbitrary irrational choice of belief, to destroy the economic and political foundations of all of the leading achievements of modern European civilization, for the sake of their so-called ecological revolution, differs in no important respect from that derived, in the tradition of the right-wing fanatic G.W.F. Hegel's theory of the state, by Carl Schmitt, to impose the dictatorial *Notverordnung* of Feb. 28, 1933, which unleashed World War II as its lawful consequence.

Of these three strategic issues, one is most fundamental: their actions as adversaries of the well-being of the human species as a whole. While the evidence bearing on the other two issues must be included, it is the attack on the welfare of present and future generations of my species which is the essential issue.

The tragic flaws of the Bush Presidency and the British monarchy are related, but otherwise specific to each. The

common feature of those flaws, is, as I have stressed above, that neither has an efficient conception of that principle of law known to modern society by the names of general welfare and common good. It is the hostility of each to that principle, which is the awful tragic flaw underlying both cases. But, there is another aspect to this same matter. As the Disciple Luke writes, if no other agency, the very stones may speak. So, as if behind the motion of such stones, recognize the hand of fate now descending upon the British monarchy.

The Twilight of the Gods

Thus, we come to our concluding point: the threatened extinction of the British monarchy by its own hand. Since I have elaborated that case in its general form, in numerous published locations,⁹ it will be sufficient, on this occasion, to summarize the essentials and situate the British monarchy's fate within that general case.

To understand how a culture may doom itself, even to the point of its self-induced extinction, as ancient Mesopotamian cultures did repeatedly, it is most useful, today, to point to a closely related phenomenon, blind faith in the view of today's conventional financial accounting as a guide to shaping of economic policies of individual firms, even entire economies. The issue is the same as that pointed out by Kepler, in his *The New Astronomy*, in pointing out the absurdity of the method employed by such predecessors as Claudius Ptolemy, Copernicus, and Tycho Brahe. The issue is the same lunacy practiced by the credulous devotees of the teachings of Adam Smith, Friedrich von Hayek, and the American Enterprise Institute. The issue is the folly of relying upon the symbol-minded statistical method known as the childish game of "connect the dots."

In economic reality, the ability of a population to continue to reproduce its numbers in a better condition than earlier, is accomplished solely through the impact of those discoveries derived in the form of experimentally validated universal physical principles, and the technologies derived from such discoveries. Such discoveries have the mathematical form known to the ancient Classical Greeks as *incommensurable* magnitudes.

Kepler recognized, as implicit by the paradoxical, elliptic character of the orbit of Mars, that in a universe in which a continuously non-constant, even non-uniform curvature described the recurring orbital trajectory of a stellar body, that no connect-the-dots scheme, such as that of Copernicus, could account for the way in which the motion of that planet or other body were predetermined. From the consideration of that paradox, Kepler derived his discovery of a universal physical principle of gravitation.

Leibniz's original discovery of the calculus, which Isaac Newton was never able to follow, was developed as a solution

to the type of problem which had been posed by Kepler's discovery of universal gravitation. Leibniz's differential is not the linear interval erroneously proposed by Leonhard Euler, Augustin Cauchy, et al., but an interval of non-uniform curvature, whose corresponding interval defines an orbit of the paradoxical quality recognized by Kepler.

In fact, every experimentally validated universal physical principle has that same specific quality of an incommensurable. That distinct quality, distinct to each such principle, is otherwise known as the characteristic of that principle, or, in the alternative, of the physical-space-time domain associated with a Riemannian manifold of such principles.

In physical production, in which universal principles such as those associated with chemistry, are applied, the connection between the state of affairs before and after the relevant act of production, is not measurable as a straight-line connection of the type seen in the financial accountant's description of that act of production. Thus, there is a systemic, sometimes economically fatal, difference between cost accounting analysis of production and the physical reality of the cause-effect relations reflected.

In production, the net gain, in excess of total costs of production incurred by the entire society, is ultimately the result of applied technologies which are derived from discoveries of universal physical principles. Thus, to sum up the case, the cause of the difference between costs of production and the output of successful production, is a pathway of physical action which is mathematically of the form of an incommensurable, an incommensurable which corresponds to the universal physical principles expressed by the productive process.

Once again: the financial accountant takes a directly contrary view. He imagines, falsely, that the representation of the functional relationship between cost and gain in output can be represented by straight-line, connect-the-dots sort of mathematics, just as John von Neumann and Oskar Morgenstern did in their notorious, and essentially incompetent, *Theory of Games and Economic Behavior*.¹⁰

While such cause-effect-relations are present in all successfully *anti-entropic* acts of production, the strict proof of the point which I have just summarized lies within the domain of so-called "macro-economics," the study of the function of local (so-called "micro-economic") activity within the physical economic process as a whole. By "physical" we mean measurements made in non-monetary, non-financial terms; or, in other words, we mean that all financial statistics must be interpreted as a mere reflection of the effects of purely physical-economic activity.

This means, that we must include, as biogeochemist Vladimir Vernadsky insisted, the notion of physical economy from the standpoint of what he termed a *noösphere*. That is,

9. For example, in my "California Takes a Swift Look at Today's Economists," *EIR*, Feb. 2, 2001.

10. John von Neuman and Oskar Morgenstern, *Theory of Games and Economic Behavior*, 3rd ed. (Princeton: Princeton University Press, 1953).

human cognition acting upon the principle of life, as expressed by the biosphere, which, in turn, is transforming the non-living domain upon which, and within which it acts. The essential form of “macroeconomic” human action upon the biosphere, is the application of the discovery of experimentally validatable universal physical principles.

From the standpoint of mathematical physics, as successively defined by Carl Gauss, Lejeune Dirichlet, and Bernhard Riemann, the aggregation of presently discovered universal physical principles has the geometric form of what is called a manifold. This notion of a manifold supersedes absolutely the so-called Euclidean geometry used by Galileo, Descartes, Newton, et al. In other words, it is the addition of new discoveries of universal physical principles, by means of which mankind is enabled to increase its power, per capita and per square kilometer, in and over the macroeconomic domain, the universe, in which mankind exists.

It is, thus, to the degree that we develop our young in the ability to cooperate in the discovery and use of such a progressively unfolding manifold of universal physical principles, that we obtain the anti-entropic effects properly associated with the notion of a society’s macro-economic *physical* “profit.”

Once this physical aspect of the matter is taken into account, we are obliged to turn our attention to the social aspects of this physical process. The history of cultures, especially the historically unprecedented rates of success of post-Fourteenth-Century, globally extended modern European civilization, shows us that what we may also recognize as certain universal *cultural* principles, governing the relationship of people in society, determine the relative degree of likelihood that a society will employ and foster the discovery of universal physical principles for the purpose of increase of the relative anti-entropy of the relationship between the human species and its noösphere.

This attention to universal cultural principles, and their functional relationship to the discovery and use of universal physical principles, enables us to define functional distinctions between relatively healthy and pathological forms of cultural manifold (e.g., matrices), with an effective degree of relative rigor. This ought to be the standpoint for education in, and practice of statecraft. From this vantage-point, we must say that *the oligarchical model, as typified by the British monarchy’s case, belongs to the same class of pathological cultural types as the fallen pagan empires of known past history, such as those of ancient Babylon and Rome.* On this account, the system represented by that monarchy is doomed to *precisely the relative degree it tends to converge upon becoming globally hegemonic!*

Nothing expresses that propensity for self-doom more neatly, in physical-economic terms, than the combination of oligarchical cultural values associated with the combination of “shareholder value” with globalized notions of “free trade.” Call it the “Ozymandias Syndrome.”

That means, that if a culture imposes behavior upon its society which results in a systemically entropic unfolding of the physical-economic relations between the entire population and nature, that society, if it continues that habit, is ultimately doomed to collapse. The legendary fallen empires of history, fit that pattern.

For this purpose, we may assort societies into two general types. The two types are assorted empirically, by examining the evolution of the demographic characteristics of entire societies, in their approximately “closed system” relationship to the region of the noösphere which that population inhabits and exploits. Societies in which the localized noösphere is developing anti-entropically, typify one of the two types; societies which may prosper at home, by looting populations and regions abroad, constitute an opposing type.

In the case of ancient Mesopotamia and Rome, for example, these cultures ascended to increased power for a time through parasitical looting of other populations and territories. Once the limits of expanded looting of that form were reached, that culture went into an internal decline, as the cyclical patterns in ancient Mesopotamia, the successive, respective demographic collapses of ancient Rome and Byzantium attest.

Thus, as in the case of the rise of the British Empire, and its extension in the form of assimilating the U.S.A. into a global Anglo-American system, the degree to which the empire expanded, increased its rate of proximity to its inevitable doom. The past approximately dozen years, since the beginning of the dissolution of the Warsaw Pact alliance, until the present, typifies that historical pattern from the past. The typically pagan-imperialist types of measures taken, to gobble up the parts of the world which had been outside the Anglo-American domain, as long as Soviet power continued, set into motion an acceleration of the process leading to the presently immediate doom of that form of Anglo-American system itself.

Typical of the same process of self-inflicted doom, is the effect of post-1971 changes in U.S. policy toward the region of Central and South America. The WWF’s present, NAFTA-related threat to Brazil’s existence, typifies the ongoing pattern seen in the cases of Argentina and Mexico, in 1982, in narco-terrorism-ridden Colombia, in Panama, Ecuador, Peru, Venezuela, and so on.

Under Franklin Roosevelt, and also Kennedy, the United States’ policy toward the states of Central and South America tended toward the intentions expressed earlier by John Quincy Adams and Abraham Lincoln. This rich and vastly untapped portion of the continent, with a population already infused with the crucial elements of modern European culture, represented one of the richest potentials for economic growth and power in the world at large. To the degree, the U.S. promoted the self-development of the sovereign republics of the hemisphere in ways consistent with what Hamilton and others had defined as “the American System of political-economy,” the

Americas, with a combined population of much less than a billion persons, with such vastly untapped natural resources, was the most crucial strategic self-interest of the U.S.A. itself. To the degree we aided these neighbors in enriching the average standard of living and employment of all, we could not fail to prosper mightily, and indefinitely, from cooperation.

Beginning 1971, especially since 1982, we of the U.S.A. threw all those riches away! We were the fool who cooked and ate the goose who laid the golden egg! Obviously, we have not enjoyed a truly sane government of the U.S.A. since President Lyndon Johnson, and even he had the problems of suffering that queasy feeling of being the successor to assassinated President Kennedy. We have wrecked and looted the entirety of that great region of our hemisphere's continent.

The same was done, under the direction of Thatcher, Mitterrand, and Bush, to eastern Europe and the former Soviet Union. We destroyed the built-up productive forces of that vast region of Eurasia, all for the sake of those lunatic qualities of imperial, geopolitical motives, of destroying, and looting potential economic competitors, which we associate with Henry Kissinger and Zbigniew Brzezinski's circles. Thus, destroying the outskirts of "Anglo-American imperial power," in so much of Eurasia, Africa, and Central and South America, we drew the noose around our own nations' political-economic neck, just as had the rulers of the pagan, slavery-ridden city of Rome.

That said, focus upon the state of mind which sets the oligarchical mentality of the British monarchy, and its lacks, apart from the kind of society which had built up all of the great achievements of the pre-1965 U.S.A. and rebuilt post-war, 1945-65 western Europe.

Now, to sum up the working point. The distinction between the human individual and all lower species, lies essentially in the specifically human quality of cognition, as opposed to, distinct from reductionist deductive constructs. It is through that mode of cognition which is formally associated, in mathematical physics, with what Leibniz named *Analysis Situs*, or *geometry of position*, that the individual human mind is able to define those true paradoxes which, in turn, prompt that mind to discover an hypothetical new universal physical principle. If that hypothetical principle is validated by experimental methods, it, and the technologies derived from it, may be applied to human practice. This is the primary source of the anti-entropy exhibited by durably profitable forms of national economy.

Thus, the essential thing in economics, is to define the circumstances needed to foster that kind of anti-entropic process in the physical economy of the nation as a whole.

Two conditions must be satisfied to permit that benefit to be realized. First, we must develop the total environment in an appropriate way. The best way to think about that, is to adopt Vernadsky's view of the noosphere. That means to foster the biospherical processes, as such, which spread and improve the potential for support of human life and its technolog-

ical practice at rising levels of per-capita performance by the society as a whole. Second, we must develop the individuals, and provide them the means of production and increasing capital-intensive, and increasingly energy-intensive, systems of cooperation on which the fostering of science-driven technological and cultural progress depends.

On the second account, we must focus upon the development of the newborn individual to maturity a score or more years later. This means, systems of education of the young which raise the potential of the individual to a high degree of cognitive maturity *and motivation*. This signifies, for example, that any sane nation will insist that during the first two decades of the life of any new individual person, the years of primary and secondary education and popular culture will be governed by what is known as strictly Classical-humanist modes of development of the moral potential of each individual, through emphasis on cognitive experience of discovery and rediscovery of universal principles, rather than mere learning.

This means that we must provide the conditions of family, community, and national life, in which the noetic qualities of increased productive power of labor are fostered to the relatively highest degree possible.

From what we should have adduced from both our knowledge of pre-history as well as history, it should be apparent to us that humanity of the past has made vast contributions to knowledge, that over hundreds of thousands, even millions of years to date, from which we benefit today. Yet, most of those cultures from which we so benefit today, were failures, as cultures, in their time. Indeed, all cultures, prior to the Fifteenth-Century Renaissance, even including the stunningly best of Classical Greek, were failures in the end. This paradox should grab our concentrated attention, should we wish to avert the doom which presently menaces the U.S.A. and its entire population under its new President.

To sum up the point to be made on this account, the individual person is naturally great in potential. The issue is, under what political-social conditions does that individual live, and what part of the whole society is encouraged, or even permitted to develop in ways consistent with human nature? If we look at the galloping depravity which is to be seen in the condition of the United Kingdom's economy, and the Yahoo-like cultural condition into which its general population has been plunged, over the course of the time since the Profumo scandal, we have relevant evidence to consider. We have similar evidence in the case of the U.S.A. over the recent thirty-five years, in continental western Europe during the same period, and throughout Central and South America.

The problem is the retreat from the conception of the human individual as universally a cognitive creature, thus, contrary to Hobbes and Locke, made in the image of the Creator of the universe, a creature which society must develop to its corresponding individual potential, and must foster for that individual the opportunity to make the contribution to

progress of which he, or she, by nature is properly destined to contribute.

Thus, the British monarchy, with its expressed views on the nature of man and beast, has been a leading political and cultural force for evil on this planet. The catastrophe which looms immediately before us marks the end of an empire, an empire defined by the kind of Anglo-American domination which the British monarchy's role and influence represents today. We have reached the point, at which another stroke of folly, or two, brings the whole shebang to a certain culmination.

Either we rid ourselves of that legacy typified by the morbid ideology of the WWF, or the whole shebang soon collapses. Such a moment is sometimes called "The Twilight of the Gods."

Once again, the essence of the study of history is the study of history in its making. The essence of that profession, is the development of one's capability to recognize the echoes of centuries-long processes of cultural evolution and devolution, as reflected in what may be distinguished as clinical crucial symptoms in the relatively short-term and small. Such is the importance of the incidents identified as recently occurring in Australia and Brazil.

Appendix

WWF's October 2000 Brief

The complaint filed by WWF-Brazil features a string of a dozen or so alleged statements of relevant fact. Taken in their entirety, as a single statement, that list of so-called facts is polluted, pervasively, by a willfully reckless disregard for truth. Since it is not the purpose of this report to supersede the functions of Brazil's legal system, but only to show the political and moral character of WWF's actions, a few examples are sufficient for that purpose here. I list relevant portions of WWF's claims as to fact, together with identification of some of the published materials showing that WWF claims as to fact are either demonstrably willfully declared falsehoods, or have been uttered in willfully reckless disregard for facts readily accessible to an association possessing the world-wide and high-level resources of WWF and associated organizations.

Notably, in its own brief, WWF-Brazil reports that "the WWF network . . . has a structure similar to the United Nations Organization." It describes the WWF as composed of 27 national organizations, among them WWF Brazil, as active in 96 countries, and as having 4.7 millions affiliates. Given the positions of its leading officials and supporting organizations, an association with such immense resources must be held to a higher standard of truthful regard for available fact

than even many governments of the world, and certainly much higher than a more typical public figure. On this account, WWF's moral and legal responsibility to proceed with reasonable regard for truthfulness must meet a much higher standard of threshold than even that to which many among the world's governments today must be held.

In reading the Plaintiff's brief dated Oct. 16, 2000, we recognize thirteen distinguishable claims made by the Plaintiff in the course of that document. As noted below, two of these might be consolidated with other claims which would reduce the thirteen to which we respond here to eleven. Where clarity requires this, I have indicated the relevant portion of that Plaintiff's brief in a footnote.

WWF's *Claimed Fact #1* appears in their brief as follows:

"The . . . [defendants] accuse the Plaintiff of participating in a 'well-articulated offensive against the highest levels of the oligarchic Anglo-American Establishment, whose direct objective is nothing less than hindering the development of the South American hinterland . . . , strangling the entire region through lack of low-cost transportation routes, and with little possibility of overcoming its condition of a mere raw materials producer.' "

Here, the WWF has perpetrated two willfully misleading reconstructions of what is otherwise an accurate, isolated excerpt from a widely circulated pamphlet, whose title, in English translation, is, *The Green Mafia Assaults the Waterways*, but the referenced text does not say that the WWF "participates in;" in reality, the sentence immediately following that cited by the WWF complaint reads: "That offensive, coordinated by the apparatus of non-governmental organizations (NGOs) which gravitates around the World Wide Fund for Nature, and other entities directly linked to the House of Windsor." In honest citation, the citer does not alter the content of one sentence in a paragraph to the purpose of conveying a different meaning than is clearly shown if the cited sentence is examined in the light of relevant features of an immediately adjoining one.

The *EIR* edition of Oct. 28, 1994, featured an in-depth report entitled, "The Coming Fall of the House of Windsor." This report featured two articles by Lyndon LaRouche, and supplied detailed documentation of WWF global operations. This featured a flow chart (p. 24) tracing key WWF board personnel and their positions on boards of directors of Barclays Bank PLC, Shell Transport & Trading Co. PLC, The Bank of England, RTZ Corporation PLC (with Queen Elizabeth II as the largest individual shareholder), N.M. Rothschild & Sons, Ltd., National Westminster Bank PLC, The Telegraph PLC, Imperial Chemical Industries PLC, Anglo-American Corp. of South Africa Ltd., De Beers Consolidated Mines Ltd., and De Beers Centenary AG.

This report included further notable elements, which bear upon the willful disregard for truth which is shown by WWF's *Claimed Fact #2*, which claims that they were slandered by the Defendants when they said that ". . . 'The WWF was in-

strumental in insuring that companies of the Commonwealth, a euphemism for the British Empire, predominated in their control over Africa's raw materials, as well as over a large part of the vast network of parks and natural reserves which have carved up a majority of the countries of the continent. At the same time, they have prevented the nations' exploration of their own natural resources, for mining and other purposes, these companies blocked or made impossible, the building of large-scale infrastructure, essential to regional socio-economic development.' "

Thos further elements include: a partial membership list of the *1001 Club* and short biographical profiles, drawn from composite membership lists; and an article by Al Douglas, "The WWF: Race Science and World Government," with a detailed pre-history of the WWF with the Society for the Preservation of the Wildlife Fauna of the Empire (now the Fauna and Flora Preservation Society, FFPS) and the International Union for the Conservation of Nature (IUCN), detailing the role of Sir Peter Scott, Julian Huxley, and British Foreign Office permanent secretary Max Nicholson, whose 1970 history of the launching of world environmentalist movement, *The Environmental Revolution: A Guide for the New Masters of the World*, stated, in part: "the lesson has been learnt and reservedly accepted that Ducks Unlimited means Sovereignty Superseded."

The same *EIR* of Oct. 28, 1994, details protected areas and parks in Africa, with data drawn from International Union for the Conservation of Nature "Protected Areas of the World," 1989 and 1991 editions. It also details the overlay of WWF directors with leading British Commonwealth raw material and banking cartels.

See also *EIR Special Report*, "The True Story Behind The Fall of the House of Windsor," September 1997; *EIR*, May 24, 1996, "The Sun Never Sets on the New British Empire," including "Raw Materials Cartels Lock Up World Economy," by Richard Freeman, pp. 103-112, and "The Anglo-Dutch Corporate Empire," by Anthony K. Wikrent.

The foregoing, widely circulated published materials, show the WWF's complaint to have been crafted with flagrant disregard for truth.

Plaintiff's *Claimed Fact #3*¹, is a plain hoax. "Conspire" is a word inserted by the WWF, not the defendant; nowhere does WWF show that, in that referenced document, the MSIA accuses the Plaintiff of "conspiring" to such an effect.

Plaintiff's *Claimed Fact #4*², is addressed, below, under

1. "Likewise, the document under discussion accuses Plaintiff of conspiring against Brazil's development, acting with the stated purpose of rendering the Brazilian State economically and technologically inferior to other nations. It is therefore irrefutable that said document causes effective damage to Plaintiff, since it directly harms Plaintiff's image and good name, therefore requiring its immediate confiscation."

2. ". . . The Defendants accuse the WWF Network (of which the Plaintiff is a part) of conspiring to impede the full development of underdeveloped countries. . . ."

facts pertaining to Plaintiff's *Claimed Fact #13*.

WWF's *Claimed Fact #5*³, willfully paraphrases a passage from the MSIA, by inserting the term "front," as if it were employed so by the MSIA, which never, in fact, occurred.

Fact 5 is also addressed, below, together with Fact 13.

WWF's *Claimed Fact #6*, is simply irrelevant, since MSIA nowhere asserts "the thesis" that the WWFs are "merely the puppets of the House of Windsor."

Within *Claimed Fact #7*, the WWF states falsely that: "Mr. Nilder Costa, the third defendant, gave a speech in the [Brazilian] city of Campo Grande, on Feb. 25, 2000. In said speech, the Defendant attacked the Plaintiff and the WWF in many ways, giving out entirely false pieces of information, such as, for example, that members of the movement, including the WWF President, had been members of the Nazi Party."

This is typical of the resort to outright lying, as well as slovenliness by the Plaintiff's October brief. What was presented at that Campo Grande meeting was mention of the former Nazi party membership of a single personality, the Netherlands' Prince Bernhard, the leader of the "1001 Club," and President of the association behind the WWF. It was at later public events, that Mr. Nilder Costa presented a photocopy of the Nazi party membership card of Prince Bernhard.

During the 1990s, a series of documents were declassified in the Netherlands and in the U.S. National Archives, which provide the "paper trail" to prove what has long been known: that Prince Bernhard was a member of Hitler's NSDAP (the National Socialist Workers Party — or, for short, the "Nazis"). These documents include:

(a) A record of Bernhard's dues payments to the NSDAP, which show that Prince Bernhard ("Prinz zur Lippe, Bernhard Leopold"), born June 29, 1911, joined the Nazi Party's Greater Berlin organization on May 1, 1933 (upper righthand corner, "Eintritt"). His membership number is 2583009 (in the upper far right). He only quit the Nazis because he wanted to marry Princess Juliana of the Netherlands, and the Dutch royal house was anxious to avoid any possibility of scandal;

(b) A letter prepared by the U.S. Embassy in The Hague, to the U.S. Secretary of State, confirming Prince Bernhard's membership in the NSDAP, from a list prepared by Headquarters Berlin Command, Office of Military Government for Germany (US) on Nov. 1, 1947;

(c) A list of NSDAP members, which includes not only Bernhard, but other members of his oligarchic family (those listed as "Prinz z. Lippe," or "Prinzess z. Lippe");

(d) An Aug. 10, 1948 letter on U.S. Department of State letterhead, to "The Officer in Charge of the American Mission, The Hague," "concerning the removal of the name of

3. "The Defendant states that the Plaintiff represents the interests of the House of Windsor, which, in turn, controls various large multinational companies. The WWF network, therefore, would serve only as a 'front' for defending the interests of these companies and their controllers. . . ."

Prinz v. Lippe, Prinz Leonor 2573099
Eintritt: 1.5.33

Wohnung: *Replitenstr. 39/39*

Beruf: *Wid.* geb. am: *29.6.11* in: *WDR*

Überwiesen am: *1934* von: *1935* Überwiesen am: *27.8.1948* nach: *Wilhelm*

	1	2	3	4	5	6	7	8	9	10	11	12
<i>1934</i>	-10	-10	-10	-10	-10							
<i>1935</i>	-1	-1	-1	-1	-1							

Dr. Hans-Bastel, Dep. Stat. Nr. 84. 60000.

NSDAP members Residing in the Netherlands

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to the consolidated list of NSDAP members residing in the Netherlands, which was forwarded to the Embassy by the Department accompanied by transmittal slip dated May 27, 1948, signed by the Chief of Foreign Activity Correlation. The list was apparently prepared by Headquarters Berlin Command, Office of Military Government for Germany (US), 7771st Document Center, Machine Tabulations Branch, APO 742A. The list is dated November 1, 1947, bears the notation "Order No. 4120/01" and is in eight parts.

In Part 5 of the list, containing names beginning the letters L - N, the following entry appears:

Lippe-Blesterfeld, Bernhard
Occupation: Prince
Birth place: Jena
Membership No. 02583009
Symbol "3" (in the NSDAP correspondence)
Date entered Netherlands: May 1, 1933
Date of birth: June 29, 1911

The person referred to, known in the Netherlands as Prince Bernhard, is the husband of Royal Princess Juliana who is to accede to the throne of the Netherlands in September next.

The subject's/a/

SECRET

Vorname	Geb.Dat.	Mitgl.Nr.	Eintr.	Bemerkungen
Georg v. Hessen	8.11.06	3766312	1.5.37	verstorben lt. Hess. Mass. 11.37/1
Cecilia v. Hessen	22.9.11	3766313	1.5.37	verstorben lt. Hess. Mass. 11.37/1
Alexis v. Hessen	8.6.11	184026	1.5.32	
Christoph v. Hessen	14.5.01	185176	1.11.31	
Philipp v. Hessen	6.11.96	418991	1.10.30	Ehrenreich
Richard v. Hessen	14.5.01	1205562	1.9.32	
Wilhelm v. Hessen	1.3.05	1187621	1.5.32	gefallen lt. Kurhesa 5142/10
Wolfgang v. Hessen	2.11.96	1794914	1.4.32	
Marianne v. Hessen	23.8.13	428881	1.5.37	
Wilhelm v. Hessen	26.10.14	3515493	1.5.33	
Oscilia v. Hessen	20.11.00	2900506	1.5.37	
Friedrich v. Hessen	1.5.68	4814689	1.5.38	verstorben lt. Brit. Nr. 1576140
Karl v. Hessen	22.4.72	4814690	1.5.38	
Ernst v. Lippe	12.6.02	88835	1.5.28	Ehrenreicher
Bernhard v. Lippe	29.6.11	2583009	1.5.33	ausgestreift
Ferdinand v. Lippe	16.7.03	453303	1.5.37	Angewidmet
Klodwig v. Lippe	27.9.09	479952	1.11.37	Sachsen 5140/2

DECLASSIFIED PER EXECUTIVE ORDER 12356, SECTION 3.3, NND PROJECT NUMBER 765023, BY 76/DA8, DATE 11/23/93

DEPARTMENT OF STATE
WASHINGTON

AUGUST 10, 1948

AIR MAIL

SECRET

No. 114

To the
Officer in Charge of the American Mission,
The Hague.

The Secretary of State refers to the Embassy's despatch No. 353 of June 23, 1948, concerning the removal of the name of Prince Bernhard from the consolidated list of NSDAP members residing in the Netherlands.

Since Prince Bernhard's name is also included in the consolidated World List, which has been widely distributed throughout the Government as well as outside the United States, it is felt that at this time it is not practicable to alter the current lists by deleting his name. Should there be any occasion in the future to issue a new edition of these lists, consideration can then be given to the request for the deletion of Prince Bernhard's name.

Documents declassified in the Netherlands and the United States prove that Prince Bernhard was a member of the Nazi party.

Prince Bernhard from the consolidated list of NSDAP members residing in the Netherlands." The relevant State Department official notes that, "Since Prince Bernhard's name is also included in the consolidated World List, which has been widely distributed through the Government as well as outside the United States, it is felt that at this time it is not practicable to alter the current lists by deleting his name."

