

EIR

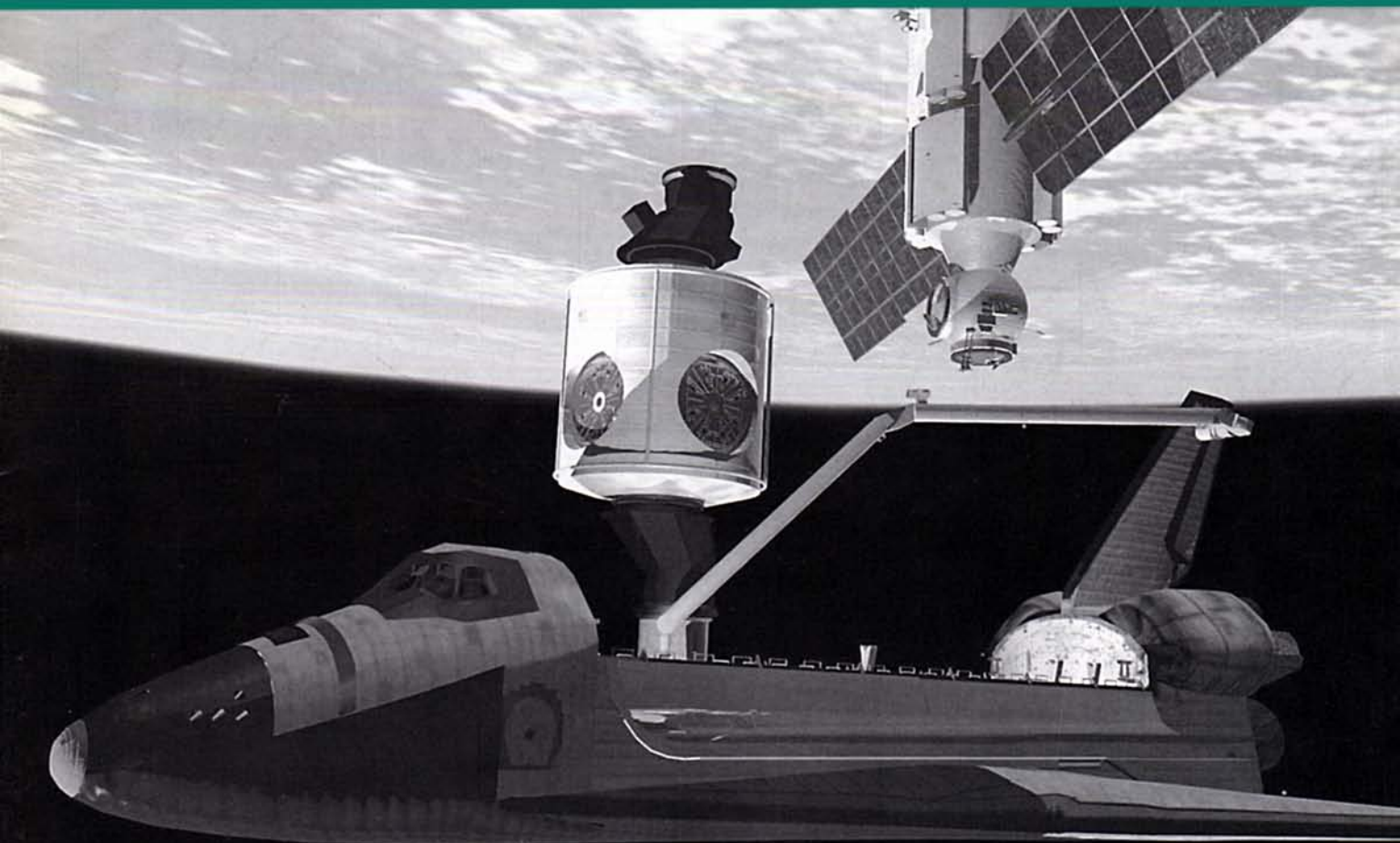
Executive Intelligence Review

October 10, 1997 Vol. 24 No. 41

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Asia threatens to abandon 'financial Titanic'
Clean out the IRS police-state Gestapo
British, Israelis set up Iran for a strike

Mir lays the foundation for International Space Station



In 1945, the world looked with horror at the genocide by Britain's marcher-lord Hitler, and cried out,

"Never again!"

On April 4, 1997, the world stood by, as Britain's marcher-lord Yoweri Museveni proclaimed,

"My mission is to see that Eritrea, Ethiopia, Sudan, Uganda, Kenya, Tanzania, Rwanda, Burundi, and Zaire become federal states under one nation.

. . . As Hitler did to bring together Germany, we should also do it here. Hitler was a smart guy, but I think he went a bit too far by wanting to conquer the whole world."



Dachau, Germany, 1945

EIR SPECIAL REPORTS

Kisangani, Zaire, 1997



NEVER AGAIN! London's genocide against Africans

INCLUDING

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Peace through Development in Africa's Great Lakes Region

Proceedings of a seminar in
Walluf, Germany

Including remarks by Lyndon H. LaRouche, Jr. and
former President of Uganda Godfrey L. Binaisa

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From the Associate Editor

Why do you (and all your associates) need *EIR*? If you just want to know what “everybody says,” you don’t. *EIR* is in the business of overturning the wrong-headed axiomatic beliefs that have led the world into its current crisis. That requires some strong medicine.

Take the case of Deputy Assistant Secretary of Defense for Africa Vincent Kern, who encountered *EIR*’s Suzanne Rose at Congressional hearings on Africa recently. When she identified the role of the British in supporting the opposition to the government of Sudan, Kern hit the roof. Why do you people always take *the most offensive* positions possible to the international community, like defending the government of Sudan? he railed. “Why do you say *Sir George Bush* and *Sir Henry Kissinger*?” He defended Ugandan dictator Yoweri Museveni, and demanded proof that the Ugandan economy was collapsing (see *EIR*, Aug. 8, 1997, for 30 pages of proof).

In this issue, you will find lots of such “unpopular” material: the truth.

In the *Feature*, we print speeches documenting the stand taken by Asian nations at the Hongkong summit of the IMF-World Bank. We began this coverage last week, with the full text of Malaysian Prime Minister Dr. Mahathir’s speech denouncing George Soros and the international speculators. It is not surprising that this speech was not printed elsewhere in the West; but we have since learned that not even the major Malaysian newspapers carried the text. Without *EIR*, you would only know the “sound-byte” version, and the slanders.

Most significant, is China’s emerging role, as our *Feature* documents. See p. 28 for Lyndon LaRouche’s campaign memorandum on the strategic importance of the U.S.A.-China summit, which a host of British agents in and around the Congress are determined to wreck.

A second major focus of British destabilization efforts now, is Iran. See Muriel Mirak-Weissbach’s exclusive report on what’s really behind the “nuclear bomb” hoax.

Countering the best efforts of the French government to block any serious investigation of the murder of Princess Diana, *EIR* is focussing attention on evidence that a mini-laser or equivalent energy-dense weapon was deployed to incapacitate driver Henri Paul. In this issue, we provide a preliminary report.

Susan Welsh

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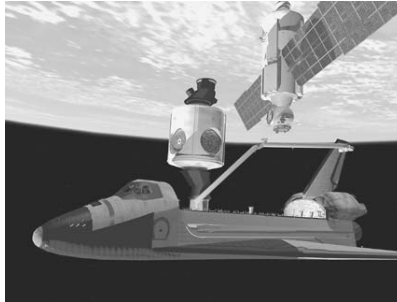
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Return U.S. diplomats to Sudan.

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The Mir, the culmination of 25 years of Soviet and Russian space station technology and experience, has paved the way for the International Space Station.

Correction: Two errors were introduced into our *Feature* last week:

On p. 29, the sentence that read, "All other costs, such as sales and administration, are considered as being, relatively, either merely fictional or even wasteful" should have ended, "merely frictional or even wasteful."

On p. 38, the reference to "Benjamin Franklin's great-grandson Alexander Dallas Bache," should have read: "Benjamin Franklin's great-grandson, Alexander Dallas Bache."

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It's not El Niño that is causing food shortages

by Marcia Merry Baker

As the harvest proceeds in the Northern Hemisphere this month, world food production is way below levels required. Nowhere is the problem “natural”—that is, the result of weather, even El Niño, or other changing conditions that could not be anticipated. The worsening food shortages are the result of recent decades of bad policies that undermined agriculture output potential, as well as national economies generally, to the point of want and famine.

Besides tonnages below requirements, the logistics of the current harvest season are decrepit, and farms and farmers are dropping out of the food production cycle altogether. Food output and distribution are concentrated more and more under the direct control of cartels of private financial and commodities interests.

Paradoxically, the only hopeful sign during harvest season this October, is that, as the international financial system itself is in a breakdown phase, under these crisis circumstances, the need for emergency measures for such necessities as food and agriculture infrastructure (ports, railroads, storage, water management), becomes more obvious, and could be made public policy. The issue is leadership and moral economics. Don't trust anyone who tells you, “There is plenty of food; things are okay; trust the markets.”

In 1988, when drought cut the harvests *by half* in the United States, Lyndon LaRouche addressed the founding meeting of the Schiller Institute's Food for Peace effort in Chicago in September, and at a post-harvest meeting on Dec. 11, in Chicago, forewarning of famine to come if policies were not changed over the next ten years. “It's almost as if we can hear a section of the Lord's Prayer coming from the developing nations, from the poor of eastern Europe, from the poor, the tens of millions of poor in our own country: ‘Give us this day, our daily bread.’ ”

One billion ton shortfall of grain

Take basic grains of all kinds: The total volume of grains required for the more than 5 billion people worldwide, is in the range of over 3 billion tons. (This is for direct cereals consumption, as well as indirect consumption, through the animal proteins food chain.) However, the latest estimate of world output this year, is for 1.87 billion tons, fully 1 billion tons short. This is according to the September monthly report of the UN Food and Agriculture Organization (FAO). The consequences? Malnutrition and death.

Annual food production per capita *fell* over the last 15 years in South America and Africa, and in the last 6 years, in Russia and other parts of the former Soviet Union. The shortfalls have not been made up from “outside” somewhere.

The FAO, in a Sept. 22 report, lists as the worst-affected countries in Africa: Ethiopia, Kenya, Uganda, Somalia, Tanzania, Burundi, Rwanda, Sierra Leone, Angola, and Mozambique. It also lists Sudan, which however, has been alleviating the International Monetary Fund-imposed lack of access to agriculture infrastructure and inputs, by utilizing its famed Gezira irrigation project in such a way as to provide minimal national food self-sufficiency and security.

Look at West Africa, at Sierra Leone, for example. As of mid-August, famine warnings were issued by FAO and other international agencies. The plantings of principal crops, which occurs between April and June, were low; as of August, rice prices had tripled in the capital of Freetown. An Aug. 15 dispatch from the FAO reported, “Humanitarian agencies have started limited food distributions to vulnerable people in Freetown, Bo, Kenema, and Makeni, while cross-border operations from Ivory Coast and Guinea allow limited provision of food to affected persons in rural areas.” The FAO expected that Sierra Leone would continue to rely heavily on

food aid to meet its needs. Even before 1997, cereal import needs were estimated at 260,000 tons and the donated food relief requirement at 80,000 tons. These are not being met.

In Russia, since 1990, annual grain harvests have declined from an average of 100 million tons in the 1980s, down to 60-80 million tons a year. According to Rosa Tennenbaum, Schiller Institute agriculture spokeswoman in Europe, there are estimates that as many as 500,000 people have died in Russia since the onset of the IMF-mandated “free markets,” from lack of adequate diet. An estimated 10,000 Russian children are dying each year, from malnutrition-related conditions.

North Korea international emergency

The place of most acute need is North Korea, where 25 million people are suffering famine. Through the 1980s, that nation’s grain provisions were augmented by imports from the Soviet Union, as well as China. When, in the 1990s, nothing more came from food-short Russia, food shortages began in North Korea. Though the nation is on the same latitude as, for example, Illinois (40°N), the infrastructure was never built up to make the resource base for agriculture reliably productive. Heavy rains, flooding, and then drought this summer, therefore, automatically meant low harvests. Policymakers worldwide had *foreknowledge* that this would cause dire malnutrition and starvation for a whole nation, unless aid were forthcoming. But no intervention came. Now, the solution must be to deliver mass relief provisions, and remedy the lack of infrastructure for the future.

The North Korea crisis dramatizes the same kind of breakdown process in other locations. The critical issue in agriculture is the provision of adequate infrastructure — whatever the particulars of the land, water, and climate conditions of a region—and adequate organization and inputs, run by skilled people.

In Russia, for example, as of August, it was estimated that around 12 million tons of grain (approximately the amount by which this year’s crop would have exceeded last year’s) would not be harvested in 1997, because modern equipment is lacking. For comparison, the 12 million tons of lost grain represents over five times what Korea needs in emergency relief for a year.

Out of 227,000 harvesters in Russia, only 70%, or 159,000, are working. Experts calculate that a decent ratio for harvesting, is one harvester for 150 hectares; in Russia, there is one machine for 352 hectares. Agriculture Minister Viktor Khlystun admitted, that in Siberia alone, 8 million tons of grain were lost in 1996 due to lack of equipment.

Rostelmash, the biggest harvester manufacturer in Russia, announced that up to June of this year, they did not sell one single machine. And, in all of 1996, they sold 1,500 harvesters, compared to 26,000 in 1991. Harvesters became unaffordable for Russian farms. If this trend were not to be reversed immediately, Russian farms would have only 100,000

operating harvesters left in the year 2000, which means that only one-third of the current grain area could be harvested.

Agriculture decline in United States

The decline in the United States is also dire, even if not so dramatic. All factors of agriculture production — transportation, land and water management, and especially the human factors — are worn down. Take hauling and storing the crop: The lack of rail lines, rail cars, locomotives, and staff, to handle the fall harvest, has now become “routine.” The mergers and acquisitions, and downsizing of the rail system, meant financial mega-profits for the cartels, and disaster for the nation.

The corn crop is beautiful in the heart of the corn belt (Nebraska, Iowa, Illinois, Indiana); but, rather than being a blessing for domestic use, international food relief, and exports, the crop will be sucked in at low prices dictated by the grain cartel companies — Cargill, ADM, Bunge, Louis Dreyfus, ConAgra, Pillsbury (Gran Metropolitan, based in London), and a few others. These companies typically gather in 75% of the harvest from farmers under pressure to sell their product, even at low prices. Then the companies are in a position to make a killing by controlling grain.

Take the spring wheat belt of the United States — North and South Dakota. There, the crops and harvest have been down. As of Sept. 20, the grain elevators in North Dakota had taken in only *half* the grain they took in by this time last year. Moreover, the quality of the crop is below average. It is estimated that only 60% of the grain is of milling grade. But even though quality wheat is scarce, the cartel companies are still paying low prices to farmers. Wheat is down to \$3.29 a bushel, when \$8.60 a bushel would be a fair, parity price. Therefore, for every acre planted to grains this year in North Dakota, some farmer is losing an average of \$20. This means an absolute loss to farmers in the state of \$225 million. They are shutting down.

Elsewhere in this issue (p. 6), a long-time farm leader from North Dakota, Robert Linnertz, describes in detail the decline of the farm base in his state — one of the world’s leading wheat production centers.

The case of North Dakota underscores the point that worsening food shortages will occur in the future only for lack of intervention to protect and build up farm sectors, *not* because of bad weather. Take the El Niño phenomenon in particular — called, technically, the El Niño Southern Oscillation (ENSO), because of its 8-10 year pattern of back-and-forth shifting of trade winds and sea temperatures in the southern Pacific, with associated weather changes around the globe.

The FAO Sept. 22 report warned, “The current strong El Niño weather phenomenon, due to peak from December to March, is already giving rise to concern in some important producing areas where related weather extremes could have a serious impact on the 1998 harvests.”

Hunger? Don’t blame it on the weather.

How free trade is destroying agriculture in North Dakota

Mr. Linnertz, a Schiller Institute representative in Minot, North Dakota, farms 1,200 acres in Ward County, producing wheat. He was interviewed by Marcia Merry Baker on Sept. 27.

EIR: There is a lot of publicity on how Mother Nature intervenes to cause food crises, through drought and floods — especially with this being an El Niño period in weather; but in reality, bad policies over the years are the real issue in agriculture. That can be discussed in many ways: the lack of infrastructure (flood control, irrigation water, railroads, etc.), but also the fact that farmers have been systematically underpaid in recent years, and now we have a real crisis.

Linnertz: You bet we do. I'll start with transportation. We have transportation that we can control, where we want to put it, day to day, but the way the farmer is being manipulated downward all the time, we are at a slave-labor condition here in the United States, whether we know it or not.

The cartels are always downgrading, for example, milk, or grain; as they need money, they take it out of the farm economy, because they're the easiest ones to manipulate.

EIR: What would be a decent, or parity price, for wheat, or other farm commodities?

Linnertz: If we were to handle our ground, to preserve it, to raise crops in the future, we should be getting \$8 a bushel for wheat, to \$8.69 a bushel. Today, in Minot, North Dakota, we are getting, \$3.29 for a bushel of No. 1, hard, dark northern grain [spring wheat].

EIR: The Dakotas are world famous for wheat. What is happening?

Linnertz: I'll give you what is happening in the state of North Dakota, and nobody is talking about it. In 1996, we seeded 12,800,000 acres of ground. This year, we have only seeded 11,188,000 acres of ground — in durum, spring, winter wheat and all. . . . I can say truthfully, that every acre of ground of the 11 million acres, has gone in the hole \$20 an acre — being *conservative*. That \$20 an acre brings it up to a \$225 million loss. You divide that into the 32,000 farmers that are left in the state, and that brings you into a

figure of \$70,000 per farm, that has to absorb that loss. And that loss is either coming out of a checking account of the old people that have some left, because their sons are farming, or it is absorbed by what's left to borrow against the farm.

We have a company from Canada that's just opened up a new plant here, a manufacturing plant. The chemical companies, and this company, and the seeding companies, went in, and they seeded 40 acres of durum, just east of me, one mile; there was a nice summer fallow field. They went in, and they seeded it, and they just harvested last week, and they kept track of every penny that they went in, and put in, and took out of it, for durum, and they just harvested it — and it went 18 bushels to the acre. And with 18 bushels to the acre, they were short, \$1.28 a bushel, of making expenses. And that was on television all the time. Every night, they made a record, of when they sprayed it, etc. They did everything immaculately perfect. The right chemicals, the right fertilizer, at the right time; it was done by the county agent. And they were shy \$1.28 a bushel of meeting expenses. The durum went 18 bushels to the acre; and durum is generally 60 pounds to the bushel, and this went 55 pounds to the bushel. So, it wasn't milling durum. It was light durum.

So now you can figure out where I'm coming from, when I say, we're losing \$20 an acre.

EIR: What does that mean for the general economic landscape, of towns, social necessities, hospitals, and so forth?

Linnertz: It's fierce. Shutdowns can start happening within a couple of months, I would say, for the simple reason, that we have such a low price right now. And the reason why the companies do that, is people who are renting land [to the farmer], want their money *now*. So the farmer goes in and sells it, regardless of what the price is. And the cartels know that, so they get, I would say, 75% of the wheat, because of the pressure on the farmers — "I got to have it now." And the pressure the bank puts on the farmers. Then there's only 25% out here, that will, maybe, get the cost of production, if they're lucky. That's the situation we're in.

I just interviewed the Farm and Home administrator here, and they figured that every one of the farmers who have lent

FIGURE 1
Food expenditures
percent of total consumer expenditures

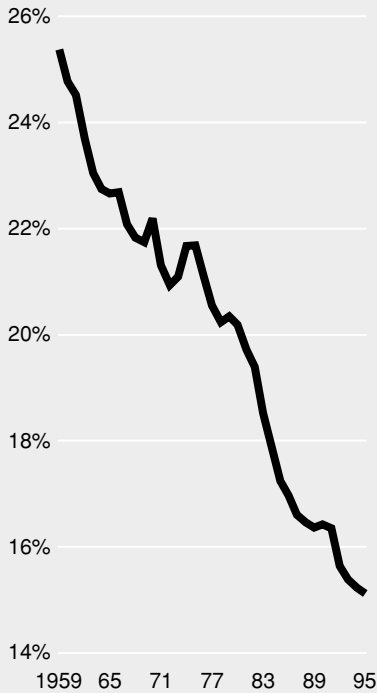


FIGURE 2
Prices farmers pay exceed prices farmers receive
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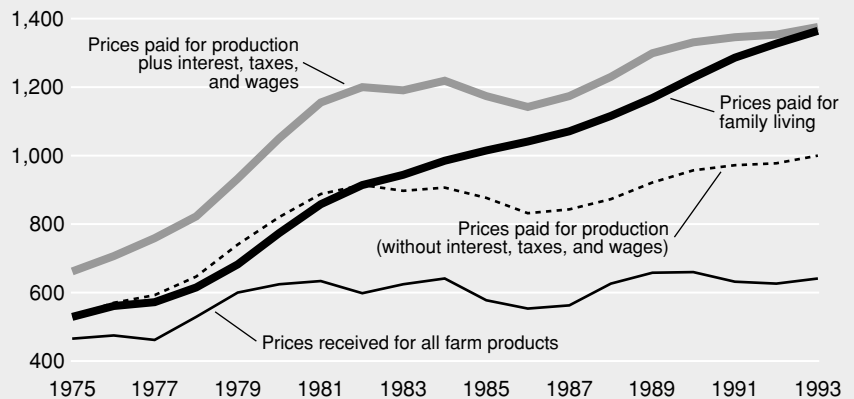


FIGURE 3
Farmers' income doesn't cover production costs
percentage of 1910-14 parity

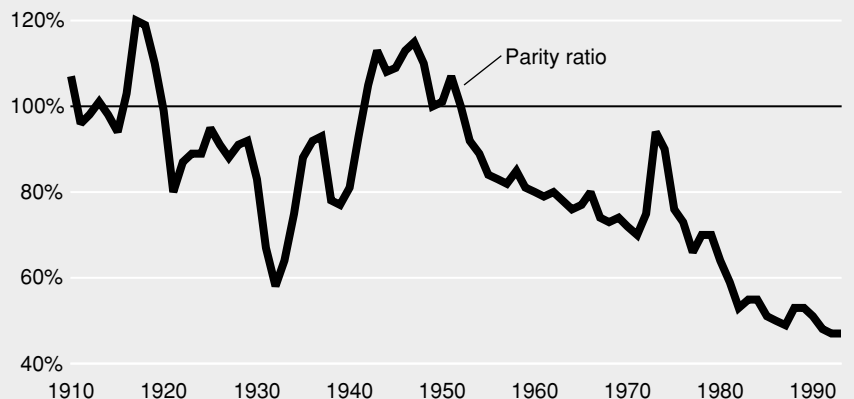
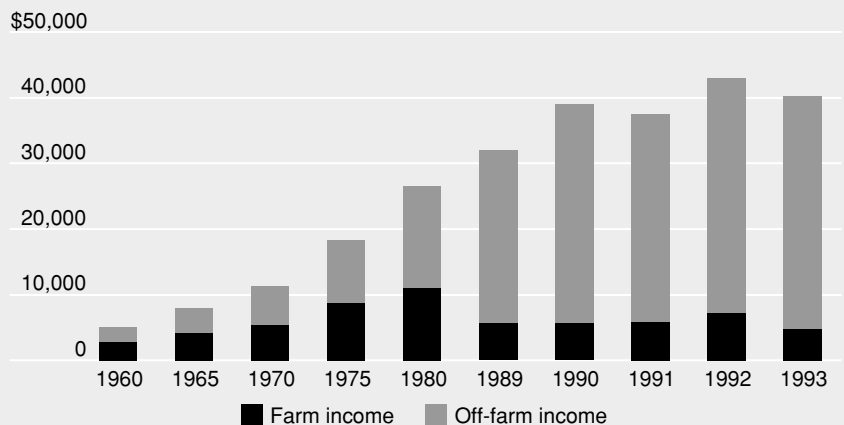


FIGURE 4
Income of the average farm household



Under the cartel "cheap food" policy, consumers have been paying relatively less for food over the years, while farmers have received less than they need to stay in operation, as Mr. Linnertz documents in this interview. At some point, this means food shortages. The graphs shown here are reprinted from Marcia Merry Baker, "Food Market Basket: Your Paycheck Compared to Your 'Grocery Bag,'" EIR, Sept. 27, 1996.

from them, *will not be able to make their payments this year*. Every one. In the Minot region.

EIR: Your own experience goes back a long way. How does this compare?

Linnertz: My mother told me that I started farming when I was five years old. She told me to go out and get the eggs, so we could have breakfast. I am 76 years old, and I've been farming ever since I was 17 years old, with my Dad. And since then, I have refinanced my farm four times, in order to keep farming. Now, that's through crop failures in the '60s, and a crop failure in '82 or '83, and then, I refinanced the farm to buy two quarters of land several years ago.

EIR: Other aspects of the situation? Other commodities?

Linnertz: The milk situation in North Dakota is a disaster right at the present time, because the milk is \$10 a hundred [pounds of milk, received by the farmer for raw milk] on the average; we should be getting \$18.

The farmers are going out of business. We have a new program coming into the state now. The cheese companies are putting in their own dairy facilities. They are doing away with the farmer, who works for nothing.

I made a statement here two years ago, that within eight years, there will be nobody but Spanish-speaking people riding tractors in North Dakota. Labor is being brought in; this is what's running the cheese companies' milk sheds [cow herds] right now. There are two factories in the Towner area, about 40 miles east of Minot. They are hauling in the forage and feed. They buy it cheap from the farmer who's willing to raise cheap hay and silage. So, it's a corporation, a cheese company corporation.

There are four dairy farmers—what you call the 50 or 60 cow herd—who have quit in the Minot area. That is Renville, Ward, McLean counties area. This is the last of the dairy farmers. There is no new blood in the dairy business. When farmers get 65 years old, they disappear.

EIR: In contrast, in the 1960s, in the counties in and around the Minot region, how was it?

Linnertz: You can't really go by Minot, because Minot is a hub. But, still, I would say this is a typical county. We've had two machine dealers leave. And we've had some gas stations shut down. But we have two large hospitals here. and the reason why Minot is going, is because the little towns are leaving, and the people are leaving the farms, and moving into Minot, just to get close to the hospital.

EIR: What about cattle and beef?

Linnertz: There are a lot of beef herds disappearing. Not because the farmers want to shut them down, but because they can't afford to foot the bill anymore. You've got a word for it, it's the "natural" disappearance of people because they are

growing old, and the young people are moving away. And they don't want the hassle. They can go any place and buy a hamburger.

EIR: Yes, you can buy a hamburger *now*, but soon . . . ?

Linnertz: *Yet!* And they're trying to make it seem that NAFTA and GATT are the answer. But any country that goes into free trade, does not last very long, because the international cartels come in, and milk you down.

EIR: In fact, instead of deterioration, there could have been wonderful development, through the infrastructure and other projects planned for this region, but never carried through. The famous upper Missouri system, or the Red River of the North (for example, a floodway to protect Grand Forks, North Dakota), and the upper Mississippi, too. In fact, the City Council of Grand Forks now has on their agenda, building such a floodway, after the heavy toll of damage this year.

Linnertz: I am not that close to it, but I just know that it could have been reconciled, if they would had kept the Garrison Project going, for the simple reason that, then, they could have had all their canals in position to distribute water. And they would have had all of their drainage canals, to divert water, to better manage it. The only thing is, that the people in Grand Forks took it upon themselves to say, we don't need it. They say, "It's costing me money. I'd rather sit on the dollar bill than save my house"!

EIR: Have you heard about the North American Water and Power Alliance, the big continental project going from Canada to the United States to Mexico?

Linnertz: Well, I'm on the board of the North American Trade Corridor, and we have about 70-80 people banded together, to see that we get Highway 83, from the Bay of Alaska all the way to Mexico. We have a lot of backing in Canada to get it through. We're getting organized through North Dakota, all the way down through South Dakota, Nebraska, and Kansas. And we are getting really good "vibes" to get in position to build that highway. It goes down into the eastern side of Mexico. it comes in just west of Brownsville, at McAllen, Texas.

And we're trying to promote manufacturing up and down the line, so we don't have a highway that isn't being used. Route 83 is the breadbasket of the United States, so we have to have access to good roads to produce finished products. For example, there are a lot of pork factories going in. But it isn't farmers putting them in; it's the cartel industry. IBP is one of them. That's the problem.

EIR: What about the social toll, and damage toll from the lack of infrastructure, and looting of the farm economy? In New Zealand and Australia right now, you can measure the economic decline by the rise in suicide rates among young people and farmers.

Linnertz: On death rates, we don't have that problem here. I'd venture to say, maybe three a year, that are connected to the economy. Three's too many. The established press doesn't talk about that; they don't talk about reality. You have the government saying it's good, too—the Federal government, such as your ag agents, and so forth. You never get the real picture from them. You always get the glossy side.

EIR: What has happened to the soils and land, with looting over the years?

Linnertz: We have a Cargill company here that is sponsoring people to farm the land. They do it very gently, because we don't have corporate farming in North Dakota, you know. So they hire a farm manager. They go in and lease three or four big tractors. They hook them up with three or four big cultivators. Now, a tractor is \$20,000 a year to lease; and a combine is \$18,000 a year to lease. So that's the situation you have.

They are going in and renting land for \$50 an acre. They're taking spots out of a township, and they'll offer a farmer, who is probably 60 years old, \$50 an acre. He is not making expenses anyhow, so he takes the \$50 an acre. And they'll do that for three years, until they get all the farmers out of that area—milked away. And then they come back in again, in about three years' time, and they say, "We're only going to give you \$20 an acre." And then the farmer says, "Well, I'm not going to take \$20 an acre," and he runs all over the country trying to find out, "Who's going to farm my farm for me?" And he can't get anybody, because everybody is gone. So he takes the \$20 an acre, and Cargill has cheap food.

This has been happening for about 10 years. It's coming to be really noticeable now, in the last five or six years. We have an area down in Carson, North Dakota, where the farmer went broke. Nobody knew where he was getting the money from; but he was buying land hand over fist, and he got himself a great big area there. And they found out that he was doing nothing but seeding barley; everything he ever seeded on his fields was barley. And then they find out, that his money is coming from Japan. So, he puts all the barley that he raises in there, puts it in the car [railroad], and ships it directly to Japan. That started about 20 years ago. A big bunch of land in the Carson area is linked to Japan.

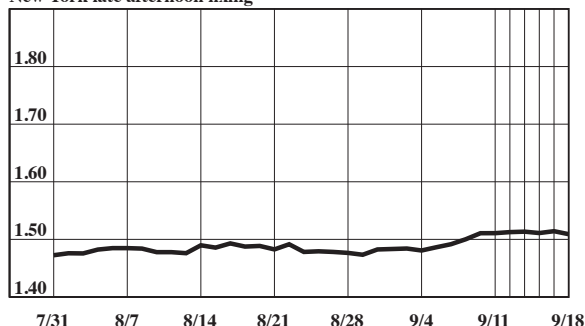
EIR: So instead of the kind of community development you saw in the 19th century, with the railroad coming in, and towns growing up amid family farms, you have a landscape that is characterized by Cargill managing farming, fields committed to Japan, cheese factories with their own factory milk herds, instead of family farm communities.

Linnertz: Right, and it's all due to price. You can't afford to raise wheat for \$3.00 per bushel. Actually, at today's value of money, the farmer who sells grain for \$3.60 a bushel is making less than we got in 1931, in real terms. In 1931, it was 24¢ a bushel, and then, you had it all.

Currency Rates

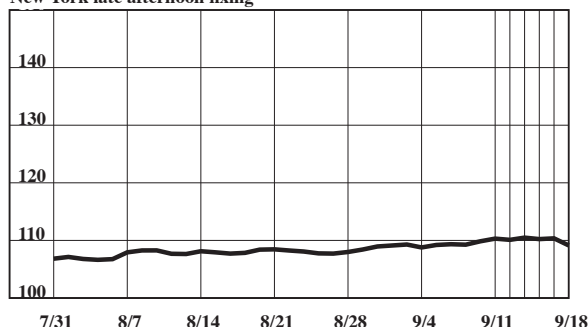
The dollar in deutschemarks

New York late afternoon fixing



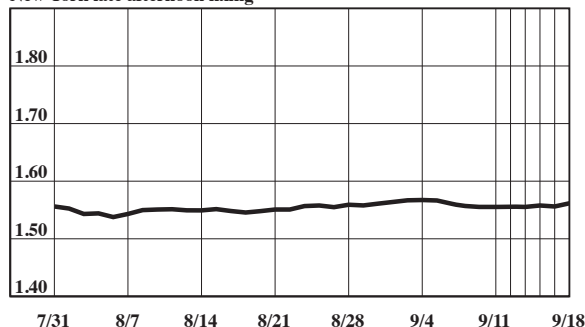
The dollar in yen

New York late afternoon fixing



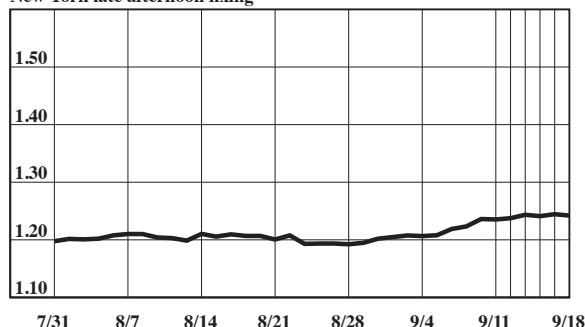
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Casino 'honeypots' for money-launderers

Drug dealers are using casino chips to launder money—from casinos owned by drug legalizers.

In early September, the commissioner of the New South Wales (NSW) police, Peter Ryan, exercised his power under the Casino Control Act to ban 30 reputed organized crime figures from the Sydney Harbour Casino, an action some charged was long overdue. Those banned, mostly of Asian ethnic origin, included two of the casino's best customers, both from the suburb of Cabramatta: a heroin dealer who had gambled over \$30 million at the casino, and the operator of an underground bank who had bet over \$35 million. Ryan had to act following charges made in July by senior members of the Australian Federal Police and the NSW police, that the casino had become "a honeypot for criminals to launder money."

Although these claims were dismissed as "ridiculous" by the aptly named manager of the Sydney Harbour Casino, Neil Gamble, it was revealed in the NSW Parliament on Sept. 14, that \$1 million worth of gambling chips is missing from Sydney Harbour Casino on any given day. According to police drug investigators, criminals are using large quantities of chips to replace cash in the drug trade. Because they are not legal tender, chips do not have to be declared as currency when one is going in or out of the country, and do not have to be reported as income. The chips are used to buy and sell heroin, and are later cashed in at the casino. The Australian Customs Service has reported \$20,000 worth of Sydney Harbour Casino chips coming back into Australia in luggage from Asia. Reportedly, drug dealers even use chips to pay their lawyers.

Money-laundering via chips is not

limited to Sydney Harbour: In 1995, the National Crime Authority (NCA) seized 6 kg of heroin and \$80,000 in gaming chips in a drug bust; the chips had come from Melbourne's Crown Casino, the world's largest. The two people arrested were charged with conspiracy to supply heroin and to launder money. The Victoria Police Casino Crime unit confirmed that the defendants, who admitted the charges, were known to the Crown Casino. A spokesman for Crown admitted to the *Herald Sun* on Sept. 22, that \$1.5 million worth of Crown gambling chips was "unaccounted for" at any given time.

