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Executive Intelligence Review

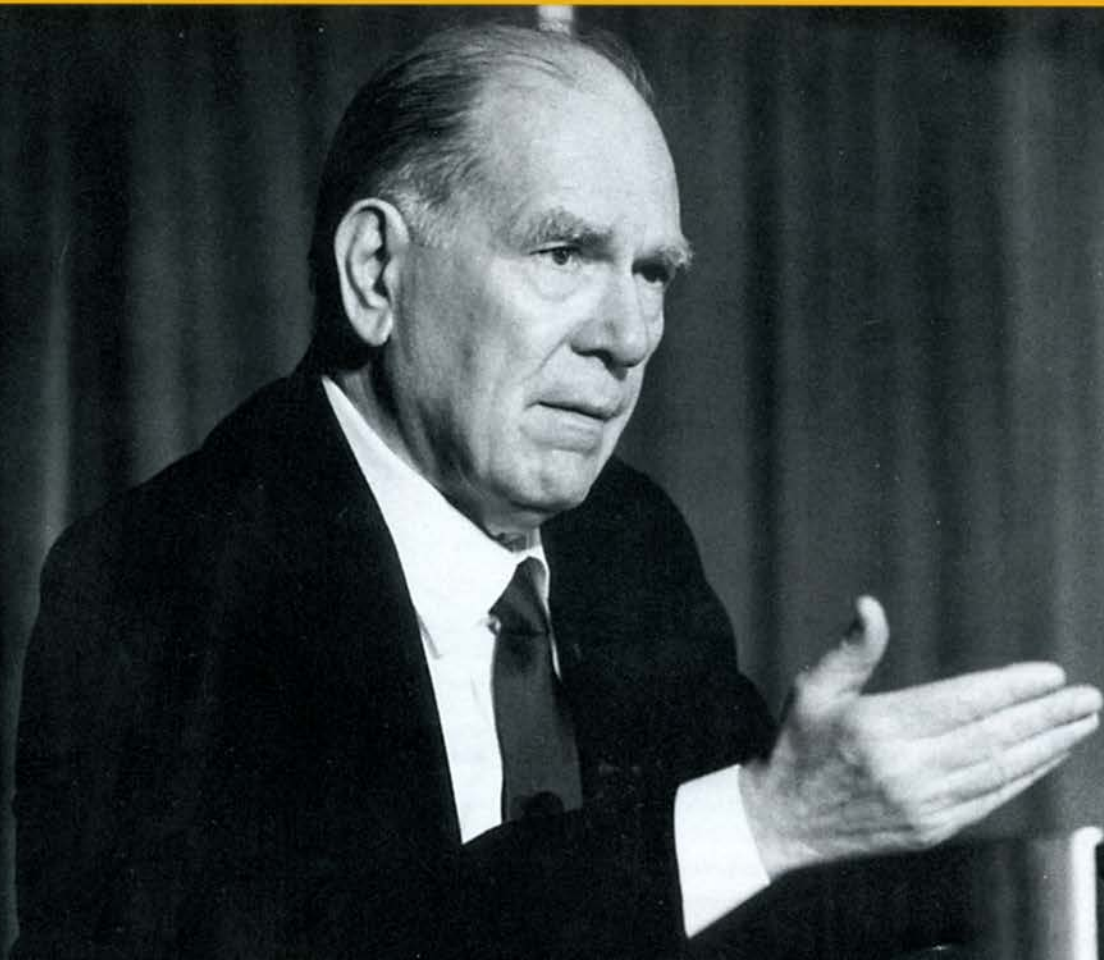
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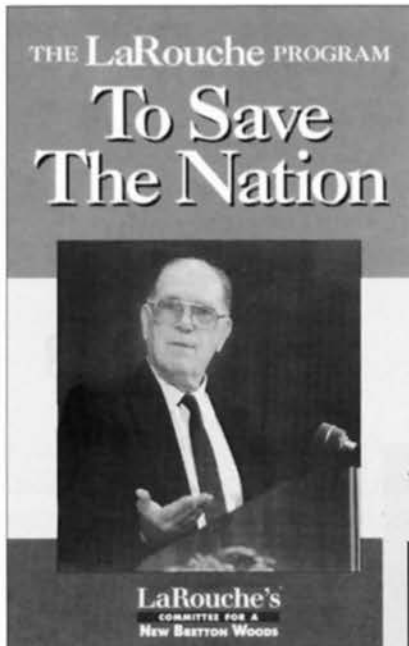
Breakout for
LaRouche Campaign

LaRouche Wins 22% in Arkansas Primary
Commission Is Created To Combat 'New Violence'
Peru's Patriots Stand Up to Globalist Blackmail

LaRouche: On the Subject of Strategic Method



LA ROUCHE *for* President



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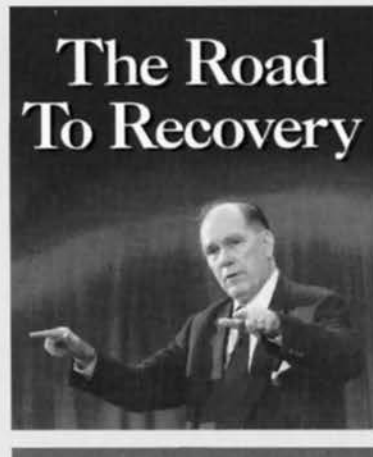
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These Books!

Abraham Lincoln warned you:

“You can fool some of the people all of the time,
and all of the people some of the time;
but you cannot fool all of the people all the time.”

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this time, vote LaRouche.

Lyndon H. LaRouche, Jr.



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NEW BRETON WOODS

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From the Associate Editor

They've really done it. The top dogs of the Democratic National Committee have taken 53,000 votes of Arkansas Democrats who cast their ballots for Lyndon LaRouche in the May 23 primary—22% of the total Democratic vote—and given them to Al Gore. Those 53,000 people who voted for LaRouche, because *they didn't want Gore or Bush, but wanted LaRouche for President*, have now been officially—publicly!—disenfranchised.

This travesty against justice, against the Voting Rights Act, cannot be allowed to stand.

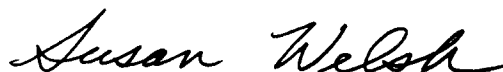
LaRouche's initial comment on the Arkansas vote is in our *National* lead (p. 60). He points out that he had been expecting, for the previous four weeks, that such a breakout would occur soon. To understand the reasons for this, "one must look beyond all considerations, to the larger global reality. In short, the issues featured by my campaign website, and by no other candidate's site, are the only real issues of the day."

Those crucial issues are most sharply and concisely defined, in LaRouche's May 26 speech to the Schiller Institute and International Caucus of Labor Committees, meeting in Bad Schwalbach, Germany, which is our *Feature* this week.

Now, the Gore crowd and the U.S. State Department are in big trouble, when they go down to Peru and tell President Fujimori that the elections there are "fraudulent." The word is out in Peru: 53,000 votes for LaRouche, stolen!

Peruvian TV commentators Jorge Moreli and Efraín Trelles told their viewers on May 25 that the Carter Center and the National Democratic Institute had decided to leave Peru and not participate as observers in the election (see *International*). Trelles commented (in close paraphrase): I suppose if these gentlemen are leaving Peru, they are going to Arkansas to find out what happened with the 53,000 votes cast for Lyndon LaRouche. Moreli added: Yes, I'm sure they are going to take steps in the United States to see what happened with LaRouche's votes. In fact, we extend an invitation to them. We are going to invite them to look into the LaRouche case and tell us: What happened to those 53,000 votes?

Stay tuned, for the serious fight for the U.S. Presidency has just begun!



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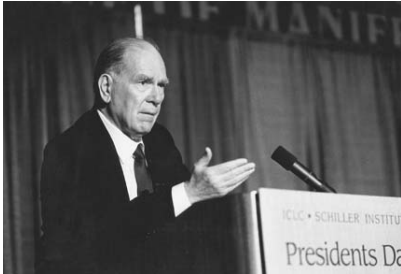
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Lyndon H. LaRouche, Jr.

20 On the Subject of Strategic Method

Lyndon H. LaRouche, Jr. addresses a conference of the Schiller Institute and International Caucus of Labor Committees in Germany. The policies of the dysfunctional three branches of the U.S. government today, he states, represent a recipe for a global catastrophe. The most ominous feature of the situation, is not merely the economic crisis itself, but the state of mind of those citizens who have caused it.

By what method can we forecast the course of events, and devise solutions? That is the crucial feature of the present report. "The exact timing of any critical phase-shift within the economic process," LaRouche stresses, "is determined by human choices of actions, or by the simple absence of competent choices. . . . It is the human will, in choosing, or failing to choose, appropriate kinds of voluntary, critical changes in policy, which shapes the future of nations, and of mankind as a whole. These are the decisions which have relatively decisive impact on the course of events, especially under crisis-wracked conditions similar to those prevailing, world-wide, today."

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As Trilateral Game Ends, Will Asia Walk Away from the IMF?

by Kathy Wolfe

The current inflow of \$1 billion a day into U.S. capital markets from the world outside was not enough on May 22 to prevent another “Black Monday,” in which Wall Street’s Dow Jones and Nasdaq indices each fell more than 200 points, only to be temporarily propped up by covert Federal Reserve futures index purchases and other support operations. U.S. Commerce Department figures released in May showed another record trade deficit at \$30.2 billion for March, with the Organization for Economic Cooperation and Development projecting this year’s U.S. current account deficit at \$440 billion, or more than \$1.2 billion a day.

Recent capital outflows from Japan, South Korea, and most Asian markets, as well as out of Europe, meanwhile, continue, with the Tokyo Nikkei stock index down to 16,300, its lowest level in 11 months, and the Seoul government issuing daily plans for multibillion-dollar bailouts of its banks and stock market. The Korean currency, the won, fell to a three-month low against the dollar after J.P. Morgan stated, in its May 17 *Asian Markets Research Report*, that the won is now “the riskiest currency in Asia.” Meanwhile, there appears to be no bottom to the euro.

South Korean President Kim Dae-jung, former Malaysian Finance Minister Mustapha Mohamad, and Japanese Finance Minister Kiichi Miyazawa all warned in May that the bursting of the Wall Street stock bubble threatens an even worse “contagion” which would pull down markets worldwide. “Fear is rising again of a sudden reversal of financial flows,” an “Asia Crisis II,” as Mustapha put it on May 17, in demanding reform of the global system.

Yet U.S. Treasury Secretary Lawrence Summers, asked by *EIR* on May 17 to take a stand on the need for a New Bretton Woods monetary system, refused. “I don’t see fixed exchange rates among any of the major currencies in the near term, due to international macro-economics,” he babbled. Fixed rates would deprive global private bankers of the “the

mobility of capital and independent monetary policies” — and Summers of his \$1 billion a day.

“Summers, Greenspan, et al., have put the U.S. at the throats of the vital interests of its Trilateral partners, continental Europe and Japan” by doing this, *EIR* founder Lyndon LaRouche wrote on May 16. The “Trilateral World” is over, he added on May 18. The Trilateral Commission mode of Wall Street financier control over the U.S.-Europe-Japan relationship has broken down, because Europe and Japan cannot feed Wall Street’s billion-dollar daily habit.

The Road to Chiang Mai

The “Trilateral World” control mechanism received a swift kick on May 6 in Chiang Mai, Thailand, where the ten-member Association of Southeast Asian Nations with Japan, China, and South Korea, known as “ASEAN-Plus-3,” set up a large new pool of funds for currency protection loans and swaps among themselves, dubbed the “Chiang Mai Initiative” (see *EIR*, May 19, p. 4). ASEAN-Plus-3 foreign exchange reserves total more than \$700 billion.

On May 16, LaRouche endorsed the Chiang Mai initiative and the idea of its expansion into an Asian Monetary Fund (AMF). Asia has been forced to this in self-defense by Summers’s insanity, LaRouche wrote, urging a challenge be made to the bankrupt International Monetary Fund (IMF) (see *EIR*, May 26, p. 6).

Japan, in particular, LaRouche pointed out on May 18, can only survive as an industrial economy, an exporter of quality heavy industrial goods such as machine tools; it cannot survive as a mere paper or electronic financial center. Under the Trilateral system, Japan had been turned into almost a financial appendage of Wall Street, which is now a threat to Japan’s national security. China, South Korea, and the ASEAN nations are the partners to whom Japan would now naturally turn to create sane trade, investment, and develop-

ment project relations.

Asked if the Chiang Mai initiative will be broadened into an AMF, a Japanese Ministry of Finance official on May 23 directed *EIR* to a series of speeches and interviews which show that an Asian regional monetary system has been in the works for a while.