Other published sources also report on Prince Bernhard's

Nazi Party connections, such as *Queen Juliana*, by William Hoffman (Harcourt Brace Jovanovich, 1979), pp. 67-69.

Skipping over the silly *Claimed Fact* #8⁴, the extensive, relevant publications by *EIR* et al., show that the WWF's

4. The WWF brief complains that the MSIA circulated a pamphlet "with the following title: 'The WWF's Forest Trap'. It is worth noting that 'trap,' according to the Aurelio Dictionary, means 'plot or intrigue.' Thus, the very

*Claimed Fact #9*⁵ proceeded purely and simply from willfully reckless disregard for truth.

See *EIR*, Oct. 28, 1994, “Prince Philip’s Murderous World View, In His Own Words,” and *EIR*, Dec. 16, 1994, “Prince Philip: ‘Doge’ of the Real Fourth Reich,” by Scott Thompson and Jeffrey Steinberg, and also “Some of the Better New Books on the Windsors,” providing annotated details on 14 recent books on the current generation of the House of Windsor, many of which were used in preparation of the biographical sketch of Prince Philip which appeared in the same issue of *EIR*.

On the WWF’s *Claimed Facts #10* and *#11*, its brief makes no effort to identify factual support for its claim. Notably, on Fact 10, it merely cites a passage from MSIA publications which is truthful, and not contradicted by the Plaintiff.⁶ See September 1997 *EIR Special Report*, “The Invisible Empire of NGOs,” by Joseph Brewda, documenting specific leading NGOs which are headed by members of the House of Lords/Privy Council, with specific biographies of Viscount Cranborne, Lord Avebury, and Baroness Carolyn Cox of Queensbury.

So-called *Claimed Fact #11*⁷, is no better than irrelevant sarcasm.

WWF’s *Claimed Fact #12*⁸ is shown to be willfull falsification, by a visit to the WWF’s own website, which repeatedly identifies Prince Philip as International President Emeritus of the WWF—just as the MSIA does in its publications.

title of the text already demonstrates its intent to defame by denoting the Plaintiff as responsible for some secret scheme.”

5. “In fact, diverse ‘information’ of the most absurd, mistaken and baseless sort were spread maliciously and without the least concern with the possible, and even foreseeable, damage that they could bring to the image of the Plaintiff, before Brazilian civil society. . . . It is stated in the material that the WWF International is a movement led by the British Monarchy and financed by the families of the Anglo-American oligarchical Establishment, with the objective of keeping Brazil as an ‘underdeveloped’ country—which is absolutely insane!!!”

6. “The “secret agenda” of the NGOs led by the WWF objectively seeks to keep Brazil encircled and sterilize any pro-development impulse in the country. . . . Environmentalism is a new disguise for the old ideas of malthusian colonialism, not employing, as in the past, military invasions, but invasions by an irregular army of NGOs financed by the Anglo-American oligarchical Establishment families, under the leadership of the British Monarchy, the House of Windsor. The power of these groups can be appreciated by their effective control over: the Bank of England; the U.S. Federal Reserve System; the large banks, investment houses and insurance companies of Europe and the U.S.; . . .”

7. The WWF states that the MSIA has a “prophetic style, characteristic of someone who is announcing great truths, unknown to common mortals. . . . The mentioned text spreads, in an extremely efficient and convincing way diverse assertions that do not have the least basis in fact, nor could it be otherwise, since they constitute a true exercise in creative speculation.”

8. “A clear indication of the degree of disinformation of the Defendants is in the repeated statement that Prince Philip is president of the WWF International, when his term ended several years ago [!]. . . . Apparently they [the Defendants] do not feel constrained from carrying out a truly defamatory spectacle, designed to trick unsuspecting readers and spectators.”

In the WWF’s *Claimed Fact #13*, WWF summarily reviews seven items, which they characterize as “factual errors and distortions.” In fact, all that *EIR* and MSIA have stated on these matters is not only true, but extensively documented in a most carefully crafted and responsible way. In these items, the WWF relies chiefly on its willfully false representation of the facts.

Compare, for example, *EIR*, Jan. 13, 1995, “The ‘Green’ Terrorists on Prince Philip’s Leash.” This begins with a juxtaposition of quotes from Prince Philip: “In the event that I am reincarnated, I would like to return as a deadly virus, in order to contribute something to solve overpopulation,” (August 1988, to Deutsche Presse Agentur) and Earth First! founder David Foreman: “AIDS is not a malediction, but the welcome and natural remedy to reduce the population on the planet. . . . Should human beings disappear, I surely wouldn’t mind. . . . Just as the Black Plague ended the feudal era, so AIDS will end the industrial era of progress. That is a good thing, since industrial progress brings population growth,” Nov. 8, 1987 issue of *Earth First! Journal*).

On one element of WWF’s *Claimed Fact #13*⁹, as also its *Claimed Fact #5*, see: *EIR*, Jan. 13, 1995, “British Oligarchs Created the Eco-Terrorist Movement,” by Jeffrey Steinberg and Rogelio A. Maduro. This detailed the founding of Friends of the Earth, Greenpeace, and Earth First! Members of 1001 Club/WWF, including Peter Cadbury (1001 Club charter member) and Christopher Cadbury (WWF-UK director) put up seed money, via Cadbury Trust, to launch Greenpeace. London Friends of the Earth was headed by Jonathan Porritt, son of the former Governor General of New Zealand, who obtained corporate funding for FOE from Telegraph PLC of Conrad Black’s Hollinger Corporation (Black was a charter member of 1001 Club). “By 1977, the WWF was publicly bankrolling Greenpeace for the purchase and outfitting of a fleet of ships. That year, the Dutch branch of WWF bought the ship *Rainbow Warrior* for Greenpeace, conduiting the money through Greenpeace’s London office. Three years later, Netherlands WWF bought another ship, *Sirius*, and gave it to Greenpeace.” That article also cited Danish TV documentary, “Rainbow Man,” on Greenpeace leader David McTaggart, detailing his links, from 1978, to WWF Executive Director Sir Peter Scott and Prince Philip, including reports of secret meetings at WWF London headquarters including Scott, McTaggart, Dr. Sidney Holt, and Jean Paul Gouin, for the purpose of launching a takeover of the International Whaling Commission. By the late 1980s, McTaggart “retired” from Greenpeace, and the director of Greenpeace London office was Lord Peter Melchett, a former Labour Party Member of Parliament and the heir to the Imperial Chemical Industries PLC fortune.

9. “The Plaintiff did not create nor does it control the association known as Greenpeace, or any other Non-Governmental Organization.”

LaRouche in Sudan: ‘Peace Through Economic Progress’

by Muriel Mirak-Weissbach

The image one has of Africa through mass media in the United States or Europe, rarely differs from the standard, painful picture of human suffering, whether through hunger, disease, war, or social dislocation. And the caption under that picture, whether explicit or implied, is also the same: “Africa is poor and devastated, and, well, it will always be that way. That’s just the way things are.”

In fact, the catastrophic condition of the African continent has nothing to do with “the way things are,” but rather, with the ways things have been brought about, deliberately, over decades, by specific international institutions, for the declared purpose of depopulating the continent, and looting its vast raw materials resources. It is the International Monetary Fund (IMF) and World Bank, instruments of the Anglo-American financial oligarchy, which have destroyed the economic and social fabric of Africa’s nations, and rendered their populations vulnerable to the pandemic spread of new and old diseases.

Having wrought this disaster, through the imposition of the notorious Structural Adjustment Programs, the IMF and World Bank now argue, that, by following the same recipes of liberal, free market economics, they can “alleviate” poverty, by halving the number of people subsisting on less than \$1 a day (!), and stopping the spread of HIV-AIDS, by the year 2015.

That the forecast is wrong, is obvious. More important, is the fact that these agencies, and others throughout the so-called advanced sector, refuse to even contemplate the possibility of eradicating poverty, eliminating HIV-AIDS and other diseases, and actually *developing* Africa, into a continent of modern, industrialized, sovereign nations. Their policy is to prevent any such development from taking place. In fact, among the populations of the United States and Europe, the very notion of development, particularly applied to Africa,

has become a bad word. Development, progress, industrialization, are all passé, in the ideological confines of the “new economy.”

In this context, a conference which took place in the Sudanese capital, Khartoum, on Jan. 14-17, signified a turning-point. Not only did the gathering lay bare the fraud of the IMF and World Bank policies, but it documented the concrete ways and means by which real development could finally take hold in Africa. The symposium, co-sponsored by Sudan’s Ministry of Information and Culture, the Centre for Strategic Studies of Sudan, *EIR*, and the Schiller Institute, brought together leading political figures from a group of nations in the region, whose cooperation will be key to this development.

“Peace Through Development along the Nile Valley in the Framework of a New, Just World Economic Order,” was the theme of the conference, attended by political personalities, economists, diplomats, and intellectuals from Sudan and neighboring countries. Among the speakers from the region, were two Egyptians from Cairo University, the vice-director of the Ethiopian International Institute for Peace and Development, two Nigerian professors, and numerous Sudanese government officials and others. Cooperation among the Nile countries, Ethiopia, Egypt, and Sudan, is a precondition to progress.

The special guest and keynote speaker was Lyndon H. LaRouche, Jr., whose ideas are well known in Sudan, a country he visited in 1994 and 1996. LaRouche opened the proceedings on the first day, with a lecture on the perspectives for development in the framework of a new, just world economic order, and also keynoted the second day’s session. LaRouche presented an exhaustive overview of the global financial, monetary, and economic breakdown crisis, its root causes, and the political significance of the incoming Bush team in



Lyndon and Helga LaRouche (center) join with other participants in the Khartoum conference on "Peace Through Development Along the Nile Valley, in the Framework of a New, Just World Economic Order."

the United States. He then outlined the means to establish a new monetary system, and a totally new arrangement of political-economic relations among sovereign states.

The broad picture outlined by LaRouche, was filled in over the succeeding days, by numerous illustrious speakers. Prof. Sam Aluko of Nigeria joined with Uwe Friesecke of *EIR* to document the utter failure of globalization. The example of Nigeria, illustrated by Professor Aluko, and also by Prof. Ode Ojuwo, of the University of Jos in Nigeria, made the point, that one cannot compromise with IMF policies and survive.

The role of continent-wide infrastructure in the development of Africa, was presented in a series of speeches, ranging from the Eurasian Land-Bridge (Dr. Gabir Said Awad of Cairo University) and its extension into Africa through Egypt (Cairo University Prof. Hamdy Abdel Rahman), to Sudan's railway program (the general manager of the Sudan Railways Corporation, Eng. Omer Mohamed Nour). Water development was the subject of a session addressed by the Sudanese Minister of Irrigation and Water Resources, and a former Agriculture Minister, who is also a former ambassador to the United States. They laid out the dramatic picture, of how the Nile River waters, if managed equitably and rationally, could enormously expand agricultural output, for Africa and the world.

By linking Africa to the Eurasian Land-Bridge, through Egypt, the entire character of trade relations and economic outlook, will be radically upgraded. As the speakers detailed, the Egyptian government is already moving toward establishing its part of the network, and the Sudanese presented an ambitious outline for extending the national grid, to build transportation bridges to neighboring countries. Such railway infrastructure, articulated into a north-south, east-west continental system, would revolutionize trade relations, and provide the backbone for agro-industrial development inland.

A Dialogue of Civilizations

The final session, dedicated to peace through development as the foundation for a dialogue of civilizations, focused on the peace process in Sudan. Here, two progress reports were presented, on the efforts made by the Sudanese government to end the war which has been raging in the south since 1983.

This war, as LaRouche noted, had actually been started by the former colonial power, Great Britain, which, after conquering Sudan at the end of the Nineteenth Century, introduced a policy of division and confrontation between the south and the north of the country.

The war in Sudan is paradigmatic of wars elsewhere on the continent, for example, in the Great Lakes region, all of which have been instigated and fuelled by foreign powers committed to breaking the power of governments, in order to open up raw materials resources to looting. Finding a means to end the war in Sudan, and establish durable peace, is crucial, therefore, not only to the nation's perspective, but to solving similar conflicts elsewhere.

LaRouche addressed the broad context of religious warfare, as ignited historically, outlining the principles on which a true dialogue of civilizations can unfold.

In the roundtable discussion which followed, Helga Zepp-LaRouche introduced into the debate, the precedent of the Peace of Westphalia, which sparked a lively dialogue.

We present here the complete proceedings of the final session, on "Peace Through Development, Foundation for a Dialogue Among Civilizations." The other sessions of the seminar will be published in a forthcoming issue, including LaRouche's keynote, and the two alternatives for Africa: genocide through the IMF, or peace through "real development," of water resources, agriculture, and transportation infrastructure.

Dialogue Among Cultures: The Road To Peace

by Lyndon H. LaRouche, Jr.

January 5, 2001

People have too often excused their lack of initiative to change existing policies, by arguing that history often appears to repeat itself. In fact, in nearly every crisis, mankind has always had within it the potential, and the moral responsibility, to change the course of history for the betterment of the human condition. So it is at the present moment of grave international financial and other crises. Now, once again, we again face the challenge of changing our fate, by an appropriate act of the human will. Today, the nations still have time to choose, during a relatively short period of time now before us, not to repeat the presently looming threat of religious wars and dark ages which have spoiled the progress of mankind most greatly during past cycles of both medieval and modern history.

On this occasion, I have three leading points to submit. First, I wish to define the meaning of a dialogue among cultures, in a way which is perhaps unique, but I think necessary, among the proposals I have heard made on this subject, from around the world, so far. Second, I wish to emphasize the role of economic policy in defining the crucial, practical objectives of such a dialogue. Third, I wish to make clear the way in which certain powerful Anglo-American interests, such as Zbigniew Brzezinski's Samuel P. Huntington, and others, intend to foment religious warfare, as a way of preventing a dialogue among cultures from occurring. I shall begin by focussing upon the continuing part played by the willful instigation of religious warfare in modern European history.

1. Religious Warfare in Modern History

To situate the present discussion, consider but a few of those cycles of religious and related forms of warfare, which we should study as lessons from nearby past history, lessons to be applied to that deadly combination of growing potential for such warfare, in a strategic situation, today, which is otherwise defined by a presently onrushing general financial collapse confronting every part of the world. My attention is focussed upon the willful orchestration of religious warfare, when used by great powers as a strategic weapon of conflict.

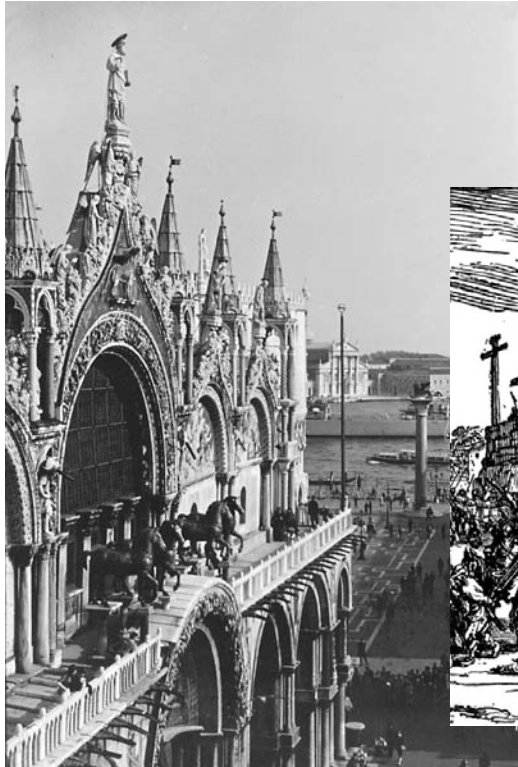
For example, for nearly a century and a half, from the 1511 victory of Venice over the League of Cambrai, until the 1648 Treaty of Westphalia, Europe was dominated by

religious warfare. The Thirty Years War of 1618-1648, which produced the conditions of a new dark age in Central Europe, as during the earlier war of the Hapsburgs against the Netherlands, typified the entire period from about the A.D. 1511 formation of the so-called Holy League, until the 1648 peace of Westphalia.

These religious wars of the 1511-1648 interval, had been organized by the same Venice which had dominated the Mediterranean as an imperial maritime power, since what was called the Fourth Crusade (A.D. 1202-1204), through which Venice conquered and looted Byzantium. It was this same Venice, with its Norman allies, which, earlier, had organized the warfare and other ruin which brought about a great collapse of European civilization during the period from about A.D. 1239 through the so-called New Dark Age of the middle of the following century.

This same Venice continued that role, even after the Westphalia peace, for as long as it continued its position, as a leading, if fading imperial maritime power, until near the close of the Seventeenth Century. In its post-1511 counterattack on the great reforms introduced under the Fifteenth-Century Renaissance, Venice had not only orchestrated, but, to a large degree, created these warring religious factions of the 1511-1648 interval, most of which factions consisted of duped fools who were nominally Christian. By means of these Venice-directed religious conflicts, Venice managed to put those emerging sovereign nation-states of Europe, such as France, England, and the German states, which had been allied against Venice prior to A.D. 1511, at one another's throats.

Even during that 1511-1648 interval, there was some continuation of that splendid legacy of progress in art, science, and statecraft, which had been introduced by the Italy-centered, Fifteenth-Century Renaissance. But, nonetheless, Europe as a whole was plunged into what some historians have correctly described as a "little new dark age," only less terrible than the earlier New Dark Age of Europe's Fourteenth Century. It was only through the peace secured by the 1648 Treaty of Westphalia, that a somewhat civilized degree of progress and stability was achieved in Europe. The general progress in European economy and political institutions, continued during the often war-torn two and a half centuries following that 1648 treaty, until a turning-point was reached, as a result



From the 1511 victory of Venice over the League of Cambrai, until the 1648 Treaty of Westphalia, Europe was dominated by religious warfare. Left: The facade of St. Mark's in Venice.

The Thirty Years War produced conditions of a new dark age in Central Europe (below).



of the 1901 assassination of U.S. President William McKinley.

It was that assassination of McKinley, which was conducted in the strategic interest of Britain's King Edward VII, which set into motion an alliance between the British monarchy and its former foe, the United States, which unleashed all of the great wars and related conflicts which dominated most of the Twentieth Century, up to the present time.

It is important to recognize, that the orchestration of military and kindred forms of strategic conflict, during the entirety of the period following World War I, and until the collapse of the Soviet system during 1989-1991, were organized in the form of religious warfare, largely around the theme of that "crusade against communism" of which Hitler's Nazi regime had been a product and part.

Notably, in all three of these cited cases, that leading into the New Dark Age of the Fourteenth Century, the "little new dark age" of 1511-1648, and the great wars of the Anglo-American Twentieth Century, these financier-oligarchical factions which dominate the ruling financier circles of the Anglo-American alliance of today, were always products of a specific imperial factor of influence. Contrary to the generally accepted mythologies, these wars were not rooted in conflicts in national interests of nations as nations, but were essentially ideological conflicts, either as religious wars, or ideological conflicts, such as the anti-communist crusades, which were of the same character as religious wars.

During the Thirteenth through Seventeenth Centuries, for

example, Venice, as an imperial maritime and financier-oligarchical power, was the determining influence. In every case, the war was either orchestrated by Venice itself, or by a form of financier-oligarchical interest which had been built up according to the Venice model.

In later times, it has been the Anglo-Dutch financial-oligarchical interest, which is the model imitated by the rentier-financier interests of Wall Street today. These Anglo-Dutch interests, as typified by the Dutch and British East India Companies, were created, during the course of the Sixteenth and Seventeenth Centuries, by Venice's powerful financier oligarchy, and modelled themselves, as merchant-banking maritime powers, upon the Venice which had, in fact, authored what became the Dutch and British financier oligarchy of the Seventeenth and Eighteenth Centuries. Indeed, since the last decades of the Sixteenth Century and early decades of the Seventeenth, it was Paolo Sarpi, then the lord of Venice, who created that empiricist ideology of Thomas Hobbes, John Locke, Bernard Mandeville, and Adam Smith, the ideology which, as Henry Kissinger emphasized in his May 10, 1982 Chatham House keynote, is the empiricist way of thinking which shapes the characteristic mind-set and global behavior of the Anglo-American financier oligarchy, and Kissinger himself, still today.

Still, today, the same legacies of religious warfare from the past are actively promoted, as so-called geopolitical conflicts against China and others, by the financier-oligarchy's New York Council on Foreign Relations.

Today, the same use of orchestrated religious warfare, as organized by Venice over the interval from the Fourth Crusade through 1648, has been unleashed again, in the aftermath of the 1989-1991 collapse of the Soviet system. The world as a whole is now hovering at the brink of a threatened, planet-wide new dark age. The outbreak of religious warfare, under these circumstances of global economic crisis, could ensure that the threatened dark age becomes a reality.

Since the Fifteenth-Century introduction of a new form of society, the modern form of sovereign nation-state, and, especially since the 1648 Treaty of Westphalia, the old cyclical pattern has taken on a significantly modified form. In this form, it is the cycles of recurring economic crisis which supply a critical element of impulse and timing, for the modern cycles of religious warfare and kindred conflicts.

Look at the present threat of such religious warfare, and of related kinds of ideological warfare, from the standpoint of what the world as a whole should have learned from Europe's experience of 1511-1648. Let us examine this history with that patient consideration implied in the famous remarks of one notable Harvard Professor Santayana, that those who fail to learn from the history I have just referenced, are therefore condemned to repeat it.

2. The Global Strategic Crisis of Today

To understand the specific qualities of the past decade of unfolding world history, we must focus on axiomatic changes in the correlation of political and economic power which developed during and since the 1989-1991 collapse of the Soviet Union as a leading strategic force.

Beginning 1990, the forces represented by Britain's Prime Minister Margaret Thatcher, France's President François Mitterrand, and the U.S.A.'s President George Bush, Sr., orchestrated an armed conflict between Iraq and Kuwait, which was then used, as a pretext, for unleashing a war against Iraq, which has, in fact, been continued up to the present moment.

The launching of this London-directed war against Iraq, was immediately followed by the unleashing of a series of new Balkan wars, launched under the direction of those British and French interests which had controlled Balkan politics since the post-Versailles Trianon treaty. That Balkan war has been continued, like the Thirty Years War of 1616-1648, and also the Balkan wars preceding World War I, in an evolving form, up to the present moment.

During the same recent period, through the present moment, there has been an orchestrated effort to drown much of Europe in what Zbigniew Brzezinski's associate, Professor Samuel P. Huntington, has proposed should be fostered to become a "Clash of Civilizations," a term which, the Professor has indicated, signifies the intent to manage the politics of nations throughout our planet, by provoking a great conflagration, in the general form of religious warfare, pivoted upon the inciting of a more or less interminable and bloody conflict between Islam and the West.

Professor Huntington's and his associates' proposal, for a nearly planet-wide religious conflict of European civilization against the Islamic world, has been intended as a detonator for this new wave of religious warfare, and has been the setting into motion of the already existing explosive charge of three generations of bloody Arab-Israeli conflict.

At this moment, the intent is to deploy the lunatic types of U.S. Protestant fundamentalists, such as President-elect George Bush's nominee John Ashcroft, closely associated with the incoming U.S. Bush Administration, to foster an atrocity against the sacred Dome of the Rock in Jerusalem, for the purpose of detonating the potential for a new Israeli-Arab war. This war is intended, not only to continue the destruction of Arab states such as Syria and Iraq, but to engage Iran, too, as a target of Israeli attacks, and thus spread the warfare through regions of the world associated with Muslim populations and their neighbors.

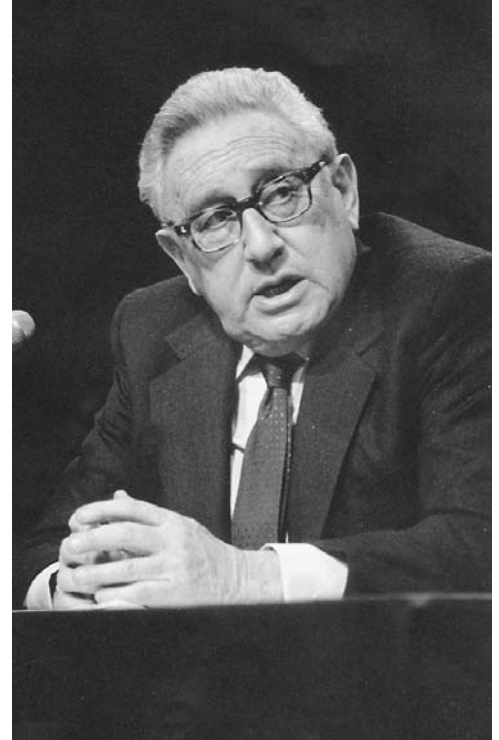
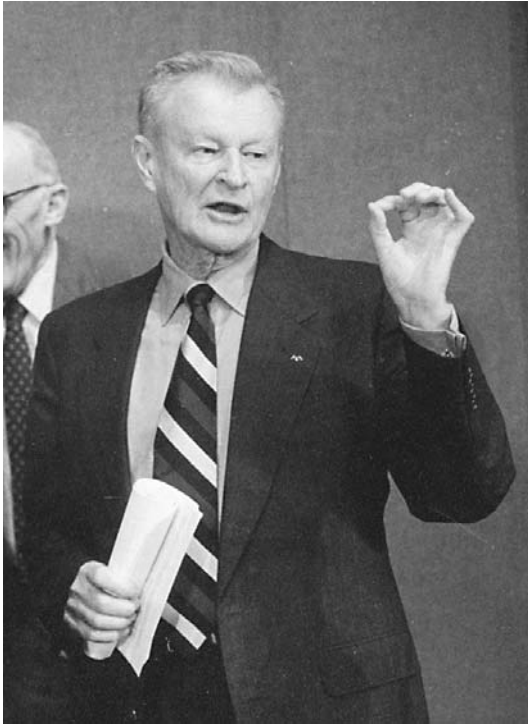
We see the same thrust expressed in the fomenting of religious and related strife, organized by the former Anglo-Dutch and Portuguese colonial powers, within Indonesia, and in the hateful targetting of Malaysia by such persons as U.S. Vice-President Al Gore and Gore's accomplice, the avowedly fanatical follower of H.G. Wells, Secretary of State Madeleine Albright. We see the intent of certain Anglo-American interests, to ignite new waves of communalist warfare in the sub-continent of Asia.

Like the religious wars orchestrated by the imperial maritime power of Venice, during the 1511-1648 interval, the threat of widespread religious warfare today, also has a readily defined architecture, as this is merely typified by the close personal, extended family relationship, across Party lines, of Samuel P. Huntington associate Zbigniew Brzezinski to Mrs. Albright, her father Josef Korbel, and Korbel's protégé, U.S. President-elect Bush's advisor, Condoleezza Rice.

Ironically, but not accidentally, the motives for Venice's orchestration of the 1511-1648 religious warfare, and the motives of Brzezinski, Huntington, and others, for seeking to unleash a so-called "Clash of Civilizations" today, are essentially the same.

Then, in 1511-1648, Venice's motive was to destroy that process of establishing modern forms of sovereign nation-states, such as those which had been founded by France's Louis XI and England's Henry VII. In this, the Venice-directed Holy League and its sequels nearly succeeded. It was the Treaty of Westphalia, which rescued the modern form of sovereign nation-state from the same fate as Europe of the Fourteenth-Century New Dark Age. It was the establishment of international law by the Treaty of Westphalia, which permitted the institution of the modern nation-state to emerge as the characteristic institution of modern European civilization.

Today, the form of that conflict is somewhat different; many of the names have changed; but the pattern is essentially the same. Today, the orchestrated ideological form of global



Left to right: Zbigniew Brzezinski, Samuel Huntington, and Henry Kissinger, theoreticians of the “Clash of Civilizations.”

conflict, is a conflict with the imperial interest of the Five English-Speaking Powers, an interest stated in such purely ideological language as “globalization” and “rule of law,” symbolic terms which express a revival of the notions of empire and law associated with pagan Rome, terms which express a religious quality of hateful opposition to the principle of the sovereign nation-state.

The ruin of Soviet power, during 1989-1991, encouraged the powers associated then with Britain’s Prime Minister Margaret Thatcher, France’s President François Mitterrand, and the U.S.A.’s President George Bush, to declare those five English-speaking powers, the Queen of England’s United Kingdom, Canada, Australia, and New Zealand, and the U.S.A., as an Anglo-American world-government in fact and force.