More interesting than casinos laundering drug money—which is about as surprising as the news that the Archbishop of Canterbury is an Anglican—are the backgrounds of some of the casinos' leading shareholders. The biggest individual shareholder in Crown is Australia's richest man, billionaire media magnate Kerry Packer, who owns 10% directly, and is the largest shareholder in Hudson Con-way, which owns 40%. Packer was the subject of a Royal Commission into drug running in the early 1980s, but the commission was shut down by then-Prime Minister Bob Hawke, a close friend of Packer's, before the allegations against him could be proved or disproved. Worth about \$100 million at the time, Packer is now worth about \$4 billion, and his media empire is leading the charge for drug legalization in Australia.

As for Sydney Harbour, one of its chief shareholders since its inception, has been billionaire currency speculator George Soros. Soros has given

more than \$15 million to the U.S. Drug Policy Foundation, the world's leading pro-drug-legalization lobbyists. One of the DPF's connections in Australia is the Australian Drug Foundation (ADF), which shares philosophy and board members with the DPF. The chairman of the Sydney Harbour Casino, Dick Warburton, is also a member of the board of the Reserve Bank of Australia (RBA), which, in turn, is a leading funder of the ADF. When the "honeypot" casino first started, Soros held 12% of its preferred ordinary shares, and 6.3% of the fully diluted capital; he has since reduced his shareholdings to about 5% of the total, which still ranks him among the largest shareholders.

Aside from drug-money laundering, the casinos are wreaking social mayhem. Newly released figures from the State Coroner's Court show that there have been 13 gambling-related suicides in the past 12 months—up from zero in 1992—and church and social service agencies in the state of Victoria have charged that gambling is destroying families by the thousands. In 1996, almost 10,000 people called G-Line, the telephone counseling service for "problem gamblers."

Australians gamble \$70 billion per year, and lose at least \$10 billion, making Australia, with a population of merely 18 million, second only to the United States, with 260 million people, in the amount spent on gambling each year. However, the Victorian government, at least, will not crack down on gambling, because 1) nearly 14% of the state's revenue comes from it, and 2) because Premier Jeff Kennett's closest friend and political ally, federal Liberal Party treasurer Ron Walker, is a major shareholder in Crown, and because Kennett himself has business connections with the state's biggest poker machine operator, Bruce Mathieson.

A 'middle of the road' Asia policy

The Soros-Mahathir conflict has had some unusual echoes here: signs of diminishing loyalty to the "free market."

It came as no surprise when the vast majority of the usually unprincipled German media attacked Malaysian Prime Minister Dr. Mahathir Mohamad for his clash with George Soros at the Sept. 20-25 International Monetary Fund-World Bank meeting in Hongkong, and when they defended the free market of unbridled capital flows against all critics.

But some press attacked Soros as a prime example of the excessive speculation that almost brought down the European Monetary System in 1992, and has ruined most of the Asian financial markets in recent weeks. This coverage gave hints that an approach neither in the direction of Soros's speculation nor of Mahathir's political counterattacks, would be in line with the German establishment's interests.

This looks like the traditional middle-of-the-road approach. But, the media are also beginning to notice certain problems with it.

It was interesting to hear what German bankers, who were called by this author during the last week of September, had to say. A representative of Deutsche Bank, Germany's most globalized financial entity, when told about the *Wall Street Journal* reports that Lyndon LaRouche is behind Mahathir's attacks on Soros, said that one "should not be surprised about anything." He recalled LaRouche's proposal for a new world monetary and financial system (which for the bank was out of question), which he said was "not feasible." He said he could not imagine (as the *Wall Street Journal* wrote on Sept. 19) that someone like Mahathir, a longtime darling of the West in Asia, would be influenced by

"this man LaRouche." But he had to concede that, in these turbulent times, "nothing can be ruled out."

There has been a consensus among the German elites for the past ten years, to not mention the name of LaRouche publicly. Nevertheless, LaRouche's proposals and activities are being watched closely.

The elite that rules Germany matured under the close supervision of the Allied powers after the last world war. For the elites, to be pro-West is identical with being for the IMF, World Bank, and free market. Any other ideas are said to be "unacceptable," will "never find a majority," and so on. This is not only what nominally "conservative" Christian Democrats of Chancellor Helmut Kohl's party say, but also the nominally "leftist" opposition Social Democrats. At crucial points, the Social Democrats have consistently suppressed all polemics inside their party against the existing world system of finance. What they do not like about LaRouche, is that he does not make such foul concessions, that he speaks up whenever it is necessary to do so.

But many have an idea that the world of the IMF is not favorable to long-term investments on which a nation like Germany, with its emphasis on industrial exports, depends. After all, Germany still defines itself as a leading industrial nation, despite all the concessions that have been made to globalization and the service economy. And the damage caused by the speculative excesses is beginning to polarize the elites.

German industry has run into deep problems in Asia, because of the Soros

types. German firms want to invest and make good profits by producing components for long-term development projects, but they have noticed that what has been occurring on the Asian markets in recent weeks, has ruined most such projects. Construction firms that hoped to become engaged in infrastructure projects in Thailand, Malaysia, and Indonesia, report losses in their Asian business of up to 20%. The fact that the IMF told Thailand and Malaysia to shut down a number of projects, is disliked among German firms, but they do not to speak about it in public. They and the banks that fund their projects, are trying to repair the damage and revive the projects, in secret talks with the respective Asian governments. And, if there are new regulations against the Soros types which do not affect foreign investments in general, they are not opposed by the Germans.

For example, a representative of Commerzbank told this author that there is a far more important issue behind the clash between Soros and Mahathir: The main issue, he said, is how a larger part of the overseas capital flows that come into nations like Malaysia, could be invested for longer-term productive purposes, instead of being controlled by speculators. His comments appeared to be a variant of the traditional "middle of the road" approach of the German elites, but one that shows increasingly less loyalty to the unregulated "free market."

One may, therefore, be somewhat optimistic that steps which have been taken by Malaysia's Mahathir, whose loyalty to the IMF system was seen as absolutely firm in the past, are also possible in Germany. Thus, should Soros launch another attack on the European Monetary System, as in 1992, he may provoke the same type of angry response by the Germans, as he has just received from the Malaysians.

Business Briefs

Fusion Energy

Break-even expected at Europe's JET facility

Researchers at the Joint European Torus (JET) fusion energy research facility near Oxford, U.K., "hope to achieve a 10-million-watt output sustained for several seconds, which should smash the 'break-even' barrier, with energy output exceeding energy input," the *Irish Times* reported on Sept. 22. The new series of experiments, which are about to get under way, will use a 50-50 deuterium-tritium fuel mix, which is considered an "optimum blend for the reaction."

The former chairman of the JET executive committee, Frank Turvey, who is now the deputy chief executive of the Radiological Protection Institute of Ireland, told the *Irish Times*, "I expect we will get to break-even . . . and that would be a great achievement, a milestone on the road to success." Turvey said that he expects the next six weeks' work at JET will make the history books. "What we are achieving with fusion will be seen to be as significant as what the Wright brothers did in 1903," he said.

Space

Australian group plans satellite launch by 2010

A non-profit, voluntary group of Australian professionals has been working for the last eight years to build a microsatellite, and the rocket to carry it, in preparation for launching commercial satellites from Australia by the year 2010. Founding chairman of the Australian Space Research Institute (ASRI) Mark Blair told the London *Sunday Times* that the goal was to see Australia well placed to partake in the multibillion-dollar space industry through education, technological development, and component production. Although Australia had a world-class space and rocket research industry in the late 1950s, when space stations like Jindivic and Woomera were well known, this had almost vanished by the late 1970s.

ASRI's two major programs are now well along to achieving their targets. The first

is to complete the microsatellite called Australis. Second, is a four-part rocket program called Ausroc. The first Ausroc-1, liquid-fuel rocket was launched successfully in 1989. Ausroc-II hit a snag with a frozen main liquid oxygen valve and was destroyed by fire on the launchpad; it wasn't until 1995 that Ausroc-II-2 was successfully launched.

Ausroc-III is expected to be launched in the year 2000, carrying a 150 kg payload to a height of 500 km. Its payload will be weightless for six minutes before re-entering the atmosphere and returning to Earth using a steerable gliding parachute. Ausroc-IV, in 2005, will be built from four Ausroc-III rockets clustered around a fifth, central Ausroc-III. Once tested, these rockets will need to be enlarged so that they can lift commercial satellites. Blair is optimistic that Australia will have this rocket-launching capability within 10 years. "The whole Ausroc program hinges on the backing of Australian industry, the government, and voluntary support of numerous engineers, scientists, and technicians," he said.

Finance

Queen's Packer follows Buffett out of the market

Australia's richest man, Kerry Packer, announced on Sept. 3 the withdrawal of AUS \$850 million of his company's funds from the Australian stock market, bringing the amount Packer has pulled out of the market in recent months to AUS \$1.3 billion, the *Australian Financial Review* reported. Packer's move follows the decision of Nebraska multibillionaire Warren Buffett to move over \$2 billion of his funds into U.S. Treasuries.

It is Packer's connections that make his action telling: Packer's chief financial adviser is World Bank President James Wolfensohn, who sits on the board of Packer's personal holding company. Over the last three decades, neither Packer nor his father before him, have made any important financial decisions without Wolfensohn's approval. Also counted among Packer's close friends are such insiders as Lord Jacob Rothschild, Conrad Black, British gambling czar John Aspinall, and UN strongman Maurice

Strong. Packer was also close to the late Sir James Goldsmith.

Another member of the Packer circle, Australian stockbroker René Rivkin, said on Channel 7's "Witness" program on Sept. 9, that he had pulled all his money out of the stock market, in anticipation of a 1987-style crash.

Economic Policy

German cardinal condemns unbridled capitalism

In the context of the traditional autumn convention of the German Catholic Bishops in Fulda, Cardinal Friedrich Wetter of Munich attacked an economic strategy that favors maximal profits over the creation of jobs, KNA wire service reported on Sept. 25. "We are witnesses to a development which makes branches of the economy boom, but the number of jobless is not decreasing, in spite of that," Wetter said.

Wetter criticized the fact that "moral limits are transgressed" in such a system, which "rates profits higher than human beings" and "neglects jobs."

The cardinal added that such an economic system runs into conflict with the Ten Commandments, which God gave to mankind in order to "make sure that the dams that protect human order, do not break."

Australia

Manufacturing decline worse than in OECD

Historical Statistics, an annual report of the Organization for Economic Cooperation and Development (OECD), shows that Australia, which in the 1960s had one of the largest manufacturing workforces in the Western world relative to the size of its economy, has suffered the largest decline in manufacturing output and employment of any Western country except Turkey. Australia also had the smallest manufacturing sector relative to Gross Domestic Product apart from Greece.

KENYA'S Assistant Minister of Public Health Basil Criticos warned that 1 million citizens are expected to die of AIDS in the next three years, the *East African Standard* reported on Sept. 24. He said that about 1.3 million, out of Kenya's 28 million people, are infected with the disease.

THE DOW JONES could very likely fall 4,000 to 5,000 points, Eckart Langen v.d. Goltz, head of the German investment fund PSM, told the Sept. 4 German daily *Frankfurter Allgemeine Zeitung*. There will be a massive crash on Wall Street in the coming 12 months, he said.

CHINA approved the export of a 300,000 kilowatt stabilizer and other equipment to the Chashma nuclear power station in Pakistan, Xinhua reported on Sept. 20. The equipment, made by the Shanghai Boiler Factory, includes components for the power station "and are crucial for preventing nuclear leakage."

GERMANY'S youth say that creation of jobs comes before environmental issues, a survey by the Hamburg-based BAT social research institute reports. Among youth aged 14-25 who were interviewed, 93% said the creation of jobs is the topmost priority, and 67% call for state intervention to create such jobs.

IRAN and Saudi Arabia resumed regular air links on Sept. 21, with an Iran Air flight from Teheran landing in the port city of Jeddah. Saudia, the kingdom's official airline, is expected to begin flights between Jeddah and Teheran in the near future. The resumption, after 18 years, comes amid rapid moves for a thaw in relations.

A CONSORTIAL LOAN of DM 488 million (\$287 million) for German participation in China's Three Gorges Dam project, was approved on Sept. 24 by a group of four banks led by the state-run Kreditanstalt für Wiederaufbau. The loan will finance turbines and power generators produced by an industrial group led by Voith and Siemens.

Manufacturing output roughly halved, from 24.8% of GDP in 1960-73, to 14.3% in 1990-94. The report also showed that by 1993, Australia was producing 4% fewer manufactured goods per capita than it did in 1973, while other OECD countries, on average, were producing 27% more per capita; Italy was producing 66% more; and Japan, 110% more.

The report does not reflect the increased rate of collapse in the last four years, but it said that 420,000 jobs were lost in manufacturing during 1973-94, which has added dramatically to Australia's high unemployment rate. During 1960-73, some 28% of workers were employed in manufacturing; by 1990-94, manufacturing had shrunk to 13.5% of the workforce, less than half the employment of the generation before. It was also reported that unemployment in the 1990s is five times the level it was in the 1960s.

Also, whereas manufacturing declined from 27% of the workforce to 19.1% in the OECD as a whole, if Australia had matched that, 450,000 more people would be employed in manufacturing, roughly halving the current unemployment rate. Australia would be producing one-third more manufactured goods, adding AUS \$20 billion to GDP. Of the 16 countries compared, only in Australia and Norway had manufacturing output failed to keep up with population growth since 1973. In contrast, Japan, Ireland, Denmark, and Portugal increased their manufacturing workforce and massively increased their manufacturing output per capita.

Natural Gas

Broken Hill buys into Bolivia-Brazil pipeline

Broken Hill Proprietary Company Ltd. (BHP), an old Australian establishment company which has become the third-largest minerals company in the Western world after Anglo American and Rio Tinto, has bought a 7% stake in the \$2.7 billion pipeline which links Bolivia's gas fields with industrial markets in Brazil. The pipeline's shareholders include: Enron and Shell, 14% each; British Gas, El Paso, and BHP, 7% each; and the

Brazilian national company, Petrobras, which has kept a majority holding of 43%. The balance of the equity is owned by Brazilian investors and Bolivian pension funds.

"BHP Petroleum's involvement in the project reflects the strategic importance it attaches to opportunities for investment in Brazil and Bolivia," a BHP spokesman said. The firm is "actively assessing" opportunities that have been created in Brazil since the changes to laws relating to foreign investment in its oil and gas industry, which BHP finds "highly prospective," the spokesman said.

Debt

'Cooking the books' found in Filipino debt default

Victorias Milling Corp., a leading sugar miller and real estate developer in the Philippines, which defaulted on 5.07 billion pesos (\$154 million) in loans from 32 banks and finance companies earlier this year, has more problems. A management committee including government officials and creditors has discovered that Victorias financial reports are fraudulent, and that the firm's assets only add up to one-quarter of what had been reported. The committee reported on Sept. 25 that Victorias's assets are worth only \$16.3 million, not the \$62.3 million reported to the Securities and Exchange Commission.

Those analyzing the assets say the company's woes were made worse by diversifying into such areas as cut flowers, a featured item in the new agricultural zones dedicated to for-export crops. One of the accounting practices used by Victorias was to credit \$27.5 million to its assets, based on appreciation of its holdings in the town of Victorias in central Philippines. This was based on the assumption that the town would be upgraded to the status of a city, thus raising property values. Victorias had been given loans using this estimated appreciation as collateral.

Since the July 11 devaluation of the peso, a local electric appliances firm, Eycos Group, has applied for a debt moratorium, and rumors are circulating that two more firms are sinking. On Sept. 26, Standard & Poors downgraded its long-term outlook on the country to "stable" from "positive."

The Mir space station: a technological feat

The Mir, the culmination of 25 years of Soviet and Russian space station technology and experience, has paved the way for the International Space Station. Marsha Freeman reports.

On June 6, 1985, the Soyuz T-13 spacecraft was launched to the Salyut 7 space station, with cosmonauts Vladimir Dzhanibekov, who had flown four previous missions and had visited Salyut 7 twice before, and Viktor Savinykh, who had been on the last flight to Salyut 6, onboard. As they approached and circled Salyut 7, they could see that the station was slowly tumbling in orbit. Its solar panels were not aligned with the Sun, and the cosmonauts knew that without electricity, the rotating Salyut 7, with which they would be trying to dock, would be a dead, frozen station.

They transmitted television pictures to mission control, and flight director Valery Ryumin reportedly described the pictures as “alarming.”

Four months earlier, Soviet mission controllers had lost all contact with the station. Without ground contact, the solar arrays would not stay oriented to the Sun. Without electricity from the arrays, the attitude control system had become dysfunctional, allowing the station to slowly tumble. Without electricity, the thermal control system had stopped functioning, the water pipes froze, and a layer of frost covered the instrument panels, as temperatures plunged below freezing. There were reports in the Soviet press indicating that the station would be abandoned.

Two days after they arrived in orbit, on June 8, the cosmonauts docked manually with Salyut 7, and found the station in worse shape than they had expected. In his book, *Soviet Space Programs 1980-1985*, Nicholas Johnson explains that, “With no power at all on Salyut 7, the flight plan called for

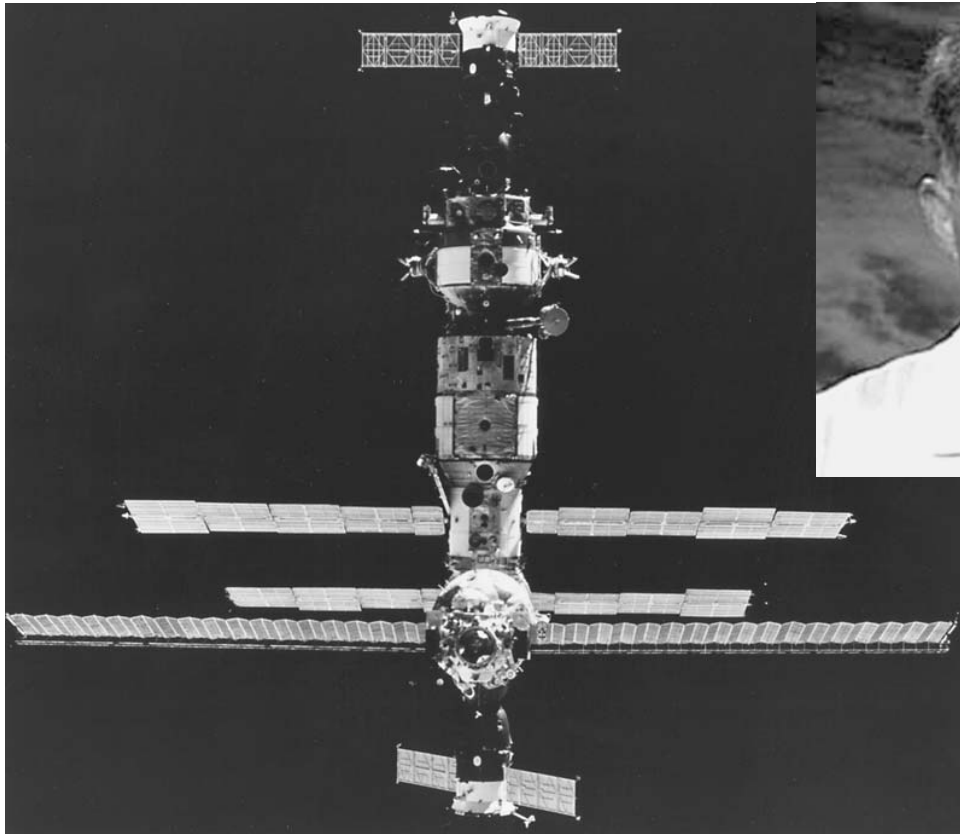
the cosmonauts to retreat to [their] Soyuz T-13 and return to Earth.” But the cosmonauts were not about to give up that easily. They entered the station wearing breathing apparatuses and multiple layers of warm clothing, including wool hats.

The “rescue crew” gerry-rigged one of the solar arrays to a storage battery, using cable and objects they found in the station, and began charging it. For several days, Dzhanibekov and Savinykh patiently brought Salyut 7 back to life, charging one battery at a time and returning to the Soyuz T-13 every 40 minutes to warm themselves, according to Johnson.

The temperature in the Salyut 7 station was estimated at -10°C . Because the thermometers’ lower range went down to only 0°C , mission control had one of the cosmonauts spit on the wall and time how long it took to freeze, so that they could estimate the temperature.

The crew worked in arctic attire, and reported that their feet got painfully cold. After working without ventilation, the cosmonauts reported that they would get headaches, and feel sleepy and listless from the buildup of carbon dioxide, so they set up a pipe from the Salyut to one of the ventilation systems on their Soyuz spacecraft to remove the CO_2 . They were finally able to activate the life support systems in the Salyut station on June 12.

They restored electricity, after replacing cables and bypassing connections that were not working. Equipment that had been damaged in the cold was replaced. On June 16, the station’s temperature finally rose above freezing.



The Mir space station, photographed in 1995 by the crew of the Space Shuttle Discovery, on Mission STS-63. David Wolf (inset), a medical doctor and engineer, has just started his four-month stay aboard the Mir, where he will continue biomedical experiments.

As the electrical system was restored, the water onboard thawed, and direct communications between Salyut and mission control center were reestablished. It took ten days to bring the Salyut 7 up to a condition in which mission planners would permit an indefinite stay in the laboratory.

The Salyut 7 mission

Anyone who thinks that Russian spacecraft designers, mission managers, and cosmonauts have never had to deal with slowly tumbling stations, life support malfunctions, misaligned solar arrays, and other serious in-orbit failures before Mir, don't know history.

Of course, the purpose of launching the Salyut 7 station was not to be able to practice dare-devil rescue missions. It was the sixth operational station built by the Soviets since Salyut 1 in 1971. It was launched on April 19, 1982, to extend the time in orbit for space explorers; to study the physiological effects of microgravity; to conduct materials science, astronomical, and Earth observation research; and to conduct the technological tests that would pave the way for a space station that could be permanently manned.

A month after Salyut 7 was launched, cosmonauts onboard activated their Oasis orbital garden, which had been tried on Salyut 6 but had had disappointing results. Growing food successfully in space has always been seen as a prerequi-

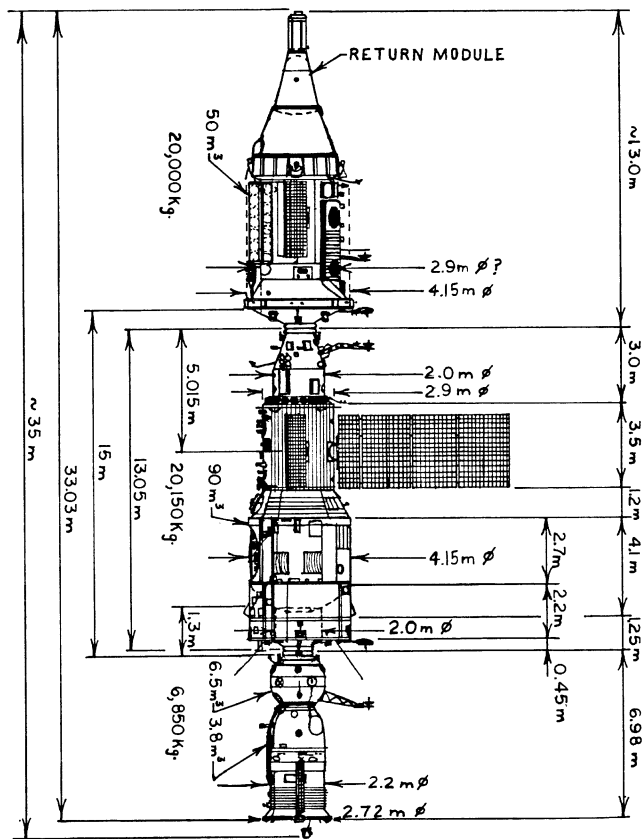
site for long-term space travel. Two furnaces for microgravity materials processing were delivered to Salyut 7 by an unmanned Progress supply ship, along with other scientific equipment.

In June 1982, Jean-Loup Chrétien, one of two French cosmonauts who had arrived in the Soviet Union for training in September 1980, was on the first international flight to Salyut 7. (Chrétien is a crew member on the current STS-86 Shuttle flight to Mir.)

By 1986, the Soviets made it known that they were ready to orbit a new, more advanced modular space station, named Mir. The first Mir crew, which included current mission control flight director Vladimir Solovyev, arrived at the new station in March 1986. The crew then flew to, and docked with the Salyut 7 station, becoming the first, and only, crew to visit two space stations.

The cosmonauts carried out a spacewalk outside Salyut 7 to practice assembling large structures, which would be needed for the new Mir station, and, after completing some experiments and carrying equipment back with them, they redocked with the Mir.

With the Salyut 7 missions, the Soviets had made flights to Earth orbit routine events. They developed the system of sending unmanned cargo ships to the station to allow crews to stay onboard for months at a time, and demonstrated that



The Salyut 7 space station (center) attached to a Progress supply ship (bottom), a "heavy" Cosmos 1443 mock station module (upper center), and a Soyuz return vehicle (top).

up to four spacecraft could be linked together into a stable orbital complex. It was learned that with exercise and other measures to counter the effects of microgravity, there did not seem to be any reason that people could not stay in space for many months. The Soviets also gained crucial experience in repairing and maintaining orbital stations, which cannot be brought back to Earth for repair, but must be maintained by small, well-trained teams of cosmonauts, in orbit.

Assembling the Mir

The now-completed Mir station is the largest complex of spacecraft that has ever existed in space. It was assembled in orbit from individual modules that were launched one at a time.

The core block of the Mir was launched on Feb. 20, 1986. It weighs 204 tons, and provides basic services, such as living quarters, for the crew, along with life support and power from solar arrays.

The second module, Kvant, was launched a little more than a year later, on March 31, 1987. It is an astrophysics module, which also carries equipment for attitude control and life support. After it was attached to the core module, Kvant took over as the station's aft port, which receives the Progress supply ships.

Kvant houses an international X-ray observatory called Rentgen, which includes the Pulsar X-1 hard X-ray telescope/spectrometer, a Fosvich high-energy scintillation telescope/spectrometer, and other equipment developed in cooperation with the United Kingdom, the Netherlands, West Germany, and the European Space Agency. Kvant also houses an automated electrophoresis unit for biotechnology experiments.

During Kvant's docking with the Mir, when it was at a distance of 200 meters from the complex, its thrusters failed to slow it down, and it flew right past the station. Flight controllers on the ground considered aborting the mission, but decided to make a second docking attempt, rather than abandon the laboratory. On the second try, a soft docking was effected, in which the docking unit penetrated the Mir docking unit, but then got stuck.

So, an unscheduled spacewalk was carried out from the Mir, after cosmonauts on the ground replicated the planned extra-vehicular activity (EVA) in the water-tank facility at the training center, which simulates microgravity. It turned out that there was debris attached to the docking port. The cosmonauts freed the obstruction, and ground controllers completed the hard docking. In April, when a Progress supply ship docked with the Mir, the Soviets were operating a station composed of four separate spacecraft, including the Soyuz. The Soyuz on which the crew comes to Mir, is always docked at the station. It is their transportation back to Earth.

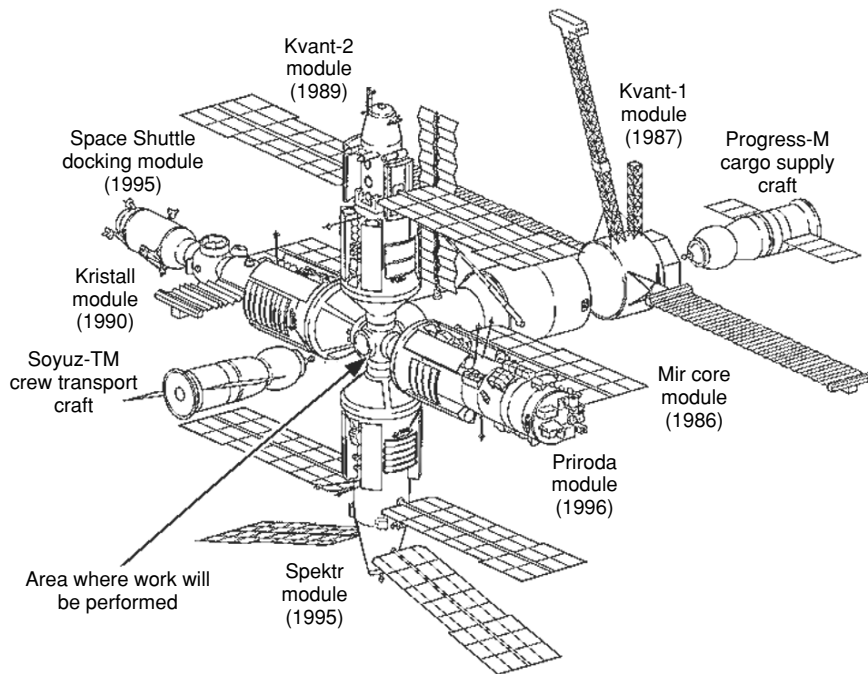
The next laboratory module that was added to the Mir was Kvant 2, launched on Nov. 26, 1989. It weighs 19.6 tons, and carries an EVA airlock, two solar arrays, and science and life support equipment. It was from the Kvant-2 airlock that Anatoly Solovyev and Michael Foale exited the Mir on Aug. 22, 1997, to perform their EVA on the damaged Spektr module.

The Kristall module was launched on May 31, 1990. It has two stowable solar arrays for additional power, science and technology equipment, and a docking port equipped with a special androgynous docking mechanism designed to receive spacecraft weighing up to about 100 tons. This docking unit was originally designed for the Soviet Buran shuttle, and was used by the Space Shuttle on the first docking mission with Atlantis. The research performed in Kristall focusses on biological and materials science.

The now-famous Spektr module was launched to Mir on March 20, 1995. It has four solar arrays attached to it, and houses scientific equipment, including 1,600 pounds of U.S. equipment. It was the research and living quarters for U.S. astronaut Michael Foale, before the collision with the Progress supply ship last June. Spektr's instruments are geared toward atmospheric research and Earth observation studies.

The final laboratory for Mir, Priroda, was launched on April 23, 1996. Equipment onboard the module is used for microgravity studies and Earth observation, and includes 2,200 pounds of U.S. equipment.

In a paper published this year in the *Journal of the British Interplanetary Society*, Andy Salmon did an extensive survey of the science experiments conducted on the space station



The fully assembled Mir space station.

between 1986 and 1994, before the start of U.S. missions to Mir, and before the Spektr and Priroda modules were added.

Experiments were conducted, with varying degrees of success, in protein crystal growth, human physiology and psychology, materials science, radiation in the space environment, Earth observation, geophysics, bioprocessing, biology, astronomy, and new technologies. Much of the equipment and instrumentation was provided by international partners.

The results of some experiments were disappointing, due to limitations of power aboard the station. Retrieving experimental results has been hampered by the small amount of product that can be returned to Earth by the crew on the Soyuz spacecraft, and the fact that there is virtually no “real-time” communication between the cosmonauts in space who are running the experiments, and the scientists on the ground who designed them.

For the Russians, these shortcomings could be improved with participation from the United States, with its sophisticated electronic and communications systems, and a Space Shuttle that can carry back to Earth tons of equipment, samples, and data on each flight.

For the Americans, collaborating with the world’s only other nation that has a manned space program, could bring 25 years of space station experience to an International Space Station (ISS) that the United States and the West are planning to build.

The Shuttle-Mir partnership

The Shuttle-Mir program was initiated by President George Bush in 1992, after the fall of the Soviet Union. It

called for a Russian cosmonaut to fly on the Shuttle, and for an American astronaut to visit Mir for three months. The primary reason given for the program was to extend the time during which U.S. life sciences research could be conducted in space, which was limited to a maximum of two weeks on the Space Shuttle.

In 1993, the Clinton administration expanded the Shuttle-Mir program, as part of the President’s effort to strengthen America’s relationship to Russia, and to help preserve the precious capabilities of Russian science and engineering. During a meeting of the Gore-Chernomyrdin Commission that year, Shuttle-Mir became Phase I of a three-phase cooperation that would culminate in the building of the ISS.

On Sept. 2, 1993, the United States and Russia agreed to merge the U.S. and Russian space station programs; the Russians would not build their follow-on Mir 2, which they were increasingly unable to fund, and the United States would take the Russians in as a full partner in the international station.

The expanded agreement said that as many as nine Shuttle docking flights to Mir would be carried out, and an additional 21 months of U.S. astronaut time on Mir would be included, for a total of up to 24 months. On June 24, 1994, NASA Administrator Dan Goldin and Russian Space Agency Director Yuri Koptev signed a contract under which NASA committed itself to the “enhancement of Mir-1 operational capabilities; joint space flights; and joint activities leading to Russian participation in the design, development, operation, and utilization of an ISS.”

By 1996, it was clear that the Russian Space Agency did not have the money to keep its hardware contributions to the ISS on schedule, or to keep Mir operational. The U.S.-Russian agreement was extended again and modified. Russia agreed that it would deliver on time two modules for the ISS, and would build a cargo spacecraft called the Logistics Transfer Vehicle. NASA agreed to pay Russia \$72 million more than the original \$400 million agreed to, and exercised the option for two more Shuttle-Mir docking flights, to help Russia keep Mir operational longer than originally planned. The Shuttle flights to Mir would deliver supplies that would otherwise have to be brought to the station by Progress supply ships.

As Frank Culbertson, NASA astronaut and manager of the Shuttle-Mir program, explained in testimony to the House Committee on Science on Sept. 18, 1996, “Initially, the role of the U.S. crew was patterned after that of the other foreign personnel, to fly to the Mir as guest cosmonauts.” But the



Mir 18 crew member Gennady Strekalov is shown during one of five spacewalks conducted by the crew, in 1995.

United States was now entering into a partnership with the Russians.

“As the Shuttle-Mir missions progressed, it became clear that our goal of learning how to work with the Russians should include direct knowledge of the operational techniques, through involvement in the operations themselves,” Culbertson explained. “The Russians quickly agreed to the principle of making our astronauts an integral part of the crew, and work was begun to modify the training program to allow for expanded duties, with some changes even made before Shannon Lucid’s mission, including the change from Cosmonaut Researcher to Flight Engineer-2.”

As the cooperation changed to collaboration, the goals changed from doing biology experiments, to learning how to operate a space station, in order to reduce the risks on the ISS. The goals of Phase I (the Shuttle-Mir flights), according to Culbertson, are:

1. To learn to work together with each other, both in space and in ground support activities;
2. To reduce the risks to ISS development and operations by testing hardware, refining joint procedures, and integrating the operational practices of the two nations with primary operational responsibility for ISS;
3. To gain experience in long-duration stays on a space station, and develop effective bio-medical countermeasures to the effect of extended weightlessness;
4. To conduct scientific and technological research in a

long-duration environment, gaining both valuable research data, and developing effective research procedures and equipment for use in the ISS.

Note that, regardless of the constant harping by congressmen and other critics, that the Shuttle-Mir program is not producing enough science because of the mechanical problems on the station, science is the fourth priority of the program.

Lessons learned

After the first six U.S. long-duration missions to Mir, critical experience has been gained. One of the most important, and most basic accomplishments has been to learn to rendezvous and dock the Shuttle to the Mir. The Shuttle had never docked to any spacecraft before that.