First, it had to be shown that London, Washington, and New York had no real intention of “reforming” the bankrupt IMF. “After Japan proposed the Asian Monetary Fund in 1997 and it was rejected by the U.S., we had to try to promote serious reform of the global architecture, within the IMF,” the official said. “We had many serious discussions at the G-8, with the support of South Korea and other Asian nations. The [June 1999] Cologne G-8 summit promised IMF reform, but little was done, so we tried again. We proposed [former Finance Vice Minister] Dr. Eisuke Sakakibara for IMF chief, also with the strong support of Korea and other Asian countries, to test if there could be a serious reform of the IMF.”

As Finance Minister Miyazawa explained in a March 14 statement: “The nomination of Dr. Sakakibara reflected Japan’s position that the IMF, as a truly global financial institution, should determine its Managing Director based on a candidate’s ability to lead the IMF in the right direction and not on his/her country of origin. I send my sincere appreciation to the countries that expressed their support for Dr. Sakakibara. . . . The IMF should be reformed so as to reflect the reality of the new global economy. Greater attention should be paid to large-scale and abrupt capital movements.”

“When it became clear that Dr. Sakakibara would not be accepted, we decided to try to build an Asian regional monetary system,” the Ministry of Finance official said.

Asian Fund vs. 19th-Century Occupation

The documents show that the ASEAN-Plus-3 nations envision an Asian central bank-type of mechanism to serve as “lender of the last resort,” an Asian regional bond market, regional banking and savings markets to keep Asia’s hundreds of billions of dollars in annual savings invested in its own nations, and a plan to peg Asian exchange rates together using a basket of currencies, in addition to the currency protection swaps discussed at Chiang Mai.

Dr. Sakakibara specified, in a Jan. 6, 2000 interview with *AsiaWeek*, that these steps are necessary because “the U.S. has sucked in about \$800 billion over the course of the last two years and their net foreign debt is now above \$1.5 trillion. They need \$1 billion each working day to sustain this. This is not possible,” and Asia must be ready for a Wall Street-triggered global crash.

Asia also needs its own “lender-of-last-resort mechanism,” he said, a sort of pan-Asian central bank, to lend to its own nations in need, because “if the global mechanism is not there, you need to have some kind of regional mechanism.” He dismissed Western reforms of the IMF system to date as “interior decorating.”

The region also needs its own currency arrangement to

avoid the “dollarization of Asia,” he said, or else “Asia will be divided and ruled again by the Europeans and the Americans . . . like in the 19th Century.” This idea will especially resonate in China, which has been wary of cooperation with Japan in the past, but is even more wary of Western threats to China’s integrity today.

“It is important that China be included,” Sakakibara said. “It is essential that China and Hong Kong, of course, be major players in this regional arrangement. Eventually we have to include India as well. Those are the two growth centers in the world.”

Japan’s Vice Minister for International Finance Haruhiko Kuroda, Sakakibara’s successor, made a similar speech in Tokyo on April 11, stating that the 1997 currency crisis removed “about \$100 billion worth of funds” from Asia. Asia can’t tolerate another crisis, but the IMF won’t permit regulation of the global markets, so “I believe we have to explore ‘a third way’ to enhance stability,” Dr. Kuroda said. “Since the saving ratio is as high as 30 to 40% in Asian economies, their growth could have been largely achieved without overseas borrowing,” so Asia should “establish a regional capital market.” He also called for a regional bank, lender of last resort, or “the establishment of a safety net . . . to support the financial market” in the region.

Finally, Dr. Kuroda noted, “exchange rates must be stabilized.” As the IMF won’t discuss global reform, “a regional mechanism is possible and may be necessary.”

Reject ‘Unqual Agreements’ with IMF

Malaysian Prime Minister Dr. Mahathir bin Mohamad, in a speech in Kuala Lumpur to the Asia Africa Forum on May 23, accused the United States of “opposing the setting up of an Asian Monetary Fund for fear it might undermine the IMF and, therefore, U.S. hegemony.” “We now have to prepare ourselves to face and deal with challenges and dangers arising from new ideas about the structure of the world’s economy, trade, and finance,” said Dr. Mahathir, who has been one of the brains behind the AMF since 1997. “Most of all, we have to deal with the self-declared right of some countries to interfere in the affairs of others.” Pointing to the divide between the richest 2% and the poorest 20%, he warned: “Unless the interpretations of globalization and liberalization are changed, the poor will not only lose more, but they would virtually be colonized again.”

South Korean Foreign Minister Hong Soon-young, in a Dec. 17, 1999 *AsiaWeek* interview, also promoted the ASEAN-Plus-3 grouping, saying that President Kim Dae-jung and his government are “glad to see this growing sense of community among East Asian members.” Asked if he saw a role for the United States, Hong replied, “The People’s Republic of China should be brought into the regional community. . . . The U.S. has no reason to complain.” Hong also endorsed the Sakakibara IMF campaign, saying, “We need to have an Asian voice.”

In Thailand on May 21, meanwhile, a direct call was made

to overthrow the “unequal agreements” with the IMF, a reference to the “unequal treaties” many Asian nations had with colonial powers in the 19th century. Amarin Khoman, president of the Star Group and relative of former Foreign Minister Thanat Khoman, wrote in the *Bangkok Post* that the eight Letters of Intent Thailand has signed with the IMF since 1997 “almost surrender our sovereignty to foreign powers.” Similarly, he slams passage of the 11 “rehabilitation laws,” passed under IMF pressure, which patriots call the “11 treacherous laws,” aimed at selling off public sector firms, utilities, and airports.

Documentation

Asian Leaders on the Financial Crisis

Sakakibara on ‘Interior Decorating’

Japanese former Finance Vice Minister Eisuke Sakakibara said that the U.S. bubble “contagion” makes the Asian monetary plan necessary, in a Jan. 6 interview with *AsiaWeek* in Hong Kong, shortly after retiring to Tokyo’s Keio University. “We suffered from a major crisis of global capitalism in 1997 and 1998” and “embarked on the reform of the international financial system,” he said. “But the measures we have come up with are more or less interior decorating, not a major reform. So the crisis-prevention measures to avoid the contagion are not sufficient. We haven’t really solved the problems yet. For example, if you allow capital to freely move across borders, you need some kind of lender of last resort. We still don’t have that.

“So, countries are now preparing themselves for what [Bank of England Deputy Governor] Mervyn King called a do-it-yourself lender of last resort. You accumulate foreign reserves and you have some contingent borrowing arrangement with the private sector in case of a crisis and you start to develop some kind of internal mechanism for the crisis.

“Cyber-capitalism is extremely unstable. I’ve been talking about the IT [information technology] revolution. It’s a major progression. It will probably drive the world economy upward. However, it is a very volatile, aggressive train which may cause a crisis again. I wouldn’t be surprised if the crisis came back three or four years from now. The most likely place that could happen right now is the U.S. The U.S. has sucked in about \$800 billion over the course of the last two years and their net foreign debt is now above \$1.5 trillion.

“They need \$1 billion each working day to sustain this situation. This is not possible, so the U.S. either has to hard land or soft land. A soft landing is possible. I am not predicting a collapse in the U.S. market. However, a hard landing is also

possible. We should be careful . . . the risk is there. It’s not a sustainable situation: a \$1 billion flow of new capital and a negative savings ratio. I think they can manage it. . . . But anything could happen. . . .

“What is needed is a lender of last resort when it is perceived that the crisis . . . is systemic.”

Asked how the AMF would be a possible solution, Sakakibara replies: “The AMF is one of the do-it-yourself lender-of-last-resort mechanisms I have mentioned. You either accumulate your reserves, have some arrangement with the private sector, or have a regional fund. If the global mechanism is not there, you need to have some kind of regional mechanism. It does not have to be a monetary fund. It could be an arrangement among central banks, some kind of swap arrangement—multilateral or bilateral—or some kind of agreement among regional countries with regards to crisis lending or cooperation. The whole idea of regional cooperation is proceeding, although gradually. There are now discussions among China, Korea, and Japan going on. ASEAN countries are inviting Korea, China, and Japan to participate in their cooperative schemes. It has started to move and that is good.

“Asia generates a large amount of savings, but what happens is that those funds first go to New York and London and then come back in U.S. dollars with the exchange-rate risks. So you need to develop a market here, either a bond market or capital market, where you can raise the capital in your own currencies. The integration of two markets in Hong Kong is a step forward. If you can raise Asian money in Asian markets, that would be one of the strongest crisis-avoiding measures. What we have learned in the past during the crisis is that we have depended too much on the U.S. dollar, too much upon global financing mechanisms through New York. So, we need to develop regional markets where regional money could be recycled.

“The way things are going it may be difficult to have a global agreement to create some sort of lender of last resort. If that’s the case, we need to proceed regionally. The Europeans are proceeding regionally already. The euro is set up and is going to be expanded to include some eastern European countries. And some kind of dollarization is going on in the North American continent. What is left is Asia. No regional arrangement exists.

“It is absolutely necessary for Asian countries to develop a regional arrangement for both finance and trade. Free-trade arrangements are now being negotiated between Singapore and Korea. Korea and Japan are interested in developing similar arrangements between the two countries. And discussions on financial cooperation have started. If we cannot develop a regional mechanism, we have only two options: belong to the U.S. dollar zone or the European grouping. It doesn’t have to be the yen. It could be [a basket of] Asian currencies. It is important that China be included. It is essential that China and Hong Kong, of course, be major players in this regional arrangement. Without this Chinese participation, it is impossible. Eventually we have to include India as well. Those are

the two growth centers in the world.”

If Asia can't do this, he says, despite how tough it will be, “then we will be divided and ruled again like in the 19th century.” Asked, “What about dollarization? Hong Kong seems to be heading that way,” Sakakibara replies: “That's fine. But then again Asia will be divided and ruled by the Americans and the Europeans. . . . Sure, dollarization is one option for Asia, but I personally don't like to do that.”

Mahathir: Globalization Will Lead to a New Oligopoly

Malaysia's Prime Minister Dr. Mahathir bin Mohamad warned that globalization will lead to a new oligopoly, in an interview with the *New Straits Times* on May 23. He reviewed the measures that Malaysia took to defend its currency and financial markets against speculative attack, and how the International Monetary Fund (IMF), the World Bank, and financial pundits and blood-suckers such as speculator George Soros, view those efforts. Dr. Mahathir pointed out that, to this day, the IMF and World Bank refuse to accept Malaysia's argument that the initial cause of the Asian crisis was currency speculation, as they were intent on pressing Malaysia to adopt a “virtual IMF” program, which would only have made matters worse. Malaysia was labelled a “pariah,” and is still condemned for not doing as told by these institutions.

Dr. Mahathir adamantly insists, “What is important is the

rapid fluctuation, the violent fluctuation of the exchange rate, and because we control the exchange rate, we have regained control over the exchange rate. Other things can be directed, including the inflow and outflow of capital.” He dismissed as “ridiculous” the assertion of World Bank President James Wolfensohn that Malaysia's recovery is due to following IMF-World Bank advice: “This is ridiculous, as they never told us to do anything. In fact, they practically supplement the action of the IMF. What happens is that the IMF destroys the economies, and they [World Bank] come in and try to rescue and then grab credit for it.”

Asked about the Fall 1998 bailout of Long Term Capital Management, Dr. Mahathir slammed it as “the worst kind of bailout that you can think of.” Asked about the Asian Monetary Fund, he replied: “We think there is a future. We need to convince certain people. We know that there are certain outside forces trying to sabotage it. We know there are some people inside, also, who are working together with outside forces to shoot down this idea, probably because these people do not need the money and it may affect their own roles. But the AMF is very essential for developing countries in the ASEAN [Association of Southeast Asian Nations] region.”

Q: “How prepared is Malaysia for the next crisis? It will happen, it is a question of how, when, and in what magnitude in this world of IT and globalization. What lessons have we learnt, if any?”

Dr. Mahathir: “We have learned a lot. We have in fact anticipated quite a bit. For example, when the dotcom companies appeared on the scene, we had already seen that the increase in share value represents a bubble that sooner or later is going to burst, although we did not expect it to burst so soon. Now the bubble has also destroyed Soros, and this is some kind of justice for him. But, we have to examine everything that is proposed to see how they will affect us; if not, we will again be caught in the same position as accepting short-term capital to be invested and allowing our money to be traded.”

Q: “There are a lot of companies in the U.S. and Europe that have started buying in the cheap sales in South Korea, Thailand and, to a certain extent, even Soros has started investing in Indonesia. Will that change the economic landscape and how do we deal with that?”

Dr. Mahathir: “Well, it is part of a much bigger picture. The whole idea of bringing down borders is to enable the very rich capitalists to take over most of the economies of the world and, of course, the IMF has managed to pry open many of these countries. With globalization and mega-mergers, we are going to see even greater activity in this area. The attempt will be to have an oligopoly in which a few companies, a few banks, will control the economies of the whole world.”