Thus, under the latter reign of the 1989-2000 period, not only have measures been taken to destroy the legal basis for the sovereign form of nation-state, but the economic basis as well. Policies of “free trade” and “globalization,” combined with the curious use of the name of “democracy” by Brzezinski’s Huntington, represent the effort to establish a style of world-wide imperial rule modelled not only upon the “geopolitical maritime” model of medieval and modern Venice, but also upon the precedent of ancient pagan Rome, a neo-Roman form of imperialism based upon what some have called, euphemistically, “the rule of law,” more honestly described as “the imperial rule of Roman law.”

The Anglo-American impulse behind this development of 1989-1991, did not begin at the close of the 1980s; exactly such goals had been the goal of the British monarchy since

the 1901 assassination of U.S. President McKinley, an assassination which brought financier interests associated with the former slave-holding Confederacy and Wall Street finance into a close alliance with imperial Britain. This was, for example, the repeatedly declared intent of the principal author of the nuclear bombing of Hiroshima and Nagasaki, Bertrand Russell, the intent to compel nations to dissolve their sovereignties in favor of a Roman-style, imperial form of world government.

The connection to 1511-1648, goes even deeper than such leading particular sets of facts of modern European history. Imperial Venice was a form of power based upon a financier oligarchy which spread its tentacles throughout the trade, finance, and politics of all Europe. The Anglo-American interest represented by the would-be imperial Thatcher-Mitterrand-Bush cabal of 1989-1991, and by the matching U.S. Thornburgh doctrine, represents the same kind of special oligarchical interest.

Thus, today, once again, the peace and stability of our planet is threatened, by the unleashing of those kinds of orchestrated religious warfare, which are the most difficult kinds of war to bring to an end, and the most likely to bring a new dark age upon either some large area of our planet, or even, the planet as a whole. So, it is urgent that we, today, learn certain valuable lessons from the recent eight centuries of today’s now globally extended European civilization; it is important to recognize points of historical coincidence between what was achieved by the 1648 Treaty of Westphalia, and what has been lately proposed, as by such leading figures as the President of Iran, as a dialogue among cultures.

3. The Economics of a Doomed System

Although the use of religious warfare as a strategic weapon is very ancient, the Twentieth-Century cycle has crucial features which make the present world economic crisis qualitatively different than any other crisis of the preceding two centuries of the history of today's globally extended form of modern European culture.

During the Twentieth Century, until about 1966-1971, the overall trend in economic development was for an increase in the average productive powers of labor, and for improvements in demographic characteristics of the population of Europe and the Americas, in particular. Beginning about thirty-five years ago, beginning during the 1966-1968 Presidential campaign of Richard Nixon, there was an orchestrated resurgence, within my U.S.A., of the pro-racist forms of allied, so-called "Christian fundamentalist" and what Israel's David Ben-Gurion had once condemned as pro-fascist, "right-wing Zionist" beliefs, which, taken together, are the chief mass-based expressions of ideological impulses behind the Southern Strategy factions in the Republican Party, as introduced under President Jimmy Carter, to the Democratic Party, too. Under the influence of this ideological influence on U.S. policy-shaping, the demographic characteristics of the Americas and Europe have been moving, by intention, along a downward course.

Typical of this downward trend, has been the spread and intensification of pro-Malthusian policies, and the systemic destruction of the economies of those and other regions of the world under those influences. Once the Soviet system ceased to be a strategic rival of the trans-Atlantic power, the governments of those powers moved, immediately, to bring about a general destruction of those institutions of basic-economic infrastructure, agriculture, and industry, upon which the strength and security of nations had depended up to that time. This savage destruction of the former "full-set economic potentials" of national economies, unleashed with full force, globally, during the recent decade, represents an acceleration of economically suicidal trends in the same direction launched within the U.S.A., and elsewhere, in the aftermath of both the assassination of U.S. President John F. Kennedy, and President Lyndon Johnson's sponsorship of two civil-rights laws whose enactment enraged the traditional racist currents within the U.S.A.

This coincidence between the rise of pro-racist policies in the leadership of both the Republican and Democratic parties of the U.S.A., and the promotion of so-called neo-Malthusian, and also racialist policies for economy and population-control, was never accidental. This connection is best understood from inspection of the relevant internal history of the U.S. itself. This connection exposes the crucial problem which must be overcome, if we are to enjoy the cooperation and other benefits to be sought through a dialogue among cultures.

The institution of chattel slavery, as practiced in the U.S.A. upon persons designated as of African descent, is

much more than an obvious crime against the victims of such inhumanity. Such practice of slavery, as upheld by the authors of the treasonous conspiracy known as the Confederate States of America, expresses a conception of mankind which is intrinsically contrary to the conception of man under the Mosaic doctrine common to Christianity, and Islam. The forces which have seized a dominant position in the political parties of the U.S.A. since Nixon's 1966 launching of the Republican Party's Southern Strategy, are premised upon the Confederacy's perverted and degenerate conception of the nature of man. Many of the supporters of that neo-Confederate political outlook, such as the popular base of the Bush Republicans such as President-elect Bush's nominee John Ashcroft, and the Gore Democrats, profess themselves to be Christians; obviously, they are not.

Not only are such neo-Confederate cultural outlooks intrinsically racist, and therefore anti-Christian and anti-Islam. The political and economic policies of those pro-racist currents are fully congruent with their pro-bestial, virtually satanic misconception of the nature and rights of the human individual personality.

On this account, the issues of economy and dialogue of cultures, become immediately one and the same.

The modern form of European civilization, the form known as the sovereign nation-state republic, derived its conception of economy and politics from a long struggle in Europe to establish forms of nation and economy which are consistent with Christian civilization's conception of the essential nature of man, as a creature made in the image of the Creator.

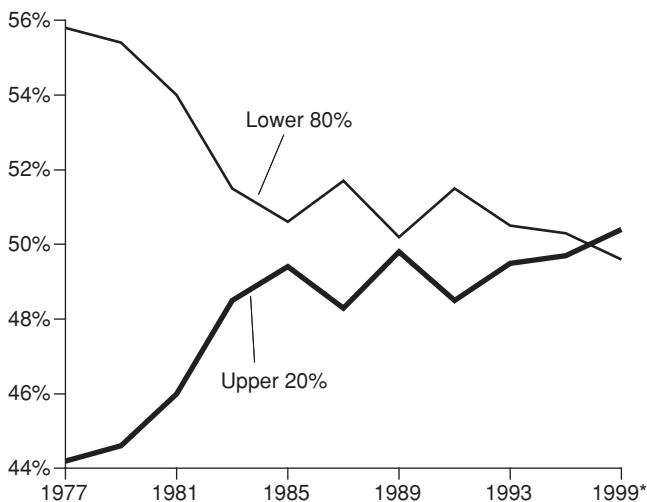
Thus, the revolutionary, modern form of European sovereign nation-state, as first defined during the Fifteenth-Century Renaissance, was premised on the notion that government has no moral authority under law, except as that government is efficiently committed to the promotion of the general welfare of both all of the living and their posterity. In other words, earlier forms of society, in which some men treated the majority of humanity as virtually human cattle, were to be outlawed. Society must be constituted, as obliged by its highest law, natural law, to express and protect that quality of the individual person which coheres with the notion of man as made in the image of the Creator.

Thus, the modern sovereign form of nation-state, as expressed by the U.S. 1776 Declaration of Independence, like the policies which informed Louis XI's France and Henry VII's England during the late Fifteenth Century, emphasizes the fostering of those creative powers of scientific and other discovery, by means of which each person may be enabled to participate in and contribute to the progress of the human condition from one generation to the next. As this policy was set forth by Nicholas of Cusa, during the Fifteenth Century, this requires that we adopt as an objective an ecumenical fraternity among sovereign nations, such that each is pledged to promote the common good for its own people, and to coop-

FIGURE 1

Since Jimmy Carter: America's Richest 20% Now Make More than the Other 80%

(percent of total U.S. personal income)



*Projected

Sources: Congressional Budget Office; EIR.

erate in a community of principle among nations, to promote the common good of them all.

In contrast to this, today's U.S. ideological followers of the Confederacy's tradition, insist on placing the "free trade" interest, and that of so-called "shareholder value," not only above human values, but even as opposed to human values. They not only oppose, but denounce that principled dedication to the general welfare, which is the highest constitutional law of the U.S. republic.

In the history of progress within modern European civilization, the building-up of the means for scientific and technological gains in the productive powers, and conditions of life, of labor in general, was expressed in large-scale promotion of basic economic infrastructure, chiefly by government, and the fostering of credit to assist farmers, industrial entrepreneurs, and others, in prospering in those activities which represented a contribution to progress in the general welfare of the society as a whole.

The economic forces associated with such progress, include progressive individual farmers, entrepreneurs, technologically progressive forces of industrial labor, and the scientific and other professions essential to fostering such progress.

The 1966-2000 attempt of the neo-Confederacy forces to re-establish and consolidate the traditions of the slaveholders' Confederacy, has been expressed in a rabid effort to eliminate the political power of those combined, agricultural, industrial, and professional forces in society, on which support for the principle of the general welfare depended. Thus, the lower

eighty percent of the family-income brackets of the U.S.A., which commanded the overwhelming majority of the total national income in 1977, when Jimmy Carter became President, have been reduced, by Carter's and other policies, to far less than half the total today [see **Figure 1**].

Thus, in the U.S.A., Europe, and elsewhere, since the mid-1960s, we have witnessed a malicious and increasingly savage commitment to the destruction of those elements of infrastructure, agriculture, industry, and relevant learned professions, on which the successes of pre-1966 economy depended, in the U.S.A., Europe, and elsewhere.

Because of the extensive destruction of those elements of national and world economy, on which the pre-1966 recovery of the U.S. and European economies depended absolutely, we have reached the year 2001 in a global condition far worse than that of the 1929-1931 financial collapse. The successes of the neo-Confederacy and like-minded forces of neo-Malthusianism, globalization, and related utopianism, have destroyed the sub-structure of the world's economy to such a degree, that the economic crisis now gripping the world, is no mere business-cycle or similar crisis; this planet, for the first in modern history, now faces a general economic-break-down crisis.

This consideration points out the crucial role a dialogue among cultures must play in preventing the plunge of the entire planet into a global form of new dark age for all humanity.

4. Economics, Politics, and Faith

The possibility of avoiding such a new dark age, requires a great degree of emphasis upon the economic side of the discussion. Economics, if properly defined, as physical economy, rather than price-accounting, was created as an expression of that conception of the nature of man as a creature made in the image of God, to exert dominion over all other things. This notion of physical economy, provides the foundation upon which various cultures' agreement in practice must be premised.

Economics as a scientific practice of statecraft, was first developed during Europe's Fifteenth Century. This occurred as a by-product of a then new, revolutionary design in statecraft, a design upon which the continuation of the institution of the modern form of sovereign nation-state depends absolutely.

Before that Fifteenth-Century reform, the population existed for the pleasure, comfort, and power of a ruling oligarchy and its lackeys. This was the kind of oligarchical society defended by the reactionary Dr. Quesnay's doctrine of *laissez-faire*. It was the introduction of the principle, that the moral legitimacy of government depends upon its efficient commitment to promote the improvement of the general welfare of the entire population and its posterity, which was the act of birth of political-economy, with the emergence of such pioneering new forms of government under France's Louis XI and



The basis for the dialogue of cultures needed today, is to be found in the conception that each person is made in the likeness of the Creator. Here, a Polish metal trades instructor trains Kenyans in Nairobi.

England's Henry VII.

Within that context, the core of the basis for the kind of strategic dialogue of cultures needed today, is therefore to be found in that conception of the nature of the human individual which is common to the Mosaic tradition of Judaism, Christianity, and Islam: the conception that each person is made in the likeness of the Creator, and thus endowed with certain innate powers not to be found among the beasts. This is especially true of Christianity and Islam, which have been both characteristically missionary cultures, reaching out to all mankind with this common message, that the individual person is made in the image of the Creator and endowed with powers like those flowing from the Creator Himself.

In particular, for the case of today's globally extended modern European civilization, all of the notable successes, which had been more or less peculiar to the rise of modern European civilization since the Fifteenth-Century Renaissance, have been the fruit of basing the notion of modern sovereign form of nation-state upon that conception of the universal nature of the human individual, as a creature made in the image of the Creator, and having the obligations and rights of one bearing that nature.

Thus, this notion of the nature of man is historically characteristic of the modern development of Europe, the Americas, Africa, and the Islamic world generally. In some influential cultures from other parts of the world, this notion of man is not accepted axiomatically, even though there may be sympathy for it, in practice if not necessarily in traditional beliefs.

In those broad terms, such are the conditions of belief around which an efficient form of dialogue of cultures is to

be organized. I propose that the following steps are the most essential ones.

First, those of us, who embrace the notion of the nature of the individual person as made, from inception, in the likeness of the Creator of the universe, must establish an ecumenical fraternity among ourselves on the premise of this specific conception of the nature of the person. Through our unanimity on this strictly defined, limited point of ecumenical agreement, we must reach out in dialogue with others, to win them to understanding of certain notions of what may be called "natural law," upon which all nations and peoples might premise a suitable fraternity.

Second, we must persuade those who may require such persuasion, that it ought to be the common principle, both within states, and among the members of a community of nations, that government has no legitimate moral authority under rule of natural law, except as it is efficiently committed to promote the general welfare of the entire population and its posterity. This definition of general welfare, sometimes called the common good, must be in accord with the given nature of the human individuality.

Third, from this conception of the common good, we must derive a self-governing sense of mission. It is not sufficient to agree to words on paper. Intention must be expressed in positive action; intention is no more sincere than the commitment to a sense of mission which makes professed intentions real ones. There are grave injustices rampant in the world today, not only those injustices imposed by willful cruelties, but injustices which are the fruit of negligence.

On this third account, the most crucial moral test by which

the good will of any nation is to be assessed, is that nation's view of the generally worsening conditions imposed, or otherwise induced within the continent of Africa, sub-Saharan Africa most emphatically.

It is notable, that U.S. President Franklin Roosevelt, confronted Britain's Prime Minister Winston Churchill on this matter of Africa, during their celebrated war-time confrontation at Casablanca. Roosevelt presented there a rather detailed picture of the large-scale infrastructure-building and related measures to be taken with U.S. support during the post-war period. Roosevelt also warned Churchill that, at the close of the war, the power of the U.S.A. would bring to an end the relics of the colonial and imperial rule by Portuguese, Dutch, British, and French interests, over colonized and semi-colonized parts of the world. Unfortunately, as soon as Roosevelt's premature death had occurred, his successors in power took the side of Churchill against Roosevelt's intentions.

Now, the preceding background so outlined, I come to the meat of the matter.

I propose, that all of the essential features of a relevant form of policy-discussion among cultures can be derived from examining what ought to be considered the shared ecumenical principles among Christianity, Islam, and the Mosaic principle, that all men and women are made equally in the image of the Creator, and endowed with those powers by means of which mankind should exert dominion over other forms of life and non-life alike. When I use the term "natural law," I mean that, as it is also incorporated in the 1776 U.S. Declaration of Independence. If we accept this definition of the individual person's nature as the basis for the universal natural law, by which mankind must govern itself, all of the essential axioms of cooperation among those cultures are implicitly provided.

In that case, if we, sharing such ecumenical commonality, agree, then we must also reach out to our brothers and sisters in cultures which do not necessarily adopt the conception of man shared among the heirs of the Mosaic tradition. We must establish a form of ecumenical comprehension between ourselves and those brothers and sisters.

In considering such a course of action, we should be forewarned by the lessons of the way in which the enemy has utilized the weapons of religious and kindred warfare repeatedly, in the past. Only, as the 1648 Treaty of Westphalia approximates this lesson for the modern European experience, if we are sufficiently committed to a common principle as the fundamental political interest of each of us, in common, as a mission expressed in practice, will we be able to defeat those forces of evil merely typified by the case of Samuel P. Huntington today.

We must also be advised, that commitment to mere letter of ecumenical agreement, is not sufficient. We must give substance to agreement through forms of common practice, which are coherent with that agreement in principle.

What that sense of mission must be, is shown to us, in the

simplest way, by considering the span of development of the newborn individual to the point it has become a matured adult. The lessons of economic history show us, that just as the biological maturation of a newborn person requires a period of development spanning about a quarter of a century, so the practical goals which should unite us must be expressed in terms of the benefits our generation will contribute to the role to be played by the children and adolescents of today. I mean, we must concretize our agreements on grounds of moral principle, in terms of those great works to be undertaken over a period of up to twenty-five years, more or less.

Such works are, typically efforts in building-up the essential basic economic infrastructure, on which the future of productive economy depends. This means large-scale development of systems of transportation, water management and sanitation, and power-generation and distribution. It also means the development of the systems of education, public health, and health-care on which the productivity and longevity of the population depends.

On this account, what we do, or fail to do for Africa as a whole, has a special quality of significance for humanity as a whole. There are, of course, great and urgent large-scale developments of the basic economic infrastructure of Eurasia, as there are similar challenges to be made in the Americas as a whole. However, to leave Africa to its own internal resources, would be a crime which would stain the conscience of the world. What we do for Africa, will be an emblem of our conscience, a mission whose success will attest to the fact that we, of all parts of this planet, have become truly human, at last: truly human in our conception of the universality of human nature.

In conclusion, our goals should be chiefly three.

First, we must define that ecumenical conception of man, avoiding conflict respecting other matters of religious beliefs, man as made in the image of the Creator of the universe, from which all notions of rational law are rightly derived.

Second, we must establish a secular agreement of principle among a newly defined community of perfectly sovereign nation-states.

These two policies must be expressed by a third, a commitment to broadly defined physical-economic and related missions, of not less than a quarter-century's span. These missions are of three general types. The first is typified by those kinds of great infrastructure developments on which depends the ability of peoples to develop their nation's land-areas as a whole. The second, typified by education and public health programs, is the development of the potential productivities that their populations as a whole, requires. The third, is the commitment to selected common goals of fundamental scientific and technological progress, to which all peoples shall have the equal right to access.

Such an understanding of the nature of man, matched by such a commitment to a mission for practice, is the foundation upon which a successful dialogue among cultures depends.

History of the Peace Process in Sudan

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1. Since the Salvation Government came to power on June 30, 1989, it made the peaceful resolution of the conflict in Southern Sudan one of its top priorities, considering it a central issue and an important precondition for achieving security and stability in the country, as well as for the development, progress, and overall revitalization of the country.

2. The government announced a unilateral cease-fire, and continued to renew it until it was violated by the rebel movement.

3. The government announced a general amnesty for all those who had taken up arms for political reasons since 1983.

4. The government accepted the continuation of operations to airlift relief assistance to those affected by war in the rebel-controlled areas, ordained by the UN.

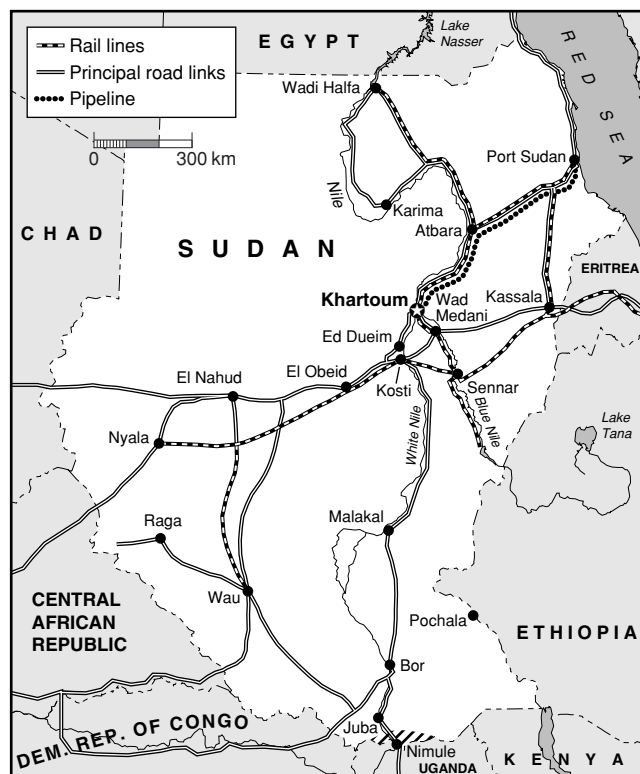
5. Despite shortcomings of the Operation Life Line Sudan I, the government approved the programs of Operation Life Line Sudan II, as well as accepting the continuation of many NGO [non-governmental organization] programs, although it was aware of serious misconduct by some of these organizations in the South.

6. The Sudan government again agreed to allow Operation Life Line Sudan III to go ahead. The government continued to facilitate the operations of UN agencies and various NGOs to ensure safe arrival of food and medicine to those affected wherever they were, despite the rebel movement's intransigent insistence on using food as a weapon in the conflict.

7. The government convened a National Dialogue Conference on Peace between Sept. 9 and Oct. 21, 1989, and representatives from various groups and sections of the community participated in it. The conference came out with definite resolutions, which the Revolutionary Government endorsed and made into a program for peace. The resolutions concentrated on the following:

- Political participation and power-sharing;
- Fair distribution of the national wealth;
- Expression of cultural diversity; and
- The relation between religion and the state.

FIGURE 1



8. The government held a round of talks with the rebel movement in Nairobi, Kenya on Nov. 28 to Dec. 5, 1989, mediated by former U.S. President Jimmy Carter. During this round of talks, the government presented its proposed program for the first time to the rebel movement. The rebels recognized the resolutions of the National Dialogue Conference as being a constructive and useful basis for resolving Sudan's problems. This recognition was included in the final communiqué issued at the end of the Nairobi talks. Jimmy Carter also confirmed that the rebel movement did not have any objection against the government peace program.

9. The government took the following steps:
- A federal system of government was promulgated.
 - The Southern States were exempted from the *Sharia* (Islamic law) when its implementation was declared in January 1991.

10. President Ibrahim Babangida of Nigeria made an initiative during the OAU [Organization of African Unity] Summit Conference in Abuja in July 1991.

11. During the preparation for the Abuja peace talks, on Aug. 28, 1991, a split occurred within the rebel movement. The faction that led the split became known as the Nasir faction, and the remaining one became known as the Torit faction. This split resulted in a setback for the Nigerian

peace initiative, because of the new proposals by the rebel movement, known as the Torit Resolutions. These resolutions called for confederation or self-determination for the South.

Federalism Is Accepted

12. The government made an initiative to meet with the Nasir faction in the search for peace. This resulted in a series of meetings in London and Nairobi, and ended in the Frankfurt meeting of February 1992, in which the Nasir faction accepted federalism as the basis for a political settlement of the conflict.

13. The first round of talks was held in Abuja, the capital of Nigeria, between May 26 and June 4, 1992. After lengthy and fruitful deliberations on the problems of national unity, identity, the sharing of power and wealth, and the expression of cultural and racial diversity, the meeting came out with the following resolutions:

a) That a peaceful dialogue is the only way to solve Sudan's problems, and therefore it was agreed to continue with the talks mediated by Nigerian President Ibrahim Babangida, until the time he left office as chairman of the OAU.

b) That Sudan is a multi-racial, multi-lingual, multi-cultural, and multi-religious country, and as such the meeting agreed to work out constitutional and political arrangements to accommodate these diversities similar to what has been done in Nigeria.

c) To agree on interim arrangements to enable all the groups to build confidence, so as to be ready to share power and wealth and achieve balanced development.

d) To establish a national committee for the distribution of national wealth on a fair basis during the interim period.

e) To resume negotiations at a time to be specified by the Nigerian government in order to discuss interim arrangements.

14. It is worth mentioning that the factions of the rebel movement had decided during the negotiations to reunite under the leadership of William Nyuon, the deputy leader of the Torit faction.

15. As a reaction to this development, John Garang held a press conference in Kampala, Uganda and rejected what was agreed to at the Abuja talks, saying that William Nyuon had exceeded the powers delegated to him. This led to another split in the movement, with William Nyuon becoming the head of a third faction.

16. In the run-up to the second round of the Abuja talks, Garang, in a message to the Nigerian government, insisted on confederalism as a basis for a settlement, advocating the creation of two nations with separate constitutions, separate political institutions, and independent jurisdiction in the realms of defense and foreign affairs. This totally contradicted

the Abuja I resolutions, which called for a constitutional arrangement within a united Sudan.

17. The deadlock was only broken when Dr. Ali al-Haj, the spokesman for the government delegation to the peace talks, met with Garang at Entebbe in Uganda on Feb. 23, 1993, in talks mediated by Ugandan President Yoweri Museveni.

Abuja II Talks Sabotaged

18. The government delegation held preliminary talks with the delegation of the Torit faction of the rebel movement (which started calling itself SPLA [Sudanese People's Liberation Army] Mainstream) in Abuja during April 26-30, 1993, followed by official talks during May 1-17, 1993, known as the Abuja II talks.

19. In Abuja II it was agreed to divide powers in several key areas between the Central Authority and the states, and to form a committee for distribution of the national revenue during the interim period, and another committee for resettlement and rehabilitation

20. The discussions centered on the following:

- Powers of the Central Authority;
- Judicial system;
- Power-sharing between the Central Authority and the states;
- Length of the interim period;
- Position of the South during the interim period;
- Security and military interim arrangements; and
- Nature of referendum and when it should be held.

21. Nigeria made efforts to narrow areas of difference. But when these efforts were about to bear fruit, and the Nigerian mediators were drafting the final communiqué, Col. John Garang suddenly arrived in Abuja and ordered the inclusion of a new proposal calling for any residual powers not mentioned after the distribution of powers between the Central Authority and the states, to belong to the states. The government delegation objected to that proposal because it saw no point of including it after everything was discussed, and also because the proposal contradicted the fact that in a federal system all powers on which the constitution is silent automatically belong to the Central Authority and not to the states. The government delegation considered this an attempt to abort the talks, which was the main objective for which Garang came, just a day before the end of the talks.

22. The Abuja II talks ended without agreement even on a final communiqué.

23. The Abuja II talks ran concurrently with the Nairobi talks between the government delegation and the SPLA-United faction of the rebel movement during May 10-25, 1993. (The United faction was formed in March 1993 following a merger between Nasir, William Nyuon's, and Karubi-on's factions, which broke away from Garang and rejected his leadership.)

24. The Nairobi talks started where the Abuja I talks ended. They concentrated on the subject of political interim arrangements, which would lead to a peaceful and permanent settlement of the Southern problem. The political interim arrangement considered distribution of powers, wealth, security arrangements, role of religion, share in development, and the question of a referendum at the end of the interim period.

25. The two delegations agreed that the interim arrangement would be instituted within a united federal Sudan.

The Importance of the Fashoda Meetings

26. The Nairobi talks continued with the government delegation meeting with the SPLA-United faction in August 1993 at Fashoda in Upper Nile.

27. The Fashoda meetings were preceded by a series of contacts between the government and the United faction, which resulted in several agreements on opening of the roads for the passage of the relief assistance and to allow the civilians to leave the areas of military operations. These agreements prepared the way for further political contacts with this faction inside the Sudan. The Fashoda meeting of Aug. 1, 1993 is considered the most important contact because it transferred the talks from outside to the inside of Sudan, where there is strong pressure for peace. It paved the way to the Khartoum Peace Agreement, and resulted in achieving peace and stability, especially in Upper Nile State.

28. During the summit meeting of the Inter-Governmental Authority on Drought and Desertification (IGAD) which took place on Sept. 6-8, 1993 in Addis Abeba, the Presidents of Kenya, Uganda, Ethiopia, and Eritrea expressed their concern for stability in Sudan and their determination to contribute toward peace efforts, especially between the government and Garang's faction, and which had stopped as a result of the recent political events in Nigeria, leading to the resignation of President Babangida at the end of August 1993. Thus, a quadripartite committee, headed by Kenyan President Daniel Arap Moi, was formed for this purpose. The Sudan welcomed and appreciated the initiative by the Presidents of the four countries.