The complexity of this activity was described by Shuttle pilot Charlie Precout, before the first Shuttle-Mir docking mission in June 1995, as an “eight-dimensional problem.” The crew had to take into account the three axes of rotation of the Shuttle orbiter to keep it steady, the three dimensions of the Shuttle’s position relative to the Mir had to be on target, the speed at which the approach was conducted had to be “glacial,” and the time of the docking was constrained, because the Mir had to be over one of the Russian ground stations. Just because each Shuttle-Mir docking so far has been successful, does not mean it is easy, or risk-free.

Second, the United States is learning how to use the Shut-

tle for attitude control of large, flexible structures. There will be times when the Shuttle is docked to ISS where it will be necessary, or desirable, to have the Shuttle maneuver the whole complex. This has been done by placing the Mir in free drift and using the Shuttle orbiter to keep attitude orientation.

Also, by sitting alongside the Russian flight directors in Russian mission control, the United States has been able to observe “the pros and cons of Russian strategy for operation.” The Russians operate non-critical hardware to failure, “as we will on ISS,” Culbertson stated, “so we have a good database on what is likely to fail and what spares should be maintained on-orbit.”

This operational approach has produced a great outcry among those who do not bother to try to understand how Mir functions. At a press conference on Sept. 25, the day before the STS-86 launch to Mir, retired Air Force general and former astronaut Thomas Stafford addressed a concern that has been harped on in the press, of the failure of oxygen-generating units aboard the Mir.

General Stafford reported that his independent safety review team had just concluded a ten-day stay in Russia, where “we reviewed the status of each individual system” on Mir, and “the operational procedures.” The team concluded that “productive work can still be done on Mir; that the risk of going to Mir was no greater than it has been before.”

Stafford explained that on Mir, you can operate even some life-support systems to failure, because “you have nearly five levels of redundancy of oxygen, and that’s more than I ever had on Gemini or Apollo.”

Congressmen and the press had best understand now, before the International Space Station deployment begins next year, that it will not be possible to keep spares of everything onboard. Therefore, critical systems will be changed when they reach the end of their expected lifetime, but non-critical systems, and those where there are redundancies, will be “operated to failure,” and then replaced, as they are on Mir.

The United States has learned from having astronauts trained for the Mir missions, how the Russians train cosmonauts for long-duration stays aboard Mir, and what is required is very different than a ten-day Shuttle flight. The Russians train for general system skills that will be used over months, rather than for flight-specific tasks that will be used in the next few days.

As Culbertson has said, “Pre-mission training of crew members, while it still must result in crew members able to carry out the mission and the scientific experiments, must also take into account that it may be weeks or even months before certain activities trained for on the ground will actually be performed in orbit. The capability to retrain or at least provide refresher training during the mission must be built in. Preflight planning must take into account that it is virtually impossible to predict at the start of the mission, what exactly will happen in the second or third month of the flight, and this flexibility must be built in.”

Although the Shuttle-Mir program is bilateral, it has in-

involved the United States in multi-national operations, which will be required for ISS, because the Russians work with the European Space Agency, the German Space Agency, and the French Space Agency, on Mir. NASA has learned how to use interpreters, and operate with redundant responsibility between two Control Centers—in Houston and Russia. With the ISS, foreign partners will provide control of the payload in their own laboratory modules.

So far, there have been over 120 experiments conducted by the United States on Mir, some of which directly benefit the ISS:

1. Engineers have been able to estimate the contamination to Mir from the plume induced by Shuttle and Mir thruster firings, which is critical in order to avoid damage to the outside of the ISS.

2. They have validated models of the space radiation environment, which has an impact on the structural and other precautions that need to be taken to protect the crew and the station.

3. There have been evaluations done by crew members, to indicate where modifications can be made on ISS systems to meet the criteria for noise levels.

4. Measurements have been made to more accurately characterize the electromagnetic conditions at the Mir inclination, which is 56° from the equator, as opposed to 28° for most non-station Shuttle flights. This is important for the design of electronic and computer equipment aboard the ISS.

5. Photographic and video images from the Micrometeoroid/Debris Photo Survey will aid our understanding of the external environment and provide information for protective mechanisms for the ISS. Contamination deposition observed on some Mir surfaces, for example, has prompted changes to purge and venting port orientations on ISS in order to avoid deposition on solar arrays and radiators.

6. NASA has been able to test systems for water microbiology monitoring. The crew medical restraint system was tested, along with other aspects of providing crew health care.

7. NASA astronauts have had the experience of participating in EVAs, or spacewalks, from Mir, and have already validated some assembly and maintenance tasks, upon which the construction and long life of ISS will depend.

When Wernher von Braun and his team of rocket specialists came to the United States after World War II, with their tons of technical documents and their decade of experience, it was estimated that this country saved ten years in the development of rocket systems. While the United States has not saved a decade in deploying the International Space Station, which begins in 1998, it *has* had the opportunity to test systems, procedures, emergency procedures, crew training, EVAs, and working relationships with its most important international partner.

This has lowered the risks to the crew and the hardware involved in ISS, and means that when that huge and complex multi-national facility becomes operational, in many ways it



Astronaut Greg Harbaugh (right) and Mir 18 crew member Gennady Strekalov transfer water from the Shuttle to the Mir during the joint flight in 1995.

will be able to “hit the ground running,” rather than duplicate the testing that has already been conducted on Mir.

Thus, if there had been *no* scientific experiments conducted on Mir during the joint NASA missions, what would have been learned would already be invaluable.

But it is the case that some of the research that astronauts have been able to perform on Mir will have long-term benefits for people in space, and on Earth.

Long-term research in space

In eloquent testimony before the House Committee on Science, Space, and Technology, Subcommittee on Space, on June 22, 1993, concerning health benefits of space station research, Dr. Michael DeBakey, chancellor and chairman of the Department of Surgery, Baylor College of Medicine, stated: “The Space Station is not a luxury any more than a medical research center at Baylor College of Medicine is a luxury.

“Present technology on the Shuttle allows for stays in space of only about two weeks. . . . We do not limit medical researchers to only a few hours in the laboratory and expect cures for cancer. We need much longer missions in space—months to years—to obtain research results that may lead to the development of knowledge and breakthroughs.

“Our leaders should not see programs as Medicare and a space station as a choice. Rather, the goal should be to use the unique microgravity laboratory of a space station to research

ways to treat or prevent the deteriorating physical conditions that affect the elderly and disabled.”

One new field of inquiry developed from microgravity research that Dr. DeBakey pointed to, was that of producing replicas of human tissues, or tissue culturing, which he described as “a relatively new field that promises important insights for cancer research, organ transplant research, and human virus research.”

“But on Earth,” he explained, “we have only a two-dimensional understanding of how human cells work and replicate in the body. A tissue modeling device, called a rotating wall vessel, recently developed by NASA . . . imitates certain microgravity properties. . . . This device has grown the largest three-dimensional cultures of normal and cancerous tissues ever developed outside the body.”

He continued, “The new technology provides an impressive research tool that may greatly advance cancer research and may even allow for the development of transplantable human tissues. Demonstrations on the Space Shuttle have shown great promise for this culture system. But, quite literally, its full potential won’t get off the ground until there is a space station where it can be researched for long periods.”

The rotating wall vessel to which Dr. DeBakey referred was developed by a team of inventors from NASA’s Johnson Space Center, including David Wolf, the current Mir astronaut and medical doctor, and people in industry. The original purpose of the device was to protect delicate cell cultures

from the high shear forces generated during the launch and landing of the Shuttle.

The cells on their way to space in the Shuttle, are to be used in a bioreactor for the culturing of human tissue in three dimensions. On Earth, where cells are typically cultured in a dish or matrix in only two dimensions, they do not replicate all of the complex functions and attributes of real, *in vivo*, human tissue.

The problem to be solved is how to suspend cells in a nutritional fluid to provide sustenance, while removing waste, without damaging or killing the cells or inhibiting their growth. In order to learn how to solve this problem, experiments have been conducted on the ground, in which the cells are kept suspended in the fluid by rotating them constantly. The rotation, which simulates a microgravity "free fall," keeps the cells in the center of the fluid in which they are growing.

This technology, which NASA was developing for use in space, was found to be applicable also to growing three-dimensional tissue on the ground. Fifteen hand-made rotating wall vessels were initially made available to biomedical researchers, and now there are about 75 in use in Earth-based laboratories.

The rotating wall vessel used on Earth, like the bioreactor designed for space, has a cylindrical growth chamber that contains an inner co-rotating cylinder with a gas-exchange membrane. The suspended cells rotate as a solid body, with minimal disruptive shear. In space, where there is no natural mixing from convection, the two cylinders rotate at different speeds, producing a gentle flow between them, allowing mixing to take place, keeping the cells nourished and removing waste coming off the surface of the cells.

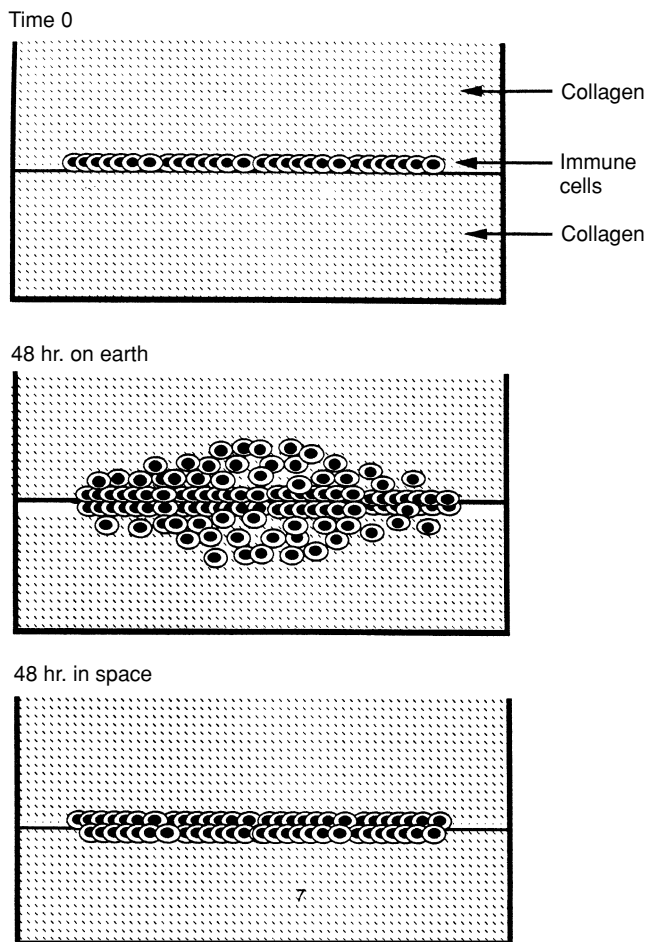
The limitations of simulated microgravity on Earth become apparent, however, when the cells grow to a mass such that centrifugal force pushes them to the outside of the fluid (when the weight equals the mass), or they settle despite the rotation. The cells are usually damaged or destroyed by the impact with the bioreactor wall or with each other. Generally, cells can be grown under simulated microgravity conditions on Earth for only three months.

According to Dr. Neal Pellis, Program Director for Biotechnology Cell Science at the Johnson Space Center (JCS), tissue grown in the Earth-bound rotating wall vessel has a limit of about one-half inch of tissue. But great advancements in increasing our understanding of the complex functioning of normal and pathological tissue has already been gained, using the rotating wall vessel and bioreactor technology on Earth.

Tissue engineering in three dimensions

In testimony before the House Committee on Science, Space, and Technology, Subcommittee on Space, on June 22, 1993, Dr. John M. Jessup, currently Professor of Surgery, University of Pittsburgh Medical Center, described his re-

Locomotion assay using Nunc chamber slide wells

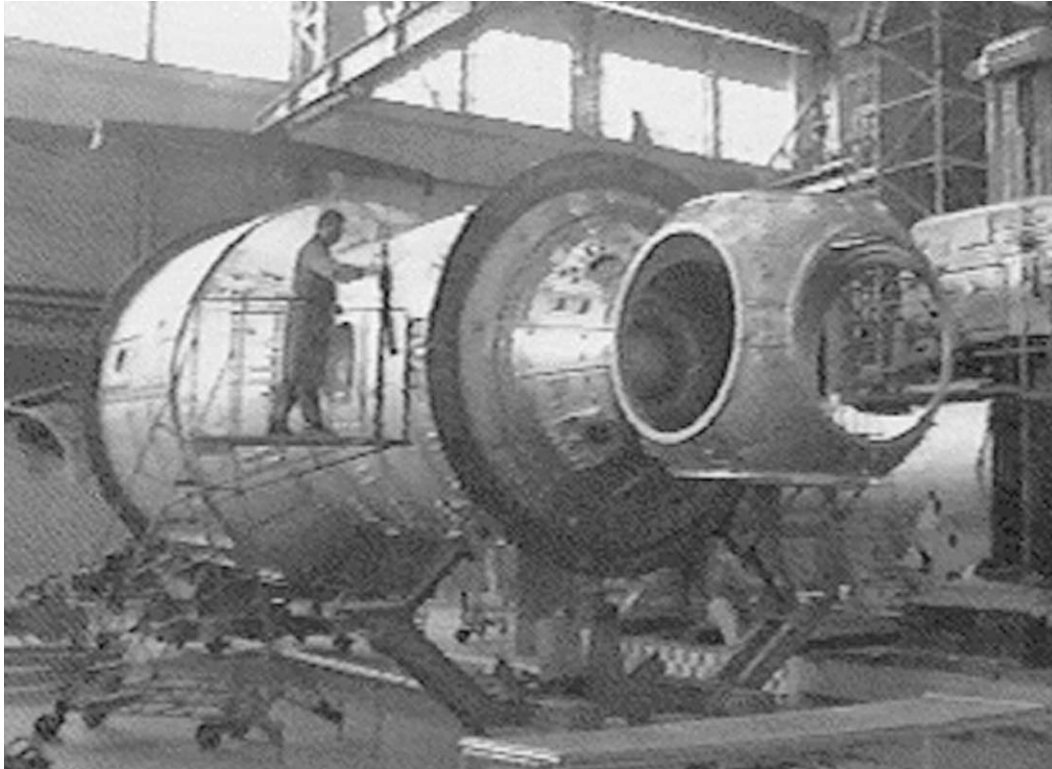


Scientists have found that in space, immune system cells do not "walk" as they do on Earth. Here, the locomotion of lymphocytes is compared on Earth and in space.

search on colon and pancreatic cancers, using simulated, and actual microgravity technology. "The space bioreactor by NASA JSC has provided a new tool for addressing the development and treatment of these tumors," he said.

In the past, researchers tested new drugs against cancer cells that were grown on the ground in two dimensions on plastic, or in mice, he said, and both are "poor representatives of the human system. . . . Drugs that kill cells on plastic may not kill cancer cells in the patient."

Using NASA's rotating wall vessel that simulates the microgravity of space, Dr. Jessup found that cancer cells grown in the laboratory produce substances that many colon, breast, stomach, and other cancers produce *in vivo*, but not when replicated in two dimensions. Because these substances may bear on the way cancers spread throughout the body, such a high-fidelity re-creation of a cancer tumor is critical for research. Dr. Jessup found that cancer cells grown on plastic



The Functional Cargo Block will be the first element of the International Space Station, to be launched next June. Here, it is seen under construction at the Krunichiev manufacturing plant in Russia.

never reach a density high enough to form tissue, and, therefore, do not produce some of the cellular by-products needed for study.

Dr. Jessup's cancer tissue experiments flew on the Space Shuttle STS-70 mission in July 1995, which was the first flight of the bioreactor with human cells. The four-day mission was to test an engineering design unit. He found that the microgravity cultures are more viable than the ground-based cultures; there is less cell death, and better morphology. Dr. Jessup believes the knowledge gained with cancer cell growth will also have applications for fast-growing normal cells.

Dr. Pellis has done research using the rotating wall vessel, and has flown experiments on the Space Shuttle to investigate the performance of lymphocytes in microgravity. It had been observed that after long stays in space, astronauts exhibit a diminished immune response, which can be deleterious to their health. Learning more about the mechanisms that produce this effect could also aid our understanding of immune deficient, auto-immune, and other pathologies in general.

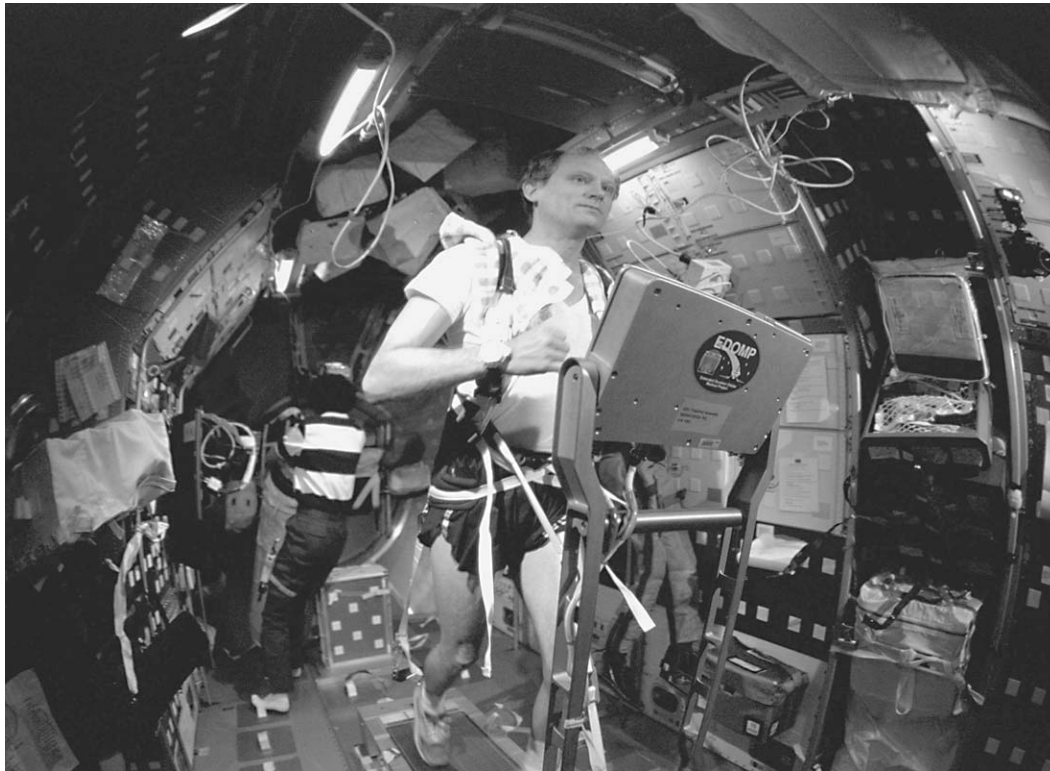
Dr. Pellis found that while researchers thought that failed lymphocyte performance, and the arrest of lymphocyte movement into tissue in cancer patients, was unique, the same phenomenon was found in the bioreactor simulation of microgravity. From his experiments on the Space Shuttle, Pellis found that immune cells do not "walk" well in space. Research to test ways of increasing the mobility of immune cells, will be done in the space station.

The first long-duration test of the bioreactor came on the NASA-3 mission to Mir in September 1996, when John Blaha replaced Shannon Lucid on the station and brought up to Mir a Biotechnology Systems (BTS) experiment, in which a bioreactor on Mir was used to grow bovine cartilage cells. Cell cultures were transported to Mir in temperature-controlled vessels and placed in the experiment module. Dr. Lisa Freed of MIT is using the bioreactor system to study cartilage cells that may be engineered for replacement and transplantation.

The BTS facility was launched to Mir earlier in 1979 aboard the Priroda module. The facility has six modules, four of which are contiguous and house the main facility. The other two are for storage. The Cartilage in Space experiment was designed to investigate the cell attachment patterns and interactions among singular-cell-type cultures and varied-cell-type cultures, the cellular role in forming functional tissue, cellular growth, and morphogenesis of mammalian cells.

One of the questions that Mir can help answer, according to Dr. Pellis, is, can we operate the bioreactor for long periods of time? The crew found during its four months on Mir, that the bioreactor had problems with bubbles forming, but the researchers had chosen cartilage cells, which are very durable, with slow metabolism. Dr. Pellis reports that Dr. Freed and colleagues continue to analyze the tissue, but have already had some surprising results.

On the ground, the cartilage developed in a rotating wall



Astronaut Norm Thagard aboard the Mir space station during his three-month long-duration flight. A medical doctor, Thagard tested an exercise regimen to counter the effects of weightlessness.

vessel was able to use a molecular scaffold to give it shape. But in space, while there was good replication, the cells did not grow around the scaffold, but into balls, with a diameter about the size of the scaffold. The researchers believe this may be due to the fact that in the absence of gravity in space, the compressibility of the cells is different.

The tissue grown in space had a larger volume than the ground sample, but the mass was only one-third; it was more loosely packed. The nature of cartilage, like bone, is that it is related to load, which is missing in microgravity. The scientists want to determine if there is a difference in the synthesis of components in space, or if the difference is simply that the tissue is connected more loosely.

There is also great interest in knowing if re-synthesis can be promoted, and how that could be done. The research has implications for the recovery from injury in space, and for the recovery from the effects seen in the “normal” adaptation to weightlessness. The difference in cellular packing could also bear on the progression and, possibly, reversal, of similar conditions on Earth, such as osteoporosis.

The next experiments on Mir

During astronaut David Wolf’s four-month stay on Mir, he will be testing the Biotechnology Specimen Temperature Controller that he has taken onboard with him. The BSTC is an incubator, built with culture modules that are a repository of cells for future bioreactor experiments in space. Wolf will take cells from one culture module and transfer them

to other modules as they replicate. It is important to investigate whether microgravity exerts a selective pressure on replicating cells, Dr. Pellis explains. This means, for example, that after 100 replications, are the cells the same as the ones that you started out with? This is a critically important experiment that will answer many questions, including, do organisms in space become pathogenic over long periods of time?

On Wolf’s flight, three kinds of cells will be studied. The first type is leukemia cells from stem cells, to see if they differentiate when biochemically induced and if they differentiate spontaneously in microgravity. Second, will be neuroendocrine cells from the adrenal gland, to see if they produce different substances in microgravity than are produced by normal cells under conditions on Earth. Scientists are investigating whether normal cell products, complex signal transmission, and other characteristics of healthy tissue function are exhibited in cultured tissue. If so, such engineered tissue could have applications in nerve regeneration and pain control.

Third, Dr. Tim Hammond at Tulane University has been studying kidney tubular cells, and they will be flown on the Mir. There are some antibiotics that bind to one of the two proteins that are produced by healthy kidney cells, which kill the cells. But these proteins are not expressed in two-dimensional tissue cultures grown on Earth, making them difficult to study. It is hoped that three-dimensional tissue from the bioreactor may express the proteins in an appropriate

way, so that the mechanism by which drugs affect the cells can be researched.

Assuming Wolf's experiments with the space incubator on the Mir are successful, the Shuttle astronaut who arrives on Mir in January 1998 as the next long-duration crew member will be involved in the next step in the research. According to Dr. Pellis, on that flight there will be an attempt to induce the development of blood vessel formation, or angiogenesis, in the tissue that is grown in the bioreactor.

The body nourishes and removes waste from cells through capillaries. In the bioreactor, this is done through the design of the co-rotating cylinders. But for the study and replication of tissues and, perhaps eventually, organs, a true vascular system will be required.

Dr. Jessup explains that capillary beds in the circulatory system, and also neural networks, are three-dimensional structures and need a gentle, undisturbed growth. This is hard to do in gravity or in the rotating wall vessel bioreactor on Earth, where it needs a supporting matrix. The space bioreactor will be better for complex patterns and structures.

Scientists see many applications for engineered tissue in the future. One, is their use in transplantation for replacement of injured or diseased tissue. Second, such three-dimensional tissue can be used to create models for human disease. For example, Joshua Zimmerberg and Leonid Margolis at the National Institutes of Health have been able to culture viable lymph nodes to see how the human immuno-deficiency virus (HIV) traverses from cell to cell.

And, there will be biopharmaceutical applications, where drugs can be tested, and biological pharmaceuticals can be produced. Dr. Pellis reports that researchers at the U.S. Army Medical Research Institute of Infectious Diseases at Fort Detrick, Maryland are using human liver, spleen, and lymph-node cultures from a rotating wall vessel to find new compounds that could be used to treat patients with the Ebola virus.

While it is not certain now that entire organs can be grown in space for human transplant, Dr. Jessup proposes that a nearer-term step may be the growth of tissue to make a liver-assist device. Such devices would be similar to dialysis machines, by taking up the functions of a damaged or nonfunctional organ, but rather than machines, they would be living tissue that could temporarily take on the functions of the liver.

During a press briefing on Sept. 24, the day before the launch of the Space Shuttle to Mir, NASA Administrator Goldin said, "We have heard the calls of some who would say it's time to abandon Mir. We at NASA, especially Michael Foale, who's in space today, are deeply touched by the outpouring of emotion.

"However, we know that the decision to continue our joint participation aboard Mir should not be based on emotion or politics; it should not be based on fear. Our decision should be based, and is based, on scientific and technical assessment of the mission safety and the agency's ability to gain addi-

tional experience and knowledge that cannot be gained elsewhere."

Leave space decisions to the experts

For the past eight months, the press has turned every failure on the Mir into a soap opera of impending catastrophe, implying that NASA has downplayed the seriousness of each event because of the political importance to the White House of saving U.S.-Russian cooperation. It is, therefore, interesting to hear a report from a Western astronaut, who is *not* from the United States, who spent time on Mir.

On Dec. 20, 1994, ESA astronaut Ulf Merbold gave a briefing at the Johnson Space Center, where he was helping the United States plan for work with the Russians on Mir. He was on the Euromir 94 mission, which was launched on Oct. 3, 1994, and he was onboard Mir for 30 days.

According to the notes of one of the attendees at the briefing, Merbold related that on day nine of his mission, there was a complete loss of power. The whole station started to precess and the solar panels became misaligned. This was likely the result of the activities the day before, including a press conference with Germany's Chancellor Helmut Kohl, which stressed the power system past its limit.

For the next two days, Merbold reported, they lost power intermittently, but after two days, power was restored to normal. He said that he was impressed with the Russians, who fixed things quickly and calmly. He said that he never thought his safety was in danger, and he trusted his commander to make the right decision. He said that the two cosmonauts who worked on the hardware "saved the day."

The Russians have a history of bringing candidates in to be cosmonauts who have a technical background and have worked in the aerospace field. The best, who have had the experience of participating in space missions, are brought into management responsibilities for the overall manned space program.

The way the Russian space program is discussed in the U.S. media, the impression is given that the director of mission control, or the head of the enterprise that built the Mir, are more concerned about their reputations and careers than the safety of their crews. But, who are these "bureaucrats"?

Vladimir Solovyev, the director of mission control near Moscow, was born on Nov. 11, 1946. He is a trained engineer, who worked in the Korolev design bureau, which built most of the spacecraft for the Soviet space program. He is an expert on space propulsion systems.

Solovyev was selected as a cosmonaut in 1978. In 1984, he flew to the Salyut 7 space station, and stayed onboard eight months, breaking the previous record. During his stay, he performed six space walks, totaling 22 hours, and was an "orbital repairman" for Salyut's main rocket engines, which were badly damaged in an accident the year before. He had helped design the Salyut propulsion system.



One of the greatest benefits for the International Space Station from the Shuttle-Mir missions is joint training. In this photo, taken on May 23, 1995, cosmonaut Anatoly Solovyev (in drivers' seat) trains with the STS-71 crew for his trip on the Shuttle.

Two years later, Solovyev was on the mission to activate the new Mir station. He flew from Mir to Salyut 7, in order to finish experiments, and performed an EVA to practice building structures in space. He then helped close out the Salyut station.

In his career, Solovyev has logged almost 352 days in space and 31 hours of EVAs. In between his two flights, he was an assistant flight director, and was involved in the repairs to the derelict Salyut 7 in the summer of 1985, reviewed in the opening of this article.

Valery Ryumin, director of the Phase 1 Shuttle-Mir program for RSC Energia (the successor to the Korolev design bureau) which built the Mir, was born on Aug. 16, 1939. When he was selected as a cosmonaut in 1973, he had worked at the Korolev design bureau for seven years, and played a major role in the development of the Salyut space station. He was involved in the design of astronomical experiments for the Salyut 4 missions, and in the design of Salyut 7. He was the chief flight director for all of the missions to the Salyut 7 space station.

Ryumin was a member of the first crew that flew to Salyut 6 in 1977. But after at least three attempts, they were unable to hard dock, and returned to Earth after 49 hours in space. Two years later, he completed a record-breaking 175 days in space aboard Salyut 6. He was also on the Salyut when a Soyuz spacecraft with a visiting crew was unable to dock, and had to return to Earth.

The failure to dock left Ryumin and his crewmate with a

Soyuz attached that would be too old for them to use to return to Earth, either when planned or in an emergency. Had the crew been able to visit, they would have taken the old Soyuz home, and left the new one for the long-duration team. In order for the crew to continue their long-duration mission, for the first time an unmanned Soyuz was sent up to the station.

During Ryumin's stay, the crew made repairs while on an EVA, conducted astronomical observations using a radio telescope, carried out space manufacturing, made repairs to equipment aboard the Salyut 6 that had outlived the original 18-month design life, and, near the end of the mission, carried out a daring spacewalk to cut away the radio telescope which had snagged as it was jettisoned from the outside of the station.

Less than a year later, Ryumin was back in space again, when there had to be a last-minute crew change. He spent an additional 185 days in space. On Aug. 28, 1997, Energia announced that NASA has invited him to train for a U.S. Shuttle mission.

The Mir is a technological achievement that has been kept functioning beyond its projected lifespan by the competence, dedication, and courage of the cosmonauts and mission managers who work on the program. Mir benefitted from a quarter-century of Soviet and Russian experience in the design, construction, and operation of space stations. Now, the International Space Station will gain the benefit of 11 years of experience with Mir.

Asia threatens to abandon 'financial Titanic'

by Jonathan Tennenbaum

With the crucial summit meeting between President Clinton and China's President Jiang Zemin only weeks away at the end of this month, a virtual revolt has broken out among Asian nations against the London-centered financial establishment.

The recent, highly publicized attacks by Malaysia's Prime Minister Mahathir on mega-speculator George Soros at the Sept. 20-25 International Monetary Fund-World Bank meeting in Hongkong—for which the *Wall Street Journal* and other international media have blamed Lyndon LaRouche personally—are only one reflection of a life-and-death policy struggle going on now behind the scenes. The declaration of the Group of 24 developing nations at Hongkong, Chinese leaders' firm insistence on national economic sovereignty and the need to overcome the present "unjust and inequitable world order," the Japanese proposal for an Asian Monetary Fund (AMF), and other developments of recent weeks (documented in the following pages), all point to a closing of ranks among Asian and other nations in face of a world economic and financial crisis of unprecedented dimensions.

The Asian nations are not merely challenging the non-existent right of speculator George Soros and others to loot and destroy entire nations. What is really being challenged, is the authority of the *entire* London-based world financial establishment itself, whose policies have brought the world to the verge of catastrophe. This is the reason, why LaRouche is the focal point of the hottest debates in Asian financial and economic circles today.

The present Asian situation is in some respects reminiscent of the events around the Ibero-American debt crisis of 1981-82, when LaRouche composed his famous policy document *Operation Juárez*. At that time, LaRouche proposed a community of principle among Ibero-American nations, which should join together not only in forming a "debtors' cartel" opposing the IMF, but also in rapidly developing and integrating their economies through a continent-wide program of large-scale infrastructure and related projects. Such a community of nations could resist onslaughts of economic and financial warfare from the outside, and evoke the support of the United States in forcing through a reorganization of the world financial and monetary system as a whole.



Chinese Finance Minister Liu Zhongli (left) with U.S. Treasury Secretary Robert Rubin. The most important item on the international agenda today, is the creation of a strategic partnership between the United States and China.

Unfortunately, Operation Juárez was not realized, in large part due to the vacillation and lack of solidarity among the Ibero-American and other nations in face of “divide and conquer” tactics by the IMF and London. The awful cost of that failure, in terms of destruction of tens of millions of human families and the virtual wrecking of entire nations, continues to be paid in ever growing sums, up to the present moment.

Today, we might happily note, the Asian nations seem to be showing a greater measure of solidarity, than was evident among the Ibero-American nations in the early 1980s. A crucial factor here is the relatively solid position of China. China’s government has so far insisted on maintaining control of the national economy, rejecting demands for radical deregulation of its financial system. In an Aug. 22 speech in Singapore, Prime Minister Li Peng denounced international currency speculation and the dangers of the “bubble economy.” Vice Premier Zhu Rongji emphasized, that China would not give in to demands for a near-term, full convertibility of the currency, renminbi. Nor, the Chinese leaders emphasized, was China prepared to sacrifice its vital economic security interests in exchange for rapid entry into the World Trade Organization. While cautiously avoiding a frontal attack on the international financial organizations, China’s position has de facto lent support to the resistance of Southeast Asian and other developing nations.

It is significant, that U.S. Treasury Secretary Robert Rubin, on a visit to China, voiced his sympathy both for Japan’s Asian Monetary Fund proposal and for China’s emphasis on the role of the state in national economic development.

Important, also, is China’s commitment to spreading the

Eurasian Land-Bridge model of infrastructure-corridor development throughout Asia. This perspective has drawn increasing interest from Iran, India, Russia, Pakistan, Turkey, the Southeast Asian and Central Asian nations, as well as significant support from South Korea and Japan.

While acknowledging these positive elements, it were a wild and most dangerous delusion, to envisage an “Asian solution” to the present crisis, even within the bounds of East Asia itself. Nor does the *purely defensive* posture taken by China and other Asian nations up to now, come anywhere near to being an adequate response to the danger actually facing the world at this moment.

Once the process of a “reverse-leverage implosion” has been unleashed in the \$100 trillion-plus global financial derivatives bubble, there is no “Great Wall” or “Maginot Line” anywhere that could protect an isolated nation or region from the devastating consequences which would follow. At or before that moment, U.S. President Clinton—with a necessary, “critical margin” of cooperation from China and other nations—must boldly act to push through an emergency bankruptcy reorganization of the financial system. Otherwise, civilization as a whole will be swept away by the greatest tidal wave of chaos and destruction, history has ever seen.

That reality dictates the urgent necessity for forging a strategic partnership between the United States and China now. The positive developments in Asia, reviewed here, should be seen as reflecting part of the international constituency U.S. President Clinton could rally behind himself, were he to embrace the course of action that Lyndon LaRouche urges he must.

LaRouche campaign memo: 'The U.S.A.-China partnership'

Lyndon LaRouche's campaign for the Democratic Presidential nomination in the year 2000 released the following memorandum on Sept. 30.

Whether President William Clinton succeeds, or not, in establishing a strong U.S.A. partnership with China during the coming "summit," may be decisive in predetermining whether or not the United States survives the presently on-rushing collapse of the present international financial and monetary systems.

The present, "globalized," financial and monetary system, sometimes identified as the "IMF (International Monetary Fund) system," is doomed in the near term. It will probably not live out this century. Nothing could save the present inter-

national system of "globalized" financial markets. There are no "circuit breakers," presently installed, or otherwise available, which could cause that "global system" to continue to exist into the coming century. The only serious question, is whether the nations have the good sense to dump the doomed system, and create the kind of new, international financial and monetary system which I have identified as a "New Bretton Woods Agreement."