The West Is Encouraging Cartels

Dr. Mahathir briefed the three-day Asia Africa Forum on the risk of oligopolies, in his keynote on May 23. Dr. Mahathir drew on themes developed in his *New Straits Times* interview,

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charging that “where once Western government used to abhor monopolies, they are now encouraging the formation of cartels and oligopolies to dominate the world. Each one of their mega-entities is bigger in terms of capital than any of us developing countries. . . . The rich countries of the North are ganging up. . . . We, on the other hand, are greatly divided, partly because we don’t seem to know how to work together, but mostly because the superpowers are actively preventing us from cooperating.” He accused the United States of “opposing the setting up of an Asian Monetary Fund for fear it might undermine the IMF and, therefore, U.S. hegemony.

“We now have to prepare ourselves to face and deal with challenges and dangers arising from new ideas about the structure of the world’s economy, trade, and finance. Most of all, we have to deal with the self-declared right of some countries to interfere in the affairs of others.” Pointing to the colossal divide between the richest 2% and the poorest 20% of the world’s population, Dr. Mahathir warned again that “unless the interpretations of globalization and liberalization are changed, we think the poor will not only lose more, but they would virtually be colonized again.”

Resist Hedge Funds

Haruhiko Kuroda, Japan’s Vice Minister of International Finance, called for a regional Asian system to resist hedge funds’ looting of Asia, in a speech entitled “Future International Financial Architecture and Regional Capital Market Development,” at the Round Table on Capital Market Reform in Asia, in Tokyo on April 11.

The Asian currency crisis removed “about \$100 billion worth of funds” from Asia, and this must never be allowed to happen unchecked again, Kuroda begins. “A year later, Russia was hit by a currency crisis, and at the end of 1998, it was Brazil’s turn. During this 18-month period, many emerging economies had either been directly hit or at least affected by their worst crisis since World War II. These developments caused experts to conclude that these almost simultaneous global currency crises were caused not simply by problems in individual economies, but by defects in the international financial system.”

After several summits blamed Mexico’s “lack of transparency,” or Asian “crony capitalism,” Kuroda says, finally the folks at the IMF had to admit there was a fundamental systemic crisis. The Cologne Summit of G-7 Finance Ministers’ “Report on Strengthening the International Financial Architecture” contained many “unprecedented” promises for “comprehensive reform of the international financial architecture,” he said. Unfortunately, the floating-exchange-rate system and the vast power of the “highly leveraged institutions,” a.k.a. the hedge funds, brought these proposals to nought, he said.

For example, Kuroda says, the report proposed to study regulation of hedge funds, but this could not be implemented, because “most hedge funds are established in offshore mar-

kets, where transactions are free from control by outside regulatory bodies. Also, given that most hedge funds are managed from the United States, whether the U.S. Congress accepts such a measure would be critical,” which, of course, the Congress does not. Therefore, Kuroda says, the first thing is that Asian governments will have to consider “direct regulation” of the hedge funds.

Since Asia can’t tolerate another crisis, but the IMF crowd won’t permit regulation of the global markets, “I believe that we have to explore ‘a third way’ to enhance stability,” Kuroda states. “Since the saving ratio is as high as 30 to 40% in emerging Asian economies, their growth could have been largely achieved without overseas borrowing,” so Asia should “establish a regional capital market, because capital providers have nationalities and regionalities, although funds can move freely across borders. Such reasoning is the main factor behind Europe’s great efforts to set up a regional capital market. . . . Fortunately, in Asia, there is a large pool of savings that could be effectively used for mutual benefit through a regional capital market. A common mechanism to enhance the credibility of such a regional marketplace, standardized bonds for issuance in the region, and a regional credit-rating organization are measures worth considering to support the distribution of such funds within Asia.”

Japan’s Ministry of Finance in particular wants to encourage fewer short-term loans and stock speculation, in favor of getting Asians to buy long-term bonds of Asian companies, he says: “This is why the New Miyazawa Initiative in the second stage places particular priority on the development of bond markets. The initiative aims at boosting financing through bond issuance by guaranteeing bonds issued by Asian countries.”

Kuroda then calls for some sort of Asian regional central bank or lender of last resort, saying: “Also worth considering is the establishment of a safety net . . . to support the financial markets. . . .

“Finally, to enable the financial and capital markets to contribute to the economic growth of the region, exchange rates must be stabilized,” he notes, getting to the Chiang Mai issue. While the IMF won’t permit discussion now of a global mechanism to stabilize foreign exchange rates, “a regional mechanism is possible and may be necessary,” he says. “It would be difficult for the yen on its own to play a role similar to that of the euro and the dollar; however, the region could start with a basket composed of the yen, the euro, and the dollar before imagining a common currency for Asia.”

While waiting for the never-never-land of reform of the international financial system, “in the wake of the Asian crisis, emerging economies independently introduced various domestic controls and regulations,” he concludes. “It is understandable that they resorted to such countermeasures; however, it is an undesirable solution for the long term. A shift from the individual nation approach to a coordinated regional strategy may be a practical alternative.”

National Shift Is Under Way Toward Abolishing, Not Accommodating to HMOs

by Marcia Merry Baker

On May 22, the City Council of Cleveland, Ohio unanimously passed an emergency resolution on health care, described in its introduction as “urging the Cleveland area Congressional delegation to investigate the provision of health-care services by health maintenance organizations [HMOs] and managed-care organizations, and, if necessary, to abolish such organizations.” The measure was introduced by Councilmember Joe Jones, and the approved resolution has been signed by Cleveland Mayor Michael White (see box).

This City Council action is part of a growing shift in thinking across the United States. Instead of rear-guard actions to try to curb notorious HMO harmful practices, to get restitution, or to otherwise fiddle with lessening the damage of “managed care,” initiatives are under way to dump the policy altogether.

The HMO authorizing legislation was enacted on Dec. 29, 1973, in the Health Maintenance Organization and Resources Development Act. It was part of a shift during the Nixon years, into all kinds of destructive domestic and international economic policies. Dumping the 1973 HMO law can restore the traditional medical policy which built up the U.S. national hospital and health-care delivery system in the first place—the 1946 Hill-Burton Act (Hospital Construction Act).

Excerpts of that law, plus an exposé of the rise of the HMOs, and other essential material, were put into a 16-page mass circulation pamphlet, “Ban HMOs Now!” issued in May by the Lyndon LaRouche’s Democratic Presidential-nomination campaign. Federal lawmakers who have been accommodating to HMOs and managed-care groups are already feeling the heat, and face being dumped from office in November.

Cleveland City Council Takes Action Against HMOs

This resolution, No. 961-2000, introduced by Councilmember Joe Jones, passed on May 22, 2000.

An Emergency Resolution

Urging the Cleveland area Congressional delegation to investigate the provision of health-care services by health maintenance organizations and managed-care organizations, and, if necessary, to abolish such organizations.

Whereas, this Council of the City of Cleveland believes that comprehensive, high-quality health-care insurance coverage should be available to every resident of the City of Cleveland; and

Whereas, this Council, through the hospital closure issues surrounding Mt. Sinai and St. Michael Hospitals, has become keenly aware of the health-care crisis that exists in the City of Cleveland; and

Whereas, the financial practices of certain health maintenance organizations and managed-care organizations often serve to limit quality health-care services to

those in need of medical treatment; and

Whereas, the matter of the provision of health insurance coverage is of great importance to the health, safety, and welfare of the citizens of the City of Cleveland; now, therefore

Be it resolved by the Council of the City of Cleveland:

Section 1. That the Council of the City of Cleveland urges the Congressional delegation of the City of Cleveland to review and investigate the level of health care provided by health maintenance organizations and managed-care organizations to those in need of medical treatment and if necessary, to legislate the abolition of such groups if they fail to provide adequate health care services.

Section 2. That the Clerk is hereby requested to forward a copy of this resolution to the Cleveland area Congressional delegation.

Section 3. That this resolution is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to the Council, it shall take effect and be in force immediately upon its adoption and approval by the Mayor; otherwise it shall take effect and be in full force from and after the earliest period allowed by law.

Six States Considering Action

In just the last month, lawmakers in six states have prepared legislative actions calling the question on HMOs, raising the issue of the growing medical emergency, and backing a return to the traditional serve-the-people approach. Plans are being developed in Michigan, Pennsylvania, Louisiana, Mississippi, and Nevada.

The first state to consider legislation was Alabama, where State Rep. Thomas Jackson (D-Thomasville) introduced Resolution 466 in May. The resolution begins, "Whereas, due to the financial practices of health maintenance organizations and managed-care organizations, there is a current crisis in health-care conditions in this country and state." The full resolution passed in the House, but died in the Senate when the session ended. Jackson plans to reintroduce it into next year's session.

This approach is far different from the pattern in the late 1990s, when states attempted to outlaw specific HMO practices one by one, such as disallowing HMO-ordered "drive-by" mastectomies, out-patient childbirth, etc. States also moved to place a stay on for-profit hospital chains raiding non-profit community hospitals. Other such measures were taken.

In the latest high-profile state action on May 25, the California Medical Association filed a class action Racketeering Influenced and Corrupt Organizations suit against Blue Cross, WellPoint Health Networks, and PacifiCare, for abusive tactics to dominate the physician-patient relationship.

In the interview below, Nevada State Sen. Joseph M. Neal describes his change of thinking since he first took office in 1973, when HMOs were started up, and today. In the second interview, Tennessean Dr. John Bigelow describes his personal experiences with providing community input into improving health care in his state, and why he supports what he calls the Hill-Burton "happy medium" approach.

Interview: Joseph M. Neal, Jr.

Nevada Black Caucus Chair: Ban Managed Care

State Sen. Joseph M. Neal, Jr. (D-N. Las Vegas) is chairman of the Nevada Legislative Black Caucus. He was interviewed by Marianna Wertz on May 19.

EIR: I understand that you have opposed managed care for some years in Nevada.

Neal: Oh, yes. I've been opposed to managed care, even though I originally supported the HMOs [health maintenance

organizations] when they first came out, as a means of cutting health costs. Following that, we found out that health costs were not being cut, and then, we noticed what managed care was: the insertion of individuals between the doctors and the patients.

EIR: Right, putting the insurance companies between the doctors and patients.

Neal: Yes. So we have been fighting that since the mid-1980s, when we had Sam Donaldson out here to do a speech on hospital costs.

EIR: Sam Donaldson, the media personality, who was fighting cancer himself?

Neal: Yes, Sam Donaldson came out here to do an interview.

EIR: Managed care was first introduced in about 1973.

Neal: Yes. That was my first session of the legislature. I supported it then, because at that particular time, it was the doctors who were being accused of raising the costs, and we saw that as a means of curtailing the costs.

Then we found out later that this was not the case, and that people were not being served. When I discovered that they had the third-party administrators, who went along with that whole package, to determine whether or not a person would be receiving care, then that just blew my mind, that they would be making that determination, rather than the doctors. So, I began to oppose that whole operation.

EIR: You've seen Lyndon LaRouche's proposal to ban managed care and replace it with the kind of system we had under the Hill-Burton Act after World War II. Do you agree with that?

Neal: Yes. I agree with that. I think managed care is an idea that did not pan out like most of us originally thought it would. We looked at it in terms of cutting health costs, and not bettering health services. It turns out to be gutting health services and did not do much in terms of cutting costs. If you look at cutting costs by denying certain benefits to individuals, because these people are paid on a per-capita basis, that arrangement encourages that. I've found that to be a despicable and unnecessary evil against not only treating people for illness, but against advancement of health services.

EIR: It also seems to be particularly impacting poor people and senior citizens.

Neal: Yes, people who do not understand the powers that be and cannot seek the necessary services, yes, that is the case. I oppose it for those reasons also.

EIR: I understand that you are preparing to raise this issue with the Democratic Party in Nevada, for the platform.

Neal: I will be not only raising it there, I will be introducing a bill in the legislature in the next session, in February, to get rid of managed care and HMOs.

Free-Market Health Care Is 'Freedom To Skin People'

Dr. John Bigelow is a nuclear chemical engineer, based in Oak Ridge, Tennessee. His life work has involved analyzing and making radioisotopes, using one of the world's finest high-flux nuclear reactors. At the same time, he has been active in civic activities, such as Boy Scouts and health care, for which he has received recognition, including a 1983 community service award from Union Carbide, over the years. From 1974 to 1985, he was active in county and regional health care improvement efforts, during the last years of the "Hill-Burton" impetus to provide facilities and treatment for all. Dr. Bigelow was interviewed on May 9, by Marcia Merry Baker, about this experience.

EIR: There are about 3,070 some counties in the United States, and after the 1946 Hill-Burton Act, the "Hospital Construction Act," there was a joint local, Federal, and state effort to look at needs, determine priorities, and do something about medical care. Could you describe your involvement in this?

Bigelow: There was a center, which consisted of several counties, and a metropolitan area represented by Knoxville, including about 16 counties, stretching out on all sides. It included Anderson County, where I lived. The various metropolitan areas were determined by the Census Bureau, and they were used for various purposes by the government. The Health Council of Knoxville area was called the East Tennessee Health Improvement Council, ETHIC. I don't know exactly when it was founded, but I came along in May 1976. At that time, I was appointed as the Anderson County Consumer Representative.