The Sudan Peace Agreement

29. The peace process which was conducted inside Sudan resulted in the Sudan Peace Agreement, signed in Khartoum in April 1998. The parties to the agreement were:

- a. The Government of The Sudan
- b. The South United Democratic Salvation Front (UDSF), comprised of:
 - i. The South Sudan Independence Movement (SSIM)
 - ii. The Union of Sudan African Parties (USAP)
 - iii. The Sudan People's Liberation Movement (SPLM)
 - iv. The Equatoria Defense Force (EDF), and

v. The South Sudan Independents Group (SSIG)

The general principles of the agreement were:

1) The general principles contained in the political charter signed in Khartoum on April 10, 1996 shall be part of this agreement and shall guide and explain its provisions.

2) During a four-year interim period, South Sudan shall enjoy a special status as defined in this peace agreement.

3) The interim arrangements shall be preceded by a declaration of permanent cease-fire and general amnesty proclamation.

4) The people of South Sudan shall exercise the right of self-determination through a referendum.

5) The problem of Abyei has been discussed and a final solution is referred to a conference on Abyei that will be convened in the area within the interim period.

The agreement, although still holding, suffered many setbacks as a result of the strife between the faction that signed the charter and the agreement, and because of many pressures applied by foreign powers on the Riek Machar group to come again to a common understanding with the Garang movement. Although Machar left Khartoum to go to Nairobi, no party has said that the agreement is not binding.

The government took many steps to reinforce the application of the agreement since the departure of Machar to Nairobi, especially in the field of development and services; an extensive crash program which has been worked out convinced many observers that the Khartoum agreement could be rehabilitated, and many expected Machar to proceed with his efforts with the government to guarantee full execution of the agreement.

30. Progress in the Negotiation

Since the setup of the Secretariat in January 2000, four rounds of talks have taken place: Jan. 15-20, Feb. 21-26, April 3-7, and Sept. 21-Oct. 1. These rounds have consisted of the meetings of the political committee, in which both the government of Sudan and the rebel movement presented their positions and discussed the issues under items 1-3 of the IGAD Declaration of Principles (DOP).

During the January meeting, the two parties signed a document titled "Common Understanding and Points of Differences." The documents summarized the points of agreement and points of divergence. The second round in February discussed points of disagreement so as to reach a solution to the issues that the SPLM showed a tendency to compromise on.

Thus, the parties failed to reach any agreement or sign any document. In April, the same issues were thoroughly discussed without any results, and it appeared that the SPLM lacks any degree of commitment or respect for the peace process. This was shown evidently when the SPLM refused

to attend the next round of talks scheduled to begin on May 16, on the pretext that the government bombarded civilian areas controlled by the rebels. On June 20, the SPLM announced its willingness to resume negotiations; this resumption was not possible until Sept. 21, and five months elapsed as a result of these delaying tactics of the rebel movement so as to gain time to try one of the two other tricks declared by Garang as alternative ways to solve the issue of Southern Sudan: by toppling the government or by defeating it. In summary, there was little progress during year 2000.

The burden of the blame lies upon the rebel movement and the international powers supporting its designs, namely, the U.S. Administration, which did not bother to hide its agenda in using the war as an instrument to overthrow the Khartoum government. Other regional parties have their own agenda, and some of them, although considering themselves mediators, did not manage to conceal their hostility toward the government of Sudan. Some observers do not spare the Secretariat of the blame of being passive and unchallenging.

The IPFs exert very little pressure to make the SPLM accept the comprehensive cease-fire, which will show that the rebel movement is finally resorting to a peaceful solution to the conflict. Some of them even do not entertain the idea of stopping some of the NGOs supplying the movement with arms and ammunition. It is widely known that U.S. agencies paid tens of millions of dollars to the SPLA using humanitarian aid as a disguise.

31. What Is To Be Done?

The impasse opened the way for new initiatives to try to solve the problem. One of these initiatives is the Egyptian-Libyan initiative, which tried to convene all the parties including the NDA [National Democratic Alliance], but this effort did not succeed because the rebel movement showed no enthusiasm toward what it calls Arab initiatives. The movement claims that there is no possibility to merge the IGAD initiative and the Arab one because the Egyptians will never accept the principle of self-determination for the people of Southern Sudan. Thus, the current situation shows no real chance of a peaceful solution. If a peaceful solution is to be reached, the IGAD members, African countries, and IPFs should:

- Show more concern about the peace process by activating the role of the IGAD Council of Ministers so as to support the Secretariat to be much more positive in its role as a mediator.
- The Secretariat should be firm and not accept any form of deviation from the DOP.
- The IGAD members and the IPFs should pressure the SPLM to agree to a comprehensive cease-fire, so as to open the gateway for a peaceful solution and to apply pressure on the movement to negotiate in good faith.

Tagilsir Maghoub

Toward a Dialogue Among Civilizations

Dr. Maghoub is Secretary General of Sudan's National Fund for State Support. Subheads have been added.

Based on my responsibility as Secretary General of the National Fund for State Support, which is responsible for the wealth-sharing aspect, I would like to focus on this issue and its contribution to the peace process. Mr. Amin has provided the background, to see the steps taken so far.

Last night, while I was reflecting on the issue of peace, I started thinking about what the word "peace" itself stands for. When we start talking about certain things, I take every letter of the word, and see what it stands for. *P* is political will: If there is will and determination to solve the problem, it can be done. *E* is empathy, putting yourself in the other person's shoes and doing what can be done. *A* is the accommodative spirit, trying to accommodate each other, and help pave the way for a peaceful settlement. *C* is conflict resolution through confidence-building, which is key to resolving the peace issue. *E* is the execution of commitments, through political will, empathy, etc. This will pave the way to a final peaceful settlement. That's a simple exercise, as an introduction.

The Sudan Conflict

Thinking along the same lines, let us come to the roots of the Sudan conflict. There is the vulnerability of economic security, inequitable power and wealth sharing, a feeling of lack of enhancement of human dignity, and the role of the international agenda. All four contribute to deepening the conflict.

Sometimes we fail to assess what the adverse consequences of the conflict are, what the cost of that conflict is. If we look at the economic and human cost of war lingering for a long time, we find it has created a number of adverse consequences, the first of which is the destruction of the social fabric; it has created separation of families, massive dislocation, weakening of social institutions, erosion of power of the leadership, massive environmental destruction, devastation of the productive base and infrastructure, drainage of resources away from development to security-related expenses, deterioration of education and basic services, and poverty. These are the outcomes of the lack of peace. In the situation in the south, due to the lingering of war, which is being ignited every now and then, if we look at agriculture, we find it is

extremely traditional; although there is abundant forestry, fisheries, wildlife, water resources, these are not utilized because of the war. The illiteracy rate is high, there are weaknesses in the industrial base and transportation infrastructure, potential resources are not developed.

These are clear manifestations of the raging conflict, in spite of the efforts under way to try to end the conflict.

Based on that, the need for peace is clear. To help provide efficient government, we must focus on four important elements, which are the elements of development. These are: infrastructure, agricultural development, utilization of natural resources, and promotion of the industrial base. These need to be focussed on, if peace is to be established. That will help enhancing human capabilities and enlarging people's choices through a steady expansion of opportunities, including access to jobs and employment opportunities, access to productive assets such as land and credit, basic education and health, and basic infrastructure.

This puts on all, the national responsibility, to realize peace through political will and synergy of ideas.

What are the real issues that are priority items? As we said, economic vulnerability and the grievance that has been created over long years by the fact that there is no fairness, and no justice, so the issues of power- and wealth-sharing have always surfaced as important issues to be addressed. Power-sharing, we believe, has already been taken care of through the federal structure. The South now enjoys the federal structure; it has got its own states, its own government, its own legislative assemblies, and it has got its own way of running affairs in the South, within the federal structure. This was one of the focal points in the negotiations.

The other aspect is wealth-sharing, which deals with livelihood, with welfare of people and the real development that is needed. Of course, development can only be achieved through just, fair, and equitable wealth-sharing; this is the issue I am going to focus on.

Some steps have been taken. In the last round of talks, in the seminar on wealth-sharing held in Nairobi, one important issue agreed on was, that political, social, and economic activities must center on the enhancement of human dignity of all Sudanese, irrespective of gender, religion, ethnicity, or region. And revenue-sharing is critical to stability and sustainable human development. Accordingly, there should be equity in the allocation and effective management of common wealth, which draws on human experiences from the rest of the world.

What has been done in that respect? We feel that a lot of steps have been taken in the area of wealth-sharing. At the beginning, it was a question of assessing the needs of the various states, and on that basis, a certain allocation is made from national revenues, to take care of basic needs. What we started to do, because we think that equitable, just sharing needs information, is to create a database, this wealth of information which would help give people what they deserve

within the structure set up. So we set up an encyclopedia, and focussed on all the states. Now the information available on all the states is ample. Each state has its own set of the encyclopedia. For Equatoria, we have 120 dimensions, revenues, natural resources, population mix and density, health, water, services. This gives a true picture of what potential is there, how that potential could be tapped, what the responsibility of the central government is in providing what is needed to move the sectors. On that basis, a formula was set, to establish a system of wealth- and revenue-sharing. The outcome was a certain set of criteria established in the areas, and how this wealth could be divided between the different parts of the country, the central government and the local governments. There has been a constant increase in the allotments; for instance, on a percentage basis, from 7-9% to 15% of the national revenues, to take care of the basic infrastructure projects. In this respect a lot has been done.

In the area of wealth-sharing, what is required in each part of the country, why, what are the criteria, what are the ways to be assigned, for each area to get its use of central government revenues.

In 2001, there is an increase in the sharing process to the states, particularly in the South. In the last round of talks, some ideas came up which helped us to have a new vision in the wealth-sharing area, to solve some real problems, which hindered the peace process from going on with the pace we believed necessary. These have taken into consideration all the needs. There is a massive program to be launched in 2001, already started in 2000: a program for resettlement, core projects for sustainable development, health, manpower, water. Now this is being done in a crash program for the South, to provide potable water, health, education, power, roads—important infrastructure. The first phase of the crash program has been carried out; the second phase is going on.

This includes promoting agricultural development as the basis of other development, working toward creating an industrial base in the region, and enhancing human dignity through all of the above. Everything that is done contributes to emphasizing human dignity.

Steps have been taken to ensure the stability of the workforce, through an equalized system of payment, whereby the system of payment in the South is the same as in the North.

It depends on how you look at it: Is the glass half-full or half-empty? We have to look at it as half-full, and hope.

There is a role that the international community should play: Be genuine about achieving peace, not talking about it as a cliché; be genuine about establishing peace, and about what the outcomes are; support genuine efforts to achieving peace; honestly contribute to local development; stop igniting differences, under any sort of cover. They talk about it as a religious conflict, trying to deepen cleavage, through certain arguments. We know there are international agendas playing a role here. Mr. LaRouche's paper on the dialogue of cultures and religious warfare, addresses this.

The Cultural Basis For a Peace Policy

Mrs. LaRouche is the founder of the international Schiller Institute and the chairman of the Civil Rights Movement Solidarity party (BüSo) in Germany. Subheads have been added.

I want to address two questions: One is, how to answer the threat of war, with a peace offensive, not only in the Sudan, but globally; and secondly, I want to talk about the cultural aspect of globalization, and how to defeat it.

Now, what I want you first to do, is look at the African continent as a whole. It is a continent which would break the heart of any human being looking at it, because it is a continent torn by war. Almost every country which is trying to develop, such as Sudan, has an ulcer, which is depleting its resources, preventing it from developing; and, even if there may be regional, local, ethnic, religious, and other conflicts, there is no conflict in Africa that I know of, which is not steered from outside the continent, and the issue is, always, raw materials, gold, diamonds, oil, or other resources. The people of Africa are regarded by the thieves who want to loot the African continent, as nuisances. They have the same attitude as Cecil Rhodes at the turn of the Twentieth Century, namely, that people of black color should be gotten rid of, because they should not consume these valuable resources.

Take another aspect. Recently there was a conference in Durban, South Africa, which discussed the question of AIDS and other epidemics raging on the African continent. Many speakers said very clearly, that the mortality rate in Africa right now, is already at the level of Europe in the Fourteenth Century. The death rate is the same rate. The World Health Organization issued a report a year ago, in which they said, concerning AIDS and other epidemics, antibiotic-resistant diseases, and others, that there is only a very small window of opportunity to be used, or else it will be too late, not only for Africa, but for the whole world.

The Global Context

This is, briefly, the condition of Africa. However, this is not the whole picture, because this African tragedy is taking place in the context of a global systemic collapse of the Anglo-American-dominated financial system. And the danger is, as Mr. LaRouche has said very, very clearly, that out of this financial breakdown, and economic depression, there comes, as in the 1930s, a new fascism, but this time, I can assure you,

if it were to develop, it would be much worse than Adolf Hitler and Mussolini combined. The financial oligarchical elite has only one answer: that is, fascist methods based on racism and eugenics, steering religious wars. You only have to look at the Middle East, where an unprecedented wave of violence has broken out, and you can see, that it is the intention of the financial oligarchy, to inflame not only the Middle East, but to spread religious war to all of Central Asia, Southeast Asia. And one thing is very clear: that if we don't stop this, the whole world, not only Africa, will plunge into a new Dark Age.

Mr. Friesecke has given you a very harsh, but realistic view of the intention of the enemy of Africa, projecting poverty and misery into the year 2015 and beyond. It is clear that the idea of Samuel Huntington, of the "Clash of Civilizations," indeed, is to steer wars, continue conflicts, set people against each other, play up the differences and conflicts, and play on the backward and chauvinist traditions in each case.

The Model of the Peace of Westphalia

If you take the realistic view, and say that this is our supposed destiny, this is what the enemy has in store for us, is it then not possible to say: Rather than focussing on our regional conflicts, on our local differences, that we join together and understand that, only if we unite, can we defeat this larger enemy outside?

And there is one very powerful precedent showing how to end such conflict, and that is the Peace of Westphalia, which ended not only the Thirty Years War in Europe, from 1618-1648, but this was actually a religious war, which lasted altogether 150 years, and caused tremendous carnage. Certain areas were destroyed up to 60%, 80% — people dead, villages destroyed. What did people do? After they realized that the continuation of war, generation by generation, grandfather, father, son, killing, killing, revenge, killing, killing, killing, back and forth, that nobody would gain, and that there was only one solution, to stop the war.

This document, the Peace of Westphalia, which I recently re-read, is a rather remarkable document. It has three essential components: first — and this occurred in the Seventeenth Century, quite a while ago — people came to the conclusion that the only way to stop the war, is from now on, to base foreign policy on the principle of love. Now that may be a shocking idea, because if you hate your enemy, because your enemy has just killed your wife, children, your sons, relatives, then to say, "Stop, I have to love my enemy" — it is a very challenging concept.

The second principle of the Peace of Westphalia, was that they decided that every crime committed by each of the participating war parties, and the crimes of the people working with them, their companions, their allies, *every crime should be forgotten, for the sake of peace*. In other words, you cannot have peace by endlessly listing a long series of crimes, of who did what to whom, because if you continue to do that,

after war has raged for such a long time, you will never find a clean slate, because it is the nature of war that crimes are committed, that unfortunate things do occur. There is only one way, which is to say, if we want to stop the bloodshed, *stop it, make a tabula rasa, forget it, for the sake of peace.*

When that was done, in the case of the Peace of Westphalia, it led to peace, and it led to the beginning of international law in Europe, and it had tremendous benefits. When it was not done, as in the Versailles Treaty after the First World War, injustices were continued, and that led immediately to World War II, and World War II did not stop there. In a certain sense, we are still living in the tradition of two world wars of the Twentieth Century. If you take the Peace of Westphalia, you have peace, but if you take the Peace of Versailles, you breed more war.

The third principle of the Peace of Westphalia, was that, for the first time in history, at least in European history or other history that I know of, there was a clear definition of the role of the state in the reconstruction of the destroyed areas. And historically, this was the beginning of what Mr. LaRouche calls “physical economy,” and what later became Cameralism in Germany.

Peace Requires a Certain Image of Man

If you agree that such an approach has to be taken, how do you then proceed? You have to start with the image of Man. You have to be aware of the fact that every man is born in the image of God, the Creator. And being in the image of God, means that Man is capable of imitating the most noble aspects of God the Creator, which means, creative cognition. Therefore, individual rights, inalienable rights of all human beings, are not only the right to life, to a decent living standard, health care, longevity, education, a fulfilled life, and so forth, but it is the right of every individual to develop his or her powers of cognition. The political order, therefore, must be brought into cohesion with these inalienable rights of Man, generally called natural law.

This is only possible through the sovereign nation-state, and I will explain why only the sovereign nation-state can guarantee these rights. Until the Fifteenth Century, all over the world—in Europe, in Africa, in China—all governments were actually imperial by design, which means that only a very small elite had the privilege of literacy, of participating in culture, while the majority of the population was backward and did not participate. In the Fifteenth Century, the nation-state developed (I can explain later, how), and for the first time, the idea was created that the nation-state must take care of the common good of the people, and that the only way this can be done, is that the government must sponsor and further scientific and technological progress.

Thirdly, the government must make sure that the number of intellectuals increases, that the number of educated people expands to finally reach the situation of universal education.

This can be guaranteed only through the representative



Helga Zepp-LaRouche: “Don’t talk about the crimes and the negative things, but about the kind of things the African continent can be united around, as proud nations.”

system, in which representatives have a reciprocal relationship to the government and to the governed; they have to, on the one side, serve in the best interests of the nation, of the government, and, on the other side, represent the interests of the people. They are accountable to the people and they are accountable to the government. So they have an extremely important role. “Representative” means also that you can vote them out of office if they don’t represent the people, which is a very important measuring point, the reason why no supranational institution can guarantee the rights of the people, is because the bureaucrats of supranational institutions, like the International Monetary Fund, the World Bank, the European Union—they are not accountable. I haven’t voted for them, but they decide my destiny. So, they are to be gotten rid of and replaced by a truly representative system.

This idea, of the common good in the nation-state, must also be the basis of foreign policy. One of my favorite philosophers, is the great thinker of the Fifteenth Century, Nicholas of Cusa, who actually developed a model, for how peace in the world, in the universe, can be possible, only through the development of all nations. He said, *concordance in the macrocosm*, is only possible if each *microcosm develops in the maximum way*. You cannot have a peace order in which some develop, and some not. But there has to be the maximum development of each microcosm.

A Community of Principle

Now, obviously, in order to think this way, what you need is a passionate love for the idea of a community of people.

You have to be a patriot, but you also have to rise above your own national thinking, and develop true love for mankind. Nicholas of Cusa picked up also on the famous Parmenides paradox of Plato, which poses the problem of how to reconcile the conflict of the One and the Many. He said, there are different nations and people, who are all different expressions of the variety of God's creation and they all have an individual character, but they also have, beyond that, a transcendent representation. Therefore, the individuality of nations has to be respected, but they are bound together through a universal unity. And those nations, and those peoples, have inalienable rights, like individuals, but they are united through a universal spirit which is present in all the particulars. So peoples and nations exist in their differentiation, but their unity existed before and is primary. So there is unity in diversity. Concordance, peace, is only possible in the macrocosm, through development of the microcosm.

There is a simpler way of putting this. It is as if you treated other nations the way you treat your family members: If you are a father or a mother, what more pleasure do you get, than if you see your children grow? If you see that your relatives are doing well, that your uncle suddenly learns a new language, which opens his mind to new things, and he can read new books, your nephew makes a breakthrough in mathematics, in physics, your little granddaughter suddenly becomes a beautiful musician? It makes you happy, because you see that people develop, that they become enriched. If you take that emotion, to wish to bring forward the best in all people, as the basis of foreign policy, then peace is very simple.

As in a family, you don't want all to be uniform, but you want each of them to bring out his or her own particular character as far as possible. Nicholas of Cusa was very wise; already in the Fifteenth Century, he said that whenever a member of the human species makes a discovery, it must be spread. Cusa said that the human soul is the place where the development of the universe takes place, so much so, that without the human soul, there would be no progress. This progress, this discovery of science, of geography, of music, is so important, that it must be immediately made available to everybody, so that their development is not slowed down. This was in the Fifteenth Century! The opposite of technological apartheid, which says only certain countries can have access to technologies, and others should never get them. The idea here is the opposite: Everybody must have access to every technology as soon as it exists.

Nicholas also called for the systematic collaboration of scientists and engineers—and I was very happy when here, an engineer said, engineers of the world should unite, because one engineer should not take down what another engineer has built. And the same thing is true, that a true lover of music will not play wrong notes when he hears another musician



Confucius, whose philosophy revolves around the idea of “ren,” which means universal love for mankind—the counterpart to the Greek/Christian notion of “agapē.”

from another country play very well. So let us encourage the communication of the scientists, of the musicians, of the artists, of the engineers, because they speak a universal language.

Ecumenicism: The Example of China

I want to add one more thought. That is, Mr. LaRouche has mentioned, there are some influential regions of the world where this notion of man in the image of God is not accepted axiomatically. The question is, what do you do then? Among Christians and Muslims, you can reach agreement on the human dignity of man in the image of God, it is something we can agree upon, especially in the face of an enemy who attacks this. But what do you do with people who do not agree to this?

I want to basically take one example, which may be useful, and that is the question of Chinese culture. Chinese culture predominantly does not believe in God; they don't believe in Islam or in Christianity, they have all kinds of other influences. But they have one extremely important current, the current of Confucius, which, as you will be able to see if I just briefly mention some of its ideas, fits with the values of Islam and Christianity.

Confucius has one central concept in his entire philosophy. This was the idea of *ren*, which means love, or *agapē*. Confucius said that *ren* is a kind of internal cultivation of yourself. Therefore it is very easy, the moment I desire love, benevolence, and charity, love is there. I can willfully decide I want to have love now. He said, people are in need of love, more urgently than water and fire. The principle of love should be applied to the governing as well as to the governed. When gentlemen are earnest with their kinsmen, the people will be inspired with love, not only to have love, but to practice it,

universal love for mankind. He said, *ren* is an idea which subsumes a whole spectrum of moral values.

Another key notion of Confucius was the notion of *li*. He said, *li* means that everyone finds the appropriate place in society, that there is no break between the past and the present. *Li* is an expression of cultivated humanity. In a certain sense, it is the same idea as the maximum development of the microcosm, or the monad in Leibniz, that each person must develop his own maximum potential for the sake of society. The rank of a person must not be dependent on rank or family, let alone worthless money, but must depend on moral perfection. The more moral a person, the higher his rank. Nicholas of Cusa has the same idea as Confucius, that the rule should be by the wisest, and the wisest who respect the law the most. Confucius had this notion of *sheng ren*, the person of the highest moral perfection, who also has the mandate of heaven and keeps that mandate, as long as he performs on this level. One of his pupils, Shi Lu, asked Confucius, what does ruling mean? Confucius said, to go ahead of the people, to give an example, and inspire them, and have moral excellence.

In this Confucian tradition was another thinker called Mencius, who lived from 390-305 B.C., and he had another extremely important concept, namely, that Man must live according to his own internal moral laws, no matter what external conditions are. Never sell out your soul, no matter how difficult it may be. Mencius also said that each person has the same potentiality in him to achieve these highest perfections.

Friedrich Schiller, after whom the Schiller Institute was named, had the same idea, expressed in the famous play, *Don Carlos*. He said, "Be king of a million kings." Don't have someone elevated to be a king; have everybody become a king. Everybody, every child, must eventually become a genius. This is what Confucius said, and I think this is the issue of every culture: how to elevate every human being to this level.

Looking to the Future

Let me just say one word about the Schiller Institute. In 1984, the Schiller Institute was founded, based on these ideas: that foreign policy must be based on *agapē*, that the only way to have peace is by relating to the best traditions and potentialities in other nations, in all fields, in science, economics, art. For example, when you talk to an American—leaving aside certain evil ones we won't talk about right now—you don't talk about their evil role in the Confederacy, slavery, their crimes in Vietnam, but you want to elevate them, and you want to appeal to them in the tradition of the Founding Fathers, Abraham Lincoln, Franklin D. Roosevelt, John F. Kennedy, Martin Luther King. In the same way, when you talk to Germans, don't talk to them all the time about what Hitler and the Nazis did and their crimes, which obviously exist, but talk to them from the standpoint of their proud tradition of Nicholas of Cusa, Leibniz, Bach, Beethoven, Schiller, and so forth.



Friedrich Schiller, Germany's poet of freedom, understood that every person has the capacity to become a genius.

I had wanted to fill out this concept for this region, but because of a lack of studying, and time, I wasn't able to. However, I would like you to do this yourselves, and ask: What is the best tradition of Sudan? What is the worst tradition? What is the best tradition of Egypt? Of Ethiopia, Nigeria, the Great Lakes region? South Africa? Try to find that tradition to elevate people. Don't talk about the crimes and the negative things, but the kind of things the African continent can be united around, as proud nations.

Leibniz, in his *New Essays on Human Understanding*, said something extremely interesting, again in the Seventeenth Century. He said, if one day—and here is the question of globalization—if one day, British nominalism, which is the same as empiricism, materialism, and egoism, dominates the whole world, this will have catastrophic consequences. Because those who follow their bestial impulses will try to seduce the minds of others, because they are ambitious. They will set fire to the four corners of the world, and there is a danger that these poisons, step by step, will enter the minds of those who govern. Then, the sense for the common good will disappear, and these people will ridicule those who take care of the good of their nations. Eventually, however, these people will have the same fate as the fate they are trying to create for others: They will all go under, and then the necessary revolutions will follow.

This is exactly the condition we are in today, because it cannot go on the way it is going. And I want to end with another thought of Leibniz, who said, that because God created the best of all possible worlds, God has made the world also in such a way that a very great evil, provokes an even greater good in people, which is capable of defeating the evil. Thank you.

The Lessons To Be Learned from Nigeria

Professor Ojuwo is from the Center for Development Studies, Jos University, Nigeria. Subheads have been added.

The first two speakers focussed on issues relating to Sudan, the war in Sudan and the processes of peace. I would love to hear the reasons for war, which was not stated, and what the other party is saying, not only the government position. The third speaker has given us the philosophical foundations for peace. Maybe I can come in between, that is to say, for every problem that has been mentioned with regard to Sudan, there is always a parallel from Nigeria, either in the past or concurrently.

But let me also point to the concluding remark, that about describing a glass as half full or half empty. I always tell my students that that is not a problem. Because whether you describe a glass as half empty or half full, depends on the initial condition of the glass. If it was empty initially and you put in half, then it is half full; if it was full initially and you take away half, then it is half empty. So it depends on the initial condition.

The parallel I want to relate to you, which may be of help, is that you realize that Nigeria went through a civil war from 1967 to 1970, three bloody years of civil war. One of the causes of that war is that a segment of Nigeria felt that it was marginalized in the political and economic processes in Nigeria, and yet it was providing a substantial portion of Nigeria's revenue. Following the political crisis of 1966, in which a number of Nigerian leaders were killed, it led to a war, from 1967 to 1970. Now, regarding reconciliation, what was helpful to us was that in that war, the West had not at that time perfected the strategy of tension. The West had this passive intervention, in which they allowed NGOs [non-governmental organizations], most prominently Caritas, which was in the east, and there was a lot of propanganda against Nigeria. I think Tanzania was the first country to recognize the secessionist group at that time.

By January 1970, the war had ended. It is important to note, that throughout that war, Nigeria never borrowed a dollar or a dinar; by the time the war ended, Nigeria didn't owe anybody anything on account of the civil war. Under the leadership of General Gowon, Nigeria embarked on the three Rs: reconstruction, rehabilitation, and reconciliation. As Mrs. LaRouche has said, when the war ended, no one was investi-

gated. The policy statement was that there was no victor, no vanquished. Although the Nigerian government actually defeated the secessionist groups, and they formally surrendered to the present President, [Olusegun] Obasanjo. But we embarked on a policy of reconciliation.

How did they do it? For all of the property that the secessionist group abandoned, a committee was set up to return all assets to those people who were defeated in the war, in every part of the country — houses, property, everything. Only those who took their money and put it in Biafran banks, the government refused to convert it from the Biafran currency to Nigerian currency, and instead gave each one of them about \$20 each, at that time. Otherwise, every Nigerian who was affected by the war and had to flee, and came back and provided evidence that he owned the property, had it given back. If there were dead in the war and family members could prove ownership, these properties were returned to them. That is one way this issue of love was applied, and not tracing who did what, because in the war everybody did what was wrong. In the West, they are still pursuing people in their eighties who took part in the Second World War, but they never find out, what the victorious side did to the Germans. It is only the people on the other side, to this very day.