That said, let us go directly to the hard practical issues. Whether the United States survives this century will depend upon actions taken by this President, William Clinton. He is the man on watch; either he finds the will and means to act effectively, or this civilization is doomed to plunge into the worst crisis known since the great banking collapse known to history-books as Europe's Fourteenth-Century "New Dark Age." The time he will be called upon will be a moment, coming soon, in which the entire international financial system is spiralling into the deepest and steepest collapse of the present century, a moment when terrified citizens — butcher, baker, candlestick-maker, and beggar alike — are screaming for our government "to do something" to save them from a catastrophe beyond anything they previously believed possible.

At that moment, President Clinton will be faced with a situation, in which only one course of action could save the U.S.A., and that course of action will be opposed by the homicidal fury of both the big financier interests in general, and by the British Commonwealth in particular. In short, the President can do nothing useful, unless he can find both the will and allies needed, not only to face down types like the Dracula-like Federal Reserve chairman Alan Greenspan, and international grave-robber George Soros. The President must also face down, and defeat the most powerful political force on this planet today, the British Commonwealth.

In that circumstance, the President's ability to act successfully, depends upon his ability to find a powerful combination of allies against both predatory financiers and the British monarchy's Commonwealth. To be successful, that roster of allies must include China. Therefore, the future of the U.S.A. may depend upon the successful establishment of a solid partnership with China, during the coming "summit" meeting.

The danger is clear. Alan Greenspan and the British mon-

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archy have found willing allies among the current large number of “Aaron Burrs” in the U.S. Congress. The most shameless of these are the outright British agents, such as Representatives Frank Wolf (R-Va.) and Chris Smith (R-N.J.) who are operating openly as agents of the British Intelligence service’s Christian Solidarity International (CSI). This is the same crew of front-men for Britain’s Baroness Caroline Cox—which is about as “Christian” as the Roman Emperors Tiberius and Nero—which, assisted by Representative Donald Payne (D-N.J.), is deployed as backers of the worst Holocaust of the present century, that run in Africa by Britain’s Hitler-like Yoweri Museveni.

These British agents, and their collaborators, are currently attempting to wreck the coming “summit.” Their tactic is to attempt to force President Clinton to wreck the discussions with China, through imposing upon this discussion certain conditions which have been “made in London” and presented for a vote on relevant legislation and other action within the U.S. Congress. If these agents of British influence inside the Congress could succeed in driving such a diplomatic wedge between the Presidents of the U.S.A. and China, the chance of the U.S.A. surviving the onrushing financial blow-out is either slim, or simply does not exist at all.

The recent Hong Kong meeting of the IMF and others exposed the line-up. On the one side, were the IMF, the World Bank, London, and mega-speculators such as George Soros. On the opposing side were the ASEAN and G-24 group of nations, with political support from China. As leading European press reported from Hong Kong, I, by name, was attacked by these circles, as the alleged conspirator behind the attacks upon the IMF and Soros from leading circles of the ASEAN nations. In the middle, but leaning toward ASEAN, China, and the G-24’s position, were Japan’s proposed new fund, and U.S. Treasury Secretary Robert Rubin’s expressions of sympathy for both that Japan proposal and the views expressed by the Prime Minister and Finance Minister of China. Inside the U.S., the same line-up is represented by Alan “Dracula” Greenspan’s mad-dog brutishness, in his demands that, under conditions of crisis, the U.S. population must submit willingly to any sacrifice needed to bail out bankrupt Wall Street financier interests.

William Clinton is the President; but, on the economy, I am the expert. I have made few forecasts in my long career as an economist. Most were long-term forecasts, all opposed by the overwhelming majority of economists, but all of which, including my forecast of this year’s crisis, have been borne out as on the mark. Partly for reason of my forecasting, I have significant influence in leading circles among many nations on this planet today. It is my job to ensure, for your own and your children’s sakes, that President Clinton is successful in dealing with the presently onrushing disintegration of world financial markets. I am asking patriots to rally around my efforts to give President Clinton the advice and support he must have under these conditions.

Li Peng’s diplomatic initiatives in Asia

Here are excerpts from recent speeches by Chinese Prime Minister Li Peng, during his travels before the Hongkong IMF meeting, and at the meeting itself.

Sino-ASEAN ties

From a speech by Li Peng in Kuala Lumpur, Malaysia, on Aug. 22, “Toward a Relationship of Friendship and Good-Neighborliness Geared to the Twenty-First Century,” at a meeting hosted by the Institute of Diplomatic and Foreign Relations of Malaysia. Reported by Beijing Xinhua Domestic Service in Chinese.

... At Prime Minister Mahathir’s invitation, I have come to Malaysia on an official and friendly visit. It gives me great pleasure today to have the opportunity to meet with all of you here and deliver a speech at the welcoming meeting hosted by the famous Institute of Diplomatic and Foreign Relations of Malaysia. I would also like to take this opportunity to express my heartfelt thanks and cordial greetings to the host, the Honorable Foreign Minister Badawi, and all the guests present.

Here, I would like to brief you on China’s economic development and also make a few observations on the further development of friendly and cooperative relations between China and ASEAN countries. Beginning in the late 1970s, China entered a new historical period of reform, opening up, and the modernization drive. Over the past 19 years, China has all along kept a favorable momentum of economic growth and considerably improved its people’s living standards. Breakthroughs have been made in our economic restructuring aimed at establishing a socialist market economy and the pattern of opening up has basically taken shape. After facilitating strengthened macroeconomic regulations and control in recent years, China has brought under control inflation, which was once quite serious, and ushered in a favorable situation characterized by a high growth rate, low price hikes, and steady and coordinated growth of the national economy.

China has formulated development plans for the last five years of this century and on long-range objectives to the year 2010. Implementation of these plans in the past two years has been favorable. Our objective is, through the two switches in economic system and mode of economic growth, to carry out the strategies of developing China through scientific and technological progress and of sustainable development, and to unswervingly implement the opening-up policy so as to

attain economic development and all-round social progress. China will keep its economic growth rate at over 8% in the last five years of this century and over 7% in the first ten years of the next century. The aggregate national strength will be further enhanced and people's living standards be improved more substantially. Compared with the past, China's progress has been tremendous. Yet we also soberly realize that there are still many difficulties along the path ahead, especially given the fact that China has a large population and weak economic foundation. China is still at a rather low level in



Free flow of capital across national boundaries . . . may carry financial risks. Being prone to

such risks, developing countries may also become easy targets for international financial speculation. Financial crises will do no country any good.

—Chinese Prime Minister Li Peng

per-capita terms even compared with certain developing countries in Asia. China still needs to make arduous efforts for several more decades in order to realize modernization and attain the level of moderately developed countries in the world. We believe that guided by the Deng Xiaoping Theory of building socialism with Chinese characteristics, we definitely will materialize the goal of modernization in China.

China and ASEAN nations had similar historic experiences of prolonged foreign aggression, and they are now both faced with a common task of developing the national economy. They share the common need for safeguarding regional and international peace. Together with ASEAN countries, we are willing to unremittingly work for good-neighborly and friendly relations geared to the twenty-first century. To this end, I would like to propose the following views:

We should respect one another and treat one another as equals. We have always maintained that each and every country in the world has the right to choose its own political system or development path in light of its national conditions. Other

countries are not allowed to interfere in whatever way. In our view, all countries, big or small, rich or poor, strong or weak, are equal members of the international community, and are entitled to participate in regional and international affairs on an equal footing. Such rights should be fully respected.

We should increase dialogues and intensify consultations. The full dialogue partnership established between China and ASEAN represents an important channel for us to have more dialogues and closer consultations. We should further increase exchanges among state leaders as well as among people of various circles for broad exchanges of views on issues of common concern with a view to increasing mutual understanding and broadening consensus.

We should seek common development based on mutual benefit. As economic factors are gradually rising in importance in international relations, economic cooperation has become an important foundation for developing state-to-state relations. China and ASEAN countries have their respective strong points. These advantages in such fields as natural resources, technologies, funds, and markets can complement one another. The potential for our economic cooperation is enormous, the aspects are extensive, and the prospects are bright. Various countries have accumulated many good experiences in enhancing economic progress. We can draw on one another's experiences to make up for our own deficiencies, so as to attain common development.

We should mutually support one another and enhance cooperation. We should further step up our mutual support and coordination at the United Nations, the Asia-Pacific Economic Cooperation organization, the Asia-Europe Meeting, and the ASEAN Regional Forum, so as to safeguard developing countries' common rights and interests.

We should bear in mind the overall picture, and seek common ground while putting aside differences. We share broad common interests while developing state-to-state relations. Meanwhile, it is hardly avoidable that certain differences and disputes will come up. We should strive to gradually resolve problems with a forward-looking approach through friendly consultations on an equal footing. We can approach differences and disputes that can not be resolved for the time being, in the spirit of seeking common ground while shelving differences. We should not let these differences and disputes obstruct the normal development of our state relations.

As we all know, in the 1950s and 1960s, the historical trend towards national independence and liberation was irreversible. At present, the trend towards multipolarization is accelerating, and the historical trend for world peace, national development, and social progress has become irreversible. We have noted with pleasure that ASEAN, as an important regional organization of the world, is playing an increasingly important role in safeguarding regional peace and enhancing economic development. China is willing to continue its highly productive cooperation with ASEAN countries.

At the end of this year, leaders of East Asian countries will hold a summit in Kuala Lumpur. Chinese President Jiang Zemin will accept an invitation to participate in this distinguished gathering, which will be a major event in the history of Sino-ASEAN relations. Let us join hands in a concerted effort to promote the establishment of a peaceful, stable, fair, and reasonable new international political and economic order.

The fight against speculation

In a speech in Singapore on Aug. 26, Li Peng called for strengthened coordination to prevent the kind of financial turbulence hitting Southeast Asia. According to Xinhua's report, he made the remarks in a question-and-answer session following a speech before a group of Singaporean businessmen on the last day of his three-day visit there.

Li said, "One cause of the currency crisis [in Southeast Asia] was international financial speculation, and the other possible cause was the emergence of a 'bubble economy.'" He also expressed confidence in Hongkong's handling of its economic affairs. "As for Hongkong, because of the implementation of the 'one country, two systems' formula, the Hongkong Special Administrative Government can properly handle economic problems," Li said.

From a speech by Li Peng in Singapore on Aug. 26, "Strengthen Mutually Beneficial Cooperation and Promote Common Prosperity," given at a meeting jointly sponsored by Singapore's Trade and Development Bureau and the Chinese embassy in Singapore. Reported by Xinhua Domestic Service.

... I would like now to express my views on China's reform and opening up, as well as its economic cooperation and trade with the ASEAN countries. The Chinese economy will maintain a sound momentum of long-term growth. The policy of reform and opening up for nearly two decades has brought enormous changes to China. Economic reform and reform in other fields are developing in depth. A socialist market economic structure is being established step by step. A general setup for opening up to the outside world has come into shape. The national economy has become notably more market- and public-oriented. Economic construction is advancing at a fairly rapid pace. The people's living standards in both urban and rural areas have notably improved. China has formulated a national economic and social development plan for the remaining five years of this century and a long-term target for the year. Various factors show that China's economy will maintain its sound momentum of growth. ...

China will unswervingly implement the policy of opening up to the outside world. Our opening-up policy is all-dimensional, opening not only to developed countries, but also to developing countries. China has all along pursued a

policy of friendship and good-neighborliness, and it attaches particular importance to the development of friendly relations and cooperation with ASEAN countries and has achieved gratifying successes. Last year, the total trade volume between China and ASEAN countries reached \$20.4 billion, over three times that of 1990. ASEAN has become China's fifth largest trading partner. China and ASEAN have also conducted productive cooperation in the fields of investment, labor, services, and technology. Both China and ASEAN countries are in a period of rapid economic growth. Looking into the future, we feel optimistic about the prospects of our common development.

China and the ASEAN countries need to expand areas of cooperation in order for their respective strengths to complement each other. The economies of China and ASEAN countries, having their respective features and advantages, are highly complementary to each other. ... The two sides have conducted good cooperation in the economic, trade, science and technology, banking, information, and managerial fields. They may extend their future cooperation to infrastructure, technology transfer, elimination of poverty, environmental protection, and other fields. ...

China and ASEAN countries need to strengthen coordination and cooperation in the financial field. For many years, many Asian countries and regions, including China and ASEAN countries, have attracted world attention and received praises for maintaining a momentum of rapid economic growth. However, we are also soberly aware that, compared with the developed countries, the economic strength of countries and regions like ours is still relatively weak, and the financial system is inadequate, which bears certain financial risks and is susceptible to the impact of speculative turbulence of the international financial market in the course of development.

In the future, we should increase coordination and cooperation in finance and step up exchanges of information to keep each other informed so as to ward off international financial speculation. We should earnestly learn from experience and draw lessons from previous financial crises in the world, keeping a high degree of vigilance, strengthening financial regulation, and improving the financial system so as to forestall and reduce financial risks to the minimum and ensure a sound growth of the economy.

China and ASEAN countries should gear their cooperation to the twenty-first century. We have made the development of the national economy and improvement of the people's living standards our long-term strategic goal, and we share broad common interests. We need to take firm hold of the converging point where we share extensive common interests and lift the mutually beneficial cooperation onto a new level. The mutually beneficial cooperation between China and ASEAN countries is a long-term strategy geared to the twenty-first century, rather than expediency. It focuses

on the whole world instead of merely the region. It conduces not only to their respective economic development, but also to peace and stability of the Asia-Pacific region and the world at large; and it serves as the foundation for political diversity in the world. We can predict that the mutually beneficial cooperative relations between China and the ASEAN will be more dynamic and vibrant in the days ahead.

Address to the IMF meeting

From Li Peng's speech to the annual meeting of the Board of Governors of the World Bank and the International Monetary Fund, in Hongkong on Sept. 23.

. . . The just-concluded Fifteenth National Congress of the Chinese Communist Party is an extremely important meeting at the turn of the century. It is a meeting building on the past and preparing for the future. The main message I bring to you today, is that the Congress has identified the Deng Xiaoping Theory as our guiding ideology, after drawing upon the experience of the past two decades' reform, opening-up, and so-

cialist modernization drive; that in control of the situation, our central collective leadership, with President Jiang Zemin at the core, is strong and enjoys the support of the whole party and the entire population; that China's political situation is stable; that the reform and opening-up policies will not only remain unchanged, but also continue to develop; and the cause pioneered by Deng Xiaoping will not only go on, but make even greater progress.

The period from now to the end of the first decade of the next century, during which we must properly fulfill two tasks, is crucial for China's modernization. One is to establish a rather complete structure of socialist market economy, and the other is to maintain a sustained, rapid, and sound development of our national economy. It is expected that in the last few years of this century, the Chinese economy will maintain a growth rate of over 8%, while inflation will be kept under 5%. In the first ten years of the next century, the Chinese economy will continue to grow at around 7%. So, with effort for another three to four decades, that is, by the middle of the next century, China will achieve all-around modernization

Rubin: China and U.S. will shape the future

Relations between the "two great nations," China and the United States, will shape the future, U.S. Treasury Secretary Robert Rubin told students at the People's University in Beijing on Sept. 25. After describing how the world economy is now global, and then paying homage to the IMF-World Bank, Rubin said: "In the midst of this new world stand China and the United States, the largest developing nation on Earth and the largest developed industrial nation on Earth. In the not too distant future, our two countries will have the largest economies in the world. As such, it is absolutely critical that we build strong and stable relations between our two countries."

Rubin discussed the need for China to make economic reforms such as "diversifying ownership" of state-owned enterprises. He then noted the role of governments in shaping an economy: "Market forces trigger competition which unleashes private initiative and fosters economic growth. There is no question that there are some tasks that government must undertake, because the market simply will not or cannot do them effectively."

He told the students that "the United States has an enormous interest in a successful China," and that he expects joint cooperation "on bilateral issues, . . . the issues

of a global economy, and . . . leadership on the issues of the post-Cold War world." In this regard, Rubin said, one reason he was in China is to co-chair this year's meeting of the United States-China Joint Economic Committee, which promotes dialogue between economic experts from each country.

Rubin concluded his remarks to the students with a vision of cultural optimism for the future of building their nation. "My visit to China has given me an enormous appreciation for China's greatness as well as for the challenges it faces. In the last two days, a very brief visit, but my first to China, I have been fortunate to have been able to observe elements of both China's dynamic present and its magnificent past." He described the "extraordinary terracotta army dating from the Qin dynasty," in the city of Xian which he visited, and then remarked, "As a citizen of a country with a history of only a few hundred years, though a history of which we are very proud, I was impressed to observe a history that is a few thousand years old." Rubin described a modern factory in Xian where he saw the Chinese modern economy in action. "In . . . one brief trip to Xian, I have seen both the old and the new in China, the glory of its past and the enormous potential for its future." He ended by telling the students that it is obvious to him that "the centrality of education" has been a source of China's strength. As the leaders of tomorrow, he challenged the students to "consider what you can do for China at this moment of enormous importance and . . . promise in China's history."

and become a prosperous, democratic, and culturally advanced socialist country. We must actively promote a fundamental shift in both the economic structure and the mode of economic growth, continue to deepen reform, and effect breakthroughs in the reform and transformation of state-owned enterprises and the diversification of the forms of public ownership. According to the latest statistics, since the reform and opening-up, Sino-foreign joint ventures, which represent a form of mixed economy, have made marked progress, as they now take up 20% of China's total GDP, including 7% from the public economic elements of these joint ventures. Generally speaking, the mixed economic sector enjoys advanced technologies, scientific management, and high economic returns. In the course of the development of the mixed economy, the public sector has also made progress. We will implement the policy of national rejuvenation through science and education and the strategy of sustainable development and achieve coordinated socioeconomic development and overall social progress. These goals are magnificent and, given hard work, entirely achievable. This is because we have already found a right road of development suited to China's national conditions, secured a stable social and political situation, acquired a solid material and technological base, and possessed a large market and rich resources, and, finally, we have 1.2 billion industrious and talented people.

Unswervingly carrying out its policy of opening-up, China will work energetically to embrace the world by continuing to improve its all-directional, multi-layered, and extensive opening pattern. The economic development of China is closely linked with that of the world. A prosperous Chinese economy needs a substantial absorption of advanced technologies, capital, and management expertise from abroad. To meet the needs under the new situation of reform, opening-up, and economic development, the Chinese government has decided to further lower its access of new and high-tech equipment and practical advanced technologies to China. China's vast market and enormous growth potential will undoubtedly provide even more opportunities for its cooperation partners and instill vigor into global and regional economic development.

Mankind is about to enter the twenty-first century. Reviewing the past century, we see stupendous and far-reaching changes on the world scene. Having freed themselves from imperialist and colonialist domination and won national liberation and independence after centuries of foreign oppression and enslavement, developing countries find themselves now on the world stage with a completely new image and growing ranks. Thanks to their unremitting efforts of several decades, the overall strength of developing countries has increased remarkably, their international status has risen, and the prospects of their economic growth look promising. The rise of developing countries is a far-reaching event in the present-day world. It has smashed the monopoly of world affairs by

a few countries and lent a powerful impetus to the movement toward a multipolar world.

We must not forget that 1.3 billion people in the developing world are still struggling in poverty. Economic disparities among countries are staggering, as the gap between the rich and the poor continues to widen and the unjust and inequitable international economic order still puts the interests of the developing countries in harm's way. If these problems remain unresolved, the developing countries cannot become developed, neither can the existing developed countries sustain their growth. The world economy is an interrelated whole. As much as the developing countries need the developed countries, the developed countries cannot stand without the developing countries. To sustain their prosperity, the developed countries must have markets for their goods, outlets for their capital, and suppliers of raw materials they need, on all of which they must look to the developing countries for answers. If the developing countries enjoy economic development and social stability, this will increase the capacity of the world market, create more commercial and job opportunities for all countries, and generate tremendous benefits. Conversely, if their economy is sluggish and socially turbulent, there will be no peace and tranquility in the world. The prosperity and affluence of a small number of countries cannot last long on a foundation of poverty and backwardness of the majority countries. When we approach this issue, we must have in mind cross-century development and all of mankind.

Creating favorable conditions and helping developing countries achieve sustainable development is a shared responsibility of the international community and also an important task of international financial institutions. In this connection, I would like to set forth six propositions of principle as follows:

First, full attention should be given to the urgent development needs of the developing countries. Since the end of the Cold War, some people no longer regard development as a crucial issue. This view fails to consider the whole picture. In fact, the question of development bears on the future destiny of the world, which calls for proper attention. If the international community wants to concentrate on developing the economy in a peaceful and tranquil environment, then it cannot afford to ignore the reasonable demands of the developing countries and must attend to their concerns over finance, debt, trade environment, and poverty issues. The international community, developed countries in particular, should take a long-term view and adopt effective measures to meet their pledges of providing monetary and technical assistance to the developing countries so as to make an appropriate contribution to their development.

Second, extensive cooperation should be conducted on the basis of quality and mutual benefit. There are about 200 countries in the world, and all of them, big or small, rich or poor, strong or weak, are equal members of the international community. Trade discrimination and exchanges of unequal

values in economic relations should be opposed. Such practices as bullying the weaker or less fortunate by dint of one's power or wealth should not go unchecked, still less should countries be allowed to impose trade sanctions against others, or threaten to do so, at every turn. The developing countries are equally entitled to participate in the decisions and rules affecting the international community.

Third, the right of every country to independently choose its social system, mode of development, and lifestyle should be respected. Countries differ from one another in historical background, social system, level of development, cultural tradition, and value system. Such diversity is a fact of life we must face squarely. Indeed, we can very well regard these differences as something favorable for greater cooperation and exchanges, if we can pursue common ground while reserving differences and refrain from interfering in each other's internal affairs. In no circumstances should any country be allowed to impose its social system and ideology on others. Assistance has always been mutual. And economic assistance must not be attached to any political conditions.

Fourth, countries should learn from each other and complement each other with their advantages. . . .

Fifth, it is essential to choose a development road suited to one's own national conditions. . . .

Sixth, international cooperation in the financial field should be reinforced. Free flow of capital across national boundaries is a strong feature of the development of the world economy. It can facilitate absorption of capital by various countries, but may also carry financial risks. Being prone to such risks, developing countries may also become easy targets for international financial speculation. Financial crises will do no country any good. The international community, international financial institutions included, should play a positive role in maintaining international financial stability.

The World Bank and the IMF, established half a century ago, have played a constructive role in promotion of world economic growth, economic exchanges among countries, and economic and social progress of the developing countries. This we must affirm. At present, with the rapid advancement of science and technology and unprecedented expansion of economic cooperation, the world is moving toward multipolarity at an accelerated pace. The World Bank Group and the IMF, as the most influential multilateral financial institutions, will preserve their vigor and hold out a bright future only when they can undergo timely readjustments and reform in keeping with the new and shifting world situation and give expression to the reasonable demands of the developing countries.

Our world needs peace, countries want stability, the economy must develop, and society must make progress. This has become the trend of the times. Let us work together and make our due contribution to the lofty cause of world peace and development. In conclusion, I wish the Annual Meetings complete success.

Liu Zhongli: We insist on national sovereignty

From the speech by Chinese Finance Minister Liu Zhongli to the IMF/World Bank meeting in Hongkong on Sept. 23.

The world economy continued to be encouraging in 1996, and achieved the best performance since 1990. The integration of developing countries in the world economy was further strengthened. However, we should not overlook the wide range of risks and fragilities persisting in the world economy. The international financial market has experienced some unrest. The international capital flows create opportunities for developing countries and cause risks as well, such as speculative attacks. Global inflation could re-emerge, and interest rates in developed countries are under greater pressure to trend higher—this could reduce the capital flows to developing countries. Especially disturbing is that ODA [overseas development assistance] as a share of developed countries' GNP has dropped to the lowest level in 50 years. New protectionism is occurring in international trade under the guise of environmental protection and labor standards. These problems, if not addressed in a timely and effective manner, will not only dampen the economic future of developing countries, but also undermine the sustainability of the global economic growth. We call upon the international community, and developed countries in particular, to act as soon as possible to reduce uncertainty and destabilizing factors in the world economy. . . .

Mr. Chairman, the World Bank, as the largest financial institution, has played an important role in supporting economic development of developing countries. . . . In designing and implementing reform measures, the Bank should fully consider the real needs of different borrowers. In today's changing world, it is important, more than ever, that the Bank should act strictly within its mandate and overcome any political interference. We hope that the Bank will make full use of its comparative advantages and continue to focus on transferring resources to developing countries, alleviating poverty and promoting sustainable development as its core operations. . . .

Improving governance and eliminating corruption contributes to economic development. Fundamentally speaking, the responsibility of fighting corruption rests solely with sovereign governments. The Bank and the IMF, at the request of countries concerned, could play a useful role. But the two institutions should act in strict accordance with their respective mandates, limit their anti-corruption activities to the economic aspects, and ensure uniformity of treatment of all members based on objective criteria. . . .

Malaysia's Mahathir: Keep the crooks out!

Malaysian Prime Minister Dr. Mahathir Mohamad travelled to Cuba on Sept. 25, to Chile on Sept. 28, then to Uruguay, and to Argentina on Oct. 2-5. According to the Malaysian



*It's
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over what they*

*consider the fall of the Asian
Tigers.—Malaysian Prime Minister
Dr. Mahathir Mohamad*

press agency, Bernama, reporting from Santiago, Chile on Sept. 30, Mahathir briefed Chilean President Eduardo Frei on the need for developing countries to impose regulation upon currency trading. He explained that the bad impact of the manipulation of Asian currency markets could have an effect on other countries which were equally exposed.

"I stressed the need for developing countries to cooperate closely to protect themselves from such manipulation, and he [Frei] agreed with this, and that was why he said he was very supportive of Malaysia to seek some order in currency trading," Dr. Mahathir said at his press conference. He said he had not made any specific proposals, but had suggested some ideas for how this could be done.

Other international trading, such as that in shares and commodities, takes place in established, regulated markets, he said, unlike currency trading, which is "totally opaque, not open at all." Malaysia is not trying to impose controls on currency trading, he said, but it wants the means "to keep the crooks out."

In his speech at a state dinner given by President Frei on Sept. 29, Mahathir argued that developing countries must stand together to determine their own destiny. In the post-Cold War world there is a tendency for the powerful to dictate

the way the weak should govern themselves, he said, as evidenced in disastrous consequences wreaked by "rogue manipulators" upon Southeast Asia's currencies. The rich defend themselves by maintaining that what happened was nothing more than a reaction to market forces, which would come to pass anyway. "But we, the developing countries, are the ones who have to live with the consequences of such irresponsible actions," he said.

In an address to a conference on Pacific Basin development in Santiago, Mahathir compared efforts by the international press and the IMF to blame the current stock market and currency crisis in Southeast Asia on the respective governments, *not* speculators, to attempts to blame driver Henry Paul for the death of Princess Diana, not the "paparazzi" photographers in hot pursuit. Mahathir told his audience, "It's nauseating to read in some Western magazines the obscene gloating over what they consider the fall of the Asian Tigers."

Mahathir renewed his attacks on currency speculation, saying, "The activities of currency traders deny freedom to others, to peoples of many countries and to the countries themselves. . . . We therefore need to regulate or outlaw currency trading so free trade can flourish."

Ramos, Suharto call for 'common front'

Presidents Suharto of Indonesia and Fidel Ramos of the Philippines spoke on the evening of Sept. 30 about the crisis hitting regional currencies. President Ramos told reporters in Manila on Oct. 1, that the two Presidents discussed "putting up of a common front against speculative attacks on our national currencies. . . . And he, just like me, has been very concerned about this and we did agree . . . that indeed we put up a common front. Our finance ministers are carrying this out already because they already met in Hongkong last week."

Ramos said he hoped some sort of a regional reserve fund could be created to assist countries in dealing with such attacks on their currencies, to be used in times of crisis and which would have to be repaid. He added that he hoped the issue would be raised at the November Asia Pacific Economic Cooperation (APEC) summit and again at the ASEAN summit in December.

By then, he said, "we hope . . . that not only will speculative attacks stop and economies be brought back on a path of recovery and health, but also we would have some mechanisms to utilize to defend ourselves from future speculative attacks." The week before, Ramos set up a task force, including the secretaries of finance and trade, to monitor the domestic impact of this currency crisis.

Group of 24: Reform the monetary system

Here are excerpts from the communiqué issued in Hongkong on Sept. 20 by the Ministers of the Intergovernmental Group of 24 on International Monetary Affairs. The group included representatives from Venezuela, Algeria, Sri Lanka, the People's Republic of China, Saudi Arabia, and South Africa, as well as from the IMF, World Bank, International Labor Organization, and other international agencies.

I. World economy and monetary system

1. Developments in recent years confirm the leading role assumed by the developing world in the growth of the global economy and its significant input to the expansion of world trade. This increasing contribution reflects the stabilization and reform efforts that many countries have pursued in order to maintain sustainable growth with price stability. Ministers consider that this trend of faster growth of the developing world, relative to the industrial countries, should be appropriately reflected in the decision-making processes of the Bretton Woods Institutions (BWIs).

2. Growth prospects in Asia are being affected by the adverse shock to the dynamic South-East Asian region resulting from the recent turmoil in financial markets and by the effects of this turmoil on Japan's recovery, given that this region provides large markets for Japan's exports and capital. While recognizing that domestic policy weakness contributed to this crisis, Ministers emphasize the need to acknowledge the role of speculative activities and other factors in the external environment that provided the backdrop against which the financial crisis spread, through contagion effects, to a number of countries both within and outside the region, including those with sound macroeconomic fundamentals. Ministers underline the need to explore the interplay of domestic and external factors in the onset and containment of crises. . . .

4. Recognizing the potentially adverse impact of large fluctuations among the major international currencies on developing countries, Ministers consider it imperative that the Fund fully exercise its powers to ensure effective surveillance over the macroeconomic policies of the countries involved in management of these currencies. They believe that, in the perspective of an emerging tripolar system, the issue of reform of the international monetary system should be brought forward on the agenda of the world community.

II. Capital account liberalization

5. While recognizing the benefits for the world economy of greater freedom of capital movements, Ministers emphasize that the capital account liberalization process could put additional stress on the economies that are already straining

to adjust to globalization. Ministers agree that, in particular circumstances, precautionary and price-based measures could help countries protect economic stability and sound macroeconomic management.

6. Ministers agree to support further work on the orderly liberalization of capital movements as a prelude to any amendment of the Fund's Articles. . . . They also emphasize the need for adequate technical assistance and financial assurances to help countries to move toward capital account convertibility. In addition, they stress that: a) the liberalization of the capital account should not be made a condition for the use of Fund resources; b) restrictions arising from measures taken by members for prudential and financial market development purposes should benefit from flexible approval policies; and c) the treatment of foreign direct investment and restrictions for security reasons should be outside Fund jurisdiction.

III. Governance

7. Ministers reiterate their commitment to the principles of good governance—which include transparency, accountability, and the rule of law. While noting the recent efforts of the Fund and the World Bank to clarify their potential roles within their respective mandates in the strengthening of governance and reduction of corruption at the national and international levels, they re-emphasize the need to avoid the application of conditionalities based upon subjective judgments in these areas and to ensure uniformity of treatment of members based on objective criteria. Ministers express full support for cooperative international efforts to combat transnational bribery, money laundering, and other forms of economic crime. . . .

Support grows for Asian Monetary Fund

by Mary Burdman

On Sept. 23, the Japanese delegation at the World Bank-International Monetary Fund meeting in Hongkong, proposed the creation of a new Asian Monetary Fund, with a capital base of \$100 billion—half to be supplied by Japan itself—to support Asian nations' balance of payments, currency reserves, and other important economic mechanisms.

In a radio interview with "EIR Talks" on Sept. 30, Lyndon LaRouche welcomed the proposed Asian Monetary Fund:

"At the end of 1995, I made a trip to Japan, during which I met with representatives of various groups of influentials, top people there, behind the scenes, and some in the scenes, and laid out what was going to happen, and indicated what the remedies should be; what I thought the common interests of the United States and Japan were in this matter, and indicated the kinds of measures which should be taken to defend

Japan's vulnerability on its Asian flank, that is, its relations to China, as trading partners; its relations to trading partners in Southeast Asia, in particular.

"Now, what has happened, as I know from reports received, is that many among those circles, whose representatives I met on that trip to Japan, now believe that I was correct, and their reservations about my warnings have now been, more or less, dissipated. And they act in this way, to take a step in a direction which may not work by itself, but indicates an inclination which may come to fruition, because if China and the United States and Japan *agree*, or come to an agreement on measures like this, and have the support of groups like the Southeast Asian group, and the G-24, and so forth, if that comes into being, then we have a juggernaut here, that these fellows in the British Commonwealth, and the banking system, who are going into bankruptcy anyway, will not be able to stop. That is what the significance is to this [Asian Monetary Fund proposal]. Do not look at it as something in and of itself; look at it as a sign of the times. Look at it as *the way the winds are blowing*."

Chen Yuan, deputy governor of the People's Bank of China, stated in Hongkong: "The crisis in the Southeast Asian economies this summer has been a serious warning for all the countries in Asia." Chen Yuan said that China would contribute its share to the regional fund, if it were properly structured, according to the Danish *Jyllands-Posten's* report from Hongkong on Sept. 24.

LaRouche also noted the reaction of U.S. Treasury Secretary Robert Rubin to the proposal, stating that Rubin "is very close to the Chinese, and in support of Japan's policy, on these same kinds of issues, while walking a rope between the present policy in the United States, and what he knows that we have to go for on the other side of the chasm."

Rubin, who attended the IMF-World Bank meeting, and then went on to Beijing to discuss the upcoming Sino-American summit with China's top leaders, refused to join the violent critics of the proposed AMF. Switzerland's *Neue Züricher Zeitung* reported on Sept. 25 that "the U.S. has now turned around and has shifted away from the other partners in the G-7. On his way to Beijing, U.S. Treasury Secretary Robert Rubin said, he will in the visible future visit several Asian countries, in order to discuss the idea of the AMF on the spot."

In Beijing on Sept. 26, after the Sino-U.S. Joint Economic Meeting, Rubin told Chinese Finance Minister Liu Zhongli that the United States welcomes China's increasing participation in the international financial world, and said that he has noted China's recent contribution in assisting Thailand during its financial crisis.

In his press conference in Hongkong on Sept. 20, Secretary Rubin was asked for his reaction to proposals for "a special new rescue fund for the ASEAN nations that would somehow outflank the other global facilities of the IMF." Rubin responded: "I think that is really part of a broader question. I think what is happening in South East Asia today has some similarities to what happened in Mexico back in early 1995. . . . The question that is always before us, as the question we

faced at the Halifax leaders' summit, the question always before us is how do we best deal with preventing problems from developing and then, if problems do develop, dealing with the problems that have developed. Clearly, what we need to do is to have the institutions and mechanisms that are as modern as the marketplace, and that is an ongoing challenge that all of us are going to be faced with in this new world. . . .

"In today's global economy and global capital markets, issues that develop in one country, can become issues that affect many other countries. If you take that total framework, and I think all of us need to work in the context of that framework, to try to continue to improve the institutions that we have. . . . I think that the constructive thing for all of us to do is to continue to work in the context of those principles to see what kinds of steps that we can take that will improve our system, both with respect to prevention and then when crises do develop, a cure if you will."