EIR: That was right around the time that the Hill-Burton effort was phased out.

Bigelow: My first contact with the Anderson County Health Council was in 1974. I became chairman of the Alcohol and Drug Abuse Committee for the Health Council in the fall of 1974, then president in 1977. They are the ones that sent me to Knoxville to represent Anderson County in ETHIC, in 1976. I was on the ETHIC Plan Development and Implementation Committee, and they made me chairman for the 1978-79 season. The county reappointed me in July 1982. In 1983, they made me president-elect, and in 1984, president. In spring 1985, they gave me another plaque, and in my recollection, that was basically the end of the road for the Health Council.

EIR: There was no longer community input?

Bigelow: Not by this Council, that consisted of representatives from different backgrounds in the community. It was ended in 1985. The state organization that gave the licenses, the Health Facilities Commission, said, "Forget it. We don't need you any more," or something to that effect. And the Council disbanded.

EIR: It happened nationally, too. During its existence, was the Council involved in determining basic ratios of beds per thousand people, or availability of different kinds of diagnostics and other things?

Bigelow: Well, yes and no. We were kind of given the beds-per-thousand-people ratio. Although, we complained about it. I didn't think it was right and appropriate for all cases.

EIR: Too high or too low?

Bigelow: I was thinking it was a little low. There were different views. There were discussions about that, including how we could change the system. But I don't recall that we actually accomplished anything along that line. They would only license a certain number of beds for a given facility, and this apparently didn't take into account the fact that people coming from more remote areas, who were usually in poorer health than the people within the area, would have to use those facilities because there weren't any in the remote areas. They might have to stay a little longer—they couldn't commute, and things like that.

EIR: That was written into the original 1946 Hill-Burton Act that rural areas needed a higher ratio.

Bigelow: I think for good reason. I don't think there was much contention within ETHIC, but we didn't seem to be talking to people who were listening. The licensing was coming from the state level. There was a difference among the state and county and regional levels.

EIR: How did ETHIC work?

Bigelow: There were different kinds of people on the Council. It was a representative organization. They did consider our proposals for people in the 16-county area. A lot of them had to do with retirement homes, or nursing homes. One, in particular, was a facility that was being proposed for juvenile delinquents, which entailed boarding them at a school, under very close supervision, and yet still trying to provide some sort of education for them.

EIR: Did your Council take up demographic needs? The disabled? Rural and urban? Impoverished?

Bigelow: We definitely had rural communities. At that time, the emphasis was on either taking aid to the rural community, or providing transportation—at least with public transportation, making accessible larger facilities in or near Knoxville.

EIR: So, it was a matter of making care available?

Bigelow: Yes, definitely. In fact, the Anderson County

Health Council was one of similar units, and I think probably the most active one of any unit within the East Tennessee region. One of the things that was done there, was to encourage a local person—he was on the Council, and his name was Byrd Duncan. He was really kind of a local fixture, and he was impressed by the effort, and using his own effort, and some of his own money, he established an outpost in a trailer, in a rural community.

EIR: So, there was innovation and philanthropy.

Bigelow: Yes. Then, doctors from Oak Ridge would go out there to his trailer about once a week. There would probably be a nurse who would go there more often. So, the trailer was a place to meet patients and examine them, and write prescriptions. But the medical staff was primarily furnished either from Clinton, the county seat, or Oak Ridge.

EIR: Do you remember some of the kinds of diseases and conditions that your Council had to deal with?

Bigelow: Yes. A slightly different project, was to deal with the dental care of people. They set up a project involving mothers, as volunteers, and they trained them to some extent in what to look for. They went to various schools and examined the children. They found that the teeth in the county were very bad. So, the Public Health Department set up a dental office in Clinton, and various people volunteered for transportation to bring the worst cases where they could get professional dental care.

EIR: Did you ever deal with recommending a clinic, or a new hospital wing, or new bassinet unit, or something that then would look for state or Federal funding?

Bigelow: My personal interest at the time was in alcohol and drug abuse. We had a committee of the Health Council. We did work to find out what services were being provided for persons in this category and try to disseminate that information. For example, in Oak Ridge, there was a help-line, called “Contact.” It’s an international effort. They try to man the telephone line 24 hours a day. People who are desperate and don’t know what else to do, call in, and they have at their finger-tips information as to where the person should go. Or maybe, they just give them a pep talk, or some means of moral support. There were two or three professionals as part of the Contact program. And if it appeared necessary, they would call a professional and have them contact the person that called. That was not really considered part of the health program, because it was really more mental health, than health. Although there were certainly some people who were just plain sick, and didn’t know what to do.

One other thing: When I was president of ETHIC for one year, we’d had some hearings. And I said at the hearing, “Here are these people who are in dire need, and you’ve got empty rooms in your hospital. Can’t you develop some sort of program for treating these individuals to the point where they

could go to a halfway house, or something?” Some took affront, but about six months later, they did institute such a program, in 1985. Unfortunately, it didn’t last more than a year or two. For what reason, I know not.

EIR: One thing that comes up today, is, “Who’s going to pay,” if you want to expand care to all who need it? In the past, bills were met, there were ways found to pay. What about your experience?

Bigelow: The success of the dental clinic rested very heavily on Jeannie Bertram [of the Council], who rounded up, and twisted the arms of people, for example, the dentists, to provide dental care, and some other citizens, to provide the money to get a second-hand dental chair and have it installed. She was very much a go-getter, and that’s why the Health Council kept her for 30 years.

EIR: When you came in, there were different needs—urban, the rural hollows, etc. Are they being met today?

Bigelow: That is a subject that was pretty much swept under the rug, after that. I think that Jeannie Bertram in the Anderson County Health Council still provides screening for eye-glasses and teeth, and assists the county health department in providing dental care. Otherwise, she’s watching out, if possible, mostly in the way of preventive maintenance for health care. If you really get sick, then you have to go to the hospital. And if you are real sick, I think they’ll take you in an ambulance. All of which costs a lot of money. This ambulance is operated by the Anderson County Rescue Squad, which goes around and requests contributions periodically. So, I think that, as far as I’ve heard, rural people are getting medical treatment—maybe not in all cases.

EIR: What is your evaluation of the Hill-Burton approach for meeting needs, compared to today?

Bigelow: I think that that idea was a really good one. And I was very sorry to see it thrown out the window. . . . The salary was terminated for the paid administrator of ETHIC. If we had had a person there who could have served as the nucleus, I think we would have continued to keep trying to influence the Health Facilities Commission. But in 1985, that was the end. Also, “the beginning.”

EIR: Yes, it was said to be the beginning of “free-market” health care.

Bigelow: That’s crazy. It is out and out crazy. The free market is not a situation where you consider the general welfare, that’s for sure. The “free market” means that you are free to skin anybody you can. So, I do not advocate a free market. On the other hand, I don’t advocate Soviet-style control either. There must be a happy medium, and I thought that the provisions of the Hill-Burton Act that organized local communities into discovering their own needs, were great. We need to go back to that.

Nigerian Leaders Challenge IMF's Policies of Death for Africa

by Lawrence K. Freeman

During May, three Nigerian statesmen have spoken out against the policies of the International Monetary Fund (IMF) and the World Bank toward Nigeria. Whether these statements reflect a genuine shift by the Nigerian government remains to be seen, but the import of the density of such remarks should not be overlooked.

Prof. Sam Aluko, the well-known economist and former chairman of the National Economic Intelligence Committee, told the Nigerian government not to work with the IMF, and specifically, not to take an \$80 million loan from the World Bank. He is quoted in *Vanguard* newspaper saying: "I don't support the dictation of the IMF and the World Bank in our budget. They want to control all governments in the developing world. I think we should wash our hands of any deal with them. Let them keep their money, let us organize ourselves. We are not a poor nation. In fact we should be a creditor nation if we are serious."

Dr. Chuba Okadigbo, president of the newly elected Nigerian Senate, also made some strong remarks regarding the behavior of the IMF and the World Bank toward Nigeria. In response to comments by the IMF that it is not happy with the budget of Nigeria's National Assembly, Dr. Okadigbo is reported in the May 8 edition of *This Day*, to have told the World Bank and IMF to go to hell. Discussing the predicament that Nigeria and the rest of the Third World finds itself in today, Dr. Okadigbo said: "The Third World is trapped in huge unpayable debts. Capital flow from the world's poorest nations in the West is more than is received. Much noise is made of grants and aid to developing nations. But, quietly, huge wealth gets transferred to the West from poor nations through relentless capital flight: looted monies, lucrative procurement contracts for development projects which Western contractors win anyway because of their technical superiority. Add these to the astounding profits grossed by the Western multinationals like Shell from the developing countries."

Debt Cancellation Needed

Most significant, is a speech by President Olusegun Obasanjo in Montreal, Canada on May 14 (which is excerpted below). Since coming into office almost one year ago, President Obasanjo has been learning the harsh realities of "globalization" and the impossibility of moving Nigeria's stagnant economy forward while the IMF and World Bank are stran-

gling the nation with a huge unpayable debt. Earlier governments have made requests for the rescheduling of Nigeria's debt, but President Obasanjo is asking the Western banking consortiums for debt cancellation.

In his Montreal speech, President Obasanjo went beyond his previous criticisms of the West, and launched into a more thorough discussion of the underlying problems responsible for Africa's poor condition. He laid bare, that the effects of colonialism on Africa are "simply incalculable." He discussed how African nations have become marginalized by "global market forces" at the expense of the state. He also highlighted the shrinking, minuscule amount of foreign investment into the manufacturing and agricultural sectors of developing nations, down to a mere 1.2%.

Using 1998 figures, he showed how Africa has been transferring more money to its Western creditors in interest payments than new money received, as arrears have accounted for two-thirds of the increase in debt stock during 1988-98, *not* new loans. Facing reality, the Nigerian President confronted those who sit by complacently watching Africa descend into a Dark Age under the demands of "shareholder" profits. "For us, it is a matter of life and death! We certainly cannot afford the intellectual luxury of writing off our continent," he said.

Most striking in President Obasanjo's remarks, which may indicate a new direction of thinking for the leadership of Nigeria and Africa, is the echo of statements by Lyndon LaRouche. In the section of his speech on "speculation," President Obasanjo discusses the "imperative for developing countries to participate in the design of the new financial architecture." He concludes his speech by suggesting that we "can attain a quantum leap for mankind" if we understand "the factors that differentiate humans from beasts of the wild."

Nigerians have always been unhappy about the conditions imposed on them by the IMF and the World Bank, but, except for the outspoken Professor Aluko, they have always sought to work within the framework of these institutions. As Obasanjo enters the second year of his five-year Presidency, with Nigeria's economy at its lowest depths, and the African continent suffering from the combined effects of multiple wars, horrendous economic conditions, and an out-of-control AIDS epidemic, one can be optimistic that the substance of President Obasanjo's remarks may portend a change in the axioms of thinking by African leaders.

President Obasanjo's Speech

The following are excerpts from Nigerian President Olusegun Obasanjo's speech at the sixth Montreal Conference, May 14, 2000. The title of the speech is "Africa Now: Challenges and Perspectives for the 21st Century."

On Colonialism

We need the lessons of the past to inform and strengthen our resolve and determination to win back some of the losses, as we surely must do, if we are to survive.

Africa entered the last century with the hands of colonialism round its throat. The grip would tighten into a stranglehold that was maintained through two-thirds of the 20th century. During that period, Africans had no say in the way they were governed, nor did they have any say in the development and progress of their societies. Until the 1970s, most Africans were subjected to governance of exploitation, designed to extract the maximum out of their continent for the sole benefit of those who could not care less about the destiny of African societies.

The losses directly attributable to the wholesale colonization of our continent are simply incalculable. First we lost through exploitation, namely illegitimate profit from the use of our human and natural resources. And the fight against colonialism cost us tens of thousands of lives, as well as draining our intellectual, human, and material resources. Then, to top it all, when we thought we had regained control of our destiny, and when we believed that we had earned our rights to join the rest of the world as equal partners and discuss mutual cooperation on the basis of equitability, we discovered that the position of our continent in the world order had been disadvantageously fixed and pre-determined by numerous factors which, for want of a better description, we call colonial legacies.

On Globalization

... Market forces now determine the allocation of resources, and the state is fast becoming irrelevant in economic planning. ... Our experience so far clearly indicates that globalization has brought mixed blessings. The prosperity it engenders is unevenly shared among countries and regions of the world. While the industrialized countries remain its major beneficiaries, hardly any African nation has been able to take advantage of the opportunities presented by this phenomenon. We have been consigned to the periphery of the global economy, with the risk of further marginalization and possible de-linkage.



Nigerian President Olusegun Obasanjo: It is "imperative for developing countries to participate in the design of the new financial architecture."