The point is, that the tensions in Nigeria have not ended because of the reconciliation. You recall that soon after the war, three years after the war, and as a result of the Middle East crisis, oil became not only an economic resource, but a political weapon as well. And so, through no particular fault of Nigeria, the price of oil skyrocketed in 1973 from about \$3 a barrel to about \$14 a barrel. So, Nigeria found itself with a lot of revenue that was supposed to help to execute its three Rs: reconstruction, rehabilitation, and reconciliation.

Continuing Instability

Reconciliation was achieved relatively faster than reconstruction and rehabilitation, for the reason that much of the revenue was misapplied, and because, while the country remained one, there was constant political revolution or revolt, through a series of military coups. There was the desire of each and every soldier to be a head of state, without reference to the Nigerian people. In a way, we are guilty, because we supported them, we didn't resist them. Each time there was a coup d'état, and the coup leader announced that the government had been toppled because of corruption, mismanagement, ethnic bias, we clapped. Soon after, the new leader descended into depths of immorality and corruption lower than the preceding one.

And the result today, is that there is disaffection in Nigeria. Although we are not really fighting a civil war, there is a lot of threat of instability, threat to sovereignty in Nigeria, from those who have perfected the strategy of tension. A certain segment of Nigeria is now calling for a confederation, just as others are calling for a review of revenue allocation based on the principle of derivation. That is, from wherever



A mosque in the Nigerian capital of Abuja.

the revenue comes, let it be retained there. Others are calling for some form of value-based religious state, a form of *Sharia* [Islamic law]. Whatever instrument is used, depends on its potency in Nigeria. In the middle states, ethnicity is used. You move a little, they use religion. But the strategy of keeping Nigeria divided is the same, whether it is in religion, or state, or tribe.

Now, the Nigerian government is struggling to keep the country together. But, some people are actually calling for what they call a national sovereign conference, in which the over 250 ethnic groups are supposed to send their representatives, and the decisions of that conference will be binding on the government and will supersede the Nigerian Constitution. The question is, who is going to organize the national sovereign conference? Is it a government which is running on the basis of the Constitution, to undermine its own legitimacy? Or will each of these tribes become a nation? Because each of the tribes now are calling themselves a race, so it is no longer a black race; we have a Hausa race, we have a Yoruba race—250 races in Nigeria. So, the tension is there, and the government is doing everything it can to try to dampen tensions.

Efforts by the Government

A number of measures have been taken. The oil-producing areas in particular feel very bitter, that after so many years of extracting oil from their area, they feel that they are the most backward in terms of infrastructure, in terms of education, and in terms of human development. During the military rule, a commission was set up to deal with it. That has failed. Since then, a new commission has been set up, called the Niger

Delta Development Commission. Niger Delta is the area of Nigeria where the Niger River flows into the Atlantic Ocean. That is the area in which most of the oil is found, and the ethnic groups there, the Fiedad, Wutasha, and others, are agitating for a review of the revenue-allocation formula. In Nigeria, we have a revenue-allocation formula, which shares the revenue which goes into an account, which goes to all the states, local government, and the federal government. They are emphasizing that this revenue formula should be altered in order to benefit the areas from which the oil has come. That is the principle of derivation.

And there is a third attempt: We have 36 states, with the federal government, 37. The country has been split into six geopolitical zones, and each of these zones expects, over time, to have the Presidency rotated to it. That is still in the works. But the assumption of office by President Obasanjo is connected with the desire to take leadership in Nigeria. For many years, whether it was civilian or military, the north has always, at least on the face of it, held political office. The southwest of Nigeria is the more educated part, it controls education and largely controls business, in terms of ownership of factories and companies. In eastern Nigeria, which sought secession in the civil war, they are more or less very mobile traders, all over the country. So, we have this segment. And the north had resisted for a long time the idea of shifting leadership, because they claim, that if they don't control political leadership, the southwest controls business and education, the east controls trade—what is their own? So this has been the kind of tussle, and it is creating a lot of tension in Nigerian society.

So, the attempt for reconciliation is in process, and the democratic process has given room to the ability to express

oneself, but unfortunately, that expression had turned inwards to mutual suspicion, and each segment tries to, if possible, take itself out of Nigeria.

Tension Tied to IMF Economic Policies

The problems that you have here are replicated in Nigeria as well, and the political role of the World Bank and International Monetary Fund [IMF] cannot escape mention. The present tension we have now, is not unconnected to the kind of economic policies that have been put in place since the mid-1980s. The Structural Adjustment Program [SAP], has alienated virtually every segment of Nigerian society, except a very few. The entire middle-income group, the middle class, has been wiped out. In Nigeria, you are either rich, or you are poor. There's nothing in between now. So, you have a whole set of educated Nigerians who are taking to the streets. If you are met on the road by a robber, he speaks fluent English. A good number of them are graduates with no employment. And the World Bank has advised the Nigerian government not to employ any more persons, because, according to the World Bank, the Nigerian government should downsize, because it is bloated in its labor force. At last count, with 120 million people, Nigeria's public-sector labor force was 100,000 people. The World Bank is insisting on downsizing.

All of the industries, virtually, have collapsed. The only ones that are functioning are the outposts of multinational corporations. Since 1986, no new investment has taken place. Two months ago, the President announced they were going to employ 2,000 people in the public sector, and that every potential employee should go back to his place of origin to have an interview. For 2,000 openings announced, nearly a million people turned out for the interviews, and to date, nobody has been employed. I was at an interview, just to see what was happening. In the state I went to, the man doing the interview confided to me that of the 25 spaces allocated to that state, 8 had been given to party leaders. So, the interview was just for public show.

These kinds of things create a lot of tension. Now the World Bank is promoting the idea of poverty alleviation. At one time, a number of colleagues and I tried to provide an alternative to the SAPs. In two years of our work, the entire establishment in which we were working was scrapped by the government, and we were sent packing, because it was said that that program was alternative to the SAP. Now the World Bank is providing loans to alleviate poverty. In 1991, it provided over \$20 million to develop primary schools. What did they do with the money? The money was used to purchase textbooks from abroad, and a good percentage of that money was used to buy pickup vans from abroad. If you go to Nigeria today, you will see a number of pickups on the streets, and they are labelled "World Bank-Assisted Primary Education Program." Those pickups were bought for the purpose of distributing the textbooks, Unfortunately, the pickups were held up, because of a question of taxes, and by the time the

pickups came, the textbooks had already been distributed. When the pickups came, they were said to be used to monitor and supervise primary schools all over the country. But, they were used to carry things. As a result, so much money is going down the drain.

In Nigeria, repayment of a World Bank loan is not connected with the project. The repayment is connected with export performance of the country. So, whether the program functions or not, is irrelevant to the repayment scheme. That is why it is possible for Nigeria to collect World Bank loans all the time. The result is, a lot of tension is created in the society, but at the same time, the people are not able to see where the problem is, and so now we focus on religion, on tribe, on ethnicity, on state. The crisis is expanding. Considering what Mr. Friesecke¹ said, about projections of what the continent will look like in 2015, it has nothing whatsoever to do with the resource base of the continent. The fate of Nigeria and the rest of the continent, is projected purely on the basis of conflict, not on the basis of how to resolve it. That is the state of mind, and orientation, of the World Bank.

And as I said earlier, the World Bank controls all the institutions in Nigeria. The only places they have not been able to enter, are the universities. Since they cannot enter, there is a stand-still between us and the government, because the government is leaning more to the World Bank and IMF than to the universities and the country.

I want to conclude by saying that you can reconcile yourselves, and the reconciliation must come through consistent dialogue, fair and free discussion. I have listened to your summary of what the government is doing. every step sounds correct to me, except we don't know what the other side is thinking. Maybe you can help us understand that. Thank you.

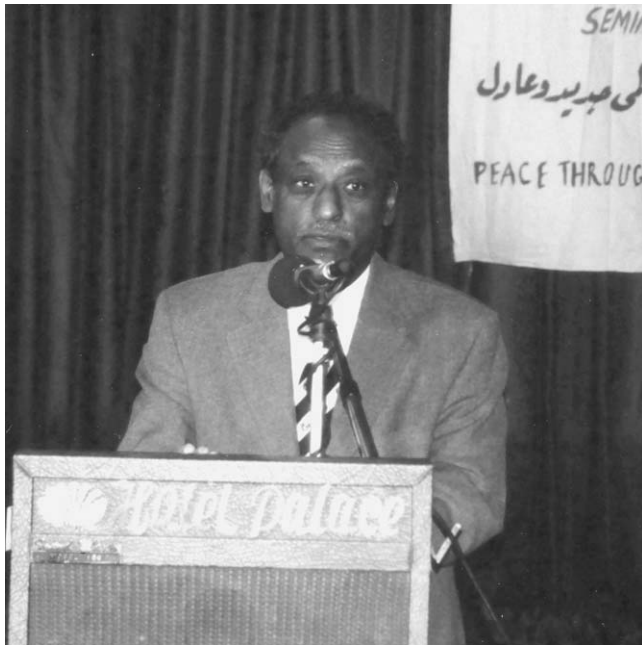
Mogus T. Michael

Cut Down the Number Of Outside Actors

Mr. Michael is vice president of the Ethiopia International Institute for Peace and Development.

I want to make one or two points, because while we are talking about resolving the conflict in southern Sudan, we cannot escape referring to other conflicts in the region: the conflict in Ethiopia, with Eritrea; the conflict we had with Somalia;

1. Uwe Friesecke's speech, at an earlier panel of the conference, will be published in a forthcoming issue.



Mogus T. Michael, vice president of the Ethiopia International Institute for Peace and Development.

thank God, there was no war between Ethiopia and the Sudan, we always have had people-to-people relations, and it's because we drink from the same river. Regarding the Nigerian civil war and the secession of Biafra, the professor has given us some interesting points about it, but I thought we should take a lesson from it, to see what can be applied to the agenda we are discussing today, or other conflict situations in Africa.

The Biafra secession or the Nigerian civil war: Unfortunately, although there was an attempt to settle it by peaceful means, and an important meeting was held in Addis Abeba, under the patronage of then-Emperor Haile Selassie, with General Gawan—he was there as the new President of Nigeria—and Ojukwu, from Biafra, they made their cases; there was an attempt to settle it, but unfortunately it was never settled at the negotiating table, it was settled on the battlefield. This was the first, probably, of its kind in post-independence Africa, a civil war that was atrocious and vicious, and cost Nigeria plenty. Yet, it was good that Nigeria did not have debts as a result of the war, probably because Nigeria had some resources accumulated before. Civil war costs are immense—Ethiopians know it, the Sudanese know it. From what we heard this morning, what civil war does to an economy, to a people, to social life, infrastructure, to everything, to the dignity of the people, is obvious.

So, there was an attempt to settle the Nigerian civil war at the negotiating table, which didn't work, but all the same, the President of Nigeria, then, in what looked like an expression of gratitude maybe, or with some kind of coincidence, General Gawan, became chairman of an African Overview Subcom-

mittee to mediate between Ethiopia and Somalia, which were at loggerheads at that time. There was a continuing war, and there had to be a solution to it. The attempt of that committee failed, and the conflict between Ethiopia and Somalia, unfortunately, was settled some other ways. We cannot say that Ethiopia was responsible for the downfall of the Siad Barre regime [in Somalia], but Ethiopians and Somalis were enemies until the Siad Barre regime went. There is no conflict with Somalia. Somalis are relatively free to live inside Ethiopia; they have a big Somali population, and Ethiopia is regarded now as a country which can help reconciliation inside Somalia.

Efforts at Negotiation

I want to demonstrate what role negotiation has in resolving conflicts. In 1972, the Addis Abeba agreement was struck, and a settlement of the conflict in South Sudan appeared to have been achieved. My friends among diplomats in Addis Abeba, suggested to me that Ethiopia should learn from the experience of that settlement, meaning that the Khartoum government under General Numeiri found a way of stopping the civil war in the south, by a sort of accommodation that seemed to be working. So my friends said, Ethiopia should learn from this experience in solving its conflict in Eritrea, which had been going on for a decade. I thought it was a very useful idea. I wish the Ethiopian government at the time had learned the lesson, but what happened was, before the solution to the Eritrean civil war was found, the civil war in Sudan erupted. There was only 11 years of relative peace and stability—that was long enough to be thankful for. But for some odd reason—the reason is known to all our friends in Sudan—that fell apart.

Later on, the Ethiopians found a way of implementing what might have been done in 1972 with respect to Sudan, but in a different way. The government in Addis Abeba said, okay, we recognize the right of the Eritrean people to exercise the right to self-determination and the main focus was on what we had quietly hoped during the Eritrean civil war, but couldn't talk openly about: that a friendly, independent Eritrea would have been so much better in terms of common benefits, in terms of promoting common interests, rather than a rebellious province that had been sucking the human and material resources of the country, the capacity of the country to develop. So, it appeared that there was a solution to the conflict through agreement between leaderships, but that model was damaged, when independent Eritrea went to war with Ethiopia in 1998.

The role of mediation, or the role of negotiating conflicts peacefully in our region: I suppose we had a problem there, because even the separation between Ethiopia and Eritrea could not be achieved by military means, by the fighting by the independence movement EPLF, because the EPLF found itself in control of Eritrea by some coincidence. There was

FIGURE 1

Horn of Africa



another movement that was fighting to change the politics of Addis Abeba, and was not fighting against the EPLF; in fact, they had some degree of cooperation. This independence movement found itself in charge of a territory, so it took it over, but the relationship between the province that seceded and the mother government seemed to be a problem, and it looked like the two sides had to fight it out again and find a solution on the battlefield.

So, I am not advocating that solutions to conflicts are necessarily to be found on the battlefield, but I am trying to point out that third parties that attempt to help parties achieve a settlement, don't seem to be succeeding in our region.

In respect to the subject of our discussion today, my observation is that there are too many outside actors. There was one actor in 1972, and there were very few actors, only one person allowing the two sides to discuss. Unfortunately, it didn't last long, but that was the best solution there was. The two sides had the chance to accommodate each other, and they sorted out a solution which lasted at least for a period of time. Maybe this is the time to try that all over again — with fewer external actors, I know our country is involved, IGAD [Inter-Governmental Authority on Development] is involved, others want to be involved. There are interested parties as far away as the United States; there are so many interest groups that would like to appear to help the parties to achieve a settlement — for their own specific interests. Most of the time, external actors play the part they do out of their own specific

interests, to promote them. I think our Sudanese friends would do well to investigate this aspect: Can we have as few actors as possible, at least nearer to the Addis Abeba settlement, where the Emperor met them for very few times, and yet they sorted out the fundamentals that had divided them and they would come to a settlement? Thank you.

Discussion

The Most Important Topic Is Development

Uwe Friesecke, EIR: Two quick questions on the southern Sudanese peace process, which are often brought up: first, the argument that the government is not doing as much as it could to deliver the development means, and that's the reason why people like Riek Machar left the peace process; and second, the argument that the government is more inclined to resort to security methods in dealing with the process than with development methods.

You Should Not Consider These People 'Rebels'

Prof. Sam Aluko, Nigeria: This is the most important topic: development. When there is no peace, there cannot be development. If there is a conflict, as Mrs. LaRouche has rightly said, we must show due love, we must bend over backward to those who are on the other side. I've read the [government peace] paper, and when you refer to a group of people as rebels, it is not good language, it's the language of imperialists. I'm sure it was coined in America. That is the language used by Sudan, in radio and TV — they call them rebels. In the Biafran conflict, I was one of the officials, one of the ambassadors, to Biafra in Nigeria. I was very sympathetic to Biafra. The military used to come and sack my house, asking why I was supporting rebellion, and I said, it is not right for you, as head of state, to consider these people as rebels. You should call them brothers who are aggrieved. So, he changed the language and started calling them brothers. I think we should drop the idea of calling our southern brothers rebels. You can't negotiate with rebels, only with brothers, on a brotherly basis. I think a change in language is important.

We should also define our task. There are many contradictions in the statements; you are calling for federation, and you are calling for a referendum. If there is a federation, there is no basis for a referendum. You should negotiate the basis of what goes into the constitution, regardless of a referendum.

If the majority of those in the south say, in a referendum, we don't want to be Sudanese, we want to be something else—what do we do? So, I think we should revise the idea of a referendum to determine the fate of the south, if you want a united Sudan.

Third, is the idea of sharing power. If you agree to a federation, you should be careful about the idea of where power lies. There is the idea in the south, that whatever power is not in the federal government, should go to the states. That is what happens in a federation, as in the United States. Switzerland is a confederation, but it one of the most united countries in the world.

Fourth, there is a contradiction in saying you want a multi-ethnic, multi-religious, and multi-lingual state that recognizes the fundamental right of religion, and at the same time, you say state law will be guided by *Sharia*. That's a contradiction. There should be freedom of religion; then, you cannot say, "guided by *Sharia*." This is one of the things beginning to cause trouble in Nigeria. If you say, no discrimination due to sex or religion, and then say law is *Sharia*, it won't work. Religion itself is not better than the political process. I think we should look at the idea of neutralizing religion. If we want to unite, we must downplay religion. If my father had been a Muslim, I would have been a Muslim. Why should a man or woman be discriminated against because of the religion of the father?

I think we should minimize the role of external people, these NGOs are all people who are fanning the embers of disunity. I don't know where the minerals are here. That is why what Mrs. LaRouche said is crucial: that you must show love, and respect the individuality and the person as made in the image of God. No one creates himself a Muslim or a Christian; we found ourselves that way and should not allow this to determine things.

Finally, I think, as my friend from Nigeria said, you must build bridges between the north and the south; there must be people in government, in society, who are friendly with people in the south. There is suspicion. You make an agreement, they think that you are trying to trap them. It was I who organized the meeting in Addis Abeba, and in Ghana, because I found people who confided in me and said, look, I cannot go to Ethiopia, because I have people who say, if I go to Addis Abeba for three days, I may come back and find I have been toppled. So, I said, well, we can do it in Ghana, go in the morning and come back in the evening and not be toppled. That is how they reached some accord.

'Let Us Seize This Opportunity'

Lawrence Freeman, EIR: I think we should look at the present crisis as an opportunity at the same time, and realize, that we, coming out of this conference, with its unique participation, centered around the Nile, should seize the opportunity to establish something new, not only here, but throughout the world. I think one thing brought out by speakers today, is the

comparison of Sudan and Nigeria.

In the 1960s, after the "winds of change," these were the areas the British knew well, and have succeeded in manipulating, in Nigeria, with the so-called ethnic groups, and in Sudan, where they artificially divided the country. This is something the British have been able to do for 30-40 years, to use it to prevent countries from developing, around so-called ethnicity. And we have to put an end to this. We also know, since the winds of change, the colonialist powers of the bayonets were replaced by the neo-colonial liberalism of the IMF, and that the issue of debt has been used to hold countries under control, while the internal situation is manipulated. But there is absolutely nothing objective that stops us from having development in Africa, beginning in the Nile Valley. We have the potential for all peoples to work together, as Mrs. LaRouche showed in reference to the Treaty of Westphalia. It requires determination and commitment to solve these problems.

But even that will not alone solve the crisis. We are in the final phase of a complete financial breakdown of the West, it has to be seen as an opportunity. The United States is still a significant military power; it is no longer a significant economic power. The U.S. as an economic power is collapsing. The situation mentioned by the professor in Nigeria, where there are only rich and poor, is becoming the case in the United States, with a small elite of 20% of the population, ruled by 1% of the population, having wealth, and 80% poor, and the bottom 20-40% getting poorer. Our industries are collapsing, farms are collapsing, our cities are collapsing. And unique, I thought, only to Nigeria, where you can sit in the wealthiest houses, and lose your electricity, that is now happening in million-dollar homes in the United States, as deregulation has destroyed electricity production. So, the U.S. is no longer an economic power, there is no U.S. economy, there is no Western economy, there is a financial bubble, which is bursting at this point. This is what has to be recognized. We can't say, let the West deal with it. This is the responsibility of our leadership here in this room, to use this opportunity, to seize the collapse of the Western system, to bring about something entirely new, what Mr. LaRouche has called the New Bretton Woods system.

This requires two elements: vision—that we have to fight against pragmatism, against the idea that, "No, this is too big for us, we can't deal with this, we're a poor country, let others

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Dr. Bashir Bakri: "I am one of the believers in Nile Valley unity, not only Sudan and Egypt, but those and all the states of the Nile."

deal with it." That's not acceptable. We have to instill in Africans, not to be victims or second-class citizens any longer. Not only do we have responsibility, to think above our own country, to develop, for example, this entire Nile region, but we have a responsibility to develop the world. Instead of being treated in a horrendous way by the West, internalizing a sense of victimization, let Africans rise up and lead the rest of the world, take responsibility for the entire continent, for the entire world.

If we look at this crisis, imminent and real, and use it, use the principles developed here, in terms of leadership and vision, and the quality of love and forgiveness, then, coming out of this conference, out of this region of the world—which most people don't even care about, about Sudan, Ethiopia, most Americans couldn't find this place on a map. Our own President doesn't even know what a continent is. He thinks Nigeria is a continent. When Bush was asked to comment about Nigeria, he said, yes, that's a wonderful continent. So, if Nigeria is a continent, what is Sudan, Ethiopia, Egypt? His advisers each day point his finger at a map and tell him about a country he is supposed to know something about.

The question of financial collapse is clear, and in Africa, I think there is a hegemony of leadership and intelligence compared to what the United States is going to be, beginning on Jan. 20. We should use this potential, and dedicate ourselves to establish true peace. But we cannot simply talk about peace, without economic development, and we cannot do this unless we take responsibility for leading this world into an entirely new financial and political system, by intervening now in the economic collapse and not running away from it.

'Enough Is Enough'

Q: I am the delegate for peace in the University of Juba Center for Peace and Development Studies, and I am delighted. First of all, I would like to thank you. All the speakers have touched upon very sensitive issues, which concern us, and I would like to suggest they continue, to give us facts, not theories. I felt the Ethiopian has, though diplomatic, said, "You come together Sudanese, and make use of the past." The other person who talked about forgiveness, the Addis Abeba agreement, showed us that there really was forgiveness—on the spot of signing the peace; immediately any injustice that was perpetrated was forgotten. And we have experience of this. The Nigerian, I think also can benefit from the comments. The external actors, involved in the issue, that's true. But the main issue is that the two parties, if they are not concerned, the external parties will come to destroy us. And we have the experience: In 1972, when the two parties sat in Addis Abeba, the external parties were very serious to destroy the agreement, but, as Mustafa said, political will, by that time, there was political will.

I want to conclude saying, if the two parties say, enough is enough, let us change our mentality, sit down, and then we can complete peace.

'We Are Very Much Encouraged'

Dr. Bashir Bakri, head of Sudan-Unesco, former ambassador to France: We are happy to have our friends from Ethiopia, Nigeria, and from the Schiller Institute here with us. We are sure that they really want the Sudanese to arrive at a peaceful solution. We think what they have said is very useful to us. I am for peace through development, not only in Sudan, but along the Nile Valley, but that's my personal conviction. I am one of the believers in Nile Valley unity, not only Sudan and Egypt, but those and all the states of the Nile. I think that yesterday, the Minister of Irrigation was speaking of the Nile Initiative, which took place in Arusha, two year ago, and which is going to continue, and we are going to have, fortunately, all the ministers next month in Khartoum, implementing this initiative, which is a basic idea of development and peace.

But it's not only true among the Nile Valley countries; it's also true in Sudan, also in Ethiopia, in all other countries, internally. For Sudan, I assure you that all the partners agreed on that, they agreed that development is the way to realize peace; this is true for all the partners. I think you have listened to our friend, the last speaker, and you saw that he is from the south, Juba, and is saying the same thing that I am saying and that all in the north are all saying: Let the past be the past, and let us join efforts to first realize peace among us and to live in one country.

A second point I want to raise, and our friends from Nigeria and Ethiopia advised us, saying, why don't we solve our problems by ourselves? Why do we go to IGAD, or the Egyptian-Libyan initiative? This is perhaps the first time that this

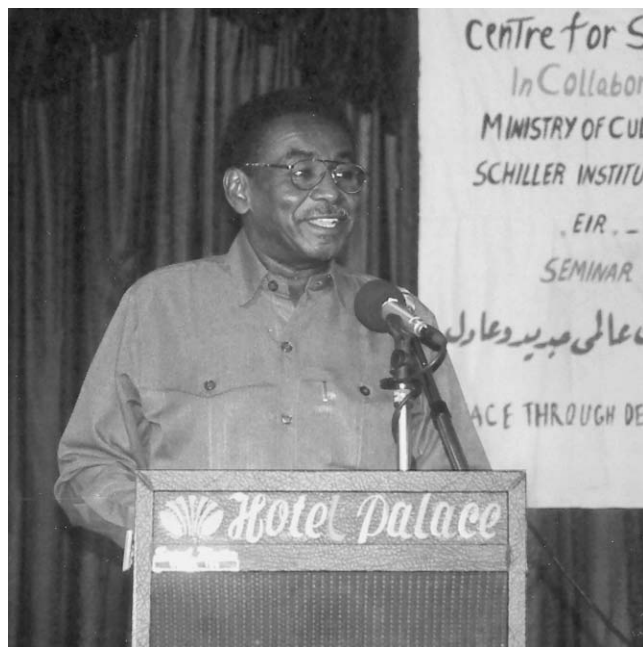
is known: I want to tell you that now we have a Sudanese initiative, a non-governmental one, between people from a non-party alliance, intellectuals, as well as members of civil society. It is a Sudanese initiative; we have contacted the government and are trying to contact the other party from the south and from the northern opposition. I hope that this is a good omen, that this seminar is going to push our initiative, and I hope that next time when you come, soon, you will find peace in the Sudan [applause].

I just want to say, always Ethiopians and Nigerians were participants in our problems, even the first conference for peace here, a minister from Nigeria came in 1975. And the peaceful agreement of 1972 took place in Ethiopia, and we know Ethiopia intervened. We are very much encouraged by this seminar, and I'm sure I want to thank very much Mr. and Mrs. LaRouche for their advice. We don't want to speak of the influence of religion, but we just say that we want man to be in the spirit of God, and because of that, we are going to, I hope, continue these efforts for peace.

Responses from the Round Table Participants

Dr. Tagelsir Maghoub: One thing that struck me, is the love theme. I think that is the heart of the matter. In all aspects of life, love is there, and without love nothing can be achieved. We are concerned with structures always, and not content. I wrote a book while I was in Somalia in 1971, entitled *In Expectation of the Dawn*, which dealt with the northern/southern conflict. I published it only six months ago, 30 years later. The manuscript was lying there. I found it and felt it was written yesterday, because the situation still exists—30 years—because we are not concerned with these aspects, the content of love; we are concerned with structure, meetings, negotiations, third-party interventions, coming here, going there, prolonging time, and so on, but the real content is not there.