London: a 'dangerous' idea

But the potential for such a fund to undermine the grip of the IMF in Asia, which has so exacerbated the financial disasters of the past months, provoked violent reactions in the headquarters of British Commonwealth policymaking. The mouthpiece for the City of London, *The Economist*, growled on Sept. 27 that "if this repeated talk of Asian responses to Asian challenges ever gets expressed as policy, the results could be dangerous indeed. . . . Japan, for instance, has proposed an Asian bail-out facility, amounting perhaps to \$100 billion, to help Asian countries in financial distress. Such an idea is risky. It would weaken the authority of the IMF, the closest thing the world's monetary system has to an effective policeman, and place in competition with a body, whose judgment would be guided more by politics than by economics."

The Economist noted that Asia may soon have an ally in the Americans, because "where Asians talk of capital controls to protect themselves from wicked speculators, many American Democrats want environment and labor standards to protect the United States from unfair foreign competition. . . . The White House may abandon" multilateral structures and pursue regional deals of the type that the AMF implies, instead. "If Asian governments were to start devoting more effort to regional rather than global arrangements, support for multilateral free trade would be weakened twice over. Suddenly, the squabble in Hongkong seems not so funny."

German and French officials were also hostile. German Finance Minister Theo Waigel attacked the AMF proposal, and his French counterpart, Dominique Strauss-Kahn, called it "more of a step backwards, than a step forwards," because the assistance the fund would provide would alleviate the "necessity" to impose harsh IMF conditions on Asian economies. French European Union Economic Commissioner Yves-Thibault de Silguy was also most concerned that the AMF might undermine the IMF, and possibly enable Asian economies to escape the full "liberalization" of capital markets that the Europeans are demanding.

Israelis, British set up Iran for strike

by Muriel Mirak-Weissbach

In 1981, the Israelis launched a military operation which succeeded in bombing the Osirak nuclear plant, being constructed by Iraq. The rationale behind the aggressive act, which was accepted by the “international community” at the time, was that, had Israel not taken the step, the regime of Saddam Hussein would soon have been in possession of a nuclear weapon, capable of wiping out Israel. The Thatcher-Bush war against Iraq in 1990-91, and the continuing embargo against that nation, have been viewed by the British strategists of the operation, as the final act in the containment of Iraq.

With precisely the same methods and rationale, the same constellation of British and Israeli forces is mounting an assault against the other giant in the Persian Gulf, Iran. Unless the fraud of the “nuclear scare” is unmasked and defeated, there is a serious danger, that a military strike against Iran could be launched by the insane government of Benjamin Netanyahu.

The nature of the fraud

The campaign waged against Iran, on grounds that the country has been pursuing the production of weapons of mass destruction, is a witting fraud, and has been proven to be such, by recent developments related to a major oil deal, also involving Iran.

The gist of the matter is the following: The argument used to rationalize sabotage of Iran’s nuclear energy sector, has been, that the only reason Teheran seeks this technology, is to develop an atomic bomb, with which to threaten its neighbors. The “proof” of this line of argument has been, that since Iran has so much oil and natural gas, it does not need nuclear power. One would assume, therefore, that any further development of Iran’s natural resources, would be applauded by the anti-nuclear crowd.

On the contrary: As the news was released on Sept. 29, that Iran had signed a deal with the French, Russian, and Malaysian oil and gas companies, for gas exploration in Iran, the alarm bells started ringing, and threats to impose sanctions against Iran’s trade partners were issued from Washington. No nuclear threat here. Why, then, the hysteria? In this case, the other handy argument was pulled off the shelves, and offered for the credulous: No such deal should be allowed to go through, because Iran would presumably use the additional revenues created to finance its alleged support for international terrorism.

The anti-Eurasian Land-Bridge policy

The actual policy considerations behind the obvious fraud are quite straightforward: Iran is the most important nation, geographically, strategically, and economically, on the western end of the Eurasian Land-Bridge, the new Silk Road infrastructure development project which the Chinese government has been implementing over the last decade. Since the collapse of the Soviet Union in 1991, and the emergence of the newly independent Central Asian Republics (CAR), Iran has established diplomatic and economic relations with these nations, and created new rail links, which have opened up the route for the CAR to the Persian Gulf, as well as to Europe. Iran’s completion in May 1996 of the Mashhad-Sarakhs-Tajan stretch of railway, provided the missing link in a transport network joining China to Europe. It is this transcontinental rail and economic development program, which geopolitical interests based in Britain have historically opposed, and have blocked or contained, by war, among other means.

In its commitment to the Silk Road perspective, Iran has not limited its cooperative agreements to the CAR, but has very deliberately enhanced relations with Russia and, of

course, China, which is leading the effort. Iran has also intervened, where possible, to help mediate negotiated solutions to regional conflicts, which were impeding development; efforts are ongoing in Azerbaijan-Armenia and Afghanistan, whereas in Tajikistan, Iran and Russia together managed to broker a truce in a dangerously expanding civil war.

Regionally, Iran has been pursuing with some success rapprochement with its Arab neighbors, including Saudi Arabia and Iraq, thus opening the possibility for greatly enhanced economic development through cooperation with them. Finally, Iran has been assuming a more prominent role within regional economic organizations, like the Economic Cooperation Organization (ECO), and the new Development-8 (D-8) grouping, which, in turn, have strengthened their ties to groups like the Association of Southeast Asian Nations (ASEAN). In December, Teheran is to host the annual summit of the Organization of Islamic Conference (OCI), which is the largest such grouping.

These are among the reasons why Iran is being targeted.

The origins of the fraud

It was the British press during the summer which revived the “nuclear scare” story. The *Observer* carried an account of an Iranian-British businessman named Hossein Jafari, who was detected shopping for a spectrometer in Britain; although the man claimed he wanted it for gold prospecting in Abu Dhabi, the *Observer* pronounced that the instrument was used primarily in construction of nuclear weapons. In August, again, it was the British press that provided “proof” of the bomb plot. The *Times* ran the story that Reza Amrollahi, the head of the Iranian Atomic Energy Organization, had gone to meet South Africa’s Pik Botha and Atomic Energy Commission director Dr. Waldo Stumpf, with a shopping list of components to build nuclear bombs. Although Stumpf denied the meeting ever took place, and Botha said that he had “discussed the possible peaceful application of nuclear energy,” specifying that it was “when I went to Iran,” nonetheless, the “veteran correspondent Al J. Venter” swore that they had discussed bomb material. Venter’s story first appeared on Aug. 15, in the Johannesburg *Mail & Guardian*, which received an “advanced copy” from the Jane’s Information Group in London. Shortly after the report appeared on the Internet and in the press, a hue and cry was raised in Washington. President Clinton issued his new Executive Order “prohibiting transactions with Iran,” on Aug. 19.

The Russian angle was then introduced into the “bomb plot,” through the good graces of the Israeli Mossad. William Safire provided a rare service to the world, by revealing some uncomfortable facts, in an article in the Sept. 28 *Washington Post*. Entitled “Iran Girds for War,” Safire laid bare the role of the Israeli Mossad in cooking up the “intelligence” on Iran’s alleged nuclear capability. Complaining that the Mossad had warned in the 1980s that Iraq were building nuclear weapons, and had not been heeded, Safire wrote, “One year



Israeli Prime Minister Benjamin Netanyahu. The threat that he may bomb Iran’s nuclear facilities, in concert with British geopolitical interests, is one more reason the President Clinton must use his power to help remove this madman from office.

ago, Israel shared with our Defense Intelligence Agency Mossad’s evidence and conclusions about a new proliferation threat from a supporter of terrorism.” Safire says that it was already known, that Iran was developing “nuclear, biological and chemical weapons.” But, what was not known, until the Mossad kindly shared its intelligence, was: “Massive Russian assistance and close cooperation with Iran are enabling the Iranian regime to develop independent capabilities to produce medium-range ballistic missile systems within a very short time.” Safire explained that no regional power would worry, if Iran built only short-range missiles; however, “technical and humint [human intelligence] sources revealed . . . Shahab-3 and Shahab-4, missiles ranging up to 1,240 miles and threatening many capitals.” Safire wrote that President Clinton brought up the charges, in talks with Russian President Boris Yeltsin during the Denver summit, but “did not want to use space aid or IMF [International Monetary Fund] support for coercion.” At this point, according to Safire’s account, “Israel then went public.” Bill Gertz of the *Washington Times* wrote an exclusive article, detailing some of the Mossad’s findings, corroborated by U.S. intelligence. “Congress,” he said, “is now awake to Russia’s breach of its arms proliferation agreement.”

It was at that point, that Vice President Al Gore brought up the allegations, in talks with Prime Minister Viktor Chernomyrdin in Moscow. Gore cited a U.S. intelligence report, which showed “a vigorous effort by Iran to obtain the technologies it needs to build a ballistic missile and to build nuclear weapons.” The Russian diplomat refused to break trade relations with Iran, and proposed a form of joint monitoring, to be overseen by Russian space agency head Yuri Koptev and U.S. diplomat Frank Wisner.

Safire’s account continues, to amplify the Russian complicity in the Iranian “bomb plot”: “In addition to the secret missile help, hundreds of Russian scientists are openly in Iran building its Bushehr ‘civilian’ reactor.” And he adds the standard line: “But Iran sits on a sea of cheap oil energy; its only reason for a nuclear reactor is to produce plutonium isotopes for bombs.” In conclusion, Safire makes a statement of remarkable clarity, identifying his actual concerns, and those, presumably, of his friends in the Mossad: “We see developing a fundamental split in the strategic view of Israel and the Clinton administration over matters affecting national survival. Israel’s Netanyahu views Iran, whose warheads could incinerate Tel Aviv, as Israel’s greatest threat.”

The upshot of Safire’s piece, is that Clinton has prioritized relations with Russia, and “accordingly he tolerates Russia’s open and secret support of Iran’s bid for nuclear missile coverage of Israel, Egypt, Saudi Arabia and Turkey.” Stating that the United States and Israel should “act unilaterally,” trusting that their allies will understand, Safire recommends: “Mr. Gore should sit down with Mr. Clinton to reassess his Russian priority.”

The political thrust behind Safire’s intervention, is clear: that it is not only Iran which is a problem, but Clinton’s insistence on maintaining good relations with Russia—a crucial partner in any U.S. policy initiative, to reorganize world monetary and economic structures.

The Israeli problem

It is not just the Mossad, which has campaigned for action against Iran. Israeli Defense Minister Yitzhak Mordechai stated in July, that Israel would “use any means” to prevent Iran from becoming a nuclear power.

Unfortunately, this is one area on which a consensus exists within the otherwise factionalized political landscape of Israel. In an interview with the German daily *Frankfurter Rundschau* on Sept. 20, Israeli former Prime Minister Shimon Peres was unequivocal. Asked, “What is today the greatest threat to Israel, terrorism from outside or the internal confrontation between Orthodox and liberal Jews?” he answered, “The greatest threat is Iran with its new, non-conventional warheads. This is dangerous for us, the Near East and for Europe.” In his book, *The New Middle East*, Peres had presented his conviction, which he had developed from the very beginning of Israel’s existence, that the most important factor for his country, was its development of a nuclear capability.

Israel, in possession of that capability today, without having signed the nuclear Non-Proliferation Treaty (NPT), sees its monopoly over this technology as essential to its national security. The danger that the current government of madman Benjamin Netanyahu, could be tempted to try a preemptive strike against Iran’s Bushehr plant, is real. Amir Oren explicitly urged Netanyahu to do so, in a feature article in the Israeli daily *Ha’aretz*. The article, entitled “Similar to Begin’s Decision to Bomb the Iraqi Reactor, Netanyahu’s Political Crisis and Reports of Security Agencies, Might Push Him to Bomb Iran’s Nuclear Reactor,” argues that the time is ripe for a strike. This is one more good reason, for President Clinton to use his political muscle, to relieve the region of Netanyahu.

Iran’s nuclear program

The history of nuclear energy in Iran goes back to the Shah’s time. In March 1973, following the oil price rise, and the fourfold increase in Iran’s oil revenues, Shah Mohammed Reza Pahlavi decided to launch a nuclear energy program, as part of the industrialization process., according to a report published on May 27, 1995 in the morning daily paper, *Iran*, by Dr. Mostafa Taqizadeh Ansari on the Iranian nuclear program. Dr. Ansari recounts that the Atomic Energy Organization was established for the purpose. Iran had joined the nuclear Non-Proliferation Treaty in 1969, and signed contracts for construction of plants with France and Germany. The German Kraftwerk Union (KWU) was to build two pressurized water nuclear reactors, of 1,190 megawatts each, at Hali-leh, near Bushehr, on the Persian Gulf. According to the agreement of 1977, there was to be cooperation on “Research, scientific and technological development, formulation of a project to set up and exploit nuclear power plants and other nuclear facilities, training of Iranian skilled manpower, securing the safety of nuclear facilities including radion protection, fuels, use of atomic energy for peaceful purposes other than energy generation ,” and so forth. A memo of understanding was signed, in addition, for four cool-water power plants, of 1,200 megawatts, in central Iran. Two further 1,200 megawatt nuclear power stations were to be built with Brown Boverie. In all, there were eight power plants to be built with German cooperation.

In March 1976, Iran signed an agreement with French President Valéry Giscard d’Estaing. This involved the construction of six nuclear power plants, built by Framatome. Like the German plants, these were never completed, due to the revolution of 1979, which halted construction, and the war with Iraq which lasted until 1988.

Negotiations had also gone on with the United States, beginning with the 1968 trilateral agreement including the International Atomic Energy Agency (IAEA), which authorized inspection of Iran’s plants, to be built by the United States. In 1975, contacts were made with American companies for the purchase of six to eight nuclear plants, but, accord-

ing to the *Iran* account by Dr. Ansari, this did not go through Congress.

Fuel for the ambitious nuclear program, was to be provided either by those transferring the technology (KWU and Framatome), for ten years, or through the exploration and enrichment of uranium in Iran. Iran entered into agreements with the consortia Eurodif and Coredif, purchasing 10% and 25% of their shares, respectively, and purchased 28,000 tons of uranium from other countries.

What Iran would like to do at present, is to complete the work begun on the nuclear plants, beginning with the Bushehr plant. As detailed in an article in *Iran News*, on a report, "Iran Exports and Imports," March-April 1995, the contract between Iran and Russia was signed on Jan. 8, 1995. The Russian atomic energy minister conducted the negotiations with the head of the Iranian Atomic Energy Organization (IAEO), Dr. Amrollahi. According to the contract, Russia was to complete the 1,000-megawatt Bushehr plant within four years. The deal was worth \$1 billion, of which \$800 million was in foreign exchange, and the rest in Iranian currency. As explained in the report, "The major difference between the present design and work plan, with the original plan designed by the Germans, lies in the method of transfer of the necessary technology and know-how: the Russians have undertaken to train Iranians to make up the personnel required and today [1995], already 500 or so Iranian engineers and technicians are in Russia receiving instruction and being trained in various Russian power plants. At the same time they are supervising the manufacture of the parts that will ultimately make up the plant at Bushehr."

Even following the war with Iraq, 85% of the plant construction survived, and 95% of the parts were available, but, according to the report, the remaining 7,000 tons of equipment and parts were not delivered by Germany. Through international arbitration, Iran had succeeded in 1981, in pressuring Germany to deliver some of the parts, but not all. It was in October 1990, after the Iranian Foreign Ministry found out, in negotiations with the Germans, that they had been pressured by other states not to deliver the parts, that Iran sought another partner.

In the contract with Russia, the first of the two power plants contracted to Germany, will be completed, then negotiations will take place on the second plant. In an interview with *Iran News*, Dr. Amrollahi was asked what the Bushehr plant would offer Iran. He answered, "First of all, by spending \$1 billion on the plant, the amount of the contract with Russia, Iran will save \$10 billion of material and parts that were left unused and wasting away. . . . Next, the power plant will oblige and help us to increase our knowledge in many relevant fields, such as quality control and safety, which are indispensable in nuclear plants. . . . Thirdly, the province of Bushehr, where the plant site is situated, will benefit greatly and this relatively deprived area will develop socially and economically." As for the technology transfer, Dr. Amrollahi ex-

plained, "We intend to run the plant with Iranian personnel, entirely."

The Iranian nuclear project is not limited to the production of energy, but is also geared toward the production of medical products. With their cyclotron in Karaj, near Teheran, Dr. Amrollahi explained, the accelerator "has the power of 30 million electron volts for accelerating protons and 15 million electron volts for accelerating electrons." This will be used to produce thallium-201 and barium-67, used to treat heart diseases. In a third phase, to be completed in 1997, Iran hopes to produce iodine-123 and indium-111. And a fourth phase foresees the production of positron emission tomography, for medical uses.

Finally, as Dr. Amrollahi noted, Iran also has a contract with China, for the construction of two 300-megawatt plants.

As a signator to the NPT, Iran is open to inspections by the IAEA. During the most recent tour of inspections, in July, IAEA Secretary General Hans Blix expressed the agency's "satisfaction" with Iran's nuclear program. Blix inspected all Iran's nuclear facilities, including the Karaj nuclear research center in Teheran province, for agricultural and nuclear medical research. After visiting the facilities, he "confirmed Iran's use of nuclear energy for peaceful purposes" and "expressed hope that products of this center would be used in other countries of Middle East and Central Asia," according to an account given by the Islamic Republic News Agency (IRNA).

At the 41st meeting of the General Assembly of the IAEA which opened in Vienna on Sept. 29, the current head of Iran's IAEO, Gholamreza Aqazadeh, reiterated Iran's commitment to the peaceful use of the technology, and reminded the gathering that Iran had been calling for a nuclear-free zone in the region for 20 years. According to a report in the daily *Ettela'at* of Oct. 2, he lamented the fact that the technology is being hampered by political considerations, and said, "Some nuclear states, have unfortunately engaged in a disinformation campaign against other countries, hence bringing accusations about their nuclear programs." He characterized the IAEA as the best agency for nuclear transfer to the developing sector, and called for an expansion of cooperation programs.

Neither nuclear energy nor oil, nor gas

Given the stamp of approval by the IAEA, there is little reason to doubt that Iran's nuclear program is intended for peaceful purposes. But this is not, and never was, the issue. The issue is Iran's right to advanced technologies, the right of any nation in the developing sector, to industrialize.

This was obvious, in the most recent flap over Iran's cooperation deals in the field of gas. The news broke on Sept. 28, that a major deal had been signed, with Russian, Malaysian, and French companies. The \$2 billion deal involves the French Total, Russia's Gazprom, and Petronas of Malaysia. Total holds 40% of the shares, which means that this is the biggest deal signed with Iran since 1979. The other two partners hold 30% each. The consortium is to explore for natural

gas, and according to Iranian accounts, to extract 1,995 cubic feet of gas per day, from the Pars-e Jonubi field.

Immediately, irate voices were heard in Washington, to the effect that the agreement was in violation of the notorious Iran and Libya Sanctions Act of 1996. Sen. Alfonse D'Amato (R-N.Y.), who presented the act, exclaimed that the French company should be "sanctioned to the fullest possible extent. There is no doubt," he ranted, "that Total has been trying to precipitate a dispute with this contract over the implementation of the act." The U.S. State Department's reaction was more directly political: "Our position on any investments in Iranian gas and oil fields is clear: Such investments make more resources available for Iran to use in supporting terrorism and pursuing missiles and nuclear weapons."

According to the legislation on sanctions, Clinton has 180 days to consider the situation, and decide whether sanctions should be imposed. Given the dimensions of the agreement, all three partners, Russia, France, and Malaysia, could be eligible for sanctions.

From initial indications, it appears as if the Clinton administration wants to avoid unnecessary confrontation. State Department spokesman Jamie Rubin stated on Sept. 29, that sanctions might be waived. He said, "The objective of the legislation is not to impose sanctions," but to get other countries, in Europe in particular, "to work with us on the subject of tightening up pressure on Iran." There are several indications of the administration's desire to improve relations with Iran, albeit in a step-by-step, very gradual process. The Clinton administration did make known on July 27, that it would not oppose a pipeline from Turkmenistan through Iran, to Turkey, when it could have used the sanctions legislation, to oppose it.

What threatens to blow up the situation, is the climate of frenzy which is being whipped up in Europe. Since the deal was announced, the press has gone overboard to paint a picture of a "war of words" between the old continent and the new. Those stoking the flames of conflict are being led by Leon Brittan, the British bully in the European Union who is urging "Europe" to seize the opportunity of the Iran deal, to "confront" the United States. That there is no need for confrontation, was noted by the German financial daily *Handelsblatt*, which pointed out that talks had already been scheduled for Oct. 15, for the United States and the EU to iron out any differences over trade issues. Why the French government, which backed the Total deal, went ahead with the announcement in the manner it did, notes *Handelsblatt*, is a big question mark. The thrust of the controversy, is to pit Europe and Russia against the United States.

President Clinton is facing a historic summit with China's President Jiang Zemin, and the challenge to forge a partnership with that great power in Asia. The current drumbeat against Iran, must be seen as part of the broader British effort to sabotage Clinton's policy toward Eurasia, and dealt with accordingly.

George Soros vs. sanity in Poland

by Anna Kaczor Wei

After a short election campaign that was interrupted by dramatic floods in southwest Poland, on Sept. 21 Polish citizens (only 48% of eligible voters) elected a new Sejm (parliament), now dominated by the Solidarity-led coalition called Solidarity Electoral Action (AWS), which got 34% of the vote. The second largest party is the Democratic Left Alliance (SLD), with 27% of vote, followed by the Freedom Union (UW), chaired by infamous free-marketeer Leszek Balcerowicz, 13%; the Polish Peasant Party (PSL), 7%; and the Movement for the Reconstruction of Poland (ROP), chaired by former prime minister and nationalist Jan Olszewski, with more than 5%.

As of this writing, the AWS leadership is still in negotiations to form a coalition government. They will have to make a decision by Oct. 17, present their candidate for prime minister, who, after getting the approval of President Aleksander Kwasniewski, will form his cabinet. Many Polish sources confirm that the AWS is ready to form a coalition with the Freedom Union, with "the blessing" of the PSL and the ROP, to counterbalance the influence of the SLD, which they consider their main adversary because of its communist past. Such a coalition, however, will have at least one major flaw: It will be based on a conflict of interest, because the expectations of many Solidarity unionists are contrary to the economic ideas of the UW, whose leading politicians, including Balcerowicz, for many years have been collaborating with George Soros, the hit-man for the British financial oligarchy.

Soros's invasion of Poland

EIR readers are familiar with Soros's involvement in the destruction of the currencies and economies of many countries, most recently in Southeast Asia, where during the last few weeks, Malaysia's Prime Minister Dr. Mahathir Mohamad has attacked speculators like Soros in response to their destructive activities there.

Soros first set foot in Poland in the mid-1980s. In his book *Underwriting Democracy* (New York: The Free Press, 1991), Soros describes his first involvement in eastern Europe, including Poland, where he moved to establish one of his foundations in 1988: "Pelczynski was ready to negotiate with the government, and I had my own contacts with the Solidarity

underground. . . . When Solidarity came to power, I asked the board to resign and put the foundation into the hands of a new team headed by Zbigniew Bujak, erstwhile leader of Solidarity in Warsaw. . . . I established close personal contact with Walesa's chief adviser, Bronislaw Geremek." Geremek is currently a leading politician in the UW, and a member of the board of Soros's Batory Foundation in Poland. Other leading UW members are also on the board, for example, former Prime Minister Hanna Suchocka.

Further on, Soros describes how he "prepared the broad outlines of a comprehensive economic program" for Poland, and "showed the plan to Geremek and Professor Trzeciakowski." Soros's plan became known as the Balcerowicz Plan, otherwise called shock therapy, or the Polish model. For many Poles, Balcerowicz, former finance minister and prime minister, is the embodiment of the insanity of the free-market reforms, including such measures as lifting tariffs on 800,000 commodities almost overnight, and increasing interest rates to more than 90%.

The fact that 13% of the vote makes his party the third-largest force in the parliament, leaves many Polish patriots worried that a new ruling coalition, if it involves the UW, may accelerate free-market reforms and speed up the collapse of an already weak economy. This seems quite possible to them, given that the chairman of the Solidarity trade union, Marian Krzaklewski, has often voiced his support for the continuation of free-market reforms and the unpopular policy of mass privatizations, which so far have resulted in the takeover of Polish industry and, increasingly, the banking system, by foreign interests. It is also alarming that the AWS includes such proponents of the Conservative Revolution in the tradition of former British Prime Minister Margaret Thatcher, as Kazimierz Ujazdowski, leader of the Conservative Coalition, who represents in Poland the British-linked Windsor Group.

Trade unionists must act

However, the last seven years have proven to many Solidarity unionists that free-market reforms mean the loss of jobs, a lower standard of living, the destruction of health care and education, and no comprehensive vision for the development of the country, since everything supposedly depends on "market forces." They are determined to change economic policies in a way that would guarantee the reconstruction not only of the regions destroyed by the recent floods, but also of infrastructure and industry throughout Poland.

A leading trade unionist from the industrial region in Upper Silesia, Krzysztof Młodzik, told *EIR* that rank and file unionists are committed to the fight for infrastructure development, and reported that there is growing support for the idea of Lyndon LaRouche's Eurasian Land-Bridge project and transport grid development, because people are beginning to understand that it means more jobs in many branches of

industry. A similar sentiment was expressed by Prof. Adam Biela, who won his seat running on the AWS ticket. He also mentioned to this author that many AWS parliamentarians are aware of the Soros connection to the UW, and will make sure that the future economic policy of the government is directed more toward the development of the productive economy. He also reported that during the post-election Solidarity meeting in Gdansk, the delegates demanded that the future coalition include, if necessary, also the PSL and the ROP—which is a good sign, because both parties have been campaigning for protectionist measures to save Polish farmers and industry.

In his book, Soros wrote about the Polish economy in 1991: "If loss-making operations were forced into liquidation, both labor and other resources would become freely available. Western enterprises could then come in and employ cheap Polish labor and other resources in supplying Western markets." Although this goal has been partially achieved, should Poland join a growing anti-International Monetary Fund coalition now, it would still have a chance to recover. However, this coalition has to be urgently expanded to include the United States of America, because, as LaRouche has stressed many times, it is presently the only country which can successfully lead an alliance against the British "Invisible" Empire.

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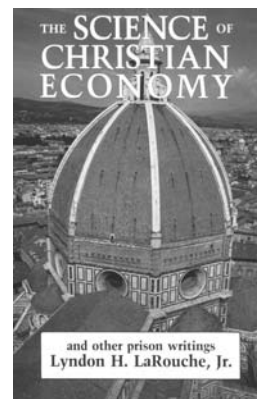
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The battle over the cover-up of Princess Diana's murder escalates

by Scott Thompson

On Sept. 30, *EIR* editor Jeffrey Steinberg appeared on the nationally syndicated Geraldo Rivera Investigative Report television show, where he exposed crucial features of the ongoing British and French governments' cover-up of the murder of Princess Diana. Steinberg's TV appearance, as part of a panel of six well-known personalities familiar with the life of the Princess of Wales, fueled growing widespread interest in *EIR*'s coverage of the tragic crash, which took place in a Paris tunnel on Aug. 31, 1997, and led to appearances by Steinberg on the popular Bob Grant radio show, and on a half-dozen other radio broadcasts from coast to coast.

The Steinberg appearance on the Geraldo Rivera show occurred on the same day that French authorities were launching the second phase of their increasingly desperate effort to suppress the mounting evidence that Princess Diana's death was a sophisticated assassination. As *EIR* reported two weeks ago, the French cover-up began to unravel in mid-September, as a half-dozen witnesses stepped forward to provide details of the crash, revealing the involvement of a dark-colored Fiat Uno, several motorcycles, and the apparent use of an extremely powerful flash of light that incapacitated Henri Paul, the driver of the Mercedes 280-S that was carrying the Princess, her friend Dodi al-Fayed, and their bodyguard, Trevor Rees-Jones.

Lyndon LaRouche spelled out this evidence in an interview with the internationally broadcast weekly "EIR Talks" radio program, on Sept. 30. "It's getting wild," LaRouche commented. "The British government and the French government, recently, through their representatives, have met, to have an agreement that the French government would see to it that evidence which was not *acceptable* would be *suppressed*. And, in honoring that agreement, the French government has stepped up its cover-up efforts, and has recently staged an elaborate show, a dog-and-pony show, to try to indicate that the driver was drunk, when there is positive evidence which had been submitted, that this whole thing is a fraud. The woman and her companion—with one survivor of course—were *murdered!*"

"For example," LaRouche continued, "it is admitted that

there were two motorcycles, and a vehicle, a Fiat, which were harassing the vehicle, the Mercedes 280-S, in which the Princess and her companions were riding. . . . There is also admission of the flashes and the sound; that things were done with light flashes, and with something else, as well as harassing the vehicle in a manner to bring about an accident. This has all been stated, reported by government circles, or admitted by government circles. So, when they come out and say it was drunken driving, it indicates that there's a real cover-up in process. This woman was murdered by vehicular homicide. Who did it is not certain. But what is certain is that . . . this case of murder, is a threat to the interests of the House of Windsor; whoever did the murder, the threat, the immediate threat of the impact of the fact that it *was* a murder, is most greatly focussed against the House of Windsor. Therefore, the House of Windsor, in its desperate effort to keep control of the British Commonwealth, has made an agreement with their friends in France, to do everything possible to stage a cover-up, a fraudulent cover-up of an assassination. It's not going to work, but that doesn't mean they're not going to try."

Breaking the U.S. media blackout

In his interview with Geraldo Rivera, Steinberg provided the American public with the first details of the debriefing of the lone survivor of the crash, Rees-Jones, in which he described the Mercedes coming under attack from at least one car and two motorcycles. Up until Steinberg's appearance on TV, the American media had stuck with the British and French government cover stories, that Rees-Jones had lost his memory, and would be unable to shed any light on the tragic events of Aug. 31. Steinberg also had the opportunity to review the accounts of several of the key eyewitnesses, and to detail Princess Diana's role in the effort to bring down the House of Windsor. He ended the broadcast by calling for a thorough public airing of all of the evidence in the case, to avoid the kind of rush to judgment that led to the suppression of the truth about the assassinations of President John F. Kennedy and Rev. Martin Luther King, Jr., still ongoing after more than 30 years.

Re-enactment of the crash

As Steinberg's appearance on the Geraldo Rivera show was airing in the United States, French authorities, following a secret agreement with their British counterparts, and with media executives from both countries, escalated their vicious effort to suppress the truth. On Sept. 30, French police, led by investigative magistrate Hervé Stephan, staged a re-enactment of the crash, in front of over 100 reporters. Each of the reporters had been personally called by French police officials and "tipped off" to the planned re-enactment. The police trucked the wreckage of the Mercedes to the site of the crash, and spent five hours, ostensibly studying the forensic evidence. These very same French authorities have, to date, rejected offers from the automobile's manufacturer, Daimler Benz, to send its engineering experts to help determine precisely what happened in the Seine River tunnel in the early hours of Aug. 31.

The reason for the lack of interest in assistance from the Daimler Benz personnel is that spokesmen for the firm have already made statements that fly in the face of the French cover-up. For example, the French police seized on the fact that rescue workers arriving on the scene of the crash found the speedometer of the Mercedes stuck at over 120 miles per hour. This "evidence" has been pivotal in the French claims that driver Henri Paul was wrecklessly speeding. But, Daimler officials explained, in a public statement, that a high-impact crash will cause the speedometer of the Mercedes 280-S to freeze either at zero, or at the maximum speed. There is, in fact, no evidence that Paul was driving at that unsafe speed at the time of the crash. Eyewitnesses have said that the Mercedes was travelling at no more than 60 miles per hour, just seconds before Paul entered the tunnel.

The re-enactment was actually a pretext for misinforming an all-too-willing press corps, that new forensic tests on the hair and skin of the deceased driver had revealed that he had been on a week-long drinking binge, and that the sole cause of the crash was Paul's drunken state. Even the paparazzi, who had stalked the Princess from the moment that she and al-Fayed had arrived at a Paris airport on the morning of Aug. 30, are about to be given a clean bill of health. Attorneys for the nine photographers who were held for possible complicity in the Princess's death, told the media that they were now confident that their clients would soon have all the investigations against them dropped.

In fact, days before the staged media event by the French magistrate and the police in the Alma Tunnel, a British reporter who had participated in the initial media investigation of Paul, told *EIR* that no one has been able to turn up *any* location where Paul had been seen drinking on the night of the crash. French police had earlier admitted that just 48 hours before his death, Paul had successfully gone through a rigorous physical exam, to renew his airplane pilot's license. No evidence of alcoholism had turned up. So far, neither the al-Fayed family nor anyone from the media has

seen the detailed forensic tests that purport to show the Paul was affected by alcohol and prescription drugs on the night of the crash.

A blinding flash of light

Despite the latest effort of the French and British governments to suppress evidence, there continue to be eyewitness reports that, seconds before the crash, a powerful flash of light was seen, which appeared to have blinded Paul. On Sept. 9, an attorney for the al-Fayed family, who was privy to some of the early forensic evidence gathered by police, told Associated Press that there were photographs, apparently taken by a paparazzo from a car or motorcycle just in front of the Mercedes, showing Paul covering his eyes, and bodyguard Rees-Jones flipping down the sun visor.

While French police initially suggested that the light may have been a flash from a camera, *EIR* is investigating estimates from several security professionals, that the light was a far more powerful, blinding flash, that may have come from a sophisticated irregular warfare device, employing laser technology (see article which follows).

'Mend it, don't end it'

As French authorities were redoubling their efforts to suppress the evidence of murder, the battle over the fate of the House of Windsor was heating up across the English Channel. On Sept. 29, Andrew Morton, the author of a controversial 1992 biography of Princess Diana that exposed many damaging details about the House of Windsor, revealed that he had received most of the information for the book from the Princess herself. He announced that he would be re-issuing the book, with several new bombshell revelations, as an autobiography of Princess Diana, as told to him. American author Kitty Kelley's just-published exposé *The Royals*, has also added new fuel to the anti-Windsor effort.

But, on Sept. 28, Martin Walker, the European editor of the London *Guardian*, who previously served for nine years as chief of the paper's Washington, D.C. bureau, penned a review of the Kelly book in the *Washington Post*, which claimed that an outright overthrow of the House of Windsor is next to impossible, and, that Prime Minister Tony Blair is leading the effort to "reinvent" the royal family, and shape a new power-sharing arrangement between the Windsors and the other leading British figures within the Club of the Isles oligarchy. "Mend it, don't end it," was Walker's description of the Blair-led effort, which he heartily endorsed.

All of these efforts to strike a new "gentlemen's agreement" between the Windsors and their rivals will come to naught, however, if the cover-up of Princess Diana's murder is broken. At that point, the 10 million British subjects who turned out for the Princess's funeral, in an act of national defiance against the Windsors, would have the ultimate say about the fate of the royals; and at that point, all bets would be off.

Blinding lasers and the murder of Diana

by Charles B. Stevens

Ironically, a weapon whose banning had been sought in conjunction with the banning of land mines—an effort which Princess Diana had joined so prominently in the last months of her life—may have played the key role in her vehicular homicide. This is the blinding laser weapon, or dazer. There are continuing witness reports that an intense flash of light was seen in the tunnel shortly before the car crash that killed the Princess on Aug. 31.

The International Committee of the Red Cross (ICRC), one of the leading organizations involved in the campaign to ban both land mines and blinding laser weapons, notes in its 1995 brochure, “Blinding Weapons: Gas 1918 . . . Lasers 199?”: “Within a few years, soldiers, police and even civilians may encounter a new and haunting force on the battlefield and on city streets—blinding laser weapons. These are portable, highly effective and could become widely available. If these blinding weapons proliferate, they are bound to get into the wrong hands. . . . The fact that they are small, light and require no ammunition will make low-energy laser weapons attractive to insurgency movements, terrorists and criminal organizations. In addition, lasers are silent, invisible and leave no ballistic evidence.” (For more details see *Blinding Weapons*, a book published by the ICRC in 1993.)