These adverse consequences of globalization have led us in Nigeria to conclude that a troubled relationship has emerged between globalization and the imperatives of development. This disturbing reality is more than amply demonstrated by the failure of globalization to spur economic recovery, faster growth, greater employment opportunities and poverty eradication. Rather, it has exhibited a tendency to accentuate the income and welfare gaps between the rich and the poor, among and within countries and regions. Never has the world witnessed such massive disparities in international economic and social activities. And nowhere is this trend more glaring than with African countries.

In the quest for a better management of a globalized world economy, it is incumbent on us to direct our searchlight on the unsatisfactory evolution of the multilateral trading system. . . .

The vast majority of developing countries, particularly in Africa, have so far been unable to reap the benefits arising from their membership of the WTO [World Trade Organization]. . . . The paucity of technical and financial assistance that would have enabled us to take advantage of the limited market access opportunities that exist, continues to deepen Africa's marginalization in the globalized world economy.

Regrettably, the major trading nations are bent on advancing the process of globalization and liberalization by introducing, on the global trade agenda, new issues with additional obligations for developing countries.

It is sad to note that Africa, the least developed of all the regions and the least able to cope with external shocks, has been the principal victim of the dark side of globalization and liberalization of the world economy. The continent's continuing marginalization is increasingly defined by its low level of exports and decreasing share in world trade, during the past four decades. The consequence has been import compression, weak productivity, and low output.

Manufacturing, Agriculture

Similarly, Africa's share in the manufacturing value added has fallen to an all-time low. Its share in total Foreign Direct Investment (FDI) inflows to developing countries, for instance, dropped significantly, to less than 5% in the second half of the 1990s, and a meager 1.2% of world FDI flows in 1997. This trend has continued despite the efforts of African countries to implement far-reaching economic reforms and maintain macro-economic stability, particularly the introduction of a more open and business-friendly investment regime and the provision of incentives to attract foreign investment.

Agricultural performance and commodity export, upon which the African economy's overall growth depends, have even fared worse. The traditional internal structural difficulties, aggravated by external systemic constraints, have rendered African agriculture unable to respond to the opportunities presented by globalization and liberalization. As a result, low agricultural productivity and competitiveness, and the dramatic collapse of commodity prices, continue to dim the prospects of agriculture as a pillar of Africa's efforts at poverty alleviation and sustainable development.

Debts

The heavy external debt burden and large, unsustainable debt service obligations of African countries constitute a major impediment to their quest for social and economic development. Debts undermine the capacity of our countries to make positive adjustments. They also create the greatest obstacle in our determined efforts to move our people out of poverty. It is clearly unacceptable that the external debt burden should continue to constrain our ability to channel public investment into physical and social infrastructures and human resources development. Furthermore, the debt burden continues to deter new foreign investments and erode the ability of our countries to participate meaningfully in a globalized world economy.

For us in the African region, the persisting external debt burden has a paralyzing effect on social and economic development, as illustrated by the following grim statistics:

- By the end of 1998, total debt, as a percentage of GDP, reached 65.5%;
- The debt stock represented 303% of exports of goods and services in 1998;
- Debt service, as a percentage of exports of goods and services, rose to 30.9% in 1998;
- Some countries spend up to 40% of their national budget on debt servicing;
- Accumulated arrears on interest and principal payments reached \$64 billion in 1996, representing 27.4% of total debt;
- Two-thirds of the increase in total debt stock since 1988 has been due to arrears, and not new loans — Africa has indeed been making net negative transfers to creditors as interest payments exceeding new lending;
- The debt per capita, standing at \$357, far exceeds the per-capita income of the average African, which is \$100.

There is no better time than now, at the dawn of a new millennium, to give African countries a fresh start to enable them to meet the challenges of providing the basic necessities of life for their citizens. To facilitate such a fresh start, it is imperative for our development partners to take immediate steps to relieve us of our crippling debt burden by outright cancellation of these debts, much of which are known to be spurious.

Speculation

There is an urgent need for decisive international actions to reduce the incidence of financial volatility, especially with short-term speculative capital flows, which have grave social and economic consequences for developing countries. In this regard, we welcome the ongoing debate on the reform of the international financial institutions and the imperative for developing countries to participate fully and effectively in the design and management of the new financial architecture, which should be structured and sufficiently funded to respond to the needs of developing countries. A central element of this new international financial architecture must include such definitive resolution of the external debt problems of developing countries. Similarly, it must include measures to arrest the growing phenomenon of illegal capital flight and the repatriation of illicit wealth, siphoned abroad by corrupt political leaders and their collaborators, back to their countries of origin. . . .

Conflict

Without stable political conditions and good governance, poverty alleviation will remain a pipe dream. Yet, today as many as 19 of Sub-Saharan countries are engaged in armed conflict. This is about half of Black African countries. If the 1980s was Africa's lost decade economically, the 1990s has turned out to be the decade when conflicts have reached an ominous proportion. In the interest of Africa, and indeed in

the interest of the whole world, the trend has to be halted and reversed.

As I speak, one of our neighboring countries [Sierra Leone] in the West African sub-region is burning. This has been a conflict for which Nigeria has made enormous sacrifices. And we are prepared to make more. . . .

Our failure to fully comprehend the fundamental long-term historical causes of conflicts in Africa has prevented us from their mastery. Poverty and conflicts feed on each other while both go hand-in-hand with bad governance, whose hallmarks are the marginalization and social exclusion of the majority of the population, the neglect of the social services and infrastructure, and the failure to maintain law and order. Invariably, the remote as well as immediate causes of conflicts in Africa are real and perceived political, social, and economic injustice and inequality. . . . Mastery of conflict is more than mere cessation of hostilities. We must address their fundamental causes in order to prevent their recurrence.

Ladies and Gentlemen, I began this address by referring to how much our continent and our people have suffered in the hands of non-Africans. It was by no means an attempt to defend Africa against such labels as “The Hopeless Continent,” as proclaimed on the cover of the latest edition of *The Economist*, which I have no doubt many members of this audience would have seen. Needless to say that, for us, Africans living in Africa, development and progress is not an idle debate. For us, it is a matter of life and death! We certainly cannot afford the intellectual luxury of writing off our continent. Nor can we even begin to weigh the possible validity of the rather racist connotation that underdevelopment is innate to the character of Africans and African societies. . . .

The Economist, as authoritative as it might be, conspicuously omitted reference to one-quarter of Black Africa, that is to say Nigeria, where we have been devoting all our energy to rebuilding our nation. . . .

Ladies and Gentlemen, Africa’s internal efforts are currently circumscribed by the mostly disadvantageous and inequitable status within the international order. Our situation is like that of a man in a wet pit: He needs a lifeline to make his climbing efforts a success. The history of humankind is replete with such complementarity of efforts. Our vision for this coming century cannot exclude the trend of the world becoming a global village. . . . Let it be a village in which a burst pipe in one compound makes all neighbors sit up with genuine concern and desire to help. It is not — and cannot be — a meaningful village if certain compounds are, for whatever reasons, de-linked, as it is now happening to Africa.

We are struggling and asking for Africa to be re-linked equitably into the international order, politically, economically, socially, and technologically. This demand is predicated on humanity and morality, which are two essential factors that differentiate humans from beasts of the wild. If we can attain this, it will be a quantum leap for humankind in the 21st century.

A ‘Core’ Europe of, or Against the Europeans?

by Rainer Apel

The miserable performance in recent weeks of the euro, the single European Union (EU) currency that was introduced in January 1999, has done much to decrease popular support for the project of European integration. And it is not the case that the average European buys the established politicians’ stories about the reasons why the euro is hovering around 0.90 against the dollar. The average European may not know much about the details behind this development, but he or she does at least know enough from the leaks by the media, to know that a U.S.-European economic war is raging, and that neither the EU governments nor the European Central Bank are doing much to defend the European economies in this conflict.

Faced with their growing unpopularity, the EU governments had to come up with some device to breathe new life into the European vision, and they seized upon the 50th anniversary celebration of the first genuine design for an integrated Europe, which was presented on May 9, 1950, by French Foreign Minister Robert Schuman (see *EIR*, May 12). Schuman’s initiative provided the platform from which Franco-German cooperation, and with it, the core of what in 1957 became the European Economic Community, could develop.

Schuman’s Design vs. Monetarism

The irony now is, that the EU politicians of today decided to borrow from Schuman’s reputation, while carefully avoiding any substantial aspects of his economic design — which, because it was oriented toward strong industrial growth and full employment, contributed a lot to the postwar recovery of the economies on the western part of the European continent. The “Europe” which the leading politicians have in mind today, is built on monetarist designs: Its concept and its institutions are an enemy of industrial development. The billions of dollars of bonuses paid by the EU for industrial foreclosures and set-aside programs for the farming sector, are what has transformed the “spirit” of Europe into its “ghost.”

As if that were not enough destruction, the EU politicians added the Treaty of Maastricht (1992), which made budget-balancing the economic doctrine of the 15 member-states of the Union, and they transferred sovereignty on monetary affairs from the nation-states and their national central banks to the newly created European Central Bank. The new clauses went into effect on Jan. 1, 1999, and, because a majority of Europeans remained skeptical of the project, they were told

by the governments that not only would there be more stability against global financial turbulence, but also that the euro would soon be the hardest currency in the world, and would probably even leave the dollar behind. None of that has happened, and the euro, which started out at a rate of 1.18 against the dollar, has lost 25% of its value in its 16 months of existence.

Against this background, French Finance Minister Laurent Fabius announced at EU headquarters in Brussels on May 8, that after taking the semi-annual rotating chairmanship of the EU in July, his government would launch an initiative to boost the euro, and Fabius even hinted at measures against currency speculators.

This sounded rather promising, but the question was posed whether a real change in the Maastricht clauses that worship the free market, deregulation, and privatization as their earthly god, was envisaged by the French government.

Unfortunately, Fabius revealed nothing more in his remarks in Brussels, but he said more than did Germany's Foreign Minister, Joschka Fischer, who gave a long speech in Berlin on May 12, on the "finality of European integration" and institutional reforms, about a "new vanguard" and a "new center of gravity" to be built around Franco-German initiatives. Fischer did not speak on the economic side of European affairs; he only declared that European integration should move ahead on the basis of the Maastricht accords.

Cheminade Responds

Jacques Cheminade, the chairman of the French Solidarity and Progress party and a longtime associate of Lyndon LaRouche, appropriately characterized Fischer's speech, in a May 15 statement. The German politician's proposal for a constitutional federation of nation-states, with a President elected by universal suffrage, a European government, and a bicameral Parliament, he wrote, "is nothing but a utopian scheme built upon institutional quicksand. It sets a target in the remote future, based on a mathematical architecture, instead of responding to the present physical challenge of the collapsing international monetary system. Worse, it keeps intact the disastrous Maastricht Treaty and its financial approach. In a word, one could say that Mr. Fischer acts like a man who wants to reach an ideal of purity, while dragging all the mud with him."

The leading EU politicians do not have the courage to address the real issues, to abolish the Maastricht straitjacket, and replace it with a design like that which LaRouche has proposed, for a New Bretton Woods world financial system, linked to the production-oriented Eurasian Land-Bridge project for infrastructure development and high-technology industry. As LaRouche has emphasized, the formation of a "community of principle" among sovereign nation-states, toward such an objective, would be in the interest of the general welfare of all the world's people. But it requires a decisive break with the current bankrupt system, which is dominated

by the ideology of British neo-liberal free trade, and its latest efflorescence, the "Information Society." So far, the elites of neither the United States nor Europe have shown themselves ready to undertake such a revolutionary transformation—thereby threatening to bring down upon us all the worst financial catastrophe of modern history.

British Control Unchallenged

As for Fischer, he talked of a long-term project of creating a "federation of nation-states," while not touching on the crucial issue of economics. He advertised a political initiative for Europe that would involve France and Germany, but exclude a Britain that prefers to stay outside the European Monetary Union. This has the aura of "Franco-German cooperation" resembling the grand European initiatives of the 1950s, but at the same time (which is what Fischer forgot to mention), British free-trade ideology would maintain conceptual control of EU policies, through the monetarist, free-market, and budget-balancing doctrines of the European Central Bank. And, by some mysterious means, the euro would recover in the near or intermediate future, Fischer's speech implied.

French and, particularly, German media commentators characterized this as "a smart initiative." But, as Cheminade made clear, the lip service paid to the existing EU institutions by Fischer, and those who applauded his Berlin speech, does not threaten the speculators who are keeping the dwindling euro under attack.

And as far as the "vanguard" that Fischer said would form the "new core of Europe," Cheminade said, "A vanguard does not mean a gang of mediocre politicians trying to escape from immediate necessary and fundamental decisions, with futuristic schemes; it means leaders taking the challenge of the history of their nation-states and acting on behalf of future generations, like Robert Schuman did in May 1950, or like [French President] Charles de Gaulle and [German Chancellor] Konrad Adenauer did in 1963."