I always cite the story of the chicken: There was a company that sells chicken, it made a big advertisement, on TV, and everyone saw it. One day, a person wanted to buy a chicken, went there, found a four-story building, very plush, and walked in and saw secretaries, computers, and so on. Someone came up to him and asked him, "Can we help you?" He says, "Yes, I'd like to buy a chicken." So he says, "Would you like it killed or alive?" He says, "I'd like a killed chicken." "Then," he said, "go to the first floor." So, he goes up to the first floor, finds the same setting, and then somebody comes to him and asks him, "Yes, can we help you?" "Yes, I would like to have a killed chicken." And he says, "Would you like it with or without feathers?" He says, "I would like it without feathers." He says, "Then, you go to the next floor." He goes

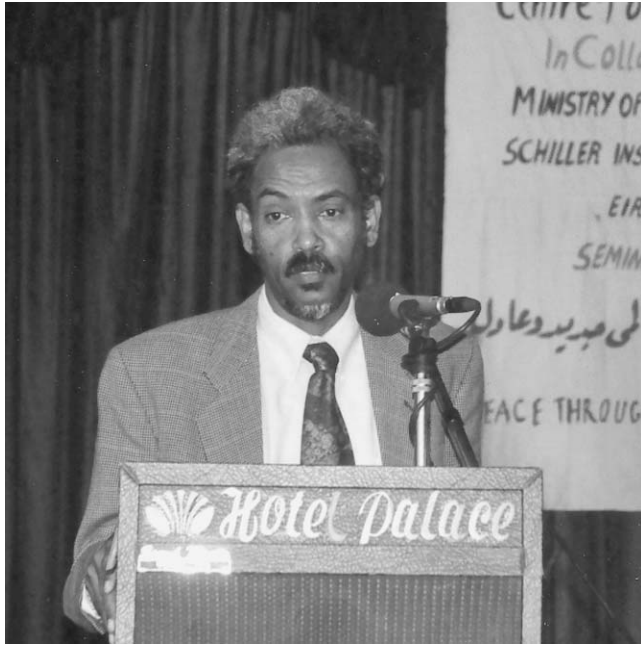


Dr. Tagelsir Maghoub, secretary general of the State Support Fund of Sudan.

up to the next floor, the same setting, the same everything, and then the question is, "Can we help you?" And he says, "Yes, I would like a killed chicken without feathers." He asks, "Would you like it with or without the internal parts?" He says, "I would like it without the internal parts." Then, he says, "Go upstairs." Then he goes up, finds the same setting, the same questions, and says, "I want a killed chicken without feathers and without internal parts." So then the person says, "In that case, you will have to see the manager." He goes to the next floor, and is to see the manager. He waits for a while and then walks in, plush office, the manager says, "Yes, can we help you?" "Yes," he says, "I would like to have a killed chicken, without feathers and without internal parts." The manager looks at him for a while and then he says, "Sorry, we don't have chicken, but what do you think of our organization?"

That is the point. Structure and content. What we are interested in is selling chicken, not the outward parts, sitting and coming and going. That's why it is not something that is deeply rooted. When Mrs. LaRouche talked about love, I thought about what it is. We have to talk about trust and confidence-building. How can we do that? It cannot be done by signing memos and papers; we have to instill love, instill trust, and instill confidence, reinforcing the sense of equality and practicing it. We are all the same; we are all one; we are all entitled to the same things, and that is what reinforces trust and confidence.

The third thing, is real social integration. If we can think and focus on this, then we can talk about instilling love, the



Amin Hassan Omer, editor-in-chief of the Sudanese daily Al-Anba.

most important thing.

The other point that triggered thinking, is the idea of crisis and opportunity. I like the idea of this vision, and rising up and leading. I think that is not a quest for something that is impossible, but it can only be done, if we feel we have developed this sense of love, love among all the parties. This is one of the things that needs to be thought about, and worked on, because I think it provides great potential. I also like the idea that we should stop thinking of ourselves as second-class citizens, and try to become first class, try to make use of the crisis, to build.

The question raised, about the government's not doing as much as it could, delivering development: I think maybe the government is trying to do as much as it can, but there are other forces hindering the government from doing that. A lot of programs have been launched, a lot of work is being done. One example, is Unity State in the south: the electricity, the bridges, the schools, the medical services that have been carried out there as a pilot program—I think it is amazing, wonderful work. Even when people talk of the oil revenues, we are still just beginning. One of the things raised at the conference in Nairobi, was oil revenues and their utilization, right now, to develop the framework for how oil revenues should be used. This is what the government is trying to do.

Being more inclined to security than development: Despite the incessant calls for a cease-fire, it is not being done. Obviously, something has to be done. But it is not related to security, because most of the things we do now, and what we spend for the south, is not for security, but the main focus is

development. That's why people are concerned about stability, water, electricity, roads. Security is for the welfare of the south, because of the devastation created by the war.

I like the comment from our friend, about rebels versus brothers. I can't disagree. These words have connotations that don't help. They have their point of view, we have ours. How to deal with it is important. What if we try to address each other as brothers to pave the way for a more positive understanding?

'Forget About Labels'

Amin Hassan: I want to respond to the question of naming those in the south as rebels or brothers. They in the SPLA have been formed to topple the government, not only this one, but every one since 1983. I want to say that we call each other brothers, but I hope we can act as brothers.

Regarding the advice to downplay the role of religion in society, I guess he knows this is easily said, but difficult to implement in African societies. It is difficult to say, forget about religious affiliation, or about the role of religion in political life. I guess we have to call upon our people to rethink religion, give new interpretations, to innovate religious thought, so as to enhance egalitarian principles. We are trying to do this, saying we will not neglect religion, but will rethink it, to marry democracy, human rights, to a new understanding for religion. We are trying this in Sudan. We say that *Sharia* does not contradict the basic rights of any citizens in the Sudan, whether Muslim or non-Muslim. We are trying to make that something of common understanding, and will enshrine it in the Constitution. We have to forget about labels and come down to the real issues.

Keep Our Eye on Development

Helga Zepp-LaRouche: Again I want to refer to Nicholas of Cusa, who wrote a very interesting dialogue, "Peace in Religion." It starts with people coming from all over the Middle East—Syria, Lebanon, the Mediterranean, Italy, and other places—and they all go to God and say, "Why is it we all claim to be your representative and fight your cause, and yet we fight one another and kill each other? That cannot be your wish. Why don't you give us advice, on how we can have peace?" The argument developed, is that peace in religion focusses on the unity in faith, and puts down the difference in rites. It is important not to be so taken in by the difference in religious rites, which are historically grown, and have long historical explanations, but to focus on the unity in faith.

The second point, is what strikes me, is that if you look at Africa, don't forget what is really fundamental. What is fundamental, is Africa needs development. You look at the continent, and it's like a shout: "We need development!"

I have studied international organizations: They are masters in changing the subject. For example, I attended the UN



Helga Zepp-LaRouche: "Concentrate on development."

conference on world population in 1974 in Bucharest. At that time, people were not so brainwashed, as they are now. At that time, people said, the key problem of the Third World is underdevelopment. And then came Rockefeller, who said, "No, the key problem of developing countries, is overpopulation." But at that point, people said, " 'Overpopulation' is a Rockefeller baby," because everyone recognized this was a trick, to change the question of development to some other issue, namely, so-called overpopulation. If you look at all UN conferences, they produce papers, and keep participants busy, but what gets lost is *development*. This is what we have to focus on.

I would like to bring back the thinking of what we have discussed in the last few days. When I heard this report yesterday on rain-fed agriculture, I thought, no country like Sudan should be dependent on rainfall for its agriculture, because it is just too risky, because one year you may have drought, and another year too much. So, you need water management. I think that is the key: To concentrate on development is the only way out. I am confident we can achieve it, if we realize that the enemy's aim is to get away from that most important concept.

Respect Human Rights

Journalist: No solution to African problems can be found unless based on respect for human rights. After 50 years of independence, Africans cannot complain that their problems are the result of external powers. The problems are their own: dictatorships through military coups, corruption, the use of

military coups—these are the problems which should be discussed and solved, especially the situation of human rights. The theme of this seminar is peace through development, but what is the use of development, if there is no respect for human rights or human dignity?

A Conference on Water and Peace

Prof. Hamid Ahmed El-Hag Ismail: I am director of the Unesco Chair for Water Resources at the Omdurman Islamic University. This is a regional chair, which has ties with the university for academic activities, but for applied activities, research training, and public awareness programs, it has nothing to do with the university, it is a separate entity, formed of all interested in water resources: national chair advisory board, ministries, universities, and so on. We have a regional chair, with focal points from other Nile countries. We have activities in research in water resources. We are also interested in this theme.

In fact, through Dr. Bakri, as president of the Sudan-UN Society, we decided to form a conference on water and peace. We plan to hold a national forum about water and peace, because we think the idea in the world media, "water and war," is a fallacy. It has nothing to do with religion or any other factor; it is just political. It is wrong, and builds in our children the wrong idea. We want the idea of water and peace, and development, to be the idea that goes into the media and public. This is the main idea and this is our theme. We will do this on the national level, then for the Nile basin. We think, historically, the Nile basin has been a very peaceful area, and would like it to be a model for other regions as well.

I want to cite two incidents which were very annoying. People talk about political systems, whereas we would like to talk about natural resources. When you think about political systems, you may think, this government is bad and should be combatted. But if we think about natural resources, we think about them for us and for future generations. The government here invited a Japanese professor, important in Japanese support for Africa. He gave a lecture, and said, we cannot support Sudan because of this and that. But there are natural resources, which have been there since the pharaohs, and we are making use of them, irrespective of government. If we don't protect these resources, and think the government is bad because it is communist or a dictatorship, this is criminal to future generations. Certain areas must always be there, to be developed for all, irrespective of the government.

The other incident was a forum in Belgium, on financial support for the Third World. I took some projects with me for water development, and when I mentioned it, the World Bank manager said, sorry you cannot talk about Sudan. The European Union man said, okay we can consider it if you present it through your government. Natural resources have nothing to do with politics. These are God's bounties, Allah's bounties, irrespective of what you think.



Left to right: Lyndon LaRouche, Amin Hassan Omer, and Mogus T. Michael

Lyndon LaRouche

Concluding Remarks: The Crisis of Leadership

One point was made clear in the discussion today which I wanted to address.

In these days, it is fashionable to exaggerate the importance of democracy. Because the idea of democracy, as it is taught by international institutions, which use it as a way of manipulating governments, and manipulating people, is the idea of democracy that comes from where? In European civilization this usage comes directly from the Roman Empire.

Now, how did the Roman Empire control its people? It controlled its people through *vox populi*, popular opinion. It controlled its people through bread and circuses, by shaping popular opinion. It shaped its opinions by putting the people as spectators to watch Romans kill other Romans as gladiators, and the passions were involved with these kinds of violent spectator sports. And by these mechanisms, the Roman rulers manipulated the people in the name of democracy, into a mob of popular opinion.

Now, we see a lot of that in politics in various forms. The question is, not whether a government is democratic or not. The question is, whether the government is fit to exist or not. That's the issue; whether it's democratically chosen or not is not the question. Is it fit to exist? Are people capable of select-

ing government which is fit to exist?

For example, let us take the case of the north/south business in Sudan. The question is, would a micro-state, or a group of micro-states, be a viable form of existence of the people today? The history of micro-states is that they are the worst form of oppression, and doom the people. The people have a right to representation on the planet, they have a right to have a just government which will ensure them that representation, that is durable.

I'll give two relatively recent cases, that are related.

One is the case of Martin Luther King. Martin Luther King was the best leader of the African-American movement in the United States in recent times. Other people who opposed the policy he represented, sometimes had more numerous support among African-Americans; that continues somewhat to the present day. But all of these African-American movements that opposed the policy of King, have failed, repeatedly. King's approach of love, worked, and always did. The great tragedy that we had in the struggles of the so-called African-Americans, that is, of Americans who can claim African descent—it's a political category, not a racial one, really—is that when King died, none of the people around him could step forward and take his place as a leader. No one was available, not his wife, not all the other leaders around him. They all failed. All those who opposed King, while he was alive, and his policy on civil rights, failed, their policy when tried again, continues to fail. Why?

Then, we have a similar situation in the recent election. Now, my constituency in the United States is largely based in the hard-core leadership of the African-American political groups, the civil rights movements. These people are gener-

ally state legislators, have been state legislators, are important, significant people in the community, with the state legislatures. They are the leaders of the people of the state and regional level. There are a few national leaders who managed to get into national office, who function as leaders on a national level. The other section we have the largest support from (apart from all kinds of Americans), support for my efforts, is from the labor movement.

As we were going into the recent election campaign, people who supported me and wanted me to be President—not this fellow Gore, nor Bush—voted for Gore, with the argument, we have to, because if we don't, we're going get punished, and we have to vote for Gore because we've got to stop Bush. My warning to them them was, if you vote for Gore, you're going to get Bush. And they did.

Today many of those people, who were my supporters, who decided they had to support Gore—African-Americans or labor leaders or others—are now suffering, they are threatened with a fascist regime because they made that mistake. Because, had we had an open convention policy in the Democratic Party, I can assure you that the Democratic Party would have swept the election by 55-60% of the vote. But by putting this Gore in there, who himself is a racist, almost indistinguishable from Bush on policy, you had a situation where muscle was going to win, and muscle won. Bush, the man with no brain, beat the man with a sick brain in the election, by this arrangement. And the people are left unrepresented.

We are now in a struggle in the Congress to try to stop the appointment of the one of the worst racists in the United States, Ashcroft—sometimes called by other names, justly so. The example is this: As I have told my people in the United States, I have scolded them on television, I have scolded them in webcasts, I have scolded all over the place. I said, the problem with you people—talking to my African-American constituency, talking to my labor constituents and others—you act like slaves, that when you are oppressed, your reaction is to go to the back door of the slavemaster's house and beg for favors. The problem here is, you represent 80% of the American population. Presumably all of you have the right, if you are not a felon, to vote. Why do you let these guys, the upper 20% of the population, run your life?

They had the vote. Why do they do it? Because, the same principle as *vox populi*. They accept the idea, we are of the people, we simply can negotiate with powerful people for favors from them. We cannot put forward, in our own name, our own leadership, in our own interests, and our own rights.

The phenomenon in the United States, if you know it at all, the sickness of the United States—you see it on American television, and all you have to do is know, that the typical American watches that television set most of the time. You see CNN here, in the English-language version. CNN is not a news service, it's a global village, it's a global Big Brother, which doesn't tell you anything significant about the world. It manipulates international public opinion. People say, "The news media say . . . , it must be true." And most of what it



Cecil Rhodes: The British colossus astride Africa. Today, the British plan is to carve up Africa into micro-states.

says is not true, and what it doesn't talk about at all, is more true than anything else.

The problem we have, therefore, in dealing with the situation we have, like this struggle for peace in Sudan and neighboring countries, is a crisis in leadership. Because we have failed to develop the people as a whole, to the level of personal development, intellect, knowledge, and so forth, in which they are capable, instinctively, of making the right kind of decision. People rely on leaders, people who, by some kind of selective process, stand out as leaders. And Martin Luther King, in the recent history of the United States, is an example of that.

What does a leader do?

Leaders Tell People: 'Stop Being Fools'

A leader does not bend to public opinion. A true leader will never capitulate to popular opinion. He doesn't want to hear about, "Well, let's be practical." When a leader hears, "Well, let's be practical," he says, "Oh, oh, I've got a problem." The people are going to go down to their self-made Hell, they're going to go beg at the back door of the slavemaster, or they're going to throw Molotov cocktails at him, one of the two, and get shot.

Leaders are people who contradict the people. Who, when

the people are foolish, are able to counterpose them and show them that they are being foolish.

You've got people in the south, and people in other parts of the Sudan, are at war, killing each other. They're both behaving, in a sense, in a foolish way, because they can't get out of the trap of fighting that issue, of killing. And they'll destroy themselves totally, in both parts of the nation, unless they stop doing it.

What is required is the kind of leadership, in this situation as in other situations around the world, of a Martin Luther King, who can step into the situation and say to the people, "Stop being fools!" Because you know from popular opinion, what passions there are for foolish issues, when they can't discover the higher good. I mean, to cut off these southern parts of Sudan as micro-states, would doom them to horrors beyond their imagination. That's the problem, and it takes a quality of leadership from all of us, who are in a position of leadership, to rise above the pettiness, the small-mindedness of popular opinion, and popular passions, to really think, not about what people think they want for their children, but what they really need for their children and their grandchildren. And to make them see it, to convince them, that that's the truth, to elevate people to looking at things from a higher standpoint.

It's the same thing: All scientific discovery is based on the same principle. All science is based on showing that conventional popular opinion is ridiculous. That's the beginning of knowledge: that popular opinion is always wrong, or that it always contains a fatal flaw. A scientist uses the evidence, and the power of human insight, that only a human being has, to make a discovery of principle which can be proven to be a principle, and to communicate that discovery to people, so that people use that principle.

As long as you continue to fight, particularly when you have a prolonged war, of a type of religious war which has been going on in Sudan since Kitchener in 1898, when they first started this fight — it didn't start with the present government, or the government before that, or the government before that, it started with Kitchener, when the British were determined to prevent, to divide the control of the Nile, to keep the nations below what's called the Victoria area, of the equatorial area, to keep them separated from the nations which are upstream from the Nile, and thus to divide Africa against itself and conquer it and control it. That was Kitchener. The butcher.

The problem has been, that people from Europe, people from the United States, are misleaders, who constantly come into these situations and misdefine the situation in this type of issue, that type of issue. It's all lies. Leaders are those who can look ahead, 20 years, 60 years, 100 years, and show the people that the people are *wrong*. And the people will love them for it. Because the people will be proud to have the knowledge, by which they can actually achieve what they really need, what they really desire as human beings. And you need to teach the people who are going to deal with the people, to respond similarly. So, you need leadership.



British policy has been and remains, to foment religious wars in Sudan, and to keep the nations along the Nile at one another's throats. Here, Britain's Lord Kitchener (right) at Fashoda, Sudan, Sept. 19, 1898.

In all the discussions going on today, I heard many good things, particularly today. But the one thing that I thought was missing, was this question.

Don't assume that a good solution will be a popular one at the outset. If you find people cannot agree, that they are in conflict, there must be something, if they are human beings, have a common interest, that they come together on. Either agree to separate and collaborate, or agree to join together. One of the two. But there must be a higher level, at which that decision can be made consciously by the people on both sides. And once you've reached that level, they will agree. Not be gripped by the passions of legacies and past passions.

If we don't do that, with the world as I know it today — and this world is headed for the brink of Hell, not merely in this country, but throughout all of Africa, and most of the world — you're going to see the reduction of the human population to levels as low as a few hundred million, from nearly 6 billion it's becoming today. Whole nations, whole languages, whole groups will vanish from this planet, as you see threatened by these epidemics of diseases in Africa. Unless we can mobilize the forces to stop it, there's going to be Hell on this planet. And what is required, is what Martin Luther King represents in the struggle for civil rights in the United States: a quality of leadership which can rise above the passions of pettiness and immediacy, to bring people together, who otherwise would not come together, and join together in a common cause, and take joy out of winning that cause together.

Globalization's Footsoldiers Meet at 'Anti-Davos' Fest

by Silvia Palacios and Cynthia Rush

While the annual meeting of the World Economic Forum in Davos, Switzerland took place Jan. 25-30, with the usual representation of members of the international financial and political elites, the world's attention was focussed at the same time on another international gathering in Pôrto Alegre, Brazil, billed as the World Social Forum (WSF), or "anti-Davos." Its purpose, as described by an enormous international publicity campaign, was supposedly to devise a more "human" alternative to neo-liberalism and globalization, and help the poor and dispossessed achieve a dignified existence. In four days of meetings, conference attendees heard debate on such issues as the foreign debt, poverty, world hunger, unemployment, and the terrible effects of neo-liberalism, particularly on developing-sector economies.

But none of this had anything to do with the conference's real purpose. The incredible swamp of narco-terrorists, environmentalists, indigenous groups, and non-governmental organizations (NGOs) present in Pôrto Alegre, was, as one Brazilian political analyst commented to *EIR*, "a virus and a retrovirus." In a Jan. 28 teleconference from Davos, global speculator and drug legalizer George Soros inadvertently, but truthfully, admitted that Davos and "anti-Davos" are "the two faces of globalization."

Not intended to provide real solutions to the current accelerating disintegration of the world economy, the conference was, rather, the world financial oligarchy's answer to Lyndon LaRouche, and the growing forces internationally which have adopted his proposals for global bankruptcy reorganization of the world financial system. Desperate over the fact that the global financial crash jeopardizes their own existence, the financial oligarchs used the "anti-Davos" conference to launch an international Jacobin countergang, specifically directed against LaRouche's proposals to put the world financial system through bankruptcy proceedings, and build a New

Bretton Woods system on behalf of world industrial development.

An Anglo-American Deployment

That the Anglo-French oligarch Teddy Goldsmith, brother of the late Sir James Goldsmith, is the conceptual architect of the Pôrto Alegre agenda, tells all (see accompanying profile). Founder of *The Ecologist* magazine, which supported Pol Pot's Cambodian genocide in the 1970s, Goldsmith puts out analyses of the world financial crisis and free trade, which, at times, sound rational, and even draw some well-meaning people into his circles. But the true political content of his proposed solutions is fascist and Malthusian. Not only is it *not* an obstacle to globalization—it is intended to further that genocidal process, much as British Lord Palmerston's 19th-Century "zoo" of Jacobin mobs were deployed against sovereign nation-states of that era in the furtherance of free trade and British colonial doctrine.

An article in the Autumn 2000 issue of the French-language edition, *L'Ecologiste*, by René Reisel, top aide to the buffoonish French Jacobin "farm activist" José Bové, makes that point: Reisel states openly that he and his collaborators today model their actions on Ned Ludd and his "Luddites," who launched an "insurrectional movement" based on destroying machines in the early 19th Century.

It's no accident that the Pôrto Alegre bash voted to hold huge demonstrations at several upcoming international conferences, most notably at the Summit of the Americas in Quebec, on April 17, modelled on the violent demonstrations held outside the Seattle World Trade Organization summit in December 1999, of which Goldsmith was the leading organizer. The WSF has now established itself as a *permanent* international institution, headquartered in Pôrto Alegre, whose footsoldiers will be deployed both against Brazilian

sovereignty, and around the globe on behalf of the oligarchy's anti-human, bestial agenda.

The fact that leaders of the narco-terrorist Revolutionary Armed Forces of Colombia (FARC), and Brazil's own terrorist Landless Movement (MST), were featured prominently at the conference, also reveals the content of the WSF agenda. Danielle Mitterrand, whose France Liberté Foundation openly backs terrorist and separatist groups in Ibero-America, was also treated as a celebrity, while Fidel Castro's narco-terrorist São Paulo Forum, and the affiliated Workers' Party (PT) and MST of Brazil, ran the conference on the ground.

In fact, a key purpose of the conference was to put an international spotlight on the PT, and its honorary president Inacio "Lula" da Silva, who will likely run for President of Brazil in the 2002 elections. This is consistent with the remarks by a Paris-based source close to WSF networks, who said that current President Fernando Henrique Cardoso has "outlived his usefulness," and that the Pôrto Alegre event was, in part, organized to help the PT and Lula into power in the coming period.

A Mob Solution to Global Crisis

The "anti-Davos" event's treatment of foreign debt and economic policy, underscores its countergang nature. Key here is Bernard Cassen, whose Association for the Taxation of Financial Transactions and for the Aid of the Citizenry (Attac), is credited with organizing the Pôrto Alegre meeting, and also ran its website. An editor at the French weekly, *Le Monde Diplomatique*, Cassen has no proposals for rebuilding the global economy. Rather, he calls for debt moratoria and application of a tax on financial transactions—the well-publicized Tobin Tax, named for Nobel Prize laureate James Tobin—which he argues should be applied through a new international organization of governments, parliamentarians, and NGOs. Revenues would then be used to meet people's "basic needs" of food, education, and housing.

Cassen's intent is to draw more people into impotent, violent protest actions against a legitimate issue, without ever addressing the nature of the global financial crisis or offering solutions. To lend credibility to this initiative, Cassen hopes to involve the Vatican's Jubilee 2000 debt relief campaign, and has announced he is launching an "International Week for the Non-Payment of the Foreign Debt," to be held in July, and culminating in mass protests at the Group of Eight summit in Geneva.

The WSF has a similar strategy toward the Anglo-American project for a Free Trade Area of the Americas (FTAA), the hemispheric free-trade agreement which will be discussed when 34 heads of state meet in Quebec on April 16-20. A "Continental Social Alliance" of social and trade union organizations, coming out of Pôrto Alegre, announced it will mobilize 300,000 people to protest for policies of "social inclusion" and "participation."

More telling were the remarks by FARC leader Javier

Cifuentes, who told a well-attended Pôrto Alegre press conference that the U.S.'s Plan Colombia to combat drug-trafficking, is nothing more than "the takeoff point for the U.S. to impose" the FTAA. Playing on the real threat of Anglo-American designs on Brazil's Amazon, this narco-terrorist warned that the FTAA is just the prelude to the U.S. seizing the Amazon, with its wealth of natural resources. "Every Latin American country must find its own way of combatting the FTAA and U.S. intervention," he said.

Then there was the much-publicized Jan. 28 teleconference between top WSF organizers and participants at the World Economic Forum at Davos: Transmitted live to the WSF audience, the staged debate was between Cassen, Argentine pro-terrorist Hebe de Bonafini, and a gaggle of leaders from Brazil's MST and PT, on the one hand, and George Soros, and officials of the International Monetary Fund (IMF) and United Nations on the other. Subjected to insults and screaming accusations, Soros finally admitted that a Tobin tax might be workable, and that it were necessary to "control" world speculative flows. The Pôrto Alegre audience went wild, proclaiming the debate a resounding "victory" for their side.

A Peasant Battering Ram

Teddy Goldsmith's pawprints were everywhere in the WSF debate on the issue of world hunger and agriculture, in which Brazil's terrorist MST and the international Via Campesina (Peasant Way) countergang play a leading role, along with Bernard Cassen's Attac. Here, the enemy is "industrial agriculture" responsible for "destruction of the environment." As an alternative, this eco-terrorist apparatus calls for "communitarian" programs, based on subsistence agriculture and local control or "auto-gestion," guaranteed to keep people enslaved by globalization, while convincing them they are "participating" in decisions about their own future.

The MST—which *EIR* has documented, is backed explicitly by the British monarchy through the Anglican Church's Christian Aid organization—used the occasion of the conference to pull off a stunt to publicize its Malthusian solutions. Joined by José Bové, the MST led 1,300 peasants in an invasion of the Monsanto Corp.'s property, destroying fields of genetically modified soy plants, as well as an experimental laboratory.

While mentioning some real issues, such as the fact that cheap food imports hurt domestic farmers, this group has labelled genetically modified organisms (GMOs) as the enemy of mankind—hardly the primary issue in today's crisis-racked world. The MST declared "war" against international food cartels, and announced it will join with peasants from India, Thailand, Indonesia, France, and Spain in demonstrations against the multinationals on April 17, dubbing it an "International Day of Peasant Struggle." This "peasant international," according to one of its spokesmen, will dedicate itself to seizing land, destroying seeds and crops, while posing family, subsistence farming as the alternative.

Teddy Goldsmith: The Portrait of An Eco-Fascist

by Jeffrey Steinberg and Scott Thompson

Teddy Goldsmith is a busy man. In addition to playing a pivotal role in the Jan. 25-30 Pôrto Alegre “anti-Davos” summit of eco-freaks and narco-terrorists, the greenie brother of the late Oliver North/Iran-Contra booster Sir James Goldsmith, was also the man behind three days of “Battle of Seattle”-style protests outside the barbed-wired compound in Davos, Switzerland, where the World Economic Forum took place. And, from Jan. 29 through Feb. 2, Teddy Goldsmith’s magazine *The Ecologist* was a co-sponsor of yet another anti-globalization fête, this one in Fidel Castro’s Cuba, in Havana.

Since 1994, Teddy Goldsmith has been the sponsor of the International Forum on Globalization, which burst upon the world stage with a full-page ad in the Nov. 20, 1998 *New York Times*, titled “The Siena Declaration on the Crisis of Economic Globalization.”

If, on the surface, all of Teddy’s anti-globalization talk sounds impressive, listen again. Goldsmith’s “solutions” to the crisis brought on by the take-down of the Bretton Woods system and the unleashing of worldwide looting and genocide, are worse than the alternative. He sits atop a worldwide *countergang*, whose objective is to make the work of the globalizers easier, by funnelling legitimate opposition into loony, dead-end efforts. Take Teddy at his own word. In his 1972 book, *Blueprint for Survival*, which paralleled the Club of Rome’s notorious *Limits to Growth* Malthusian diatribe of the same year, Goldsmith argued for a massive depopulation of the planet, to make possible a return to pre-nation-state feudal forms of economy. Goldsmith backed up his genocidal words with deeds, launching the first Green Party (in Britain) in 1974, to back his campaign for Parliament.

In 1990, after a long career as one of the world’s foremost speculators and raw materials grabbers, Sir James Goldsmith told the *Times* of London and the *Daily Telegraph* that he was going into “retirement” from the world of billion-dollar corporate raiding, and devoting his life, and his fortune, to “ecology.” Sir Jimmy noted that, while he had spent millions of pounds bankrolling his brother’s “deep ecology” antics, he was now prepared to put the entire financial weight of the family’s Goldsmith Foundation into the cause of ridding the world of much of the human race. For starters, he began pouring money into Teddy’s *Ecologist* magazine, and into some of Teddy’s favorite kook-cult projects, starting with the Gaia Foundation, followers of the outright Satanic writings of

Aleister Crowley, Madame Blavatsky, and Annie Besant. Gaia is one of the favorite causes of the Royal Consort and World Wildlife Fund (WWF) president emeritus, Prince Philip.