A second irony is the fact that the first known deployment and use in combat of blinding laser weapons was carried out by the British in their war against Argentina in 1982. This was the “Laser Dazzle Sight,” which had been placed on ships of the Royal Navy. This system is officially known as the Outfit DEC and was used to dazzle the electronic and optical sensors of attacking aircraft and missiles.

The use of optical weapons in warfare is by no means a recent development. It is reported that Archimedes designed mirrors to be utilized against attacking Roman galleys in the siege of Syracuse. Marshal Zhukov flashed tens of thousands of anti-aircraft search lights into the eyes of German defenders in the opening stages of the Battle of Berlin, at the end of World War II. Magnesium- and aluminum-powered star shells and “flash grenades” have been utilized extensively throughout the 20th century. Recently it was reported that a Russian merchant ship had used a blinding laser weapon against a Canadian Sea King.

The more recently developed laser technology and the

closely related monochromatic fluorescent flash lamp, such as the xenon arc-light, have the distinct advantage that they concentrate energy at single wavelengths—distinct colors—and can therefore produce blinding effects at very low-energy outputs. In the case of lasers, their light can be concentrated into narrow beams and directed at targets over large distances. (Though it should be emphasized that the laser light need not be concentrated in a narrow beam; an omnidirectional burst can also be quite effective as a blinding weapon.) Furthermore, countermeasures to such blinding laser weapons are quite difficult to implement, since the laser jumps to alternative wavelengths, not affected by the countermeasures.

Current status

A good summary review of information on blinding laser weapons in the public domain is to be found in John Knowles’s article “Early Morning DEW: Directed Energy Weapons Come of Age,” in the *Journal of Defense Electronics*, October 1996. He reports that the United States had developed at least ten types of blinding laser weapons by 1995. For several decades, non-destructive, low-power lasers have been utilized as range-finders, target designators, and communications links. Blinding laser weapons were first introduced as a countermeasure to these systems. The close-combat laser weapon C-CLAW was introduced in order to blind enemy sensors. The U.S. Army version of this is the Stingray, a vehicle-mounted electro-optic countermeasure device.

Other systems have been developed by Russia, China, France, Great Britain, Germany, and Israel. Among these are the Laser Countermeasure System, made by Lockheed Sanders, which mounts on a M-16 rifle and is designed to impair the vision of an opponent. The Saber 203 rifle-launched “laser grenade,” which was developed by the Air Force Phillips Laboratory, was deployed with the U.S. forces in Somalia in 1995. The Dazer is a man-portable device, which was developed by the Allied Signal Electro-Optical Products Division, and deployed with the U.S. Special Operations Command. Los Alamos National Laboratory developed the Dazzle Laser system for use against low-flying aircraft and missiles. A 40 mm artillery round has been developed which carries a plastic-encased laser dye rod. Upon impact, the rod creates an exceptionally intense, isotropic, omnidirectional flash, which blinds surrounding electro-optical sensors, as well as human observers.

And while, according to Knowles, “mounting pressure from human rights groups and governments such as Sweden” has led the United States to halt “almost all development” of these laser weapons, “other countries such as France, Britain, Russia, Germany and Israel are believed to have pursued EOCM or antipersonnel laser programs.” Knowles quotes a leading U.S. military expert: “Relatively effective laser weapons can be derived quite simply by any nation or organization from commercial laser devices. . . . Accordingly, we believe the threat to be quite real. . . .”

Museveni's army: nepotism and Nazism

by K.T. Kabembe

Ugandan Minister of State for Defense Amama Mbabazi has been forced to call Brigadier James Kazini, commander of the Fourth Division of the Ugandan People's Defense Forces, to account for statements attributed to the brigadier in the Human Rights Watch book, *Scars of Death: Children Abducted by the Lord's Resistance Army in Uganda*. The Human Rights Watch book, released on Sept. 18 by the Watch's Children's Rights Project, details kidnappings and murder of children by the 2,000-man Lord's Resistance Army, a group which Museveni's heavily equipped 100,000-strong army has been unable to defeat in 11 years of war in northern Uganda.

The people of the war districts of Gulu and Kitgum have been caught in the crossfire, and it is believed that the war has caused the deaths of up to one-third of the Acholi population which lives there.

The relevant section of the Human Rights Watch report read as follows (pages 58 and 59):

"According to Paulinus Nyeko of Gulu Human Rights Focus, civilians frequently complain of harassment and human rights abuses by the Ugandan People's Defense Force, including robbery, rape, and torture. Since the focus of our investigation was on the abduction of children, we were not able to look into these charges, but we asked military officials if they were aware of them. Lieutenant Bantirinza Shaban, the public relations officer for the UPDF in Gulu, confirmed that he was aware of such allegations, and attributed any such incidents to 'communications problems' stemming from 'ethnic difficulties and language differences.'

"Colonel James Kazini, commander of the UPDF Fourth Division, had a different explanation: he attributed such abuses to the Acholi soldiers, saying: 'If anything, it is local Acholi soldiers causing the problems. It's the cultural background of the people here: they are very violent. It's genetic.' He expressed his regret that Ugandan law prohibits summary justice against soldiers found to have committed abuses: 'We used to have field court martials, and try and sentence them right in the market place. We used to just kill them. But now the President does not allow it. . . . Soldiers accused of misbehaving are taken to the police and charged.'

Kazini's charge of a "genetic" proclivity to violence by the Acholi people, one of the major groups in northern Uganda, caused an uproar in the country, lending credence to fears of a conspiracy to depopulate northern Uganda.

Kazini has denied making such a statement, according to the government newspaper *New Vision* on Sept. 22. However, Yodon Thonden, counsel for the HRW's Children Rights Project, told *EIR*: "We stand by our report. . . . I personally was not present at the interview [with Kazini on May 30, 1997, in Gulu]. But we talked to the researcher. Yes, we definitely stand by the statement."

Kazini's outburst highlights the urgent necessity to bring an immediate halt to British intelligence plans to widen the current low-intensity war in northern Uganda and southern Sudan into a Uganda invasion of Sudan. Kazini's statement indicates the escalating hatreds inside Uganda itself, where the British left a legacy of ethnic tensions between northern and southern Ugandans. If peace is not brought to the north especially, through a peace process that ends the northern Ugandan war, along with London's war in southern Sudan, fears are emerging that the Uganda powderkeg could explode as violently as Rwanda in 1994. This is all the more assured by prolonged conflagration inside Sudan, as per London's script.

Kazini rewarded

This is not the first time that Kazini has found himself in hot water, and the scandals surrounding his name point to the troubles in the UPDF (formerly the National Resistance Army) of London's Yoweri Museveni.

In August 1996, Kazini earned public attention when he incited a lynch mob against two captured "LRA rebels" in Gulu. Releasing the "rebels" to the street, Kazini personally organized Gulu townspeople on the site to stone the two to death. It later turned out that the "rebels" were ordinary civilians with no ties to the LRA.

Then in July 1997, Kazini's name was all over the press when he was called to account by a parliamentary committee for the millions of Ugandan shillings appearing in his personal account in the Ugandan Commercial Bank, at its Gulu branch. With millions flowing in and out like water, Kazini could only offer the explanation that he was holding money belonging to the army in his personal account, which had been confiscated from thieving army paymasters. He claimed that the slush fund under his name was for army expenses. This scandal has yet to be cleared.

However, none of this seems to have affected Kazini's rise in Museveni's army. Kazini is a nephew of Museveni on the dictator's wife's side. Despite howls of "nepotism" among the officer corps, Kazini on Sept. 27 was promoted to the rank of brigadier general—even as he was being called to account for his racist slurs against Acholis.

Such grotesqueries have also failed to warn off the United States from continuing to aid Museveni's London-sponsored marcher-lord force. The United States sent 100 Green Berets to Uganda to allegedly train "peacekeepers." The recruits for the training program were handpicked by Museveni's son Muhoozi, who is not even a member of the UPDF. Those soldiers are now fighting insurgents in western Uganda.

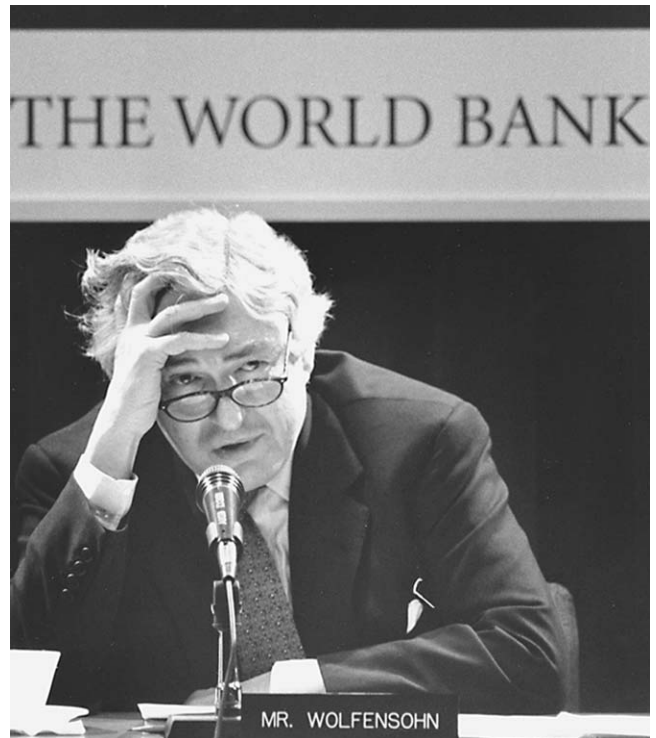
African 'peace parks': the new colonialism

by Roger Moore

The International Union for the Conservation of Nature (IUCN), otherwise known as the World Conservation Union, held a conference in September in South Africa on "peace parks" — animal and nature reserves that are eventually supposed to become transfrontier border zones, outside the control of sovereign nations. At a time when U.S. Ambassador to the United Nations Bill Richardson has been stymied in forcing the investigation of the massacres of Hutu refugees in Congo-Zaire, a speaker at the conference obscenely complained that the media had focussed too much on the Rwandan refugees in Zaire, and had hardly taken note of the "massive destruction" of forests, gorillas, elephants, and rare plants in the tri-border area of Uganda, Rwanda, Congo-Zaire, through which the refugees had been driven.

The IUCN wants to create a cross-border park in this area, known as the Virunda volcanic region. Dr. David McDowell, the director-general of the Swiss-based IUCN, told the peace parks conference, paraphrased by the Sept. 22 *Cape Times*, "Population pressures will exacerbate environmental scarcity and the area of high quality agricultural land and forests will decline, as will plant, animal, and marine species. . . . Heightened conflict will arise, at least in part as the consequence of the resource scarcities." Cribbed from Parson Malthus perhaps? National boundaries split ecosystems down the middle, and therefore, the creation of cross-border peace parks "could reduce stress along historically tense borders by giving governments an agenda for mutual action on issues of common concern." In reality, such parks are used for guerrilla warfare and "Third Force" operations designed to halt economic development and eliminate any opposition to reimposition of colonial policies. Elephants, gorillas, and high-brow eco-colonialists, sometimes known as Prima Bwanas, are to get a secure ringside seat, watching Africans kill Africans over scarce resources.

The peace parks are modeled on the Crown Lands, Forests, and Native Reserves of the British Empire. During the heyday of Queen Victoria at the end of the 19th century, Africans, known as "natives" in the Empire's lexicon, were herded like cattle into reserves so that Crown Forests, for example, in South Africa's Zululand, could be declared off-limits and protected by imperial authorities with native armed



World Bank President James Wolfensohn has joined with the International Union for the Conservation of Nature to spark conflict in South Africa over scarce resources, especially water.

recruits, the Native Forest Guards. Under the pretext of anti-poaching operations, most sub-Saharan game preserves in Africa are currently militarized, to one degree or another. With such heavily protected reserves declared by the World Bank to be the basis for Africa's alleged economic renaissance, one merely needs to put this trend in context of the raw materials looting operations of the mining cartels, already protected by largely British-run commercial mercenary armies, and the horror for Africans, who are to be squeezed into a "zone of conflict" between the heavily guarded, cash-rich "zones of stability" around the mining and eco-tourism areas, becomes evident.

World Bank joins the fray

With perfect timing, the World Bank and IUCN appointed South African Water Affairs and Forestry Minister Kader Asmal to a World Commission on Dams. Eco-Guru Maurice Strong, an adviser to World Bank President James Wolfensohn, stated, "It would clearly be counterproductive to undertake large dam projects in which environmental and social costs exceed long-term benefits." Asmal was quoted in the South African press stating, "We must liberate ourselves from the belief that we can only provide water by building new dams, and learn to live within our means." This overturning of the previous apartheid regime's model tradition of dam building, water capture, and irrigation infrastructure, means

that dry South Africa is on a short, 5-6 year fuse of conflict over "scarce resources."

The IUCN was created in 1948 by Julian Huxley and E.M. Nicholson. To rope in Americans and simultaneously maintain an imperial presence in Africa, where many nations were gaining formal independence, they created in 1961 a public relations and fundraising front, the World Wildlife Fund (WWF). The Queen of England's consort, Prince Philip, headed the British chapter, and his friend Prince Bernhard of the Netherlands became head of the international division. South African tobacco baron Anton Rupert then founded a highbrow donors' group for the WWF, the 1001 Club.

Death squads

World Bank President Sir James Wolfensohn has friends who come quite close to the problem of "third force" death squads and paramilitary activities which are staged from within South Africa's game reserves and parks. Wolfensohn is chief adviser to Australia's richest man, Kerry Packer. Among Packer's close friends are Jacob Lord Rothschild, intimately linked with George Soros's Quantum Fund; British gambling czar and game reserve owner John Aspinall; and the recently deceased Sir James Goldsmith. As *EIR* and others have documented, in 1990 Goldsmith backed the London ex-SAS (British military special forces) unit KAS Enterprises, which ran "Operation Lock," funded by the WWF and Prince Bernhard. Ostensibly a covert anti-ivory-poaching operation in southern Africa, it was in fact an intelligence interface, retooling covert assets of the surrogate wars in the region, into the future mold of tribalization and nature reserves. When Zulu leader Chief Mangosuthu Gatsha Buthelezi was brought to London in 1990, KAS ran his security out of Lord Rothschild's St. James Place office. John Aspinall has also been accused of financing paramilitary activities in game reserves in South Africa.

In order to implement the IUCN-World Bank peace park plan, a cover-up was necessary to protect the House of Windsor's WWF involvement, so as not to jeopardize the new colonialism being imposed on Africans. In stepped George Soros and his Open Society Foundation-South Africa, which provided the financing in 1995 for the Investigating Task Unit: Civilian Support Component, which, according to the OSF-SA Internet home page, "is investigating the activities of the hit squads in KwaZulu Natal." OSF-SA Founding Trustee Dr. F. van Zly Slabbert happens to also be chairman of the board for the Open Africa Initiative, a major promoter of "contiguous Peace Parks from the Cape to Cairo." It is no accident that investigations have covered for the British intelligence/WWF guiding hand, and have instead focussed on expendable former South African government military covert operations personnel, as if their actions around Operation Lock and Third Force death squads were merely the gory death throes of the old Pretoria regime—and not the colonial new world order of the Prima Bwanas.

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Copenhagen seminar on Africa takes up British genocide, development

by Michelle Rasmussen

Simultaneously with the September publication of the English-language *EIR Special Report*, "Peace Through Development in Africa's Great Lakes Region, Proceedings of a Seminar in Walluf, Germany, April 26-27, 1997," a follow-up seminar was held in Copenhagen, Denmark. On Sept. 20, thirty-five representatives from eight African countries, and the Schiller Institutes of Germany, Denmark, and Sweden, met to discuss how to stop the ongoing British-backed genocide in Africa, and how to organize peace through economic development.

The keynote speaker was the Schiller Institute's spokesman on African affairs, Uwe Friesecke, of Wiesbaden, Germany. He was followed by Christian Sendegeya, the vice president of the main Burundian opposition party, the National Council for the Defense of Democracy (CNDD), and an elected parliamentarian. The last speaker during the formal part of the conference, was Sally Agame, the Coordinator of State Affairs for the government-in-exile of Lado. She challenged those attending to fight to ensure that the African nations become real, sovereign nations, by throwing off the limits to their sovereignty imposed by the British Commonwealth and other former colonial powers, the International Monetary Fund, and the African people's own lack of education in science and economics. (Her speech appears below.)

Attending the seminar were government officials and other people from Burundi, Congo-Zaire, Ghana, Lado, Morocco, Nigeria, Rwanda, and Uganda. Many of the attendees are living in Denmark and Sweden as political refugees. Among the government officials and representatives of organizations in attendance were:

- Burundi: Christian Sendegeya; Ambassador Joseph Bangurambona, the former ambassador to Kenya; Ambassador Emmanuel Gahungu, MP, the former ambassador to Russia, and an elected parliamentarian; Laurent Niyongeko, the former head of Burundi's development bank; and Zacharie Bukuru, a former member of the national security council.

- Congo-Zaire: a member of a student group which had organized against both Mobutu Sese Seko and Laurent Kabila, before Kabila's takeover.

- Lado: Sally Agame, the Coordinator of State Affairs of Lado, who is also the General Secretary of the Black African Woman's Association.

- Nigeria: Chargé d'Affaires Joseph Okeke, and Mr. Alage, from the Nigerian embassy in Stockholm; and a traditional chief, former state legislator, and former political prisoner, who has recently held classes in Nigeria about Lyndon LaRouche's economic theories, "The Power of Labor."

- Rwanda: a former parliamentarian.
- Uganda: Jonny Byaruhanga, the president and founder of the Ugandan Union in Denmark.

The chairman of the Schiller Institute in Denmark, Poul Rasmussen, opened the seminar by introducing all present. He then situated the seminar in the context of the dramatically changing world, especially, the accelerating disintegration of the world financial system, and the role of Lyndon LaRouche, and the Schiller Institute, in trying to ensure that humanity is not destroyed with it.

Launch a crusade for development of Africa

Uwe Friesecke, in the keynote presentation, spoke about the problems facing Africa, and the basis for hope for the future. The world, he said, is facing a great challenge—to change the political developments on the African continent for the better. This challenge is greater than at any time in the recent period, as evidenced by the most brutal developments in Congo-Zaire, steered and manipulated by outside British and other Western forces, and because we seem to be confronted with the consolidation of power by an alliance of dictators in the region, who seem to enjoy overwhelming support from the most respected leaders in Africa and the great powers in the West.

Friesecke pointed out that the West allowed the massacres of the recent period to happen, both because of a complicated political and strategic situation, and also because morality as a policy consideration has almost entirely disappeared amongst the great powers. Yet, to accept the cynical view that politics is always immoral, would be to deny the existence of the real freedom fighters and martyrs in African history, including the assassinated President of Burundi, Melchior Ndadaye. Friesecke said that we must use the shock of the last 12 months' carnage in Central Africa, to force institutions and the public to learn from the atrocities, and understand what the alternative is.

According to Friesecke, Kabila, the new dictator of



The Schiller Institute's conference in Copenhagen, on peace through economic development in Africa. Eight African countries were represented.

Congo-Zaire, has unleashed a process that will undo the alliance that backed him. The murder of between 500,000 and 1 million people, can't be swept under the rug. The opposition in Uganda is increasing, as well as in Rwanda. The Burundian situation can't hold. President Pierre Buyoya's clique has only stayed in power by putting hundreds of thousands of people into "strategic village" concentration camps; it is far from being able to govern the country. The Schiller Institute has facilitated meetings in Washington for Ugandan opposition leader Cecilia Ogwal, where she has exposed that there is neither democracy, peace, nor an economic upswing in President Yoweri Museveni's Uganda.

**Museveni's ideology:
Frantz Fanon's theory of violence**

Friesecke then posed one of the main questions of his presentation: What went wrong after colonial independence? Why are many countries worse off now, than at the moment of independence? We have to investigate the inner workings of Africa, including the destructive ideology expressed by Museveni. The thesis paper that Museveni wrote to receive his degree from Dar es Salaam University in Tanzania, gives a terrifying insight into Museveni's image of man. It is entitled, "[Frantz] Fanon's Theory of Violence: Its Verification in Liberated Mozambique," and it posits that purgative violence is needed to create the new African man.

Why was Museveni elevated to prominence, and praised? He was one of a group of African leaders who were helped to achieve positions of power by the former colonial powers, who had the most cynical view of their fellow man, Friesecke stated. They were in a 100% contradiction to the real ideals of freedom and justice, as represented by Martin Luther King, Kwame Nkrumah from Ghana, Amadu Bello, the Sardauna of Sokoto, Nigeria and other leaders of the Nigerian fight for independence, and Cheikh Anta Diop from Senegal. This explains a lot, which would otherwise be unexplainable, about what has gone on around the Great Lakes for the last four years, and in Uganda for the last 15-20 years.

Museveni's thesis is prefaced by the following quotes from Fanon: "At the level of individuals, violence is a cleansing force." It is followed by, "The naked truth of decolonization evokes for us the searing bullets and blood-stained knives which emanate from it. For if the last shall be first, this will only come to pass after a murderous and decisive struggle between the two protagonists." Museveni continues, "In other words, Fanon acknowledges violence as the highest form of political struggle. . . . This colonial situation is perpetuated by the use of colonial violence and to end it, you must use revolutionary violence." He calls for violence for the sake of violence.

Yes, there are justified forms of warfare, Friesecke replied, as St. Augustine defined it, but this is only to be used

as the last resort, to reach the aim of peace and justice. Violence and death are always abhorred, by a true military leader. The preparation for war, is not aimed at indulging in the act of violence, but, in the final end, is aimed at avoiding war. Not so for Museveni.

Museveni, as does Fanon, preaches violence as a means of purification. Museveni, in describing Fanon's theory, writes, "But not only is violence the only effective instrument of bringing about the real overthrow of colonial rule, it is also a laxative, a purgative, an agent for creating new men. In the course of this violent struggle, all the psychic complexes, arising out of the colonial situation, dissolve, disappear in thin air. The native kills the settler and sees that the settler has got the same skin as the native."

For Museveni, as he learned by interviewing Frelimo guerrilla commanders in Mozambique, it is the killing itself which leads to the transformation from the oppressed personality, to the freed personality. "Once the people could be got to see a dead white man, killed by Africans, then the ball would have been set rolling." This was the creed being preached by Fanon to a group of six undergraduates at Dar es Salaam University, which included Museveni and John Garang, who is still waging war in southern Sudan.

Museveni continues, "It must be seen, that the 'invincibility' of the enemy is just fraudulent; he is invincible because he has never been challenged by a revolutionary force using the correct methods of revolutionary violence. Hence in Mozambique, it has been found necessary to show peasants fragments of a Portuguese soldier blown up by a mine or, better still, his head. Once the peasant sees guerrillas holding the head of the former master, the white man's head cold in death, the white skin, flowing hair, pointed nose and blue eyes notwithstanding, he will know, or at least begin to suspect, that the picture traditionally presented to him of the white man's invincibility is nothing but a scarecrow."

Museveni insists that, while the objective conditions for revolution were present, the subjective conditions were not. The subjective conditions could only be created through violent change. He ends by quoting Fanon again: "Violence alone, violence committed by the people, violence organized and educated by its leaders, makes it possible for the masses to understand social truths and gives the key to them." Museveni continues, "The people in the liberated areas of Mozambique have gone a long way in committing people's organized and educated violence. The results are so far satisfactory. . . . Whether the Mozambican Revolution is carried through to a non-compromising, victorious end, or is hijacked *en route*, one thing is currently beyond dispute. The Mozambican has made a more serious attempt to recover his manhood, to commit suicide as a 'native,' than the African of, for instance, Uganda."

Friesecke stated that if you want to understand how 1.5 to 2 million, maybe 3 million people, lost their lives in Central Africa, here is the key — the thesis that the new man is created out of violence. This is like Cambodia's Pol Pot, or Peru's

Shining Path. Entire nations are being threatened by this ideology. Why does South Africa support this?

Cheikh Anta Diop's theory: man as creator

Friesecke contrasted the bestial image of man held by Museveni, with another son of Africa, who holds a diametrically opposed image of man: the African intellectual Cheikh Anta Diop. Diop's strategy was to unleash the African people's scientific and technological creativity. The group of leaders espousing this strategy, were not supported by the West, were not helped to power. They had a completely different view of the future of Africa. Friesecke quoted from Diop's book, *Black Africa*,¹ whose first edition was written in 1960: "Without a systematic reference to Egypt, there can be no true cultural renaissance in Africa. After all, what is our objective if it is not that of recovering and promoting the *creativity* of our peoples? Man's mission is *creation*. African renaissance, black renaissance, is inseparable from the restoration of the black world's creativity. To assume his destiny, man must be a creator irrespective of his race." Why were those with this vision of the future not supported? Friesecke asked.

In this work, Diop called for the industrialization of Africa. "If we wish to see the African Nation everyone is talking about these days adapt itself to the needs of the modern technical world, we must from its very beginnings provide those technical institutions that guarantee the life of a modern nation. We should forthwith create the following institutes:" nuclear chemistry and physics; electronics; aeronautics and astronautics; applied chemistry, for industry and agriculture; tropical agronomy and biochemistry; and health.

Friesecke emphasized that in Diop's image of man, creativity is man's fundamental characteristic. It was through science and technology that modern nations could develop, and through which the true man could express himself, and not through the violence of Museveni. Diop describes a comprehensive energy doctrine for Africa, using Africa's vast energy resources, including nuclear and thermonuclear fusion power. Diop describes seven regions to be developed industrially and agriculturally. The first region is the vast industrial potential of Congo-Zaire, where every leading industrial sector could be built up, including an aeronautics industry. In a short time, this region could become on a par with other leading industrial countries.

This was our vision for Africa, too, stated Friesecke. But this vision has now been lost, because Africa has been taken over by the Musevenis, the Kagames, the Kabilas, and all efforts to better Africa, frustrated. This is where we have to pick up the fight again. Friesecke's point was that if we are to get out of the cycle of violence engulfing Africa, we have to present a development plan, according to those principles for which Cheikh Anta Diop and others stood, which will bring forth the image of man as creator, not destructor.

1. Cheikh Anta Diop, *Black Africa: The Economic and Cultural Basis for a Federated State* (Trenton: Africa World Press, revised edition, 1987).

The Transaqua Project

Friesecke concluded by presenting the outlines of the great infrastructure project known as Transaqua, and how a campaign for this project could transform the entire political climate, and bring hope to Africa. The Transaqua project for central Africa would provide water for transportation, irrigation, energy, and water to halt desertification (see *EIR*, Aug. 29, 1997; and, *EIR Special Report*, "Peace through Development in Africa's Great Lakes Region"). Whole new development regions and areas of newly habitable land would be created. Current political enemies could find common ground through a strategy of peace through development. Pennsylvania State Rep. Harold James, who heads the state's Legislative Black Caucus, recently met in Italy with the engineers who developed Transaqua, and is helping to get the United States to support it.

Friesecke stated, "I think, if we can engage in launching a crusade for development, using such a project, and linking other projects from other parts of the continent to it, then we will be able to overturn today's accepted axioms, of the so-called impossibility of real development. . . . Now we change course dramatically. We give Africa the same rights as Europe took for itself, as America took for itself, to use the most advanced technology, to build the railways we think we should have, to use the most modern methods in agriculture, in combatting diseases, and in educating our children. Unless we campaign for such a dramatic change, against the common idea that this is no longer possible, because, supposedly, great projects are destroying the environment in Africa, unless we campaign very radically for such a fundamental change, I think we will not create the framework under which regional and local solutions to problems will become successful."

Christian Sendegeya

The next speaker, Christian Sendegeya, is of Tutsi background, but is totally opposed to the current Tutsi-chauvinist government of Burundi, which came to power in the military coup of 1993, after the first democratically elected President, Melchior Ndadaye, was assassinated. He is working for a negotiated peace, based on returning the elected government to power and reforming Burundi's institutions.

Sendegeya presented a detailed history of the violence that has plagued Burundi since 1965. He denounced the decision of the secretary general of the UN, to refuse to publish the results of the inquiry into who was responsible for the assassination of Burundi's President Ndadaye during the 1993 military coup. Sendegeya estimated that 650,000 Burundians of Hutu background, and 20,000 of Tutsi background, have been killed since 1965, while the international community remained silent. Yet, during the 1994 events in Rwanda, the international community was mobilized, because it was backed by Great Britain and its allies. The Burundian people were obliged to take their destiny into their own hands, and are currently fighting a war against the military regime which was imposed on them, and which has to be

removed by the Burundian people themselves, he stated. There had been a peaceful democratic process in 1993, up until the military coup took place.

"For those who don't know me, I'm not a Hutu. I'm a Tutsi. I feel responsible and obliged to struggle with the people of my country. If we build a country where human rights are respected, we can't accept that criminals and bandits have power. War is not the solution. That is why we have said, that there should be negotiations between all the protagonists, in order to find a solution to the problems of my country," Sendegeya stated.

Since 1994, the CNDD had been asking the UN, the European Union, and the Organization for African Unity to apply pressure, in order to get negotiations started. Finally, he explained, in March, in Rome, accords were signed between the CNDD and the current Bujumbura government, but those negotiations have now been blocked, because the regime will not accept the accords.

Sendegeya stated that the accords entail three main points, designed to restore the nation-state. First, to restore the constitutional state, and end the state coup which took place in 1993, by giving political power to those who were legally elected before the coup. Second, to reform the Army and all security forces, which is difficult, because those currently in power want to maintain their forces. And third, to reform the judiciary, and to create an international inquiry into the crimes committed since independence. He said that the problem, however, is that all of the top officials in the Army and the administration have been involved in crimes of genocide since 1965, and that the judicial system was created as an instrument of repression. These are the three points that the current government does not want to be implemented.

The other problem in reaching a peace agreement, is the international and regional environment, Sendegeya stated. He accused those Ugandan forces which are destroying Uganda, Rwanda, and Zaire, of wanting to accelerate the destruction of Burundi. The assassination of President Ndadaye, he said, was organized not only from Burundi, but there was certainly outside involvement. The election victory of the Frodebu party in 1993, was seen as a problem for the pre-established plan for the region.

The current situation is that the war is continuing, and the negotiations have stopped. The international community is not doing anything. However, the countries of the region are pressuring the regime in Bujumbura to accept the negotiations. Yet, the CNDD has no illusions, Sendegeya stated, because it does not know in whose interests the countries pressuring the regime are working. Sendegeya concluded by stating that while the CNDD is seen as a problem for the pre-established plan for the region, and is lacking support from some of the African heads of state, they have the support of the majority of the Burundian population. The CNDD's goal of creating a democratic Burundi, is not appreciated by Burundi's non-democratic neighbors. For the CNDD, there is no African model of democracy, but only universal democracy.

There is no sovereignty under the British Commonwealth

by Sally Agame

The following speech was delivered at a seminar on Africa, in Copenhagen, Denmark, on Sept. 20. Mrs. Agame is the Coordinator of State Affairs of Lado, and the General Secretary of the Black African Woman's Association. Subheads have been added.

First of all, I have to say where I come from, because every-time I say, "I come from Lado," everybody says, "Where is it? I haven't seen it. I don't know it." So, I will take half of my time to say where I come from, and in the remaining few minutes, I will say what I think about the problems in our African countries.

Lado is not an independent country yet. Lado was supposed to be independent in 1960, but it was blocked by Britain, because the Agofe, that is, the King of Lado, refused to sign, because for most of the countries, when you sign, you have to promise how you are going to behave when you are independent. So, he refused to sign that Lado is going to be under the British Commonwealth, when it is independent. Therefore, from that time on, the independence of Lado has been blocked, because Britain doesn't want, or most of the European countries who had colonies, do not want African countries to have sovereignty.

Lado is bordered by Uganda, Sudan, now Congo, and the Central African Republic. This is important to note, because what is going on now in northern Uganda, in southern Sudan, and in Congo-Zaire, are wars all affecting Lado directly, especially [Sudanese Peoples Liberation Army leader John] Garang's wars in southern Sudan, are fought from Lado grounds.

There is also one important thing that we have to note about the problem of Lado. Why is it, that it is not independent up until today? It's a long story, but to cut it short, it goes back to the history of the partition of Africa in 1885. The Europeans had agreed, that any African chief who signed over his authority—or that he should be protected by a European power, automatically came under that European power, and they were colonized, and they would be treated as such under that power. In the case of Lado, we managed to fight, and none of our leaders signed, up until today. Agofe John Bart Agame did not sign, and hasn't signed up until now.

As punishment for that, he was sentenced on Sept. 12, 1962 to jail. He was supposed to be in prison for seven years, in Luzira Upper Prison, Room 8. Those of you who are Ugandans, know where Luzira is, and Upper Prison is maximum security, and you know what happens there. They had hoped that he would probably die there, but he had friends, and he escaped after some fighting.

So up to now, we are not independent, but we are fighting for our independence. We have already put all of our demands for independence before the United Nations. It is Belgium and Britain, which are the colonial administering powers of Lado's territory. So, since it is a complicated history, we prefer that Lado's independence should be negotiated through the United Nations, to avoid unnecessary fights. That's what we have been doing since 1947. When we are going to get it, we don't know, but for sure, we are going to get it. So much for Lado. (More information is available from me.)

The proper starting point

I feel that I should comment a little bit about what our chief speaker said. Africa seems to have a lot of problems, and indeed we have a lot of problems. He went back 20 years, but, me, I feel that in order for us Africans to find a good standing point, where we should start examining our problem, we should go back to the time when the slave trade was started, come through colonialization, then come through decolonization, and then examine how the IMF [International Monetary Fund] and World Bank are controlling the financial issues of Africa, thus the economic development of Africa, then come to the present campaign for globalization. What are all these? Where does Africa fit in?

According to our observation, all of these are techniques which are being used to control the economic resources of Africa. When I say economic resources, that also includes the Africa personnel, the Africa people. According to me—I'm sorry, I might be a little bit hard, but according to me, the official European policy of governments, seems to see Africa as nothing except a source of economic resources, and cheap labor. Therefore, when they say there's genocide in Burundi, genocide in Uganda, or genocide anywhere in an African



Sally Agame, Coordinator of State Affairs of Lado (second from left): "The independence of Lado has been blocked, because Britain doesn't want, or most of the European countries who had colonies, do not want African countries to have sovereignty."

country, it does not affect the European governments, so long as they can still continue getting the economic advantage. That explains why, when [Zaire's] President Mobutu was being fought to be overthrown, everybody knew that President Mobutu was going to die shortly anyway. Why do you need to have such a big war, to overthrow a man who is already going to die? Now, he was thrown out. Now he has died, but where is the peace? Where is the economic advantage? You may say it is too a short time to see it, but if you see it as it is, chasing President Mobutu out will definitely not bring a solution to the problem of Congo-Zaire.

The colonial apparatus is still effective

So, where does our problem lie? One, it lies in the colonial apparatus, which is still effective in Africa, either under the British Commonwealth—I know there are some Africans who will say, "Oh, we're independent," but I will assure you, that those of you who are under the British Commonwealth, you have no sovereignty. You don't have it. And if you don't believe me, those of you who are members of the UN, I don't know whether they have changed it, but the British High Commissioner, or the British ambassador in the UN, calls weekly meetings for Commonwealth ambassadors, so that when you go to vote, you are going to vote as Britain says.