In January 1963, de Gaulle and Adenauer signed a Franco-German Treaty, which in effect was a declaration of war against the Anglo-centered system of geopolitics and global monetarism. The project was sabotaged from within Germany, mainly, by Adenauer's opponents, who were the forebears of the mediocre minds among German politicians today, like Fischer. The "Europe" that Fischer spoke of, is one that runs against the genuine interests of Europeans. For, what could be the benefit of a "Europe" that maintains political and monetary discipline under a system that is economically doomed?

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Business Briefs

Living Standards

Poverty Is on the Rise in South Asia, Says UN

The figures released on May 16 by the UN Development Program's Poverty Report 2000, show that the estimated poor population in Bangladesh, Nepal, and Pakistan registered a significant increase between the mid-1980s and mid-1990s. The number of poor in Pakistan, it said, increased from 28.9 million to 31.8 million, increasing 1.4% annually. An annual rise of 3.1% was recorded in Nepal, followed by India at 1.9%. Thus, the estimated poor population went up in Nepal from 7 million to 9.8 million, while in India it jumped from 277.4 million to 335.3 million. Sri Lanka was the only South Asian country to have kept poverty from increasing. Its poor population fell from 4.5 million to 4.0 million, marking a 2.4% annual drop.

According to the *South Asian Poverty Monitor* (Bangladesh Institute for Development Studies, 1999), a report of the South Asia Poverty Alleviation Program, faulty governance is a major reason for the failure of the poverty programs in South Asia. Too often such programs are poorly managed, with beneficiaries never receiving the funds intended for them or being allowed to participate fully, it stated.

Economic Policy

South Africa Said To Favor 'China Model'

South Africa is set on following the "China model," African National Congress (ANC) Secretary General Kgalema Motlanthe told the *Mail and Guardian*, in a May 12 interview. Motlanthe stood by his May Day speech, in which he was supportive of a strike by the Congress of South African Trade Unions (Cosatu), the labor confederation.

On May 10, an estimated 4 million workers, or 50% of South Africa's workforce, who are faced with 30% unemployment and the loss of possibly 500,000 jobs over the

last five years, joined a 24-hour nationwide strike to create jobs. Motlanthe commended the Cosatu alliance for taking its protest action against the unemployment crisis and acute poverty to the streets. "There is no revolutionary trade union movement that has ever achieved its strategic objectives in the boardroom. You must mobilize in the forefront and put pressure on business to invest solely to create job opportunities," he said. "Those who doubt the ANC's commitment to ending job losses are doing so because they labor under counter-revolutionary impressions."

On the International Monetary Fund, Motlanthe said: "It is very fashionable for people to say that the macroeconomic policy of the country is dictated by the IMF or the World Bank. These people [who make these remarks] have not even made a study of South Africa's economy. We are not accountable to the IMF or World Bank, as we have not borrowed from them. . . . There are those who take instructions from them because they owe them. In fact, South Africa [and] Malaysia are the only two countries from the developing world who can speak their minds in their [IMF and World Bank] presence."

Agriculture

Time for Phase Two of Green Revolution

Agro-scientist and regional representative of the International Maize and Wheat Improvement Program Dr. Peter R. Hobbs told the Pakistani daily *The Dawn* on May 13, that the region needs to launch phase two of the "green revolution" to meet the food needs of a growing population. But, he said, the cause is not helped "if there are political problems," i.e., the situation demands closer India-Pakistan efforts.

For phase two of the revolution, Dr. Hobbs is recommending technologies which conserve resources, reduce input costs, and increase yields. The main technology is Zero Tillage, and Laser Land Levelling and Furrow Bed are its other components. They hold tremendous benefit for farmers and coun-

tries, he said, listing the results of their application as "reduced costs, more profit, and higher yields for farmers, cheaper food for consumers, and lower fuel imports, less steel for tractor parts, less water per unit of grain, and more efficient fertilizer use for the country."

Thailand

Business Leader Says, Anti-IMF Regime Needed

A call to replace the pro-International Monetary Fund (IMF) regime in Thailand, by Amarin Khoman, the president of the Thai Star Group and a family member of former Foreign Minister Thanat Khoman, was printed by the *Bangkok Post* in its May 21 *Perspective* column. The *Post* drew attention to the piece, flagging it as "Guest Column/National Crisis: Desperately seeking another Pridi—Those who believe that Thailand is once again in the grip of unequal agreements with foreign powers await the coming of a new nationalist messiah."

Dr. Pridi Banomyong founded Thammasat University and was the leader of the Free Thai Movement against Japanese occupation during World War II. That resistance movement saved Thailand from being branded a belligerent country by the Allies, and it was Dr. Pridi who renegotiated the "unequal treaties" with colonial powers, notably Britain. Khoman compares those treaties to the contents of the eight Letters of Intent Thailand has signed with the IMF since August 1997, which, he declares, "almost surrender our sovereignty to foreign powers." He also attacks passage of the 11 "rehabilitation laws," passed under IMF pressure, which patriots call the "11 treacherous laws," aimed at selling off public sector firms, utilities, and airports.

The author criticizes current Thammasat faculty and alumni, for abandoning the university's tradition of campaigning for the national interest, preferring to be bought off with government positions and grants, including an 800 million baht Miyazawa Fund grant to study small and micro enterprises during the recent crisis. He accuses the gov-

U.S. SECURITIES Exchange Commission Chairman Arthur Levitt warned that “people are being foolish to borrow on their homes or on other assets,” for cash to play the stock markets, the May 20 London *Financial Times* reported. He was speaking at a conference of securities regulators in Sydney, Australia. “They will pay a price for it,” he said.

THE U.S. TRADE deficit hit a record \$30.2 billion in March, and overall imports rose for the sixth consecutive month to a record \$117.4 billion, up from \$113.6 billion the previous month.

THE DANUBE Commission has finally agreed on a \$21 million plan to clear the river, the Commission president told Reuters on May 18. Work is expected to begin in about five months, and focus around the city of Novi Sad in Serbia’s Vojvodina province, where NATO destroyed three bridges over the river.

TUBERCULOSIS, malaria, and other diseases once thought to have been eliminated from many South-east Asian countries, “have again emerged as a major health concern,” the *Straits Times* reported on May 1. “Even rarer diseases such as leprosy and yaws are again emerging in countries such as Thailand and Indonesia, hardest hit by the economic crisis.”

BRITAIN’S investment in rail infrastructure has dropped by such an extent under privatization, that many trips take longer today than they did a century ago, according to figures presented to a Parliamentary hearing on May 16. For example, in 1900, a train ride from Manchester to Liverpool, with steam trains, took 40 minutes; today it takes 47 minutes, because of the condition of the tracks.

UZBEKISTAN said on May 16 that it will open up its uranium sector to foreign investors, by inviting them to help develop five uranium deposits with proven reserves of 27,000 tons. The nation’s proven reserves are about 80,000 tons.

ernment of increasing public debt “from one trillion baht—of which by courtesy of George Soros—to 3.3 trillion baht,” as well as the moral decline of the country, as seen in an unprecedented number of drug users and 100,000 students forced to leave school.

Khoman invokes the “wisdom and offered guidance” of King Bhumiphol in support of his protest, declaring: “We need a new government with a strong, visionary, and honest leader who has a sense of purpose and is dedicated to the people, the country, and the Throne. We need this government do do away with the unequal commitments imposed by the IMF and others. We need it to dissolve the 11 ‘Traacherous Rehabilitation Laws.’ . . . Otherwise, there will be another Free Thai Movement.”

Globalization

Two Koreas: Those With and Without Jobs

Globalization is creating “social, economic, and regional disparities” in South Korea, and these “social paradigms are worsening, creating what Prof. Bob Gregory of Australian National University termed as ‘two nations,’ those with jobs and those without jobs,” Sohn Hong-keun writes in the May 17 *Korea Times*. The new urban unemployed, along with farmers in Korea, have become “a class of ‘work-poor’ families, and their income status is riskier now more than ever due to economic globalization, which can be viewed as an ‘ethical and moral menace.’ ”

Voters skewered President Kim Dae-Jung in South Korea’s April 13 election because of his refusal to stop globalization, according to the article.

“Professor Timothy Gorrington in his book *Fair Shares: Ethics and the Global Economy* describes that ‘globalization has the potential for destroying society.’ ” Sohn writes. “Professor Dani Rodrik writes in the book *Making Openness Work* that ‘it requires too much blind faith in markets to believe that the global allocation of resources is enhanced by the twenty-something-year-olds in London who move hundreds of millions of dollars around the globe in a matter of

an instant.’ . . .

“Egyptian President Hosni Mubarak also said in a speech that ‘there is a sense that there must be something wrong with a system that wipes out years of hard-won development because of changes in market sentiment. Years of progress are gone, because of developments elsewhere.’ . . .

“Kim Dae-jung’s Korean government must pay special attention to the ‘work-poor’ class and the neglected section of the community. Job security is gone, and young job seekers find it increasingly hard to find full-time jobs. Older job seekers are facing tougher times, and jobs in the labor market are now lower-paid or part-time positions.”

Petroleum

Minister Says Sudan Is Self-Sufficient in Oil

Sudan is no longer importing oil products, and will soon start exporting gasoline from a new refinery near El-Geili, 44 miles from Khartoum, the capital, which is operating at 80-85% of its 50,000 barrel per day (bpd) capacity, Oil Ministry Undersecretary Hassan Ali El-Tom told Reuters on May 10. The refinery was built by a subsidiary of the China National Petroleum Co. and began operation in February. Together with the 10,000 bpd from the El-Obeid refinery, Sudan can meet its domestic needs.

The official said that this constitutes a turning-point for the country, since it used to pay \$300 million a year for oil imports.

Sudan is also exporting crude oil, pumping 200,000 bpd, which it hopes to increase to 230,000 bpd by next year. The Greater Nile Petroleum Operation Co., which is developing Sudan’s oil, is made up of Talisman (Canada), Petronas (Malaysia), and China.

Sudan is planning to open up regions in the center and north of the country to prospecting by foreign firms. Sudanese Minister of Industry and Investment Dr. Abd Halim Al-Muta’afi, who recently held talks with Malaysia on developing Sudan’s oil, said he hoped Malaysia would invest \$1 billion in this sector. Trade between the two countries almost doubled from 1998 to 1999.

On the Subject of Strategic Method

by Lyndon H. LaRouche, Jr.

This speech was prepared for delivery to a conference sponsored by the International Caucus of Labor Committees and the Schiller Institute, in Bad Schwalbach, Germany, on May 26.

Forecasting Versus Predicting

From my knowledge of the world situation today, the currently leading policy-postures of the U.S.A., as expressed in its leading news media, and in the presently dysfunctional three branches of its Federal government, represent, for civilization as a whole, a recipe for a global catastrophe of monstrous proportions and profundity. The central feature of this tragedy, is the fact, that the U.S.A., like the world in general, is presently gripped by the terminal phase of the worst financial, monetary, and economic crisis in more than a century.

The most ominous feature of the situation, is not merely that economic crisis itself. The worst problem, is that state of mind which is expressed by the current policy-shaping of not only the U.S.A., but by London, and also among numerous other leading governments of the world. This state of mind bespeaks the characteristics of societies which appear to have mislaid that moral and intellectual fitness needed to survive that economic collapse which is now looming for the world as a whole. For that reason, because of that mind-set, global catastrophes are now extremely probable, if not yet absolutely certain, for some time sooner or later, during the course of the months immediately ahead.

The crucial feature of the report I present here today is, the following.

The exact timing of any critical phase-shift within the economic process, is determined by human choices of actions, or by the simple absence of competent choices. Therefore, exact dates for important breaking developments become predictable, only under unusual, very extreme conditions. Such unusually extreme conditions, are typified by the circumstances of *my successful, June 1987 forecast of a probable major stock-market collapse for October of that same year*. Those



Fiddling while Rome burns: U.S. Federal Reserve Chairman Alan "Seneca" Greenspan (right) and Treasury Secretary Larry "Nero" Summers. The policy-postures of the dysfunctional three branches of the United States government, says LaRouche, are "a recipe for a global catastrophe of monstrous proportions and profundity."

extreme conditions are also typified by the exceptional circumstances of *my October 12, 1988, Berlin press-conference forecast: that an imminent collapse of the Soviet economic system was pending, with the prospect of reunification of Germany, to occur during the period then immediately ahead.*

If we avoid the common folly of simple-minded predictions, and engage in competent forms of long-range forecasting, we will produce the kind of forecasts which only rarely attempt to predict exact dates for stock-market convulsions. Instead, we must provide forecasts which have a less exact dating, but which are not merely reliable, but indispensable guides, for the purpose of informing the long-range policy-making of any government or large private enterprise.

Such latter qualities of long-range forecasting are indispensable, because investments in physical capital are based on long-range commitments, with which we must often live for periods as long as a decade or generation ahead. A major investment in public works, in education policies, or any other long-term capital investment, or the lapsed time from the date of the first stage of generating a new line of product, until its actual production for general use, years later, are examples. These kinds of forecasts, are indispensable, to enable us to assess the long-term risks incurred by continuing to adhere to any presently operating sets of policy-guidelines.