Soon, Sir Jimmy was also involved with Philip, picking up the tab for “Operation Lock,” a project in South Africa that provided cover for former Special Air Services killers to operate as a “third force,” manipulating Zulu versus African National Congress “black-on-black” warfare. “Operation Lock” had been initially funded by Prince Philip’s WWF cohort, the former Nazi, Prince Bernhard of the Netherlands.

The Anglo-French ‘Murder, Inc.’

Sir Jimmy’s conversion to brother Teddy’s “deep ecology” Malthusianism was really more of a return to the womb. Back in the 1950s, the Goldsmith brothers had been part of a Paris-based revival of the “Children of the Sun” New Age movement, centered around *Paris Review* magazine. Here, the Goldsmiths entered into a lifelong collusion with one of Wall Street’s most notorious Anglophiles, John Train.

During 1952-54 and 1957-59, Train was the managing editor of *Paris Review*, which had been founded by Train’s Harvard University roommate, Sadruddin Aga Khan, as a propaganda outpost for such British Intelligence-sponsored pervert spooks as Stephen Spender and Aldous Huxley, both of British Intelligence’s “Occult Bureau.” Teddy Goldsmith’s then-wife, Gillian Pretty, was Train’s assistant editor, and the Goldsmith brothers built up ties to Train that carry through to the present. Up until his death several years back, Sir Jimmy conferred weekly with Train, and the two men were both deeply involved in the George Bush-Oliver North Iran-Contra fiasco in the 1980s. Indeed, Train served as the chief propagandist in the Bush-North “Get LaRouche” campaign to frame up and imprison Lyndon LaRouche.

The Paris-based salon of Aga Khan, Teddy and Jimmy Goldsmith, et al., would also serve as the launching point for a particularly murderous Franco-Anglo-American intelligence swamp, responsible for some of the most brutal political assassinations of the late 20th Century. Aga Khan, Conrad Black (head of the Hollinger Corp. media cartel on whose board Sir Jimmy served), and the Schlumberger family (also sponsors of the *Paris Review*) were all founding members of Prince Philip and Prince Bernhard’s 1001 Club, along with Canadian Louis Mortimer Bloomfield. The Montreal-based Bloomfield-Schlumberger Permindex organization would later become the subject of New Orleans District Attorney Jim Garrison’s probe into the assassination of President John F. Kennedy, and the scores of failed attempts to assassinate French President Charles de Gaulle.

This House of Windsor-run global Murder, Inc. today operates under the umbrella of the global deep ecology movement. And with Teddy Goldsmith running around the world, from Pôrto Alegre, to Davos, to Havana, as the patron of green Jacobin hordes, he is one of the pivotal players in that apparatus.

EIR SPECIAL REPORT

THE 'NEW ECONOMY' IS DOOMED

The Fraud of the Information Society

The Group of Eight heads of state, meeting in Okinawa in July 2000, proclaimed as its major accomplishment, the establishment of a task force aimed at giving the Third World access to the "Information Revolution." In a parody of Marie Antoinette, they said of the world's poor: "Let them eat laptops!"

EIR's Special Report rips apart the fraud of the Information Society, and tells what must be done to restore economic health to nations where billions of people face hunger and death by infectious disease, while transport, power, and water infrastructure is collapsing.

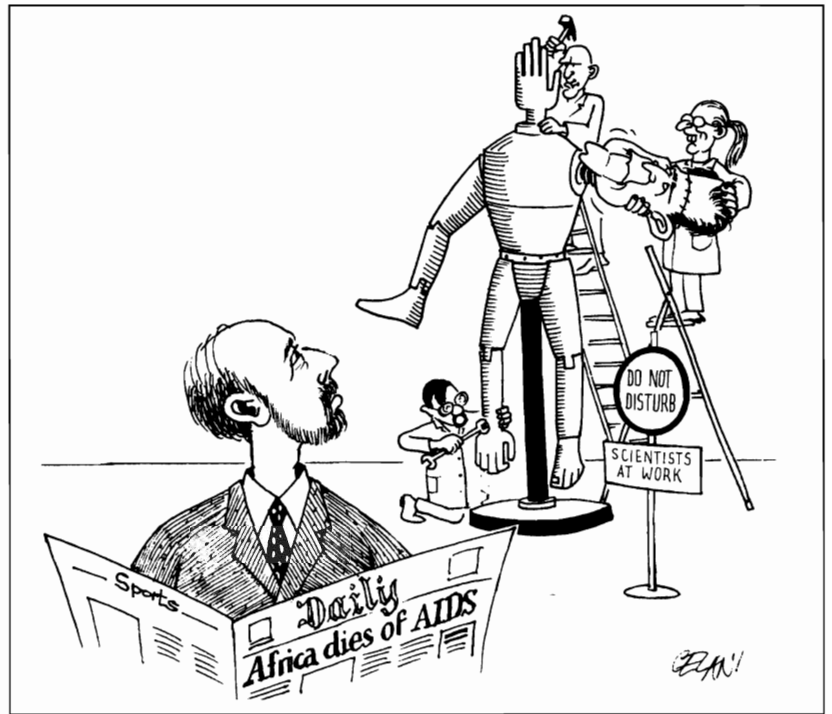


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Counter-Suit Filed Against Lying WWF

by Gretchen Small

On Jan. 29, lawyers representing the Ibero-American Solidarity Movement (MSIA) in Brazil filed a 23-page brief before the Rio de Janeiro state appeals court, in which they charge the Brazilian branch of Prince Philip's World Wide Fund for Nature (WWF) with "disguising and willfully concealing the truthfulness of the facts," and making "baseless allegations without any legal or factual backing" against the MSIA, in order to silence the MSIA, an organization of Lyndon LaRouche's co-thinkers in Ibero-America. The WWF had obtained a court order on Jan. 17, prohibiting the MSIA in Brazil from doing or saying anything affecting "the good name and honor" of the WWF, until such time as a slander suit *yet to be filed* against the MSIA by the WWF should be tried in court.

That court order, stripping the MSIA and three of its leaders of their freedom of speech, violates the Brazilian Constitution's guarantee of freedom of expression, its express prohibition of censorship, and its guarantee of the right to answer charges made against one, the MSIA brief argued. The first judge who heard the WWF case back in October, threw it out of court. But the WWF appealed that decision, and found a judge who gave them their way, issuing a court order to search the MSIA offices for all copies of any materials attacking the WWF, and to seize all material found. On Jan. 19, marshals searched the MSIA's office in Rio, and seized the one archive copy remaining of the pamphlet, "The Green Mafia Attacks the Waterways," 5,000 of which had been printed in 1998, and 246 copies remaining from a 15,000-copy run of the pamphlet, "Roraima at the Center of the Internationalization of the Amazon," printed in November 1999.

On Jan. 25, the case became national news, when Brazil's leading financial daily, *Gazeta Mercantil*, gave it straightforward coverage. *Gazeta* reported that "WWF's Brazilian branch, led by businessman Jose Roberto Marinho"—vice president of *Globo*, the country's largest media conglomerate—"accuses the MSIA of damaging its good name and credibility," and, "according to MSIA literature, the WWF is conspiring against the country's development 'for the purpose of rendering the Brazilian State technologically and economically inferior.'" *Gazeta* describes the MSIA as "inspired by the ideas of American economist Lyndon LaRouche, defender of sovereign nation-states, of rebuilding the international financial and monetary system, and of large infrastructure projects as a factor in the development of Third World countries."

"The battle between these two organizations went on quietly," the daily comments, "but it became intolerable after Transportation Minister Eliseu Padilha announced the suspension of the Paraná-Paraguay Waterway project, a transportation canal for central South America's agricultural production. The WWF has campaigned against the Waterway. . . . The MSIA considers completion of the project to be fundamental to the country's economic development."

The MSIA, which has published much of *EIR*'s material on how the British monarchy concocted "environmentalism" and "indigenism" as new instruments for old imperial methods of geopolitical and social control, has become famous among Brazilian nationalists as "the source" for the ammunition needed to defend the country's existence as a sovereign nation.

Imperial Interests Identified

The MSIA'S legal brief comes back with guns blazing against the WWF. For example, the filing documents that there is nothing slanderous in reporting that the President of the WWF was a member of the Nazi Party, as "it is a public fact that Prince Bernhard of the Netherlands, who was the first International President of the WWF, and played a key role in the expansion of the group through the creation of the 1001 Nature Trust Fund . . . was recruited by the Nazis to work for I.G. Farben in 1934, when he studied in Berlin, having also joined the party." Various exhibits document this point.

Likewise, the brief refutes the charge that it is slanderous to say that the WWF shows "contempt for human beings," by including WWF's International President Emeritus Prince Philip's most notorious statements as to how "human population growth" is the greatest threat to the world, and therefore, he desires to be reincarnated as a deadly virus. Such statements "obviously provide the basis for that criticism of total contempt for the human race," the brief argues.

The concluding section of the MSIA brief, prepared by lawyer Hermann Assis Baeta, is titled "The Teachings of Rui Barbosa," and it places the WWF-MSIA fight in its appropriate historic framework. Barbosa was an avowed advocate of Hamiltonian economics, serving as Finance Minister in Brazil's first Republic at the end of the 19th Century. Noting that the WWF brief had quoted Barbosa to the effect that justice, to be justice, must run swiftly, the MSIA brief remarks that it is a pity that the WWF had not paid attention to the rest of the speech from which they extracted the quote, his famous "Speech to the Youth" before São Paulo's Law Faculty in 1920. Barbosa there warned us, the brief writes at its conclusion:

"Let us not seek the path of a return to a colonial situation. Let us protect ourselves from international protectorates. Let us be on the watch for economic invasions. Let us be on guard for absorbing powers and expansionist races. Let us fear not so much the already wasted great empires, as those anxious to make themselves one."

The French Establishment Is Self-Destructing

by Mark Burdman

As the political season begins in earnest for the March 2002 Presidential election campaign in France, the leading figures and institutions of the French political establishment are losing face. A wide range of scandals and legal actions has exposed a massive level of corruption within the French elites, in reaction to which the French population is becoming increasingly more enraged, by the day. That rage, under effective political leadership in the tradition of the late great President Charles de Gaulle, could be mobilized positively, but there is, at the same time, the growing danger of all sorts of fascistoid eruptions, of a type not unknown in French history.

The immediate focus of national attention, is the appearance in court, beginning on Jan. 22, of Roland Dumas. Dumas was the French former Foreign Minister, under the late French President François Mitterrand, after having served, for years, as Mitterrand's lawyer and closest confidant. In 1995, only months before his death in January 1996, Mitterrand appointed Dumas to head the immensely powerful French Constitutional Council. In that position, Dumas was formally responsible for nasty Council decisions taken against the 1995 Presidential campaign of Lyndon LaRouche associate Jacques Cheminade.

What Dumas is now formally charged with, is having made vast, illegal lucrative commissions, while he was Foreign Minister, from the sale of French frigates to Taiwan. As leading French sources stress, Dumas is the kind of sly operator, who could transform this "business affair" into an "affair of state," and implicate some of the highest figures in the former Mitterrand government and ruling French Socialist Party (PS), and possibly others, in shady activities. This, in itself, could explode certain "norms" of French political arrangements.

Angola-Gate . . . And 'Dubya'

Simultaneously, magistrates' investigations are continually expanding, into the activities of a certain Pierre Falcone, who previously headed the official French government arms-sales agency, an agency that is under the formal control of the Interior Ministry. Falcone is accused of having illegally arranged to sell Russian weapons to Angola. Known as "Angola-gate," this case is bringing some "big fish" into the net.

For some weeks, Mitterrand's son, Jean-Christophe, who ran all sorts of special operations into Africa for the last couple

of decades, was in jail, because of his links to the Falcone dirty dealings. The son of Mitterrand has, in recent days, violently attacked the French magistrate investigating the affair, Philippe Courroye. But, on Jan. 31, he had to appear for new hearings, with Courroye presiding.

Further investigations into Angola-gate are snaring the very powerful former French Interior Minister, Charles Pasqua, and his personal henchman, Jean-Charles Marchiani, widely known as "France's Oliver North," because of his murky maneuverings on behalf of Pasqua, over a period of at least two decades.

Meanwhile, Pasqua's closest collaborator in founding and leading the RPF political party, right-wing ideologue Philippe de Villiers, has publicly broken with Pasqua, and is testifying before Courroye, claiming that RPF financing has gained, in significant part, through the illicit activities centered around Falcone. De Villiers himself is none too clean, having for years benefitted from the financial largesse and political collaboration of the late Anglo-French multibillionaire scam artist, Sir James Goldsmith. The latter's ecologist-fanatic brother, who operates with vast sums from Sir James' inheritance, is now attempting to create an ecologist insurrection in France, Brazil, the United States, and elsewhere.

Leading French and British publications have also reported on the close relations of Falcone, to the new American President, George W. Bush. The Dec. 28, 2000 issue of the French weekly *Le Nouvel Observateur* reported that Falcone has a big house in Scottsdale, Arizona, at which he received "George W. Bush, whose campaign he financed, and whose wife is a friend of Falcone's wife." Furthermore, the weekly alleged that, Falcone flew the Bush couple, in his private jet, not only to Paris, but also from Scottsdale to Las Vegas, "to win—or lose—several million dollars." According to *Le Nouvel Observateur*, one of the participants in these excursions was Jean-Christophe Mitterrand.

An Expanding Mass Ferment

Apparently, French President Jacques Chirac and Prime Minister Lionel Jospin are calculating that focussing on the Pasqua and Mitterrand crowds, will have the effect of "throwing out the political filth," as one Paris-based intelligence source characterized it to *EIR*. This would, they calculate, satisfy the public desire to see some of the culprits in the

French establishment pay for the sleaze that is so widespread in the reigning establishment. They also hope that this would divert attention away from the scandal that erupted late last year, implicating Chirac, Jospin, and others, in illicit party-financing operations, centered around the city of Paris. Once this is accomplished, they hope that they can run a “sanitized” and effectively issue-less Presidential campaign, on the model of the substanceless Bush-Gore race in the U.S. last year.

But this calculation flies in the face of the fact, that growing numbers of Frenchmen are disgusted by the shenanigans around party-financing, and by the economic and moral destruction of the country, under the current leadership.

The second half of January has seen the beginnings of the vast ferment that can be expected to erupt in France in the period ahead. On Jan. 25, some 300,000 Frenchmen took to the streets across the country, to protest against brutal “pension reform” and “pension privatization” schemes that have been cooked up by the MEDEF employers’ federation. The demonstrations were supported by all France’s five trade union confederations, which is rare in a country where these confederations spend a great deal of time feuding with each other. Also noteworthy, was the significant participation in the demonstrations, of French professional layers, including engineers, who are feeling the heat of the economic downturn

in France. Some 100,000 of the demonstrators were in Paris, but all the other big cities saw demonstrations, as did towns that are normally relatively free of political ferment.

In truth, these demonstrations were of a defensive, rear-guard nature, given the intensity of the austerity onslaught. The unions were trying to arrange a “less bad” constriction of the pension system. Nonetheless, the mass actions were a sign of things to come.

True enough, only five days later, on Jan. 30, tens of thousands of school teachers and health and postal workers, representing France’s 5.4 million public sector workers and 4 million pensioners, took to the streets. The actions were backed by the “centrist” CFDT national union confederation, together with the Communist-backed CGT and the leftist Force Ouvrière; usually, these three confederations are at loggerheads.

It can be anticipated, that the coming weeks will witness ever-more-visible expressions of disgust at the degeneracy and economic-policy insanity of the currently prevailing French elites. It can also be anticipated, that there will be growing support, throughout significant layers of the population, for Cheminade, and for LaRouche’s program for a “New Bretton Woods” reorganization of the global economic and financial system. Cheminade has declared his candidacy for the March 2002 Presidential election.

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Book Reviews

The Other 'Moscow On the Hudson'

by Jeffrey Steinberg

Red Mafiya: How the Russian Mob Has Invaded America

by Robert I. Friedman

Boston: Little Brown & Co., 2000

296 pages, hardbound, \$25.95

Robert Friedman is one of the best, and most daring, investigative reporters around today. He has done groundbreaking work, exposing the late Rabbi Meir Kahane, detailing how top officials of the Israeli Mossad, the Anti-Defamation League of B'nai B'rith and some senior U.S. intelligence officials, including Irving Brown and Jay Lovestone, nurtured the Jewish Defense League founder's rise as the most visible leader of an underground Jewish terror apparatus that stretches, to this day, from the United States to the Israeli Occupied Territories. He next delivered a similar exposé of the Jewish settlers movement on the West Bank, updating his earlier Kahane exposé. For his efforts, Friedman became a target of the wrath of the Kahane gang and others in the Israeli radical right.

Now, in his latest piece of investigative journalism, Friedman has once again placed himself in harm's way. At the very outset of *Red Mafiya: How the Russian Mob Has Invaded America*, we learn that Friedman was targeted for elimination "with extreme prejudice" by not one, but two top Russian Mafia dons, as the result of his efforts to place a very large, public spotlight on the major criminal enterprises that sprang up in the Brighton Beach section of Brooklyn over the past decades.

Aside from a number of dry Congressional committee, United Nations, think-tank, and FBI reports on the brutal exploits of the Red Mafia, very little has been put in print, in recent years, on an apparatus that is now at the very center of global organized crime—until the publication of *Red Mafiya*.

In fact, Friedman's book picks up on many intelligence leads first spelled out in a pair of mid-1980s *EIR* special reports, linking the Israeli Mafia and right-wing Zionists to Soviet bloc intelligence services, engaged in joint KGB-Mos-

sad dirty operations against American strategic interests (see "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia," *EIR*, March 1, 1986, and "The Kalmanowitch Report: Moscow's Moles in the Reagan-Bush Administration," *EIR*, March 17, 1988).

Friedman's account is anything but dry reading. From page one, he provides an up-close and personal profile of some of the leading figures who have made their mark on American organized crime, since the first wave of Russian Jewish immigration to America in the 1970s, following the passage of the Jackson-Vanik amendment, which linked U.S. relations with the Soviet Union to the plight of Soviet Jews.

In fact, this reviewer's only complaint about *Red Mafiya*, is that it somewhat overly focussed on the flamboyant, albeit low-grade Brighton Beach Russian hoodlums, and downplayed some of the most startling documentation about the international scope and high-level banking and political ties of the "Red Mafia." As *EIR* has consistently documented since the publication of the first edition of the book *Dope, Inc.* in 1979, global organized crime is run, top-down, by leading elements within the financial oligarchy, who have transformed the global banking system into a laundromat for illicit drug- and weapons-running profits, flight capital, and other fast-moving speculative money flows. The links between the criminal "underworld," and the "overworld" of Wall Street, London, Geneva, Frankfurt, and Tel Aviv "bankers above suspicion" and their bought-and-paid-for political assets, run so deep, that the very idea of a self-standing "organized crime syndicate" is a Hollywood fiction of the first order.

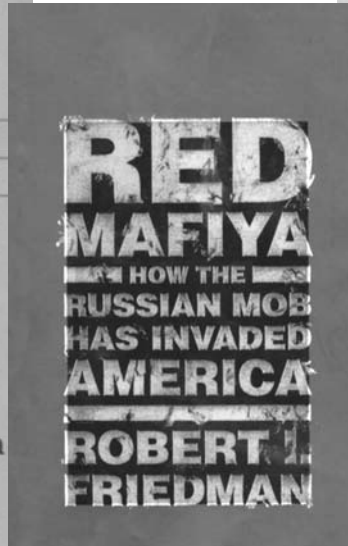
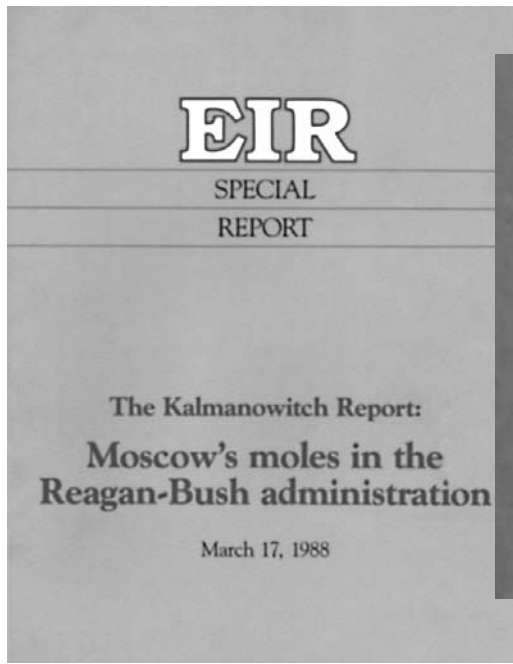
Friedman's book offers a case study proof of the depth of these links, even though he largely leaves it to the reader to draw those conclusions. Much of the review that follows will focus on the evidence of this profile that fills the pages of *Red Mafiya*.

The Red Mafia and the Jewish State

A second point that was somewhat downplayed by Friedman, but warrants special attention at the outset, is the impact of the Russian Jewish organized-crime invasion of Israel. One recent, classified Israeli national police survey of the growth of the Russian Mafia's power inside the country, cited by Friedman, concluded that Israel has been turned into an organized crime "mini-state," and that the Russian Mafia poses a greater threat to the survival of Israel than do the Arabs.

Indeed, one of the throwbacks to the Cold War era is the foolish idea that Israel is a strong state, with a powerful, albeit covert nuclear weapons arsenal that assures its long-term survival. Nothing could be further from the truth. While popular journalists delight in declaring that Russia is finished as a nation, because of the power of organized crime over the country's banking system and what remains of its military-industrial complex, the fact is that Israel is far more dominated today by the "Russian Mafia" than is Russia itself.

According to Friedman's sources inside the Israeli intelli-



Friedman's book picks up on intelligence leads first spelled out in these EIR special reports from the 1980s.

gence and law-enforcement establishment, an estimated 10% of the 800,000 Russian Jews who now reside in Israel are "mobbed up." Furthermore, the Russian immigrant party, headed by Russian "refusnik" Natan Sharansky, is a virtual political front for the Red Mafia. One notorious Russian mafioso, Grigori Loutchansky, of the Latvia- and Austria-based Nordex firm, alone, put millions of dollars into Sharansky's political operations in Israel, and fed an estimated \$1.5 million to Benjamin Netanyahu, for his 1996 election campaign for prime minister. Not surprisingly, as soon as he came into power, Netanyahu shut down the only Israeli government interagency task force tracking the Russian Mafia's operations inside the country.

An estimated \$20 billion in Russian flight capital, much of it stolen in the dying days of the Soviet Union, found its way into Israel during the 1990s. Russian Mafia money was behind unsuccessful efforts to purchase two of Israel's most important Hebrew-language newspapers, *Davar* and *Ma'ariv*. Gregory Lerner, one of an estimated 75 top Russian mobsters who travel freely on Israeli passports, has purchased entire towns inside the Jewish state, creating Red Mafia oases. And at least two of Russia's "Gang of Seven" top "oligarchs," Vladimir Gusinsky (now under house arrest in Spain, pending extradition to Russia) and Boris Berezovsky, both hold Israeli dual citizenship, and have villas and major banking operations in the Jewish state.

Brig. Gen. Hezi Leder, the Israeli police attaché in Washington, summed up the situation for Friedman: "We know how to deal with terrorist organizations. We know how to deal with external threats. This is a social threat. We as a

society don't know how to handle it. It's an enemy within."

The Invasion Begins

The Russian (née Jewish) Mafia invasion of the United States occurred, initially, in two waves—in the early 1970s and in the middle of the 1980s. During 1972-73, approximately 66,000 Russian Jews immigrated to the United States, often passing first through Israel, en route to the real promised land. Through well-meaning groups such as the Hebrew Immigration Aid Society, refugee camps were established, where Russian Jewish hoodlums, who were dumped out of the gulags into the West, made their connections, and first established international links. Soon, Russian Jewish communities dominated by these criminal elements, had been established in New York, London, Antwerp, and Brussels, as well as inside Israel. It was a ready-made global crime structure, what one New York-based Drug Enforcement Administration specialist called "the Red Octopus."

By the end of the 1970s, some 40,000 Russian "Jews" had settled in the Brighton Beach section of Brooklyn. For \$2,000, a knowledgeable member of the "community" could hire a professional assassin from the growing ranks of the *organizatsiya*.

But, more to the point, the meteoric growth of the Red Mafia on American soil was never a purely Russian matter. From the outset, the Jewish Soviet gangsters had their high-level connections into the U.S.'s own Zionist apparatus. One of the first American "cousins" to pave the way for the Red Mafia was Rabbi Ronald Greenwald, Richard Nixon's chief campaign operator in the New York Jewish community in

1972. Rabbi Greenwald was a wheeler-dealer who was CREEP's (Nixon's Committee to Re-Elect the President, the dirty tricks apparatus behind Watergate) man in Brooklyn. He was, ironically, investigated by a U.S. Attorney named Rudolph Giuliani, for swindling the U.S. Department of Health, Education and Welfare—part of his payback for services rendered to CREEP. In the early 1980s, Greenwald was the official U.S. representative of fugitive metal trader Marc Rich.

During the initial wave of Russian immigration to America in the 1970s, Greenwald arranged a U.S. visa for the first of the Russian Mafia “dons,” Evsei Agron; made the connections between Agron and the Genovese New York crime family; and installed his own business associate, Murray Wilson, as Agron's chief money-launderer. Wilson was, according to Friedman, a “right-wing Jewish militant” and an intimate of National Crime Syndicate boss Meyer Lansky.

Agron, Greenwald, and Wilson teamed up with one of the top Midwest alleged crime figures, Morris Shenker, in skimming large amounts of cash from the Dunes Hotel in Las Vegas, a crime for which Wilson went to jail in the late 1980s. By this time, Agron had been assassinated, and replaced as top dog in the Red Mafia by Marat Balagula, who upgraded its links to the U.S. National Crime Syndicate.

With crucial input from Rabbi Greenwald, Marc Rich, and another Greenwald associate, Shabtai Kalmanowitch, Balagula established a tax-evasion scheme on retail gasoline, that ran from Florida to New England, and generated an estimated \$8 billion in illicit profits. By the mid-1980s, Balagula owned supertankers, seven gasoline storage terminals, a fleet of gasoline trucks, truck stops, and more than 100 filling stations.

By the mid-1980s, the Greenwald-Balagula-Rich gang had extended their gasoline swindle into Africa, shipping large volumes of gasoline to Sierra Leone through Rich's front companies in Spain. Their point-man in Sierra Leone for a string of large-scale looting operations was Kalmanowitch, who was, by this time, the “security chief” for the country's ruler, Joseph Momoh. Soon, Sierra Leone's diamonds were being smuggled to Thailand, in exchange for Golden Triangle heroin, which Balagula was marketing on the streets of America. Another Russian Mafia player in this global diamond-for-heroin apparatus was Efim Laskin, who was arrested in Europe soon afterwards—for selling arms to the Italian Red Brigades terrorists.

The Greenwald-Rich-Kalmanowitch operations in Africa also extended to the Kingdom of Bophuthatswana, landlocked inside the Republic of South Africa. Greenwald was the country's chief diplomatic representative to the United States. As in the case of Sierra Leone, the security apparatus of the country was dominated by Israeli Mossad operatives, who were hired on as “private” security consultants to the government, and to a lucrative casino operation, built up in the aptly named Sun City resort.

This Brighton Beach-Sierra Leone-Bophuthatswana-Is-

rael mafia and spook operation came to a crashing halt on May 33, 1987, when Kalmanowitch was arrested in London, ostensibly for a scheme involving the forging of commercial paper from Merrill Lynch, which was laundered through New York's Republic National Bank.

Kalmanowitch was extradited back to New York, but, when Greenwald orchestrated a flood of character references, he was released on bail. U.S. Rep. Benjamin Gilman (R-N.Y.) (until recently the chairman of the House International Relations Committee) wrote the court that “Mr. Kalmanowitch enjoys a wide reputation for his integrity and business acumen.” Kalmanowitch's picture had appeared on the society page, arm-in-arm with former Secretary of State Alexander Haig, at black tie fundraisers.