And it is internationally legally correct, because when

you became a Commonwealth member, you signed a Privy Council document, which says that you are surrendering your sovereignty to the British sovereign. So when we are complaining, "Why is [Uganda's] President [Yoweri] Museveni behaving like this?" "Why is so and so doing that?" he is getting his orders from somewhere. He does not operate on his own. For heaven's sake, President Museveni doesn't make guns. How would President Museveni support all that war, support Mr. [Laurent] Kabila all the way to Kinshasha? That is one problem.

The other problem is, when we talk of the international community, who are the international community? Again, the international community is composed of mainly European countries. They are the ones which have the power. And North America. There is no Africa country which can say, "I'm a part of the international community," because you don't have any right to take decisions. So we only sit and say, "Why aren't they coming? We are killing ourselves." But what is the UN? Why should the Europeans send their people to go and die, in saving the miserable Africans in the corner of an Africa country somewhere?

Now, where is the problem? Again, the problem comes back, that in European policy, Africa as a land, probably should not belong to the Africans, because the Africans don't have sovereign rights. If you look at it, you see that the only Africa countries that have sovereign rights at the moment, are

Lado, though not independent, Ethiopia, Egypt, and Eritrea. Those are the ones, which can legally stand up in the UN and say, "Hey, you cannot tell me what to do, because I am myself." But the rest, they either have to consult Paris, or London, some Washington, some Lisbon. There is no way that we can do anything, so what should we do?

One of the things that I would ask our European campaigners here, is that maybe the Africans should start a campaign, to abrogate the Berlin Treaty of 1885, where Europe decided to share Africa, and decided to own Africa, so that at least legally on paper, we can say, "Hey, this law here is now removed." At least that give us room to do things for ourselves. Even the OAU [Organization for African Unity] was created under the same treaty. That is why we in Lado, cannot go to the OAU and say, "Oh, OAU, please help us," because the OAU cannot do that. They will go to London first. "London, what do you say? Can we help them?" They don't. Or they will go to Paris. Unless that thing is removed, we have a long way to go.

The education of statesmen

Then, the last one, is education and training. I have been a teacher, and I've been stuck with this Lado issue for a long time. I wasn't a politician, but as soon as I got married to Mr. Agame, I got a problem of politics, so I have learned. The main problem is education. I'm sorry, but sometimes I have a lot of debate with my husband. I say the African politicians do not actually know what a politician is supposed to do for his country. They think you become a politician to make money quickly, and get rich quickly. And yet, a politician, to me, is supposed to be somebody who is dedicated to protecting his people, and the country, and to organizing the country, so that the people can produce things, and look after their own interests, but that is not the case. They behave like corrupt tradesmen. They are not there to do anything, and that explains why a person like President Museveni is being praised, and why President Museveni is being praised by Western media. It's not because they don't know that what he's doing is not political activity to protect Ugandans. They know what he's doing is damned wrong for his people. So long as the people who put him there, who are gaining from him, continue gaining what they are gaining. . . . So we have to know, what do we actually need to know, if I want to be a President of Lado, or a prime minister. What should I do? How should I behave?

The second thing is, the Africans should also learn what economics is. None of them knows the mechanism of money. "We are poor. We are poor," and yet all the minerals are there in Africa. Africa is the poorest, and yet Africa is the richest. Now, what is the problem? Why don't we learn how economics operates, how money operates? Again, it goes back to sovereignty. If you are not sovereign, you have no right to create money. So forget it.

Now, the third, is science. We need scientific knowledge. You were reading a beautiful view of this man (Cheikh Anta Diop) in the 1960s, '70s, but how many African countries have established research institutions which can really do something, so that at least, in an Africa country, a man can sit in a corner and make a bicycle, or manufacture a needle, because if we cannot do that, then you will say, "Oh, maybe the Europeans are superior," because everything we get, we get from Europe. Why is it that we cannot see it, and learn, and try to produce something? When industrialization started in Europe, they started with food production, agricultural things, but nothing like that takes place in Africa. And instead, all of Africa's poor want bread from Europe, and, of course, they will give it, just for pleasure, but it's not for free. They don't give it for free.

'Knowledge is the key to power'

So what are we going to do? Maybe the Schiller Institute should take one or two Africans and train them, to see how these things work, so that when one goes to negotiate with the IMF, maybe, at least, one can get better conditions. Instead, they get a minister who knows nothing about finance, to come to negotiate. Then, maybe he drinks very nicely, and then tomorrow he is told, "You sign." He signs, and he has signed the whole country off. I remember I attended a meeting with the former person who was in charge of the World Bank. I think it was [Robert] McNamara. He said, "I have been working with the World Bank for so many years, and I have been waiting to hear an African say no, to the conditions we give them, but none has said it." Up until he retired, no African came and said, "Hey, these conditions are bad. We are not going to take it," and the explanation is, because they don't know what economics is, how it functions. Why don't they know? Because we are badly taught.

I'm a teacher. The education policy, training policy we get in Africa, is still the colonial one. We are supposed to be just clerical groups. Even if I get a Ph.D. in a university somewhere, I will get that prestige, but in reality, I don't know what I can actually produce with that Ph.D.

So, that is how I see it. I see that we need to do a lot in training, in learning, and we have to do something to remove this idea that Africa belongs to Europe. Those who may not believe me, if you take the world organization, how they group the world, you notice that Africa doesn't exist as a region, and South Africa is not a part of Africa. South Africa is attached to Australia and New Zealand.

Now, where are the African countries between the Sahara and the Kalahari deserts? Maybe North Africa, Algeria and Morocco, will be attached to the Middle East. What happens with us in the middle? So, I think we Africans have a lot to do for ourselves, and with those who want to help us, so that, at least, we can have a face as Africans. We need knowledge. Knowledge is a key to power.

Hundreds of Mexicans carry on dialogue with Lyndon LaRouche

Although Lyndon LaRouche was prevented from personally making presentations in Guadalajara, Mexico City, and Monterrey, the nearly 1,000 Mexicans—most of them university students—who came to hear him, were able to pepper him with their questions by telephone. Extensive excerpts of the exchanges in Guadalajara and Mexico City appeared in the Oct. 6 issue of New Federalist. Below we excerpt one question from the Mexico City forum on Sept. 22, and one from the forum on Sept. 24.

Q: My name is Eloy M—, and I am a student of economics at [the National Autonomous University of Mexico] UNAM. Do you believe honestly that the governments of both Mexico and the U.S. have a solution to the International Monetary Fund?

LaRouche: Not at present. But, as you notice, the heat around my name indicates the fact that people in the United States, and in other parts of the world (as you will read in the *Asian Wall Street Journal*, for example) in various governments, including powerful governments in Asia and Europe, and in the United States—a number of people have come to recognize: that my view of this economic process which has been unfolding in the past 30 years; that my analysis of this process has been correct, and that the arguments of my opponents on this, have been wrong.

Now as you know, not everybody in government is stupid, and when they recognize that I'm right, and they recognize that the system is finished—as at the highest level I think they all do—then you find that in the government of the United States, at the high levels, and in major countries of Asia, people want to know what I propose. And I propose certain things, with the understanding that *they have no rational alternative but to accept what I propose.*

The problem here, in statecraft, is best understood by thinking of Shakespeare's play, *Hamlet*—and *Hamlet* is one of the great plays for anyone to study closely, who wishes to deal with problems of statecraft. Let me describe Hamlet to you in these terms, and I think my answer will then be clear to you. Hamlet, Shakespeare's Hamlet, was a swordsman, a *real macho*, who is running his sword through people left and right. He would solve every argument with his sword. He returned from wars, to find that his father, the King, had been

killed; that he, the heir to the throne, had been cheated of the position of King, by his uncle, who had married his mother. The country is going to Hell. It's about to be invaded, and conquered; and what is this *idiot* focussed upon? He's focussed on the question, can he take revenge on his uncle. He's not concerned with the nation. He's not concerned with the survival of the nation. He's concerned with his petty obsession with personal revenge.

Then he comes to the Third Act, where he has this famous soliloquy. And he says: "To be, or not to be." Shall I follow my traditional way of acting? This obsession with revenge, which leads to my own doom and the doom of my nation? Or, shall I take the other alternative? But what will happen in the future? *I don't know.* If I take this other road, can I be guaranteed that this will work? I can't do it. I'll stick to the old ways.

So, in the end, Hamlet is dead, and the nation is conquered. And then the last character in the play, Horatio, steps forward and speaks to the audience; and he says to the audience, while these events are fresh in your mind, let's reconsider them, so that none of us makes these mistakes again.

The fact that an idea is a stupid one, has never proven an efficient way of causing someone who is obsessed with that idea, to give it up. However, in a time of great shocks—for example, the attack on Pearl Harbor in the experience of the United States—suddenly people will abandon obsessions, and come back to reality, and react on reality.

What had happened is, back during the 1960s, with the Cuban Missile Crisis, when everyone was terrified that the world was going into nuclear warfare, and other things, there was a great flight, worldwide, away from reality, into fantasy. If you look at the character of television entertainment, and the numbers of hours that people spend on it, most of the world's population, especially in Europe and the Americas, in the past 30 years has been engaged in a flight into unreality. What has been practiced as the accepted ideas of economics, and so forth, over this period, is complete unreality, complete fiction, fantasy. You see a debt building up, \$100 trillion of U.S. equivalent, which has not got the form of investment. It's a gambling debt, several times the total annual product of the world's economy.

And you had until recently, many people in various parts

of the world believed that this kind of system could go on forever. Complete fantasy! What happened, as you saw with the reaction to the murder of Princess Diana—you saw this in England, and you saw this also in the United States—there was a sudden *explosion of hatred* against the British royal family, both in Britain, and in the United States. Almost like a Pearl Harbor effect: a sudden change in popular opinion.

My politics is based on reality. It is my view, that, in a time of crisis, people are presented with an opportunity to escape from fantasy into reality. And by the reaction . . . I would say that the possibility of acceptance of my proposal on these relations between Mexico and the United States, is reasonably likely, and especially, if the people of Mexico want it.

Q: My name is José María G—. What is your opinion of the democratic process we're undergoing in Mexico? People are very happy, because for many years they have been told that democracy would be the solution to their problems. I want to know if you feel this is true. . . ?

LaRouche: . . . The word "democracy" is one of the most abused words in the vocabulary of the fantasists today. "Democracy" has come to mean an absence of truth. . . .

What happens is that "democracy" becomes the biggest enemy of human rights. I'll give you an example of this. One of the most hideous people in the United States, one of the worst criminals, is the most influential of the associate justices of the Supreme Court, Antonin Scalia. He is a man who professes to be a Catholic, but who is actually a satanic Manichean, who says that he has personal morality but the ideas of the marketplace should determine what the law should be. And this man has been chiefly responsible for the execution of Mexican and other nationals in the United States, many of these people with evidence that they were innocent. He has denied people the right to have evidence of their innocence heard, and has rushed them to execution in the interest of serving democratically selected procedure rather than truth.

In the 20th century, including the Nazis, the worst crimes against humanity were always committed in the name of the people. Like the case of Robespierre and Saint-Just, in the case of the French Jacobin Terror. So, one has to ask what the word "democracy" means? I suggest we stop using the word "democracy." It's probably the biggest piece of sophistry and fraud that's ever been invented. Let's use a word, or terms, which describe what is morally, truthfully correct.

The function of the modern nation-state was, for the first time, beginning in the 15th century, to create a state in which no longer were 95% of the population either slaves, or serfs, or, like the victims of the Aztec mass heart-rending, worse. Up until the 15th century, in all known cases, every culture was morally degenerate, including feudal cultures in Europe on this account. The reason that the modern nation-state de-

veloped was because of a Christian principle. Not only did the Christians adopt the policy of Genesis 1, that all men and women are created in the image of God, that no one can be treated as an animal, but Christianity for the first time established the principle that all human beings are equal in this respect.

So, the point is, there are certain rights, human rights, which every individual has a right to claim, which must not be denied to any individual. And this right includes the right to be educated and to participate in formulating the policies of one's society. But the process of deliberation which decides policy, must be a process which is aimed to find the truth. The purpose of a criminal trial or a civil trial should not be to interpret law and procedure. The purpose of the civil or criminal trial must be to find the truth. First of all, what is truthfully the reality of the issue at trial, and second, what is the truthful result of the trial, the decision which will serve the interests of society and the principles of society?

The politics, when it becomes slogans and so forth, becomes a parody, a travesty of democracy, of human rights. There must be a search for truth in the political process, a search for truthful justice for all people. No judge must exist who is not a representative of the Good Samaritan. From that standpoint, the growth of what is called "democracy" around the world, is a growth of evil.

I'll give you one more example. The idea of democracy that is spread is literally Manichean, as the case of Justice Scalia typifies. Scalia is not a Christian, he's a Manichean. He says that the world belongs to the marketplace, just like Adam Smith, like the Mont Pelerin Society. For example, the leader of the Mont Pelerin Society, the founder, was Friedrich von Hayek, who created it under the sponsorship of Winston Churchill. And Von Hayek traces his policies of society to a Satanist, Bernard de Mandeville, a literal Satanist, who says that good comes from evil, that the human individual is naturally evil, that by the democratic interaction of evil people, good comes. That's the argument of François Quesnay, the Physiocrat, that's the argument of Adam Smith, that's the argument of Margaret Thatcher. And that is the argument of Scalia. That is the argument of the Manicheans, or the Bogomils and other forms of Manicheans, who say that the world belongs to Satan. Only in personal life, outside the real world, in spiritual life, is there any good. That's the Manichean.

Democracy, as taught today by the National Endowment for Democracy in the United States, for example, means precisely that Manichean form of Satanic belief; whereas, the objective of society is to give everybody participation in the process of finding truth and finding the good, and to provide truthful justice for every individual. And that's where we stand. If there's one thing, the most evil thing spreading in the world today, it's a cult around the word "democracy," which means Satanism.

Beethoven's 'Leonore' performed for first time since 1806

by Anno Hellenbroich

The opening of this year's 35th Beethoven Festival in Bonn, was the scene of a performance that was nothing short of extraordinary, both musically and historically: For the first time since 1806, the earliest version of Beethoven's opera *Fidelio* (the reworked "Original *Leonore*" of 1805) was performed in concert at the Beethovenhalle. Both the composition and the spoken dialogue of this version are, in the best musicological judgment, authentic. Under the baton of Bonn's General Music Director Marc Soustrot, the Beethovenhalle Orchestra, together with the Kölner Rundfunkchor and soloists, gave a very exciting performance of this very precisely composed work. The dialogues were spoken by members of the Bonn Theater under the direction of its supervisor, Dr. Manfred Beilharz; though, in some cases, the speakers' vocal technique was not adequate for the dialogues, some of which are quite difficult.

This performance was preceded by many years of painstaking research by a scientific associate of the Bonn Beethoven Archive, Dr. Lühning, making it now possible to follow the complicated history of how Beethoven composed his only opera, *Fidelio* (1814). The resurrection of the authentic libretto, including staging instructions, and of those sections which Beethoven repeatedly reworked on his own manuscript, is now complete, and we can look forward to the publication of this new edition of the 1806 *Leonore*.

From the literature published for the festival (with financial support from the City of Bonn) on Beethoven's many revisions of the various "versions" of *Fidelio*, the listener could gain much sharper insights the connection between the dramatic, vocal, and compositional transformation in the kernel-idea of this opera: the indomitable love of freedom, which culminates in Florestan's aria "In des Lebens Frühlingstagen" ("In My Life's Springtime Days"). Among the changes Beethoven made later for the version of *Fidelio* which is best known today, were his complete re-composition of the recitatives of Leonore's and Florestan's aria, of the second part of Florestan's aria ("Und spür ich nicht linde, sanft säuselnde Luft" ("And Do I Not Feel a Gentle Rush of Sweet Air?")), of the melodrama, and of large parts of the finales of both acts. Beethoven also supplied it with an entirely new overture—the fourth one, which is known as the "Fidelio Overture." The Bonn festival performance included the three Leonore

overtures composed before the one today known as the "First Leonore Overture" (1807).

Beethoven repeatedly returned to the central part of the work, especially the Florestan aria, to make additional alterations (18 versions in all). Although many of his papers have been lost, we find a virtually inexhaustible wealth of sketches, revised manuscript scores, altered copies, and piano reductions, which yield fascinating insights into Beethoven's creative work. This was also the subject of an international scientific symposium of Beethoven scholars, held over several days in the chamber music hall of the Beethoven-Haus and chaired by Dr. Lühning and Professor Steinbeck.

The Bonn performance included the beautiful duet "Um in der Ehe froh zu leben" ("To Live Happily in Marriage"), with its solo violin and 'cello accompaniment (perhaps hinting at the Triple Concerto, which was composed around that time), and the trio "Ein Mann ist bald genommen" ("A Man Is Soon Taken"), which Beethoven later dropped from the 1814 version in order to tighten the dramatic progression of ideas. Rocco's aria "Hat man nicht auch Gold beineben" ("If You Don't Have Any Gold on You"), on the other hand, had been struck from the 1806 version, but Beethoven decided to re-insert it.

The performance also brought before the public a contested "error" in Beethoven's composition. There has been a dispute over a seemingly small, but actually quite important philological reading of Beethoven's marking at the dramatic high-point in Act II, the quartet "Er sterbe, doch soll er erst wissen" ("He Must Die, But First He Must Know"), sung by Pizarro, Leonore, Florestan, and Rocco. In the libretto used by Beethoven in the 1806 version, the stage directions read: ". . . Pizarro attempts to stab Florestan, but Leonore rushes forward with a penetrating cry, and protects Florestan with her own body. Leonore sings 'Tödt erst sein Weib' ['First you must kill his wife']." In Beethoven's manuscript score, Leonore's "outcry" is on a high B-natural, even though the woodwinds are simultaneously sounding an E-flat, thereby giving rise to a triad G-B-E-flat—an unacceptable dissonance in those days. Should her note "correctly" be a B-flat, in harmony with the prevailing key of G minor? Dr. Lühning presented a compelling philological argument against this interpretation, and so, at the Bonn performance, Leonore, sung by Pamela Curn, sang a high B-natural, producing a sharp dissonance that must certainly have been Beethoven's intended dramatic effect—as everyone could hear. In 1814, Beethoven once again revised this passage, and had Leonore sing entirely unaccompanied at that point, heightening the drama even more.

Hopefully this performance will be followed by an equally congenial full staging. This is all the more desirable, because certain "new versions," such as the one arbitrarily thrown together by the British conductor John Elliot Gardiner for his 1996 Salzburg performance (now on CD), do not do justice to the work—not to mention the recent, banalized *Regietheater* productions, which distort the work beyond all recognition.

International Intelligence

Honduras gives the boot to Moon missionaries

The government of Honduras announced on Sept. 23 that it would expel 120 followers of Sun Myung Moon, all of them Japanese nationals who entered the country on tourist visas three months ago, and then illegally acted as missionaries. Moon's Unification Church responded by claiming that the Japanese missionaries had already left the country. El Salvador has already announced a similar action, and the Guatemalan and Panamanian governments are reportedly considering following suit against the hundreds of Moonie maidens who invaded their countries in the recent period. The rising tide of Moon activity in Ibero-America was set up during George Bush's trip to Ibero-America in November 1996, sponsored by Moon, who had brought 4,500 young women to Uruguay to be "trained."

Venezuela went further in mid-September and outlawed the Unification Church altogether. In order to circumvent the ban, Bush's Moonie friends planned to send about 100 young Venezuelan "recruits" to Florida in November, where they will be wedded to Moonie activists in a mass "marriage" ceremony. The activists then can return legally to Venezuela as spouses of Venezuelans.

Lord Avebury undermines Kashmir peace efforts

As expected, the British will not let the Clinton administration's efforts to achieve progress in the Indo-Pakistani peace talks over the disputed territory of Kashmir, go smoothly as hoped for. In late October, Lord Avebury, a leading godfather of both so-called Muslim fundamentalist terrorism, who also crusades valiantly against alleged Muslim oppression of Christians, is sponsoring a major "intra-Kashmiri" conference, aimed at opposing the Indian-Pakistani talks on Kashmir, as long as these talks do not include representatives of the Kashmiri groups.

The Pakistani daily newspaper *Dawn* reported on Sept. 24 that prime minister Sultan

Mahmood Choudhry of Azad Kashmir, on the Pakistani side of the Line of Control, announced the previous day that "intra-Kashmiri dialogue will be held for three days in the capital of United Kingdom," under cover of discussing alleged human rights violations in Kashmir by Indian troops. Choudhry said that "the meet was being arranged by veteran supporter of Kashmir cause in British Parliament Lord Avebury from Oct. 31 to Nov. 2."

Bahrain daily: London deploys terrorists

The Bahraini daily *Manama al Ayyam*, in a Sept. 23 editorial, joined the international chorus of voices denouncing London for sponsoring, harboring, and deploying international terrorists—especially under "Islamic" cover. The paper asserted that this "new onslaught," part of British "colonialist policy," is "an extremely important issue of national security" not only for Bahrain, but for all the other Persian Gulf and Arab states.

"The methods of pressure and blackmail some Western states pursue against Arab states, are now clear and exposed. . . . Some Western states, particularly Britain, have pursued these crooked methods by receiving and caring for terrorist elements, facilitating their movements on British territory, and granting them private passports, to facilitate their suspect movements throughout the world, in order to create bloody tragedies in several Arab areas.

"The Arab states frequently warned Britain against pursuing these policies and methods. They also submitted irrefutable evidence on the terrorist actions and hideous crimes committed by these elements, to whom London gives shelter on its territory, on the pretext of human rights and other false slogans, that are meant to cover their crimes."

The paper added that the British government's claim to be opposed to international terrorism is a lie: "Britain, which boasts of fighting terrorism, should decisively specify its position in this regard. Giving shelter to terrorist elements, and extending support and protection to them, is considered clear

participation in the crimes committed by these terrorist elements. Britain is indulging in these policies, day after day, and . . . it also encourages the crimes these elements commit, by adopting their black and bloody conspiratorial schemes, and publicizing them under feeble and false slogans and pretexts."

It concluded, "At the very beginning of the battle of Arab liberation from British colonialism, the Arabs said: 'Britain should take its stick and leave.' Britain has left already, and we will not accept its return."

Algerian FIS enacts unilateral cease-fire

The bloody, five-year-old civil war in Algeria received a potentially mortal blow on Sept. 24, when the opposition Islamic Salvation Front (FIS) declared a unilateral cease-fire for its armed wing, the Islamic Salvation Army (AIS), to begin on Oct. 1. The purpose of the cease-fire is to expose the London-based terrorist Armed Islamic Groups as being controlled by a faction of the Algerian military, known as the "eradicators," because of its commitment to wipe out Islamist opposition—especially the FIS.

In the five years since the military cancelled a second round of elections that the FIS would have won, Algeria has been plunged into a civil war characterized by ferocious blind terror against the population as a whole, and the "eradication" of the families of Islamist opposition members in exile.

AIS commander Madani Mezerag issued a statement that "the Armed Islamic Groups (GIA) and unnamed forces manipulating them were bent on torpedoing conciliatory measures taken by the Algerian government to try to end the bloody five-year-old conflict. . . . In order to foil the plans of those who are waiting for the opportunity to harm Algeria . . . the national Emir of the Islamic Salvation Army orders all chiefs of combat companies under his command to stop combat operations from Oct. 1, 1997."

Recently, the government released FIS leader Abbasi Madani from prison, amidst strong indications that Algiers is conducting negotiations with the FIS leadership on start-

ing a dialogue with the Algerian opposition parties. During that period, the GIA increased the mass slaughter of civilians with unprecedented savagery, which has strengthened the belief that an anti-dialogue faction in the Algerian Army was behind the murders. Arabic and international media are also beginning to report that most Algerians believe that the Army "eradicators" are responsible for the massacres that are blamed on the GIA.

The move for reconciliation was further supported, following the meeting between Algerian President Liamine Zeroual, and the American ambassador to Algeria two weeks earlier. The U.S. ambassador expressed his country's support for the the Algerian government's attempts to establish political dialogue in the country. At the United Nations General Assembly, German Foreign Minister Klaus Kinkel called on the world's governments to halt the murder of the Algerian people, and scored international indifference to the ongoing bloodbath. U.S. Secretary of State Madeleine Albright also met with French Foreign Minister Hubert Vedrine to discuss the situation. France, which has a large French-speaking Algerian population among its citizenry, has been a target of GIA terrorism.

By contrast, in Britain, the GIA distributed leaflets throughout London on Sept. 25, taking responsibility for the horrible mass slaughter of Algerian civilians in late September, and vowed to kill "the entirety of the Algerian people" if they fail to support the GIA.

Mexico's Aztec medal bestowed on Rockefeller

Before a New York audience of 100 businessmen, politicians, and academics—including Sir Henry Kissinger—Foreign Minister José Angel Gurria gave Mexico's highest award to David Rockefeller on Sept. 24. "David Rockefeller is a vital force who has brought Mexico and the U.S. closer . . . and has been a firm supporter of Mexico," Gurria told the gathering at Rockefeller's Council of the Americas. He reported that Rockefeller had been in Mexico when the

December 1994 peso crisis hit, and the two had met. Gurria asked Rockefeller to give his public blessing to the Mexican government's handling of the crisis, which he did. It was from the Council of the Americas that the North American Free Trade Agreement—which has nearly drowned Mexico in overbloated debt and unemployment—was launched, Gurria added.

Accepting the award, Rockefeller hailed the great steps toward "economic growth and democratic diversity" which the Zedillo government has taken, and reminisced over the more than 50 years of Rockefeller family "interest" in Mexico. Here, he mentioned his mother's interest in such "folk artists" as the Communist Party muralist Diego Rivera and painter Frida Kalho. Kalho's "paintings" obsessively depicted women with dripping, bleeding hearts, a fitting theme for an Aztec award to a bloody-handed banker.

Italian secessionists want 'Padanian army'

Paolo Bampo, a deputy in Italy's parliament from the secessionist Lega Nord, and a member of Parliament's Defense Committee, has called for establishing an army for "Padania" as the separatists call their would-be country. According to the Sept. 25 issue of *La Stampa*, Bampo also said that he had contacted "three senior officers of the Navy, Army, and Air Force, who will be helping me draft the statutes" of the proposed Padanian armed forces. He added that the armed forces would not become operational "before Italy's division" into separate nations. Italian Defense Minister Beniamino Andreatta responded to Bampo, by saying that these were extremely dangerous matters, and Undersecretary Massimo Brutti said, "I assume that the three generals are non-existent. Nevertheless, Bampo's remarks do constitute a report of a criminal offense."

Following his remarks, Bampo left for Kiev, Ukraine, where he is, amazingly, representing Italy at a seminar of NATO parliamentarians. Bampo said the seminar will provide a useful opportunity for the cause, a kind of work experience with a view to the building of Padania.

ASSISI, ITALY, was struck by two violent earthquakes on Sept. 26, killing 10 people, and heavily damaging the 13th-century Basilica of St. Francis, where four of the victims perished when the vaulted ceiling of the upper church collapsed. Masterpiece frescoes in the church by Giotto and Cimabue suffered great damage, and some may have been destroyed, which the director of the Louvre Museum in Paris described as a catastrophe.

GEN. CHIANG WEGO, the last surviving son of Taiwan's former President Chiang Kai-shek, died on Sept. 23 after a long illness, at the age of 81. Chiang Wego had written a postscript to the 1996 edition of Sun Yat-sen's book *The Vital Problem of China*, republished in Chinese by the Schiller Institute.

QUEEN ELIZABETH and Prince Philip arrived in Islamabad, Pakistan on Oct. 7, as part of the celebrations for the 50th anniversary of Pakistan and India's independence from the British Empire. As part of the granting of independence, Britain ensured that the subcontinent was split into two nations along religious lines. The Queen was scheduled to address a joint session of Pakistan's Parliament on Oct. 8.

FRENCH ENVIRONMENT Minister Dominique Voynet has come out favoring legalization of marijuana consumption, according to the Sept. 24 issue of *Libération*. Her recent statements were at first endorsed by Justice Minister Elisabeth Guigou, who has since done an about-face.

AUNG SAN SUU KYI had plans to hold a conference of her "Burmese opposition" National League for Democracy at her home on Sept. 27-28, with at least 500 delegates present. NLD officials refused to meet with Myanmar's ruling SLORC government on Sept. 16 to discuss the NLD meeting, and other bilateral topics.

IRS police-state gestapo: Clinton should clean it out

by Edward Spannaus

To hear Newt Gingrich, Richard Armey, and other Congressional Republicans talk these days, one would think that the Internal Revenue Service had only been invented in 1993, at the point that the Clinton administration took office.

For example, while speaking at the National Press Club on Sept. 30, Gingrich said he was sending a letter to the President which stated: "For five years, the administration officials in charge of the IRS have fiddled while the agency has burned the hopes and dreams of thousands of innocent taxpayers. . . ." House Majority leader Armey, appearing on Fox TV, even raised the possibility — unheard of in U.S. history — that the Clinton administration had used the IRS to attack its political opponents.

Unfortunately, the Clinton administration has reacted as if what Gingrich, Armey, et al. are saying, were valid, by circling the wagons and defending the IRS.

Would it not be preferable that President Clinton would simply come and say to the Republicans: "We'll be glad to clean out the IRS. After all, you guys built it, but I'll help you clean it up. It's long overdue."

Just one statistic illustrates the fraud involved. In 1981, when the Reagan-Bush administration took office, the annual budget of the IRS was \$2.5 billion. By the time George Bush left office, in 1993, the IRS budget was \$7.1 billion. While the IRS's budget almost tripled during 1981-93, the amount of revenue collected only increased from \$606 billion to \$1.176 billion — not even doubling.

This is similar to what happened to the Justice Department — whose budget more than tripled, from \$2.3 billion to \$9.8 billion during the Reagan-Bush years. Both agencies — the IRS and the Justice Department — constitute a gigantic permanent bureaucracy in the Federal government which goes on from one administration to another, Democrat and Republican, and which poses one of the greatest threats to our constitutional rights and protections.

A long history of corruption

Even before this vast expansion of the IRS took place during the Reagan-Bush years, the IRS was devoting vastly disproportionate resources to targetting and harassing U.S. citizens. According to a 1981 study: "Direct enforcement accounts for less than 3% of total tax revenues, but fully two-thirds of IRS's money and staffing are devoted to enforcement."

Over the past year, various Republican spokesmen have claimed that the IRS has been targetting so-called "conservative" organizations for audits, and they professed to be "shocked, shocked" that such a thing could happen. Of course, when most middle-aged or older Americans hear of IRS targetting of political opponents, they immediately think of President Richard Nixon. But this corruption within the permanent bureaucracy goes back still further: An internal IRS Memorandum to Regional Commissioners, dated Aug. 27, 1963, and captioned "Audit of Ideological Exempt Organizations," stated: "At the forthcoming Regional Commissioner's Conference the agenda calls for a discussion of our special study on ideological exempt organizations. These organizations, often referred to by the press as right or left wing, have become a formidable force in society today. . . ."

"The present program, relating to the political or ideological type of exempt organization, is part of the step-up in enforcement activities within the exempt organization area as a whole."

That memo detailed how the project was initiated in November 1961 with a test audit of 22 "extremist groups" on both sides of "center," to determine if the IRS could put them out of business. But, the memo lamented, "by and large, however, the true purpose of the test audit program was not satisfactorily accomplished" because IRS agents in the field were not yet steeled to function as political hit-men. "The difficulties experienced by the field," stated the memo, "are certainly

understandable. These examinations require reorientation of the agent's thinking and place him into areas fraught with interpretative difficulties. In undertaking such tax audits, agents must look into various means used by these organizations to express and communicate their philosophies. Not only does this involve an analysis of books and pamphlets published by the organization, but it also means the monitoring of telecasts and broadcasts and the examination of hundreds and in some cases thousands of speeches. . . ."

"In the light of the results reached in the test audit program, it was determined to expand the examination program to include a larger number of political action organizations," the memo continued. By the end of 1963, hundreds of political groups were under scrutiny.

By 1965, the structure for a political "thought police" at IRS was well in place. A Dec. 31, 1965 assessment of the "Ideological Organizations" project, praised the program for having started a project to "purge from the rolls of exemption alleged propagandists, extremists, and such other movements whose ideals and opinions did not conform to those in America's mainstream."

From 1969 until 1973, the IRS established the Special Service Staff. During its four-year official life, the SSS compiled files on more than 2,873 organizations and 8,585 individuals. These were targets of that intelligence-gathering gestapo, not because of known or even suspected tax violations, but rather because of their "extremist" political activities. The SSS was officially disbanded in 1973, but its functions were transferred to other units within the IRS. It never ended.

A 1989 book, *A Law Unto Itself: Power, Politics and the IRS*, by investigative reporter David Burnham, declared that, "with the possible exception of a handful of agencies in the Soviet Union and China, there is little question that the IRS today is the single most powerful bureaucracy in the world. As a corollary to this astonishing ranking in the Olympics of organizational authority, I believe that the IRS has become the single most powerful instrument of social control in the United States."

Burnham also noted that the Congress and the courts had granted to the IRS extraordinary powers which are otherwise specifically denied to law enforcement agencies, including the authority to seize summarily the assets of any taxpayer it believes might be contemplating flight, and to make a "jeopardy assessment" without the prior approval of a court.

IRS targets LaRouche

A case study which shows some of the most outrageous abuses of IRS powers is that involving Lyndon LaRouche and his associates (see next article). Not only did the IRS illegally conspire with private organizations against LaRouche, and then play a key role in the prosecution task force which railroaded LaRouche and many associates to prison, but it didn't stop there. After LaRouche—whom the prosecutors knew at all times to be innocent of the charges against him—was

convicted and sentenced to 15 years in prison, the IRS then fabricated a claim that LaRouche, who had no income during the period in question, owed over \$5 million in taxes and penalties. This preposterous claim is *still* being fought in court.

The IRS also went after businesses operated by associates of LaRouche for millions of dollars in claims and penalties, even targetting the three companies which were shut down in an illegally government-initiated involuntary bankruptcy in 1987. A management company and a printing company operated by associates of LaRouche, were also subjected to massive harassment and penalties.

GOP seizes upon anti-IRS anger

All of this has been going on for years and years, and clearly pre-dates the Clinton administration. So why, all of the sudden, are Republicans, many of whom have been the most fervent defenders of government police powers, now leading the fight against Federal agencies?

There are a number of reasons. Sensing themselves in trouble politically, and attempting to appeal to the 51% of the voting population which sat out the last election because of apathy, alienation, and disenchantment with politics, many Republicans are trying to jump in front of the anti-government bandwagon.

A 222-page strategy memorandum prepared by GOP pollster Frank Luntz, one of the architects of the 1994 "Contract on America," sheds some light on this. Luntz told Republican campaigners: "Nothing guarantees more applause and more support than the call to abolish the Internal Revenue Service. I urge you in the strongest possible terms to allocate significant time and attention to this political 'winner.'" Luntz said that he had found enormous support for tax reform, but warned that the public doesn't trust politicians who promise tax cuts. Instead, he urged Republicans to talk about tax relief instead of cuts, and to campaign against the IRS.