It would have been widely accepted, among reasonably competent statesmen of former times, that the course of economic developments, of a nation or world economy, is shaped by choices, especially choices of policies made during the

critical phases of an unfolding process. However, most among today's generation of statesmen are too often lured into the often fatal folly, of relying upon so-called objective, or statistical forecasting. We must never forget the determining factor: it is the human will, in choosing, or failing to choose, appropriate kinds of voluntary, critical changes in policy, which shapes the future of nations, and of mankind as a whole. These are the decisions which have relatively decisive impact on the course of events, especially under crisis-wracked conditions similar to those prevailing, world-wide, today.

The Recent Crises: Deflation and Hyperinflation

For example, what foolish U.S. and European officials deluded themselves into calling the "Asia crisis" of 1997, actually marked the entry of the world's financial, monetary, and economic systems, into the present, terminal phase of decline of the present form of that combined, global system. It was failed policy-decisions, made by the U.S. government, and others, in response to the so-called "Asia crisis," which led, more or less inevitably, into the global conditions reflected in the Russian GKO bond crisis of August-September 1998.

Similarly, although U.S. President Clinton had threatened, during September of 1998, to introduce deliberation on reforms of the structure of the international financial system, a few weeks later, at the time of the October monetary conference, the President had chosen to capitulate to prevailing,

Anglo-American-dictated policies of the International Monetary Fund (IMF).

As a result of the decisions made during that Washington conference and its sequels, the world financial system was shifted, then, into the same kind of hyperinflationary phase-space, which is typified, in historical precedents, by the case of 1923 Germany [Figure 1].

That pro-hyperinflationary policy, was later affirmed, in a deliberately chosen reaction to the inevitable Brazil crisis of February 1999, and has entered the phase of utter desperation and madness, in the more recent attempt, expressed by the U.S. "Plunge Protection Committee." Those "Plunge Protection Committee" and related measures, were taken as the result of a choice, by the U.S. President, and others, in their desperate—one must say, hysterical—attempt to prevent a global financial crash from undoing, suddenly and fatally, an intrinsically unelectable Vice-President Al Gore's aspirations for election—by virtual Hitler-style plebiscite—as the next U.S. President.

I hear repeatedly, from leading U.S. circles, that Al Gore's election as President is "in the cards." The truth is directly the contrary. That catastrophic commitment to support for an intrinsically disastrous Gore candidacy, was the result of the sleight-of-hand methods used, by Treasury Secretary Larry Summers and foolish Federal Reserve Chairman Alan Greenspan, among others, during the recent four months.

As the 1998 folly of the Nobel Prize-winning Black-Scholes formula, illustrates the point: no statistical formulation could actually predict a crucial economic event mathematically. *The characteristic of all social processes, including economic processes, is the voluntary role of the individual human will, in shaping policy. Such is the nature of the possibilities and challenges for forecasting in a real-world political-economic situation.*

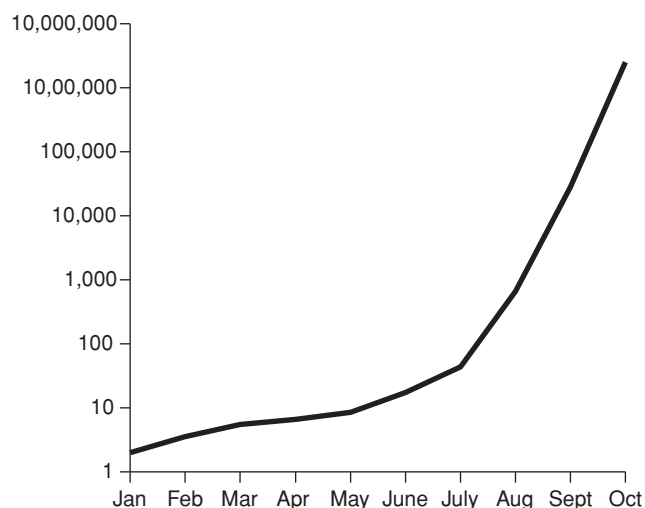
On the condition, that we view a political-economic process from the same standpoint as a qualified scientist who is seeking to discover, prove, and willfully apply a new universal physical principle, a scientific quality of political-economic forecasting becomes feasible. By studying financial processes, as something whose practical effects are ultimately regulated by the way in which policies are willfully applied, primarily, to non-financial, purely physical economic processes, we are able to trace the phase-shifts to be expected at fairly estimated future critical points in the unfolding process. Usually, we may not be able to predetermine exactly the month, or even the year, when those critical points will be reached. However, we can, and must foresee the way in which those critical points will be brought into being, and must be prepared to recognize warning-signs that such a forecast threshold-condition is about to be reached. We may not be able to predict in advance, even the month, or even the year, an earthen dam will disintegrate; but, we can recognize the warning-signs, that such a foreseeable event is threatened.

We can also estimate, similarly, the new critical choices which are available to be made, at future turning-points, dur-

FIGURE 1

Hyperinflation in Weimar Germany, 1923

(trillions Reichsmarks outstanding)



Source: Zahlen zur Geldwertung in Deutschland 1914 bis 1923.

ing the period beyond whatever crisis-points are presently being approached. Similarly, we can foresee the likely way in which each among the critical choices we might make, at each subsequent crisis-point, will set into motion a process which must tend to lead us toward some more distant, next critical point, beyond the crisis-point immediately ahead of us. Each and all of such a succession of crisis-points, are determined by voluntary choices. Such a pattern of choices, each and all, together, represent a critical pathway which we have just willfully chosen, a choice which is the result of the methods we have habituated ourselves to employ, in making such a succession of critical policy-decisions.

For an example of such critical pathways, consider a series of mid-1970s studies, identified as the "1980s Project," published by the New York Council on Foreign Relations. In this case, a succession of such critical choices—a critical pathway in policy-shaping—was outlined for the Trilateral Commission's candidate for U.S. President, Jimmy Carter. As experience has shown, the critical choices outlined by the Trilateral Commission, back during 1975-1976, were destructive to the point of being insane, but those choices, as outlined there, have continued to impact the Wall Street crowd's shaping of U.S. and world policies ever since.

For example, in that series of studies, prepared, during the years 1975-1976, under the direction of later Carter Secretary of State Cyrus Vance, and later National Security Advisor Zbigniew Brzezinski, et al., the plan was detailed, to introduce a global policy of "controlled disintegration of the economy." Four years later, Paul Volcker introduced exactly that policy, by that name. The policy not only did cause a directed disintegration of the U.S. and other nations' economies; that policy

has continued, under the successive direction of Volcker and Alan Greenspan to the present moment. I speak here today: a quarter-century after that policy-draft was adopted for the incoming Carter Administration.

The method of that usual gang of Wall Street bankers and law-firms was wrong, even evil, but these fellows had, at least, a vision of a succession of culturally motivated changes in the nature of U.S. and world society, which they intended to induce over a period of decades ahead. The reason those fellows so often win the big game in current history, is not only that they have power, but that they are thinking ahead, while most ordinary citizens are thinking foolishly, thinking only of their begging for better personal opportunities, and for odd bits of local community and personal family interests, that for little beyond the next year to two immediately ahead. "I have to think about my community and my family affairs," these poor, foolish citizens say. So, most of the people, in most so-called democratic nations, fool themselves, most of the time.

If we study the behavior of powerful centers of power and policy-making, and take into account their various failures and successes in shaping current history, it should become clear to us, that in all attempts at long-range forecasting, over spans ranging, usually, from decades to generations ahead, there are certain knowable factors governing relative, if not exact timing, *as in forecasting the future of any physical process for which we do not yet know all of the determining factors.*

Usually, estimates of timing can be made only in broad terms, as I, in 1959-1960, accurately forecast the probable outbreak of a series of monetary crises for the second half of the 1960s, and the subsequent breakdown of the existing form of Bretton Woods System ensuing from such a series of monetary crises. I neither predicted, nor even thought of predicting the exact timing of the November 1967 and March 1968 monetary crises, nor the mid-1971 date for breakdown of the system, but my broad approximations as to timing, which I had outlined more than a decade prior to the August 1971 crisis, were correct, and as precise as to timing as such matters might usually be forecast.

Thus, the function of economic forecasting is not a formal-mathematical, ivory-tower sort of predicting of the exact dates of specific future events. The competent forecaster refuses to answer the question: "On exactly what date should I pull out of this market?" Competent long-range forecasting, is, chiefly, a guide to medium- to long-term policy-shaping; it is concerned to determine what choices among available pathways of policy-correction, must be made, and approximately by what time-scale, on whatever date the critical point of decision actually arrives. Long-term forecasting shows us what policies we should support, and which we should abhor, if only out of simple prudence. The goal of forecasting, is not how to calculate the way in which to squeeze the last ounce of speculative gains, up to the instant before a financial market collapses.

Near the End of This System

Presently, we have come to the point, that the near-term future of the present world economy, can be successfully forecast within the terms of the conditions I have just summarized. So, we may safely forecast, that the present form of the world's financial and monetary system, under present economic and related policies, is doomed. Exactly when the point of disintegration of the system will occur, can not yet be predicted, because the policy-choices which will determine which of three available choices is made, have not yet been decided with finality; nonetheless, as much as we can and should know about factors of timing, is readily available to those among us who have done our work. The time is now becoming very short.

Broadly, there are only three alternative ways in which the present IMF and related global systems will cease to exist, that fairly soon.

Until the Washington conference of October 1998, the more likely scenario for then-existing policies, was a deflationary collapse, a collapse of a form like that of the 1929-1931 interval, or the 1987 U.S. stock-market crash. At the present time, when the policy-shapers have succeeded, temporarily, in resorting to hyperinflationary financial-pumping measures, aimed to postpone an otherwise inevitable deflationary collapse in the world financial system, those policy-makers also set into motion a new threat, one even more deadly than a deflationary collapse: we are now building up toward a hyperinflationary blow-out, resembling the hyperinflationary acceleration of the German Reichsmark over the March-October 1923 interval, but this time on a global scale. In the latter, presently threatened, global alternative to deflationary collapse, one does not merely suffer deflationary losses; entire currencies evaporate.

Now, the world financial and monetary systems, taken as a whole, are gripped internally by these two presently interdependent, but also opposing alternatives, each alternative becoming worse weekly: the system is sustained, against the worsening pressures for deflationary collapse, only to the degree that the managements of governments and the international financial institutions, consent to increase the rate at which hyperinflationary infusions of financial growth, are accelerating the underlying rate of inflation. Those rates of financial inflation, are now skyrocketing, not toward Heaven, but, rather, toward the Hell which erupts as soon as the accumulated financial inflation explodes as commodity-price inflation. Under a continuation of present Anglo-American policies, the postponed expression of that underlying rate of hyperinflation, will erupt in a pattern similar to the case for March-October Germany of 1923, but this time on a global scale.

Thus, under such present conditions, increasingly precise forecasting, if not yet prediction, becomes, unfortunately, more and more feasible with each passing week. The ratio of the two simultaneous, financial-monetary processes currently ongoing, when compared to a shrinking, common

physical-economic base, defines a curve of self-aggravating instability, *akin to physicist Bernhard Riemann's defining of the way in which a transsonic shock-wave is generated*. A critical set of values is being ever more closely approached. Recent months trend toward increasingly wild hyper-instability of fluctuations in financial markets, reflects the convergence upon that boundary condition, creating a spectacle akin to the efforts of desperate firefighters, creating an inflationary fire-storm, by attempting to quell a conflagration, by flooding the fire-scene with increasing volumes of deflationary, ice-cold gasoline.

That image of fiery times, suggests Federal Reserve Chairman Alan "Seneca" Greenspan taking his final bath, while U.S. Treasury Secretary Larry "Nero" Summers fiddles.

Thus, there are two choices of ways in which the present system will soon destroy itself, if a third option does not intervene. The only workable third option, is the rational one: that we put the existing system into bankruptcy-reorganization, by cooperating sovereign actions of nation-state governments, and that we establish, almost instantly, a new system premised largely on the model conditions which ruled under the 1945-1958 interval of the post-war Bretton Woods system.

The 'New Bretton Woods' Option

The reason we must move quickly toward adopting that old Bretton Woods model of the Marshall Plan period, is that sudden political decisions to implement urgently needed, sweeping reforms, must have a clear precedent. The revolutionary quality of the action, is to be confined to the action itself, without incurring the additional burden of measures which lack such a clearly visible precedent. After we have established the new system, premised chiefly on the best features of the protectionist model from the 1945-1958 interval, we can add further innovations, as necessary, but at speeds which due deliberation, under relatively less sudden conditions, permits.