Free on bail, Kalmanowitch fled to Israel—where he was promptly arrested as a KGB spy! Kalmanowitch's arrest as a Soviet spook came at a curious moment for Israel. U.S. Navy intelligence analyst Jonathan Jay Pollard had been arrested in November 1985, for stealing U.S. military secrets on behalf of Israel; and Secretary of Defense Caspar Weinberger, in a sealed affidavit to the court, had urged that Pollard be thrown in jail for life. Among the charges contained in the Weinberger affidavit, was that the booty of secret documents passed to Israel by Pollard had included material that Israel sold to the Soviet KGB. Putting Kalmanowitch in an Israeli jail averted a lot of very embarrassing questions from being asked; and, after a number of years of basking in the Negev Desert, where he deepened his ties to the Brighton Beach Red Mafia, Kalmanowitch was freed from prison. He then returned to Russia, and established himself as one of the pre-eminent ties between Russian-territory organized crime and Israel's burgeoning underworld.

Vyacheslav Ivankov, who for a period of time was the most violent and powerful Russian Mafia boss in America, had gotten his introductions into the Brighton Beach operations in an Israeli jail—where he was Kalmanowitch's bodyguard, before his 1990 release and immigration to America. By 1994, according to Israeli police, Ivankov was chairing a meeting of Russian Mafia bosses from all over the world—at the Dan Hotel in Tel Aviv.

The ‘Prince of Thieves’ and the ‘Money Planes’

According to Friedman, by the time the second large wave of Russian Jewish immigration to America was under way in the mid-1980s, sections of the Soviet *nomenklatura*, and particularly some top officials of the security services, had come to believe that the Soviet system was on its last legs. They began preparing for their own “post-communist” survival. Leading figures within a vast state-sponsored underground economy—who had been given lucrative contracts to keep the Soviet Communist Party awash in Western luxury items, Russian caviar, etc.—were shipped overseas as part of the wave of Soviet Jewish immigration. Many among this second generation of Red Mafia, sported master's degrees in

business administration, and other “credentials” not easily obtained in the gulags.

When the Soviet Union formally folded in 1992, this apparatus had already established a worldwide infrastructure for looting Russia and the former satellite states of much of its national patrimony.

A vast “kleptocracy”—an outgrowth of the worldwide Red Mafia, which had been growing for 20-odd years—was soon running Russia’s banking system, adding another dimension to one of the biggest robberies in history.

In Washington, the Bush Administration sent an unmistakable signal to the new bosses in Moscow, that the looting could proceed. It sent Robert Strauss, wheeler-dealer lobbyist and political fixer, to Moscow as the first U.S. Ambassador to post-Soviet Russia. Strauss had earned a reputation as the “Prince of Thieves,” over a long political and business career, and his deployment to Russia was aimed at signalling the new Russian “kleptocrats” that Washington would be more than happy to teach them “how to do business.”

Friedman picked up on another facet of this saga of top-down Western endorsement of the final “Mafiazation” of Russia: the so-called “money planes.”

Within months of Boris Yeltsin’s “velvet revolution” in 1992, the New York State Banking Department’s Criminal Investigations Bureau began receiving reports that billions of dollars in newly minted U.S. hundred-dollar bills were being flown from New York’s Kennedy Airport to Moscow, on every business day. The bills were being disbursed to approximately 50 new Russian banks, the overwhelming majority of which were fronts for the Red Mafia. In New York, the initial purchases of the crisp new hundreds were all being made through Republic National Bank, the personal fiefdom of Edmond Safra, an Aleppo, Syria-born Jew, who had established lucrative banking operations in South America, and later expanded his operations to the United States and Switzerland.

Friedman described the Safra-Moscow “money plane” scheme, as it was reported to him by U.S. government sources:

“State Department officials explain that money laundering works something like this: Russian assets, such as oil, are stolen by underworld figures or corrupt plant managers and sold on the spot market in Rotterdam. The proceeds are wired through front companies on the continent and deposited in London banks. Gangsters place an order for, say, \$40 million in U.S. currency through a bank in Moscow. The bank wires Republic, placing a purchase order for the cash. Republic buys the currency from the New York Federal Reserve. Simultaneously, Republic receives a wire transfer for the same account from the London bank. Republic pockets a commission and flies the cash from New York to Moscow. It is then used by mobsters to buy narcotics or villas, or run political campaigns. As far as Republic is concerned, if there was a problem with a customer, it was up to the banks in London or Moscow to warn it.”

Friedman reported that the Federal Reserve had little or

no interest in probing too deeply into the credentials of the dollar purchasers in Moscow. After all, for every hundred-dollar bill printed by the Fed and shipped permanently abroad, Uncle Sam pocketed \$99.96. Underlying the whole scheme was something a lot nastier than penny-ante profiteering by the Fed. As the deployment of the “Prince of Thieves” to Moscow demonstrated, many top U.S. policymakers and bankers were perfectly comfortable with Russia being driven into the ground by a gang of comprador criminals.

Of course, it was hardly a coincidence that Republic National Bank and Safra showed up in the middle of the “money plane” scam in partnership with the Fed. Safra’s first venture into the world of New York banking had come in 1966, when Safra launched Republic National Bank as a virtual service bureau for organized crime. According to Friedman, Republic was known as the “no-questions-asked” bank, sending its armored cars anywhere, at any time, to pick up van-loads of cash.

By the mid-1980s, Safra’s Republic National Bank and his Swiss-based Trade Development Bank were handling large cash transactions for Marat Balagula, at the height of his gas tax-evasion scam. And in 1987, the Drug Enforcement Administration office in Berne, Switzerland was probing Safra’s Republic National Bank for laundering drug proceeds of both Turkish and Colombian cartels into the same numbered account in New York.

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Congo's New President Comes to Washington

The assassination of President Laurent Kabila has brought about a danger of the partitioning of the Congo.

The actions of the new President of the Democratic Republic of Congo, Joseph Kabila, leave no doubt that the murder of his predecessor, and father, on Jan. 16 was a fully planned assassination from the top down. In the days since he has taken power, Joseph Kabila has taken steps to reopen negotiations to end the three-year war in the Congo, which now involves the armed forces of seven African countries.

Since his swearing in, Joseph Kabila, under the apparent direction of Foreign Minister Leonard She Okitundu, has made clear signals that he wants to bring an end to the war that has engulfed the country. The war began when Uganda and Rwanda invaded the Congo in August 1998, in a bid to overthrow Laurent Kabila, whom they had forcibly imposed on the Congo in May 1997. When Kabila began purging the Rwandans from his Army officer corps, Rwanda and Uganda invaded the Congo. Kabila responded by calling upon Angola, Zimbabwe, and Namibia to come to his country's defense.

Two and a half years later, the war in the Congo now pits Uganda, Rwanda, and Burundi on one side, and the Congo government, Namibia, Zimbabwe, and Angola on the other. In the ensuing period, it is estimated by the International Rescue Committee that 1.7 million Congolese have died as a result of the war in the eastern Congo, where Uganda and Rwanda have imposed a brutal occupation.

In the immediate days before the murder of Kabila, the Rwandan troops had managed to seize the town of Po-

weto in copper-rich Katanga, expanding their territory.

Behind the Ugandan and Rwandan armed forces in eastern Congo stand various companies of foreign powers, which are reaping the benefits of the cheap mineral wealth now flowing out of the country toward points east. These include Canada's Banro Resources and Barrick Gold. The British government is Rwanda's largest donor and has embarked on a program to anglicize the former Belgian colony which, until the Rwandan Patriotic Front's military seizure of control over the government in 1994, was French-speaking.

Not until December 2000 did the international community take any action against the wholesale looting of eastern Congo by means of the Ugandan-Rwandan-Burundian forces. In late December, the United Nations Security Council finally called upon Uganda and Rwanda to leave the country.

The occupation of nearly two-thirds of the Congo by the British-backed eastern nexus has proceeded under the cover of the Lusaka Accords, signed by all parties in July 1997. The accords, orchestrated by Washington diplomats under the direction of then-Assistant Secretary of State for African Affairs Susan Rice, gives full credence to the bizarre claims of Rwanda and Uganda that they must occupy two-thirds of their neighbor's territory for "security reasons."

In the face of this travesty, Laurent Kabila took a stand of intransigence, while also severely oppressing any po-

litical opposition in the areas of the country under his control, causing the body politic in Congo to disintegrate even further.

His son Joseph is now making a bid to reopen channels that had previously been closed. Upon the invitation of U.S. Rep. Frank Wolf (R-Va.), Kabila traveled to Washington, where he attended the National Prayer Breakfast of the U.S. Congress on Feb. 1. The invitation had been backed by a letter of condolences sent by President George W. Bush to Joseph Kabila, which addressed the Congolese head of state as "Mister President" and expressed a desire to reopen relations.

On the evening of Feb. 2, a reception was held in Kabila's honor, sponsored by the Corporate Council on Africa, whose chairman is Maurice Tempelman. Tempelman, a patron of the Africa-America Institute of New York, is a Belgian diamond dealer who conducted major business operations in the Congo during the era of President Mobutu Sese Sekou.

At the same time, and not coincidentally, Paul Kagame, the President of Rwanda, was in Washington, and was also invited to the National Prayer Breakfast. He and Kabila met and discussed the prospects of negotiations for a peace settlement, although no details of their discussion have been reported.

The swiftness of the volte-face in the Congolese government leaves no doubt that the murder of Laurent Kabila had been long prepared for. The danger now is that a peace deal for the Congo will be contingent upon the government's acceptance of a de facto partition. If this is the case, either the war will continue in its current form, with terrible consequences for the Congolese people, or a partitioning will bring about not only more war, but the threatened disintegration of many more African nations to come.

LaRouche Democrats Lead Resistance to Bush Fascist Push

by Jeffrey Steinberg

On the afternoon of Feb. 1, the nomination of John Ashcroft as the next U.S. Attorney General passed the Senate by a narrow 58-42 vote, with all but eight Senate Democrats voting against him. The vote capped two days of intensive debate, and a personal visit to Capitol Hill by President George W. Bush, where he threw a public fit over the delay in the confirmation of his choice as the nation's top law-enforcement official.

Bush's Capitol Hill antics underscored just how right Lyndon LaRouche was, when he warned that the appointment of Ashcroft was key to the Bush gang's drive to create a crisis-management rule-by-decree government, reminiscent of the early days of Adolf Hitler's "constitutional coup" in Germany in February 1933. LaRouche did not merely warn of the danger of a bureaucratic fascist regime in Washington, should the Democratic Party capitulate on the Ashcroft nomination; he personally led a mobilization of all Democrats and honest Republicans to defeat the Ashcroft nomination.

In response to the LaRouche call, which was echoed in powerful testimony submitted to the Senate Judiciary Committee by LaRouche representative Dr. Debra Hanania Freeman, thousands of LaRouche Democrats mounted a massive campaign to force Senate Democrats to defeat Ashcroft, through a filibuster or whatever other means might suggest themselves. It was, in fact, the impact of that mobilization, that forced the Democratic leadership in the Senate to go as far as they did, in publicly pillorying Ashcroft, first in Judiciary Committee hearings, and then on the floor of the Senate, in two days of debate.

Despite a shameful last-minute capitulation by Senate Democrats, signalled by Senate Minority Leader Tom Daschle's (D-S.D.) Feb. 1 press conference, explaining, defensively why he decided to forgo a nomination-killing filibuster, the base of the Democratic Party and major portions of the trade union movement were activated by the massive call-up and lobbying campaign by LaRouche supporters.

Not since the LaRouche Democrat mobilization of Americans to Defend the Presidency, in the autumn of 1998, have the Democratic Party and the U.S. labor movement been so mobilized, to defend the general welfare of the nation against a potentially fatal attack. Other groupings in and around the Democratic Party joined in the Stop Ashcroft drive—often on the basis of single-issue objections to Ashcroft's checkered record of segregationism, racism, and religious fundamentalist bigotry. But, as countless Democratic Party officials and labor leaders acknowledged, in the run-up to the Senate vote, it was the LaRouche machine that was uniquely providing the marching orders and precise battle updates that drove the Ashcroft fight.

Sen. Dianne Feinstein (D-Ca.), in her statement on the floor of the Senate during the Ashcroft debate, reflected the impact of the LaRouche Democrat and other mobilization to stop Ashcroft, reporting that she had received 50,000 letters, faxes, e-mails, and phone calls from constituents, who demanded, by a ten-to-one margin, that she fight all-out to defeat Ashcroft.

The effectiveness of this mobilization—despite the decision of Senate Democrats to forgo a filibuster (only 41 votes were required to defeat Ashcroft's confirmation by

filibuster)—has delivered a strong message to President Bush and those in his Administration who are looking, with the Ashcroft confirmation, to tear up the Constitution.

The California Crisis and the NAPM Report

As the pitched battle was raging on Capitol Hill, the Bush Administration was already facing its first grave crisis, and was showing itself wanting, just as LaRouche had warned. As reported by Marsha Freeman elsewhere in this issue, California's electricity deregulation scam has plunged the real economy of the Western states of the United States into a grave crisis—a crisis that can only be solved by putting California's two largest utility companies through bankruptcy reorganization, by Presidentially mandated power deliveries to distressed communities and industries, and by re-regulating the entire nationwide electrical power grid.

These policy requirements—which represent the only alternative to a hyperinflationary crisis at home, and a near-term financial meltdown globally—fly in the face of “Bush family values.” George W. Bush owes his political career and his personal fortune to Enron Corp. chief executive officer Kenneth Lay, whose company is at the forefront of the electricity deregulation looting, and to Richard Rainwater, the biggest health maintenance organization pirate in America. To actually solve the “California crisis,” President Bush would have to take actions that would likely bankrupt Enron, and every indication is that the President would sooner go for police-state rule than betray the “shareholders values” of his backers.

Within days, as the energy emergency decree by Energy Secretary Spencer Abraham runs out, President Bush will be faced with an out-of-control economic disaster in California, a state that represents one-sixth of the entire economic output of the United States. And the disaster has already spread to neighboring states like Oregon, Washington State, Arizona, and Nevada.

Ironically, as Secretary of Defense Donald Rumsfeld has probably already realized, a failure to deal with the California crisis in a sensible way will jeopardize all of the Administration's much-hyped plans for an early deployment of the National Missile Defense system (NMD), and a major buildup of America's military capacities. No region of the country is more vital to the defense-industrial sector than California and the Pacific Northwest, which is the home to major production facilities of Lockheed-Martin, Intel, Microsoft, and Boeing. As a result of skyrocketing energy costs in Washington State, Alcoa, one of the major manufacturing firms left in America (and the company headed, until last month, by Bush's Treasury Secretary Paul O'Neill), has announced it is ready to shut down its Spokane plant and move its operations out of the region.

As LaRouche warned, the Bush Administration, barring

a major change in ideology and policy, is doomed.

California is but the tip of the iceberg. On Feb. 1, the National Association of Purchasing Managers issued their monthly report, which reflects activity in the real economy. They announced that the index of monthly orders for capital goods, raw materials, and manufacturing equipment had plunged to levels not seen since 1991—when the country was in the throes of a deep recession.

Homeland Defense . . . Against What?

On the very day that John Ashcroft was being confirmed by the Senate as Bush's Attorney General, a Congressionally mandated national panel, chaired by former Senators Warren Rudman and Gary Hart, issued a report on the future of U.S. national security.

The report focussed on the threat of a major terrorist attack against the United States, involving the use of weapons of mass destruction—biological, chemical, or nuclear weapons. The Hart-Rudman report concluded that the President should establish a new Cabinet-level agency, the National Homeland Security Agency, to oversee and coordinate the activities of the Federal Emergency Management Agency, the U.S. Border Patrol, the U.S. Customs Service, and the U.S. Coast Guard. The report also called for the National Guard to take primary responsibility for crisis response, in the event of an attack by weapons of mass destruction, or other threats to the internal security of the United States, by vastly upgrading their capabilities.

In the context of the Ashcroft confirmation, and the very real crisis soon to spread from California across the entire country, the Hart-Rudman recommendations fit precisely into the rule-by-decree schemes that prompted the President to stage his first public temper tantrum on Jan. 30 on Capitol Hill. It was under George Bush, Sr., who headed the Reagan Administration's “continuity of government” secret parallel government, that Lt. Col. Oliver North set forth plans to round up tens of thousands of American “dissidents” and throw them into detention camps, in the event that protests against the Administration's Iran-Contra covert wars mushroomed out of control.

It was with all of these factors in mind, that Lyndon LaRouche, moments after the Ashcroft vote, called for a continuation of the mobilization of patriotic Democrats, to defend the general welfare against the Bush Administration's “shareholder values,” by fighting for a competent policy solution to the California crisis—a solution in the spirit of Franklin D. Roosevelt's mobilization of the American people to end the Depression and defeat Hitler. It is through precisely such a continuing mobilization that the Democratic Party can shed the last vestiges of the Gore “New Democrats” disease, and rally the country against every effort by Bush and company to tear up the Constitution in a replay of Hitler's Reichstag fire.

Bush to California: Drop Dead!

by Marsha Freeman

In 1975, New York City, then the most populous city in the United States, faced the prospect of going into bankruptcy. Decades of looting by real estate speculators and Wall Street banks, and the resulting underinvestment in basic infrastructure, created an existential crisis for the Big Apple.

President Gerald Ford refused to have the Federal government intervene to keep New York out of bankruptcy. In response, the *New York Post* printed a full-page bold headline: "Ford to City: Drop Dead!" Political pundits believe that this mistaken policy helped President Ford lose his bid for reelection in 1980.

Even before officially assuming the office of the Presidency, George W. Bush was facing a similar existential crisis, this time on the West Coast, in California. Only emergency Executive Orders at the end of the Clinton Administration had kept the lights on and the natural gas flowing. While the new President decided to extend the previous electricity and natural gas emergency orders for two weeks, he and his appointed representatives made it clear there will be no further Federal intervention to prevent a total catastrophe in California, while the crisis quickly spreads to surrounding states in the Northwest.

As California faces more rolling blackouts on a daily basis, President Bush has only repeated that the solution is his "free market" policy, of encouraging the production of more oil and gas. That he would promote this approach is hardly surprising, since the money that put him in the Texas Governor's Mansion and the White House, and paid for most of the transition, and even the inauguration, came from oil and gas companies, such as Houston-based Enron.

Without Federal intervention to reverse the deregulation of the electric utility industry, there is no solution for the crisis in California or any of the Western states. The reality of the scope of the coming disaster is bumping up against the "free market" looting that has been the hallmark of the President's political and financial support.

California Must 'Fix Its Own Problems'

Before Bush's inauguration on Jan. 20, media and elected officials from California were pressing the President-elect to answer questions regarding what he would do about the crisis. Transition team members told the press that President Bush's number-one priority would be to increase production of oil and natural gas. Not even everyone in the industry agreed

with that approach.

In December, Lawrence Goldstein, president of the Petroleum Industry Research Foundation, warned, "We're increasingly dependent on a single source of fuel, natural gas, for power plants, and what's happening in California could be happening in the Northeast."

On Jan. 18, during a series of interviews, Bush dismissed the institution of Federal price caps on the cost of wholesale electricity as an action his Administration would not take. Wholesale caps, to limit the price that out-of-state wholesalers can charge the utilities for power, had been requested by California Gov. Gray Davis, California's U.S. Sen. Barbara Boxer and Dianne Feinstein, and governors of surrounding Western states, which have seen their prices skyrocket, along with California's. Bush made clear he would not act to curb the obscene profits being made by his friends and financial supporters, even though the prices they were charging had pushed two California utilities to the edge of bankruptcy.

The timing for Bush's remarks was unfortunate. On Jan. 17 and 18, millions of people in northern California suffered rolling blackouts. In response to Bush's statement, that California had passed a "flawed" deregulation plan, and now had to fix its own problems by fully deregulating, an angry Senator Feinstein responded: "It's one thing to blame California. At the same time, you're going to have people who are going to die. You're going to have businesses that go out of business." The Senator said she would try to meet with Mr. Bush to make the case for regional price caps.

On Jan. 21, his first full day as President, while taking reporters on a tour of the White House, Bush was asked what the Federal role would be in solving the California crisis. His reply was that we need "more power, we need pipelines bringing energy to the plants."

Two days later, faced with expiring deadlines, Bush authorized the extension, for two weeks, of the emergency orders requiring companies to sell electricity and natural gas to the near-bankrupt California utilities. He also emphasized that this would be the final extension.

Unable to ignore the simmering political as well as energy crisis in all the Western states, Administration officials announced on the Sunday television talk shows on Jan. 28, that the President had formed a task force to address energy problems. Vice President Dick Cheney, who had been chosen to lead the task force, said, regarding the emergency orders, "the

President made it very clear that that is an absolute deadline.” Asked if the state government should take control of its electrical industry, Cheney responded, “That wouldn’t be my choice. I’m a believer in markets. . . . I think the notion of deregulation is basically sound. What happened in California was it was poorly executed.”

White House economic adviser Larry Lindsey was a bit more blunt. “They should expect no more help from the White House,” he told “Face the Nation.” Lindsey tried to make the case that the emergency orders were, in any case, not that important, and had not brought a significant amount of power into California. They could accomplish the same effect of getting this little bit more power, he said, by increasing efforts at conservation. Lindsey described the effect the California crisis was having on the economies of the surrounding states, and Vice President Cheney announced there would be a meeting on Feb. 1 with the Western states’ governors.

The next day, the task force on energy — which included Secretaries Spencer Abraham at Energy, Paul O’Neill at Treasury, Donald Evans at Commerce, Norm Mineta at Transportation, Ann Veneman of Agriculture, and Christine Whitman at the Environmental Protection Agency — met at the White House. President Bush explained that this was the first in a series of meetings to be chaired by Cheney.

Bush focussed his remarks on the line that demand for energy has outstripped supply, and that the solution was to reduce America’s reliance on foreign oil, and “encourage the development of pipelines and power-generating capacity in the country, so that we can help our fellow citizens.” Not a word about dealing with the snowballing crisis in California.

At the White House press briefing a few hours later, Bush spokesman Ari Fleischer reported that “there was no new ground broken” at the energy task force meeting, regarding California.

Since Fleischer was continually stressing that the Bush energy policy, which the task force has been asked to develop, focusses entirely on more gas and oil, William Jones, Washington Bureau chief of *EIR*, asked him if there were a “Texas bias” in the program, since “it seems as if nuclear [energy] has completely disappeared,” from consideration. Fleischer admitted that there is only “a little” in the President’s policy paper of last September on streamlining nuclear power plant approval.

So, the essence of the Bush energy policy, for California and in general, is to try to elbow through the Congress provisions in order to open up new deposits of oil and natural gas, and new business for Enron and its other campaign contributors. The Administration will most likely be developing a Federal electricity deregulation bill, to spread the misery, and hasten the collapse of the energy industry and the financial system which is tied to it. Consumers are to pay whatever these pirates charge them, and if they don’t like it, they can conserve and use less energy.

In the meantime, if there is no re-regulation, and the California utilities default on \$12 billion in debt, plus \$20 billion in related cross-defaults, the entire financial house of cards could come down.

No Solution in California, Either

While the Bush Administration has made clear it will not give any Federal help to California, the state has been desperately trying to patch together a set of proposals to keep the utilities out of bankruptcy, provide a reliable source of electricity, and avoid raising rates that would drive masses of people into poverty, and businesses out of the state. But within the given rules of the game, there is no way this will work.

On Jan. 31 and Feb. 1, the Senate and Assembly of California, respectively, passed legislation Gov. Gray Davis hopes will scotch tape the state together.

To keep power flowing, the law authorizes the state to float \$10 billion worth of bonds. The state will use those funds to buy electricity from wholesale suppliers, on long-term contracts. Pacific Gas & Electric and Southern California Edison will distribute the power, and collect the money from customers, at a rate that is lower than what the state will have to pay for it. The \$10 billion is to cover the gap between those two amounts.

To keep the utilities out of bankruptcy court, the state will allow the utilities to raise their rates a modest amount, and use that “extra” money, from consumers, to start to pay off the nearly \$12 billion they have accumulated in debt, during the eight months they were paying “free market” prices for power.

In addition, \$800 million will be allocated to promote a “conservation” program, to convince people to reduce their energy use, and keep the state from having to impose more rolling blackouts, especially this Summer, when it is unlikely supply will meet demand.

Without Federal intervention to re-regulate and force power suppliers to reduce their rates, and charge only what is reasonable, the state, and all states, continue to be held hostage to the out-of-state conglomerates, and power marketers, such as Enron, which have enjoyed three-digit profits increases over the past half year. Without retroactive refunds from these privateers, the citizens will be paying off the accumulated \$12 billion in debt for decades, as will their children and grandchildren.

“Conservation,” which simply means forced austerity, where consumption above a certain level triggers higher rates, or fines, will only lower the standard of living of the citizens of the state, and drive more businesses into shutdowns and relocation.

Under deregulation, there is no way to prevent the meltdown of California’s energy supply system, nor the financial system that will go down with it.

Who Wants a War in the Middle East?

On the eve of the Israeli elections, there is very little doubt that the world is facing an imminent war in the Middle East. Not merely out of stupidity, but because some of the leading people in the Bush Administration *want* a war in the Middle East. And they're not making any secret out of it.

The crucial new incendiary ingredient, of course, would be the election of the butcher of Lebanon, Ariel Sharon, as Prime Minister of Israel. This dangerous event is very likely to occur in the Feb. 6 elections. While the "old men" of Israel could have trashed Sharon's candidacy any time, they have not done so. Prime Minister Barak's refusal to transfer his electoral slot to senior statesman Shimon Peres, who is widely considered to have a much better chance of beating Sharon, seems to have sealed the fate of this option.

It is highly likely that the warhawks in the Bush Administration are counting on Sharon's election, to activate their plans for the region. These plans involve two major aspects. First, as demonstrated by the appointment of wild religious fundamentalist John Ashcroft as U.S. Attorney General, the Bush Administration represents an ascendancy to power of the irrationalist religious "right," those very fundamentalist sects that are funding, and pinning their hopes on, the religious war around the Jerusalem Temple Mount, in order to bring on the "rapture" and Armageddon. These forces, in combination with having the provocative Sharon in power, will push the U.S. Administration toward confrontation in Israel, particularly around Jerusalem.

The second heavy impulse toward a bloody, expanding conflict in the Middle East, is the building confrontationist stance toward Iraq. If the consequences were not likely to be so hideous, one would be tempted to laugh at the way that the tragic Gulf War of 1991, is about to be repeated as farce.

The press drumbeat is blatantly obvious. A series of "leaks" and articles from major press outlets for the Establishment in London and the United States, began on Jan. 22, with an article in the *New York Times* saying

that "satellite photos" had documented the presence of Iraqi factories which, while officially producing castor oil brake fluid, were allegedly also producing a byproduct, a "deadly biological toxin called ricin." The *Times* added that these reports would provide a "test" for President Bush, as to whether he would follow through on his policy of being "tough with Saddam."

In the immediately following days, both the *Times* of London and the London *Daily Telegraph* featured heavy-handed coverage, promoting a showdown between Bush and Saddam Hussein.

Just days later, on Jan. 28, the *Telegraph* picked up another of those "defectors," this one an Iraqi military engineer claiming that he had helped Saddam Hussein build two atomic bombs, which were now "ready for use."

On Feb. 1, none other than Secretary of State Colin Powell denounced Iraq and called it a danger to the children of the region—a sick joke, considering the hundreds of millions of children who have been killed by the sanctions against Iraq.

What does the Bush team think it's going to get out of provoking war in the Middle East? Lyndon LaRouche's evaluation is that top Anglo-American strategists think that the creation of this crisis will give them the ability to impose emergency rule in various industrialized nations, including the United States, and shatter the emergent economic cooperation now under way among nations of Europe, Asia, and the Middle East. The arrogance of power, combined with a hysterical determination to save that power in the midst of the collapse of the world financial system, is driving them to detonate a war they believe will humiliate their enemies.

But the warmongers are badly miscalculating. A new war in the Mideast will not end in a glorious march on Baghdad, but rather a spreading global religious conflagration. Nor could a military response from Russia, the world's second-largest nuclear power, be ruled out. If saner heads, globally, do not begin to take up LaRouche's proposals, the prospects are grim indeed.

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