More opportunistic Republicans have also exploited the national anger against the IRS for fundraising purposes. A letter sent out by Sen. Mitch McConnell (R-Ky.) for the National Republican Senatorial Committee, told potential contributors that "if you will just give today, you will help to virtually abolish the IRS as we know it." A letter sent out by the Republican National Committee was signed by Trent Lott: "Yours to *end* the IRS as we know it." Lott also described the GOP goal as "letting *you* spend *your* money as *you* see fit"—more in line with various quack schemes being promoted by Republicans, such as the flat tax or a national sales tax.

Not the least of the ironies of the current campaign against the IRS, is that many of the same Congressmen who passed law after law giving the IRS more power, and requiring "performance standards" (e.g., collection quotas) from the IRS, are now leading the charge against IRS abuses. Better late than never.

IRS role in the ‘Get LaRouche’ task force

by Edward Spannaus

Anyone who wants to look at serious abuses perpetrated by the Internal Revenue Service cannot avoid examining the IRS role in the frame-up of Lyndon LaRouche and the politically motivated attack on his associates during the Reagan-Bush administrations, which is still ongoing.

The IRS targetting of LaRouche and his colleagues began no later than late 1983 or early 1984, when NBC-TV aired two programs alleging tax violations by organizations associated with LaRouche. The NBC producer, Pat Lynch, was an attendee at least one of the 1983-84 planning meetings in the New York apartment of Wall Street financier John Train, in which delegated representatives of the George Bush “secret government” apparatus met with news media representatives to plan out a media assault on LaRouche. The NBC broadcasts came directly out of the “Train salon” meetings; Lynch later admitted, under oath, that she had received “non-public” information on LaRouche from the IRS. Lynch also claimed, on her March 4, 1984 broadcast, that the IRS had already begun an investigation of LaRouche.

Larry Lucey, of the IRS’s Criminal Investigative Division in Alexandria, Virginia, testified that he began keeping a file on LaRouche in late 1984—including news clippings generated by the trial of LaRouche’s libel case against NBC which was held in Alexandria. Within a few months, Lucey began an active investigation of LaRouche and others—supposedly without any official or legal IRS authorization. Lucey was working with Donald Moore, then a Loudoun County, Virginia sheriff’s deputy, and now a convicted felon, and with the Anti-Defamation League’s Washington, D.C. fact-finding director, Mira Lansky Boland. In its May 1989 *Bulletin*, the ADL took credit for initiating the IRS attack against LaRouche—and there is abundant evidence of continuing collaboration among Moore, the IRS, and the ADL.

Among other things, Moore unlawfully obtained voting records of LaRouche supporters, which he gave to the IRS, so the IRS could target the voters for tax probes. Moore himself declared that this was “illegal as s—t!”

IRS agent Lucey also was a participant in the extraordinary, nationwide “Get LaRouche” conference which was held in Boston in February 1986 at the insistence of then-U.S. Attorney William Weld. By mid-summer of 1986, Weld had moved on to Justice Department headquarters in Washington, to head the Criminal Division, and he ordered that an investigation of LaRouche be opened in Alexandria, to supplement

the one he had already been conducting in Massachusetts.

From the outset, the Alexandria case was concocted around a tax case—always the last resort of desperate prosecutors. Heading the prosecution team in Alexandria was Kent Robinson, who had recently come from the Tax Division of the Justice Department; heading the investigative team was the IRS’s Lucey.

After Federal prosecutors had fallen on their faces in the Boston trial of LaRouche in 1988 (centered around obstruction of justice charges), the Justice Department decided to scrap the Boston case altogether, and proceed with the Alexandria case instead. The Alexandria trial was crafted around a phony charge that LaRouche had conspired to defraud the United States “by impeding, impairing, obstructing and defeating” the IRS in the “ascertainment, computation, assessment, and collection” of his income taxes—rather than around a tax-evasion charge, which prosecutors knew they couldn’t prove.

Prosecutors deliberately combined the tax conspiracy case, and a mail-fraud conspiracy case, into one. LaRouche’s lawyers later argued that the prosecutors did so in the hope “that enough would spill over into one case” that it could sway the already-stacked jury. “By trying the mail fraud and IRS cases together,” the appeal argued, “the government was able to introduce inflammatory testimony which would not have been admissible in separate trials.” What this enabled the prosecutors to do, was to fill up the trial with false and inflammatory testimony about LaRouche’s so-called “lavish lifestyle,” which would not have been admissible in a straight “mail fraud” case.

Ugly bragging

After LaRouche’s conviction, the IRS boasted in its annual report for 1989, that the railroading of LaRouche was one of its major accomplishments. The same year, the ADL also claimed, in its annual report, that it was responsible for the IRS actions against LaRouche.

But that still wasn’t the end of it. In 1990, the IRS announced that it was auditing Publications and General Management (PGM), a management company run by political supporters of LaRouche. This was no “routine audit.” IRS auditor David Griffin informed PGM’s representative that he was being guided by Kent Robinson, the same Assistant U.S. Attorney who ran the case against LaRouche in Alexandria, and by Virginia State Police officer C.D. Bryant, a former IRS officer who had been a top investigator for the Virginia state prosecutions of LaRouche associates. At length, after a slipshod audit, the IRS arbitrarily assessed PGM \$5 million in corporate taxes, which PGM is still fighting, after seven years.

While pursuing the phony claim against PGM, the IRS then put forward the outrageous claim that LaRouche personally owed nearly \$5 million in taxes—despite the fact that he had no income in the years at issue. LaRouche is still fighting that claim, which the IRS has now reduced to about \$350,000.

Kitschy, kitschy, koo

by Nancy Spannaus

In millions of bathrooms across the United States, you will find a small monthly magazine, with lots of jokes. It's not the jokes that are the problem, but the so-called human interest stories and investigative news reporting which are ingested by unsuspecting readers. In the guise of bite-sized entertainment, Americans are being fed pure Anglophilic propaganda.

Reader's Digest, the apparently innocuous piece of light reading, is the largest circulation magazine in the United States, once you discount the publications of the American Association of Retired Persons. It has a circulation of 15.1 million in the United States alone, and an estimated readership of 100 million here. This is the core of an even farther-flung media empire, which was established by Dewitt and Lila Wallace in 1922, and now publishes 48 editions in 19 languages, as well as providing "news" *ad nauseam* for National Public Radio.

Where does *Reader's Digest* get its "information," you might ask? Well, at least one substantial portion of it comes straight from British intelligence.

This is more than evident in recent years, when the monthly magazine has been featuring regular "stories" based on British intelligence lies about Sudan and China, both nations which have been targeted for dismemberment by the British Empire-Commonwealth. The stories do not purport to rigorously prove the claims of slavery or oppression by these governments, but select an individual's, or family's, story which asserts that the government is oppressive, and pulls on the heart-strings of the reader, who is then set up to support the rantings of various ideologues in Congress, and elsewhere, to impose sanctions, or other measures, on these nations.

Today, these lies are particularly dangerous, since the prospects for world prosperity and peace depend heavily upon the creation of a strategic partnership between the United States and the People's Republic of China.

Anglophile, and more

But *Reader's Digest* did not begin serving its disinformation function in the 1990s. From its inception, it has been an intelligence operation of a highly sophisticated, and destructive, nature.

The magazine's founder, Dewitt Wallace, was a *bona fide* World Federalist, as well as an avowed Anglophile. Interestingly enough, the *Digest*—which today has a very "conservative" profile—was a nesting place for a good number of avowed "left-wingers," notably Eugene Lyons and Max Eastman. Both men eventually professed to go through "conversions" to virulent anti-communism. It would be more accurate to say that they were always British materialist-atheists, who simply changed their "ism" after a while.

By the 1940s, the *Digest* was a leading promoter of British Tory policies, notably free trade. From their book division, the company published a condensed version of Mont Pelerin Society founder Friedrich von Hayek's anti-nation-state manifesto, *The Road to Serfdom*. Increasingly, it was reported that *Digest* offices were full of former Anglo-American intelligence operatives.

During the 1950s and 1960s, the *Digest's* Washington bureau served as a public relations firm for Dewitt Wallace's good friend "Gay" Edgar Hoover and the FBI. One of the leading stringers for the FBI and the Anglophile networks within the CIA, was *Digest* Washington bureau staffer Eugene Methvin, who routinely published intelligence community "research" under his byline.

The lying continues

Methvin is still active with the *Reader's Digest*, and just as filthy in his activities. He was part of the John Train salon which came together in the spring of 1983, at the home of the investment banker, as part of a secret government project called "Public Diplomacy." Along with journalists from NBC-TV, the *Wall Street Journal*, *Business Week*, and the *New Republic*—as well the Anti-Defamation League of B'nai B'rith (ADL) and the National Security Council—Methvin received instructions on how to smear the secret government's major opponent, Lyndon LaRouche.

Methvin's contribution to the journalistic smear campaign that led up to the first raid and indictments against LaRouche associates in October 1986, came in the August 1986 edition of the *Reader's Digest*. Under the title "Lyndon LaRouche's Raid on Democracy," Methvin retreaded the slanders which were put into currency by the ADL, the *New York Times*, and the Heritage Foundation, under the theme of exposing "the man who has convinced his cult of fringe fanatics that they are destined to rule the U.S."

The best thing that could be said for Methvin's piece, is that it was a loyal repeat of the dominant line in the secret government-controlled portion of the intelligence community. Otherwise, it had no integrity in the least.

The same has to be said for the *Digest's* "reporting" on international issues, which is a retread of the prevailing line of the Anglo-American financial establishment on various matters. It's British intelligence lies transformed into *kitsch*, and should be treated as such.



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AFL-CIO presents domestic policy agenda

Policies focussed on improving the standard of living, including physically rebuilding the economy.

The leadership of America's labor movement presented a sweeping domestic policy agenda, in resolutions and floor debate at the AFL-CIO's Sept. 22-25 biennial convention in Pittsburgh, Pennsylvania. Coupled with a commitment to fighting for continued growth in union membership, which was the main theme of the convention, the agenda is important both for what it proposes, and because of the increasing political strength of the labor movement, particularly in the wake of the highly successful Teamsters' strike against United Parcel Service.

AFL-CIO President John Sweeney told the thousand delegates to the convention that his aim is to take Congress back for a pro-working family agenda in 1998. The labor federation's "top federal legislative priority," he said, is stopping the Clinton administration's proposed "fast-track" negotiating authority to expand the North American Free Trade Agreement (NAFTA). At a pre-convention press conference, Sweeney said he thought "fast track" could be defeated, and that it would figure into endorsements for Congress in the 1998 election.

Calling the 1993 vote on NAFTA a "litmus test," AFL-CIO Executive Vice President Linda Chavez-Thompson told the press that, in addition to the 40% of AFL-CIO members who aren't even registered to vote, workers simply stayed home in the 1994 election, because of NAFTA. But in 1998, she said, Congressmen "who vote for 'fast track' should have fears that working people won't vote for them."

NAFTA and other "free-trade" legislation is anathema to the labor movement because its result, borne out in spades over the past two decades, is what Sweeney calls "a race to the bottom." In its resolution on "The American Economy," the AFL-CIO spells out what it sees as the "American Dream," which is being destroyed by "free trade": "A secure job with good wages and benefits for everyone who wants one remains an unfulfilled need for millions of Americans, and is the top economic policy priority of the AFL-CIO."

The resolution broadly outlines the policy requirements needed to achieve this goal:

- The AFL-CIO "is strongly opposed" to any change in the Federal Reserve's commitment to full employment, warning that the Fed "must be able to lower interest rates aggressively in order to help prevent economic downturns from spiralling into deep recessions." While far from Lyndon LaRouche's call for a new Bretton Woods system, this warning at least acknowledges the need for Federal action in the case of deep economic emergency.

- Should the private sector be unable to provide sufficient jobs to reach full employment, the AFL-CIO calls on the Federal government to step in, as the "employer of last resort."

- The resolution opposes the budget priorities contained in the GOP budget plan, saying that "more resources must be made available for the programs working families will depend upon most over the next de-

cade—Medicare, Medicaid, education, job training, infrastructure investment, public safety and the environment." It further rejects proposals such as the flat tax, value-added tax, or national sales tax, which would "further shift tax burdens away from the well-to-do."

- Calling for reversal of the growing income inequality in the nation (where the highest-paid CEOs are averaging 400 times more income than the lowest-paid workers), the AFL-CIO calls for market and tax policies that work to reduce the disparity of income and wealth, and for a "living minimum wage." Despite long-overdue increases in the minimum wage passed by Congress in June 1996, a full-time minimum-wage worker will still earn only \$10,920, well below the poverty threshold of \$12,772 for a family of three.

- The growing "contingent" workforce must be protected from exploitation, the AFL-CIO states, including the millions of new welfare workers, as well as the "employees" of the nation's largest employers—temporary agencies. "Compared with traditional employees, contingent workers lag in pay, health care and pension coverage," the resolution states. "The AFL-CIO strongly supports protection of all workers under Federal and state employment laws, including minimum wages, overtime, family and medical leave, civil rights and the right to organize unions, which itself is an essential civil right."

Other language in the resolution calls for rebuilding America's cities by renewing our commitment to infrastructure investment; an end to the "uncritical drive toward radical deregulation and unbridled competition" in the electric and other industries; and a strong commitment to the nation's maritime capability for military and economic security.

Continuing resolution voted up in House

On Sept. 29, the House voted 355-57 to pass a continuing resolution to keep the government open until Oct. 23 so that the Congress can finish work on all the appropriations bills. None of the 13 spending bills have yet been signed, although many are now in the late stages of the legislative process and could go to President Clinton for his signature in the next week or so.

Appropriations Committee Chairman Bob Livingston (R-La.), anxious to avoid a government shutdown, admitted that the reason why the 13 bills are late is because the House withheld action on them until the budget agreement was signed by Congress and the President. However, unlike some continuing resolutions from the recent past, this one did not change funding levels from the previous fiscal year, and it promises to cause no controversy. Livingston suggested that this is the way such things should be handled.

Shuster backs down on transportation bill

On Sept. 24, the House Transportation and Infrastructure Committee approved a six-month extension, to March 31, 1998, of the Intermodal Surface Transportation Efficiency Act (ISTEA), which was set to expire on Sept. 30. Committee Chairman Bud Shuster (R-Pa.) agreed to delay consideration of his Building Efficient Surface Transportation Equity Act (Bestea) by six months, after meetings with House Speaker Newt Gingrich (R-Ga.) and the House GOP leadership. Republican leaders were worried that Shuster's bill, which has broad bipartisan support, would break the budget deal by \$34 billion.

Shuster told the committee, "It seems that there is simply no way to adequately address the budget issues until early next year. The far more responsible way to proceed is to approve this extension and work within the budget process next year."

The committee also amended the Bestea from a three-year, \$103 billion bill, to a six-year \$218 billion bill. Shuster promised that during the next six months, "the committee will be engaged in an active campaign to have Bestea's six-year funding levels and principles included in the blueprint of a balanced budget."

Underlying the conflict over the transportation bill is a projection by the Congressional Budget Office that Federal revenues over the next five years will be \$135 billion more than is accounted for in the current budget agreement. While Shuster appears to have positioned himself well in the scramble over these so-far nonexistent funds, he's competing with a number of tax-cut and debt-reduction schemes being pushed by some of the more radical members of the Republican caucus, for allocation of those projected funds.

Feingold attempts to sabotage Jiang visit

On Sept. 25, Russell Feingold (D-Wisc.) introduced a sense of the Senate resolution which calls on President Clinton to refuse to host China's President Jiang Zemin for his state visit to Washington on Oct. 29. The resolution, co-sponsored by Spencer Abraham (R-Mich.), Jesse Helms (R-N.C.), and Paul Wellstone (D-Minn.), demands that China immediately pardon political prisoners, including Wei JingSheng, Wang Dan, and others, and

improve conditions on human rights as preconditions for hosting any state visit by the President of China.

On Sept. 11, Feingold and eight conservative Republicans, including Abraham, had introduced the China Policy Act, which escalated a high-profile attempt to disrupt positive U.S.-China relations.

In remarks on the resolution on the Senate floor, Feingold said, "By agreeing to this state visit without receiving any concession on human rights, the [Clinton] administration may be squandering perhaps its strongest source of leverage with Beijing." He said that a White House visit "will boost the prestige of President Jiang and help him to solidify his position as Deng Xiaoping's successor. In short, China needs this state visit more than the United States does."

Feingold accused the administration of rewarding the alleged lack of Chinese cooperation on issues such as weapons proliferation and intellectual property rights, in addition to human rights, by hosting high-level visits of Chinese officials. Feingold said his resolution "sends a clear message that if the United States is to treat China like a great power, then China must comply with international human rights standards."

More state prison construction funded

A number of attempts to increase funding for crime prevention programs failed during debate on the House Commerce, Justice, State and the Judiciary Appropriations bill on Sept. 24 and 25. The attempts, led by Bobby Scott (D-Va.) and Maxine Waters (D-Calif.), both targeted state prison construction programs, which are funded

at a level of \$722 million in the bill, an increase of \$52 million over fiscal year 1997.

Scott's amendment would have taken \$258 million out of state prison construction grants in order to increase funding of programs like the Boys and Girls Clubs, child abuse prevention, residential drug treatment, and drug courts. Waters's amendment would have taken \$30 million out of the state prison program to increase drug court funding.

The state prison construction grants are used to implement the so-called truth-in-sentencing act, passed in 1995 by the 104th Congress as part of the "Contract on America." Under the act, states are given money if they incarcerate convicts for 85% of their sentences. Scott argued that truth-in-sentencing has resulted in convicts being given shorter sentences, so that the average time in prison remains the same, but lower-risk prisoners are serving more time while the most dangerous serve less time. He said his amendment would assure "that at least some of the money will be used to encourage states to adopt crime reduction approaches that actually will reduce crime."

Opponents of Scott's amendment acknowledged that the truth-in-sentencing program results in exploding prison populations. However, this was precisely their justification for the funding level contained in the bill. Harold Rogers (R-Ky.) complained that Scott's amendment would be "cutting in half the resources to build and expand much-needed prison space." He and Crime Subcommittee Chairman Bill McCollum (R-Fla.) also argued that there was plenty of money already appropriated for crime prevention measures. Scott's amendment was defeated by a vote of 291-129, and Waters's by a vote 259-162.

Meanwhile, one of the more contentious issues wrapped up in the bill, is the year 2000 census. The Census Bureau, backed by the Clinton administration, says that it needs to use sampling methods to help ensure the accuracy of the count. However, the GOP is worried that the result might be fewer House seats for them after the 2002 elections. As a result, the bill contains restrictions on the Census Bureau's ability to use sampling, which opponents complain might prevent the Census from using such methods altogether.

Senate begins debate on campaign finance reform

On Sept. 26, the Senate began debate on a modified version of the McCain-Feingold campaign finance reform bill, after President Clinton sent a letter to the leaders of both houses informing them that if a debate did not take place before the end of the current session, he would call a special session just for that purpose.

Three days before the debate, Majority Leader Trent Lott (R-Miss.) brought back to the floor the same unanimous consent agreement that had been rejected by Minority Leader Tom Daschle (D-S.D.) the week before. Daschle accepted it this time, he said, because "I have now had the opportunity to consult with my [Democratic] colleagues." Lott, for his part, said he intended to work with the Democrats to fix a suitable time and rules for debate but, referring to the President's letter, said, "We do not intend to be threatened on this or any other issue."

The primary feature of the McCain-Feingold bill is a ban on so-called "soft money." John McCain (R-

Ariz.) said that this is necessary to "cause candidates to spend more time campaigning for small dollar donations from the people back home." The bill also places limitations on issue advocacy by independent groups during an election campaign.

Daschle argued that the problem in campaign financing is "the amount of money in politics has skyrocketed. It is no accident, no coincidence that voter turnout and public confidence in this institution [Congress] has plummeted." He pointed out that, on average, a senator has to raise \$14,000 a week, every week for six years, to run for reelection, and for the House, \$6,000 a week every week for two years.

Opponents of reform have always argued that restrictions on financing and on the activities of issue-oriented lobbying groups are restrictions on the First Amendment. Mitch McConnell (R-Ky.) said that, even though the biggest lobbying group now is the AFL-CIO, "and it is mostly targeting members of my party . . . no effort to restrict that through legislation in the Congress is going to change it." He also shrewdly pointed out that the only exemption to both current election law and the McCain-Feingold bill is the press, known for both endorsing candidates and advocating issues.

The one issue likely to torpedo the McCain-Feingold bill is restrictions on labor union political activity. McCain indicated that he supports stronger language against using compulsory union dues for political activity than is in the bill, but said, "I recognize that stronger language would invite a filibuster of this bill and would doom its final passage." However, on Sept. 29, Lott introduced amendments that will likely do just that.

Ex-congressman probed for arms kickbacks

According to the *Dallas Morning News*, former Texas U.S. Rep. Charles Wilson, the foremost advocate of the Afghan mujahideen in the 1980s, is under investigation for having taken kickbacks from arms manufacturers. The Justice Department investigation came to light after a Swiss court ruled that the U.S. government could obtain access to Swiss bank records, which are usually kept secret. It was said in the 1980s, that whenever the CIA would ask for an appropriation to provide covert aid to the Afghan anti-Soviet resistance, Wilson would double the amount of the appropriation. Officially, U.S. aid to the Afghan "freedom fighters" was well over \$1 billion; this amount was augmented by proceeds of the rapidly expanding drug trade.

According to Swiss court records, a company that provided anti-aircraft weapons, paid Wilson and his unidentified partner a commission of between \$3.5 and 4 million. Wilson has denied the charges.

As *EIR* and other sources have documented, the Afghan war, covertly financed by both U.S. and British intelligence agencies, not only spurred a meteoric rise in the amount of heroin coming into the United States, but it also spawned most of the so-called "Islamic terrorist" groups now deployed by the British.

EIR releases Special Report on Windsors

Executive Intelligence Review released its latest *Special Report*, "The True Story Behind the Fall of the House of Windsor," late last month. The report, which was rushed into print in the aftermath of the Aug. 31 murder of Diana, Princess of Wales, reprints three in-depth studies published since 1994, and includes as an Epilogue, our Sept. 12, 1997 cover-story, "Can the House of Windsor Survive Diana's Death?"

In his Letter of Transmittal, Counterintelligence Editor Jeffrey Steinberg wrote: "Beginning with the Oct. 28, 1994 issue of *Executive Intelligence Review*, which featured 'The Coming Fall of the House of Windsor,' *EIR* has been both the chief source for intelligence on the troubles of the British monarchy, and a major player in creating those troubles. The analysis of the role of Prince Philip within the Club of the Isles, which was presented by founding editor Lyndon H. LaRouche, Jr., in that issue, became the basis for a series of documentary studies which showed the pivotal role of the British monarchy in creating the environmentalist movement, the terrorist international, and a series of geopolitical conflicts around the globe. . . .

"*EIR* followed up the first study with its May 24, 1996 issue, devoted entirely to profiling the global British Empire: 'The Sun Never Sets on the New British Empire.'

"The third study in the series, published Aug. 22, 1997 under the title 'Britain's "Invisible" Empire Unleashes the Dogs of War,' provided even more extensive documentation of the ongoing war which the British Empire is waging to seize the mineral wealth of the planet, and to destroy that nation-state uniquely capable of stopping the Empire's designs: the United States."

The 224-page report is available for \$75 from *EIR* News Service, order number EIR 97-004.

Pennsylvanians briefed on horrors of workfare

Pennsylvania State Sen. Vincent Hughes invited New Yorkers to address a public meeting in Philadelphia on New York City's slave-labor Work Experience Program (WEP). The Sept. 29 forum, held in the Philadelphia City Council chambers, had been called to build support for Hughes's proposed legislation to create 10,000 jobs for welfare recipients at prevailing wage, rather than for below minimum-wage welfare checks.

New York City Councilman Stephen DiBrienza (D-Brooklyn), who chairs the Gen-

eral Welfare Committee, was a featured speaker. DiBrienza documented the use of WEP workers, who are taken from the welfare rolls, as a free labor force to replace unionized city workers. WEP, he said, "is fostering the creation of a permanent underclass. . . . You do not want this program in Pennsylvania." His report was bolstered by three WEP workers, who recounted horror stories of inhumane treatment, deaths, and injuries. One of them is the leader of "WEP Workers United," which is trying to create an alliance with the trade unions.

Hughes's bill would pay a minimum of \$6 an hour or prevailing wage, and provide health benefits and child care. It includes provisions to prevent JOBS workers from replacing regular employees, and gives them the right to join a union. His proposal has the backing of many unions, community, and religious groups, including the Archdiocese of Philadelphia.

Spannaus: Frank Wolf backing war vs. Sudan

LaRouche Democrat Nancy Spannaus, who is running for Congress in Northern Virginia's 10th C.D. to unseat Conservative Revolution darling Frank Wolf, bluntly exposed Wolf's "human rights" drive against Sudan as a front for British genocide. "Not only is he grandstanding for his British controllers at Christian Solidarity International," she said in a Sept. 30 statement, "in an attempt to destroy vital U.S. relations with China, but he is now part of the drive to expand Museveni's bloody war in Central Africa. Hypocrite Frank Wolf has got to be stopped."

She continued, "To my knowledge, Frank Wolf has not lifted a finger to halt, or expose, the genocide carried out by Museveni's legions in Congo-Zaire. This was genocide carried out with an intensity rivaling that of Hitler, and the atrocities continued to go on. Yet he was silent.

"Wolf refused to condemn the invasion of Sudan last January, which was carried out from Ethiopia and Eritrea, and resulted in

THE FBI'S "shoot to kill" policy during the 1992 standoff at Ruby Ridge, Idaho was "a gross deviation from Constitutional principles, and a wholly unwarranted return to a lawless and arbitrary Wild West school of law enforcement," according to a Sept. 25 ruling by the U.S. Court of Appeals for the Ninth Circuit.

WHITE HOUSE spokesman Mike McCurry responded to a question about House Speaker Newt Gingrich's trying to blame the Clinton administration for the IRS, with the quip that, since Gingrich "is probably one institution in American political life less popular than the IRS, the more he wants to get up and talk, I guess, the better off we are. . . . I'd encourage him to continue to be out there, and be the front man for the Republican Party on this issue, as much as he wants to."

MADELEINE ALBRIGHT, Secretary of State, again criticized the plans of Israeli Prime Minister Benjamin Netanyahu to build 300 housing units in Palestinian areas, at a UN press conference on Sept. 25: "When I was there, I called for a time-out. . . . And I am calling on Prime Minister Netanyahu to honor that time-out."

MICHAEL REAGAN, the former President's son, thumped the tub for "election campaign reform," on his nationally syndicated talk show recently, by frothing about matching funds paid to Lyndon LaRouche's Presidential campaign. "We paid Lyndon LaRouche, *who was in jail*, to run for office!" sputtered Reagan, who neglected to say that the candidate had been railroaded by his father's vice president.

THE CLINTON administration took several steps in moving forward the Northern Ireland peace process, including announcing that Mrs. Clinton will go to Belfast at the end of October for a ceremony honoring the late peace activist Joyce McCarten, and that Clinton has released \$19.6 million as the U.S. 1997 contribution to the International Fund for Ireland.

grisly violations of human rights. And now that the forces who failed in that invasion, are gathering in Washington, D.C., to seek support for new military aggression, Frank Wolf is part of the lobby supporting those efforts."

Wolf is a member of the international board of referents of Christian Solidarity International, headed by Lady Caroline Cox, a deputy speaker of the British House of Lords. Cox's group specializes in using claims of religious persecution to cover for hostile intervention in furtherance of British geopolitical aims.

'Rich kooks' horning in on U.S. foreign policy

Los Angeles Times contributing editor Walter Russell Mead, profiled the "privatization" of foreign policy by very wealthy U.S. citizens, in an editorial page commentary on Sept. 28. The three "men with money" are Irving Moskowitz, who is privately financing a housing project for a fanatical Jewish sect in Arab East Jerusalem; Cable News Network owner Ted Turner, who lavished \$1 billion on the UN last year; and George Soros, whom Mead identifies as the man, "charged by the prime minister of Malaysia with destabilizing his nation's stock and currency markets, and whose 'Open Society' projects have attracted controversy for high-profile political philanthropy ranging from support for democracy in Eastern Europe to support of last year's medical marijuana referendum in California."

"The importance of these three individuals," Mead wrote, "dramatizes one of the major trends of our time: the retreat of the state. A generation ago . . . economic activity was tightly regulated at both the national and international levels. . . . Core government activities, like the administration of justice and the provision of order, are increasingly moving into private hands. Gated enclaves with private security police are increasingly common; so are private, for-profit prisons. Abroad, for-profit mercenaries fight wars, foil (or foster) coups and maintain order for foreign investors in turbu-

lent countries. . . . As the activities of private, free-lancers like Soros, Turner and Moskowitz show, even the world's most powerful governments are losing their monopoly on the conduct of foreign affairs."

Mead concludes: "Rich kooks with big egos and no constituency can cause major-league trouble when they butt into matters they don't understand."

N. Korean defectors try to deter U.S. food aid

The neo-conservative U.S. Defense Forum Foundation and the South Korean embassy paraded around two North Korean defectors in late September, to push the British line that the U.S. should withhold food aid from starving North Korea for political gain. The two, former diplomat Young-Hwan Ko, and Army Col. Joo-Hwai Choi, defected years ago and work at the Korean CIA's Research Institute for North Korean Affairs in Seoul. There was no reason given for their visit, other than to stop the growing concern in Washington over the severity of the famine in the North. The specific line coming from Anglophile layers is that there should be no government-to-government aid, which would only go to feed North Korea's military, which is being presented as a major threat to the West and an elite class at home.

Choi promoted the British line that foreign food aid goes first to military stockpiles, and added that the rationing system only applies to the "common people." In response to a question from *EIR* regarding conditionalities for food aid, Choi said, "I think it's too early for food aid. There are other problems that have to be solved first." Among these is the human rights situation, including 200,000 political prisoners. "They have to change this before we talk about food aid," he said. Also, he said, North Korea has to get rid of its stockpile of nuclear, chemical, and biological weapons, and cut down its military spending and the size of its army. "Without addressing these problems, it's clear where the food aid will go," he said.

Return U.S. diplomats to Sudan

The news on Sept. 23, that the United States government had decided to send eight diplomats back to the American Embassy in Khartoum, was a small, but significant step toward reestablishing normal relations with Africa's largest and strategically most important nation. The embassy had been virtually shut down, in January 1996, after the UN Security Council had voted up a British resolution, condemning the Khartoum government for allegedly harboring terrorism. The U.S. State Department had obsequiously followed suit, sending word to its perplexed ambassador, Timothy Carney, that all personnel, save a handful of Sudanese technical assistants, should be relocated to Nairobi, since the situation in the Sudanese capital was considered dangerous. The move was interpreted as a hardening of Washington's position.

The decision to reinstate the diplomats, was therefore good news. The State Department said, they would be in a better position to monitor developments, could "increase pressure on the regime," and would "support the peace process," which the government has consolidated with formerly insurgent rebel factions.

Then, days later, just as suddenly, an official statement to the contrary was released: the United States would *not* send back its diplomats. Despite plausible explanations by State Department officials, that there had been a misunderstanding, the fact is, a fight continues to rage in Washington, over Sudan policy.

Whereas the President is known to have used channels to seek a rational dialogue with Khartoum, rabid confrontationists on British intelligence's payroll, in the Congress and elsewhere, have violently opposed any rapprochement with the Sudanese government. The U.S. stable of agents of Baroness Caroline Cox (a deputy speaker in the House of Lords and head of Christian Solidarity International) immediately struck back: Ted Dagne of the Congressional Research Service teamed up with Reps. Donald Payne (D-N.J.) and Frank Wolf (R-Va.), to denounce the reinstating of the diplomats.

This is not a question of "democratic debate," or diplomatic niceties; it is a question of life or death for Sudan, and the entire African continent.

Lyndon LaRouche, who wrote an article in *EIR* of Sept. 26, denouncing the British plan for a four-front invasion of Sudan, reiterated his warnings in an interview with "EIR Talks" on Sept. 30. LaRouche outlined the process of war, ongoing in Uganda; the genocide, continuing in Congo-Zaire and threatening Congo-Brazzaville and Kenya; and the British strategy to dismember Sudan. "If there were such an invasion," LaRouche forecast, "and if the right-wing Israelis, who are deep into Uganda, deep into most of the murder and weapons-trafficking, and diamonds-trafficking . . . if they were to be deployed and were to successfully dismember Sudan, there would be *nothing to stop all of Africa from going into the biggest holocaust the world has ever known.*"

LaRouche stressed, that if the operation were implemented, Washington would be set up to take the blame. "Now," he said, "if the United States government does not stop, does not step on that toad, that British toad, and those poisonous toads, such as Museveni and his cronies, *guess who will be blamed?* The word out in this world is, the British aren't doing it. But every leftist . . . is insisting that the . . . U.S. supranationalists . . . are the responsible parties behind this operation in Africa."

There is, therefore, no room for the hesitation and backtracking that has been displayed over the decision to not send back our diplomats to Khartoum.

"The United States must *use its power in that area!*" LaRouche insisted, and outlined two things it must do: "It must *step* on these characters, including the British characters, and *stop this nonsense or else!* It must also make sure, connected to the same area, the United States must insist that Benjamin Netanyahu be *thrown out of power*, and what he represents, thrown out of power in Israel, very quickly. Otherwise," LaRouche concluded, "we could have a war in the region, which would engulf *both* the Middle East and Africa."

The most direct signal Clinton could give, of such intentions, would be the immediate reinstatement of the embassy personnel, and their engagement in ensuring the success of the peace talks on Oct. 28, between the government and British pawn John Garang.

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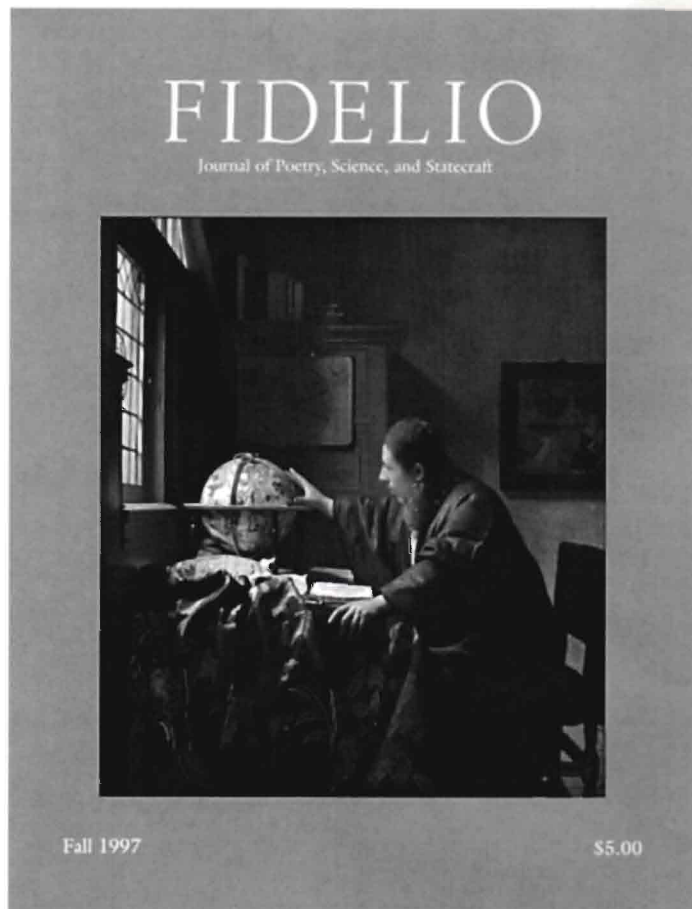
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