Admittedly, among the leading nations of the world, the current policy-shaping trends within the U.S. government and major public-opinion-manufacturing media, the sickness of U.S. adherence to current Anglo-American policy-making, is the most dangerous immediate threat to global civilization. However, although many from leading nations' policy-influencing circles agree, that this is the present pathetic state of U.S. (and British) policy-making, every leading nation, as a growing number of leading circles of thought in Western Europe typify this, wonders if the world as a whole could survive the looming crisis, unless the self-styled U.S. military superpower itself, were to begin, once again, to assume a more useful, relatively much saner role in world affairs than has been seen since the close of 1989. Yes, the policy which is ruining us, is primarily of British authorship, as the Blair "Third Way" government typifies such rampant lunacy at its

Luddite worst; but, it is the adoption of such policy by the U.S.A., which is the most crucial problem thus presented to the world at large.

On this point, there is an important lesson to be learned from the exceptional success of my long-range forecasting practice over the recent forty years.

Very little has happened in the world's general economic situation, as I have just described it, which I did not forecast, repeatedly, over the course of the 1959-1973 interval: those were forecasts which I presented in sundry written forms, and in classes I taught, during that period, and updated still later. If one examines the forecasts which I included within my lectures on various campuses, and elsewhere, during the 1966-1973 interval, the crucial developments which have actually occurred, since 1966, follow with relatively great precision the forecasts I made during that interval.

Over the course of the recent four decades, in many cases, I have watched, sadly, as foolish firms and national economies ruined themselves, quite predictably, and repeatedly. In the relatively simplest cases, the ruin was the result of relying on short-term considerations, when medium-term effects of those policies would be disastrous. In other, more important cases, such as those of governments and major private enterprises, attention to medium-term effects, blinded policy-shapers to the disastrous, long-term effects of their decisions, that is to say, over the span of approximately a generation. Most of the calamities which have struck national economies during the course of those decades, have been ruinous conditions of the type against which my long-range forecasting had forewarned ever wider audiences in the relevant professions and governments.

That example, the results of my method in forecasting, supplies an appropriate study of the characteristics of successful approaches to long-range economic forecasting, as I have just addressed the matter of the possible degree of precision with which scientific forecasts differ from that more popular, and illusory sort of card-reading and crystal-ball-gazing which is commonly represented as statistical forecasting.

That is to say, if we consider the sequence of developments leading from the mid-1960s to the present state of impending world financial debacle, and compare them with what I have forecast, we have, thus, a lapsed-time view of the way in which the thus foreknown, and therefore foreknowable effects of critical choices, or lack of choices, shape the long-range unfolding of a foreknowable consequence of likely trends in political-economic decision-making processes, as by leading governments and other relevant agencies.

Those immediately foregoing remarks have illustrated the nature and proper role of long-range forecasting. That leaves us with one, remaining, even more important problem to consider: *How can we foresee, and operate to influence, the cultural paradigms which will, in turn, decide the way in which populations and other policy-shapers will respond to a global*

financial and political-economic crisis-shock of the kind now rapidly approaching?

The first lesson in long-range forecasting, is that the failure of the forecaster to influence policy-shapers, is not necessarily the result of some lack of proper evidence and rhetoric presented by the forecaster. In most history, of most cultures and their nations, the plain fact is, that most of the time, as in Washington, D.C. at the present moment, people, even in high places, do not wish to hear the truth, if the truth is perceived to conflict with those of their prejudices to which blind hysteria has lent an axiomatic authority in their mind-set.

It is only when the shock of events prompts people to call into doubt their own mind-sets, that those populations become open to considering uncomfortable truths about their own deeply-held opinions. Thus, in history, there is a time and place where populations are willing to hear the truth; most of the time really accurate forecasts are to be found languishing, through no fault of their own, on unfertile popular ground. Good long-range forecasts are like stubborn, good seeds, which bloom in suitable circumstances; it is one of the essential qualifications of a forecaster, that he or she learn to live with, and act upon that fact.

Now, the time has come for the relevant seeds to bloom. That is the kernel of the matter I put before you now, here today.

Classical Versus Romantic Axioms

During the immediately preceding months of the Year 2000, the intelligence news-weekly *The Executive Intelligence Review* (*EIR*) has featured four of my writings which are of special and immediate relevance, as background references, for the subject of cultural paradigms, which I address here. Taken together with what I shall add here, these four items represent my view, set forth in my official capacity as Vice-President Gore's only current rival for the U.S. Democratic Party's Presidential nomination. The purpose of those four items, like the present report, is to set forth a perspective for those early political decisions which could bring the world out of that catastrophic, global strategic crisis, which is now confronting all regions and nations.

The first of this series of *EIR Features*, was published in the January 28th edition. It included three elements. The first was a transcript of my televised address of January 14, 2000, on the subject of the Manifest Destiny of the U.S. republic. The second element added a brief summary, by Nancy Spannaus, of the most notable precedent for my statement of foreign policy, that provided in 1823, by then U.S. Secretary of State John Quincy Adams. The third element provided a brief summary of another leading precedent for my policy, by the James G. Blaine who was Secretary of State in 1881, and, again, during 1889-92.

The second item, was my featured report, on the subject

of "The Becoming Death of Systems Analysis," outlining the case for those new, revolutionary accounting standards, required for managing a general economic and monetary reorganization, and economic recovery in world affairs today. This report, written beginning March 2nd, appeared in the March 31 edition.

The third item, written beginning April 2nd, was titled "When Andropov Played Hamlet," which presented the cases of Soviet General Secretaries Andropov and Gorbachev, as a Classical tragedy in the tradition of accounts by Aeschylus, Shakespeare, and Friedrich Schiller. Andropov's Hamlet-like folly, from March 24, 1983 on, was the decisive turn in strategic policy-thinking, which virtually pre-doomed the Soviet system to its 1989-1991, and ensuing collapse. This addresses the similar, potentially even more deadly, and global tragedy, which is not to be repeated in U.S.-Russia relations today. This *Feature* was published in the April 21st edition.

The fourth and final item of that series, written beginning April 18th, focussed upon the implications of the ongoing process of disintegration of the U.S.-centered "Information Society" and its tulip-craze-style financial bubble. This report, titled "Information Society: A Doomed Empire of Evil," was published in the April 28th edition.

In addition to those four items, I refer your attention to a video-recorded address I made, nearly a month ago, to a late-April conference in Australia [see "The Terminal Phase of the Bankrupt System: What Nations Must Do Now," *EIR*, May 19, 2000]. In that address, I offered a lapsed-time view, covering the recent forty years, of the change in the characteristics of the U.S. and world economy, a change from the relatively successful fixed-rate monetary system of the 1944-1966 interval, to the ruinous floating-exchange-rate monetary system launched in August 1971.

Culture and Forecasting

Here, today, I offer you a similar, but different lapsed-time image than I presented to that Australia audience, an image of the change in the characteristic cultural features of a globally extended European civilization, a change which began with the October 6, 1901 assassination-attack on U.S. President William McKinley, and that President's subsequent death on the following October 25. It is in the domain of such cultural factors, that there exists the possibility of forecasting which of the available critical choices in political-economic policy, are likely to be adopted under presently unfolding conditions of crisis.

The McKinley Assassination:

The replacement of President McKinley, the last President who typified the patriotic veterans of the U.S. Civil War, replaced by an unredeemed scion of the Confederacy, President Theodore Roosevelt, introduced a fundamental strategic shift. This was a shift, not only in U.S. policy-shaping, but in world politics.

This shift within U.S. policy-shaping, which was set into motion by means of McKinley's assassination, made possible the project of Britain's King Edward VII, for bringing France and Russia into Britain's plan to destroy both Germany and Russia. That shift in the U.S.A.'s cultural paradigm, which was reversed, if only temporarily, by the governments of Franklin Roosevelt and John F. Kennedy, was a shift in U.S. policies, begun under Presidents Theodore Roosevelt and Ku Klux Klan fanatic Woodrow Wilson, a dramatic change, away from the anti-British tradition of all U.S. patriots up to that time of McKinley's assassination. It was a change from my nation's patriotic traditions, to a U.S. becoming, for most decades of the just-concluded century, little more than a dumb giant with a head of clay, a virtual Golem, a virtual appendage of British-influenced "free trade" and related kinds of policy-paradigms.

The effect of the U.S. adoption of those British policies, led into the Great Depression, World War II, and the prolonged strife of the 1945-1989 interval, a trend in London-steered, Anglo-American global policies, which has been continued, since then, to the present day.

It was this change in the cultural paradigm of the U.S. government, which established, under the Presidencies of Theodore Roosevelt and Wilson, the growing, almost dictatorial power of a British-American-Canadian group, often identified by the initials BAC, and centered, inside the U.S.A., in Wall Street's complex of financial houses and the extremely influential law firms attached to them. The case of the late John J. McCloy, typifies the post-World War II role of this BAC. The anglophiles' alliance between this Wall Street complex and the tradition of the Confederacy, has been the cornerstone of the way in which, with the exception of the Franklin Roosevelt Presidency, U.S. policy-making has been dominated, with but a few interruptions, more or less increasingly, ever since 1901. This legacy of the Teddy Roosevelt Presidency, is the enemy against which President Franklin Roosevelt fought, the decadence which President Kennedy challenged, and that which I have been committed to overcoming, a commitment I have maintained since the years of my foreign military service, in Asia, during World War II.

Thatcher and World Empire:

Consider the past decade's world history in light of that legacy of the McKinley assassination.

Consider the effort, of Britain's Prime Minister Margaret Thatcher, France's President François Mitterrand, and U.S. President George Bush, to turn the collapse of the Soviet system into the basis for today's Anglo-American effort to establish a globalized echo of the old Roman Empire: which the decadent U.S. President Bush described as a "new world order." Now as then, this same Anglo-American-dominated, globalized new world order, is intended, like Adolf Hitler's promise of a thousand-year Reich, to rule the entirety of the



President William McKinley. His assassination in 1901, and his replacement by Theodore Roosevelt, introduced a fundamental strategic shift, not only in U.S. policy-shaping, but also in world politics.

planet for as far as the horizon of the imagination might reach. That predatory doctrine of "free trade" and globalization, is a consistent outgrowth of that specific, new form of London-Wall Street symbiosis, which was consolidated through the assassination of McKinley.

Although President Franklin Roosevelt had intended to eliminate the domination of the world by "free trade" and colonialist legacies, as soon as World War II had ended, his untimely death resulted in an immediate restoration of the colonial powers by the politically corrupt government of President Harry Truman. Truman was used, by circles associated with Bertrand Russell and others, to set into motion both the age of the bomb, and the other aversive features of the post-1945 world order, which have led us, through the prolonged Anglo-American conflict with both the Soviet Union and the Non-Aligned Nations leadership, to the catastrophic situation which has developed over the course of the post-1989 decade. This, in turn, has brought us to the present brink of global catastrophe.

To deal effectively with the global crisis now maturing, we must put aside the usual news-media, television talk-show,



Britain's Margaret Thatcher sought to turn the collapse of the Soviet system into the basis for today's Anglo-American effort to establish an echo of the Roman Empire: the "new world order."

and similarly silly commentary on currently breaking events. We must adduce, from the entirety of the seemingly diverse global developments of the past hundred years, a single concept, a single principle, by means of which we are able to recognize the actually underlying, long-term forces determining the course of current history. To this purpose we must, first, look back, as the great poet, tragedian, and historian Friedrich Schiller proposed, to the birth of the entirety of the history of today's globally extended European civilization, in the emergence of Classical Greece.

Since the rise of Classical Greece, which was the place of birth of today's globally extended European civilization, that civilization has been, at all times, in the grip of two opposing cultural forces: the Classical tradition of Greece, versus the echoes of the ancient Mesopotamian oligarchical model, known as the legacy passed down to the ancient pagan Rome. This is the legacy of that Rome which various Christians and Jews of the First Century A.D. sometimes described as either "the new Babylon," or "the Whore of Babylon."

That "Whore of Babylon," that legacy of pagan imperial

Rome, is to be recognized today as what is called the Romantic cultural tradition. All of the internal history of European civilization, since its birth in Classical Greece, is to be understood in no other way, than as a continuing of the conflict between two irreconcilable cultural currents, the Classical versus the Romantic. These currents are, the republican, as typified by the reforms of Solon and the dialogues of Plato, versus the Romantic, oligarchical model, the latter associated with ancient Mesopotamia, Tyre, and pagan Rome.

It is in that approximately 2,500-year span of the history of European civilization, that we are able to discover the underlying, axiomatic forces at play in shaping the, increasingly, Anglo-American-dominated world history of the recent hundred years.

Conflicting Geometries:

The most efficient way to present that historical cultural conflict in the classroom, is to view each of these two contending cultural currents, as like two mutually incompatible physical geometries. These are sometimes described as mind-sets. To describe this conflict in the classroom, it is convenient to begin, by looking at these two geometries—these two, opposing mind-sets—in terms of the corresponding, irreconcilable differences between two opposing sets of definitions, axioms, and postulates. Instead of becoming mired in the useless confusion of debating theorems of these two sets, focus upon the difference in the axioms which determine the way in which the theorems are generated and adopted.

The most essential difference between the Classical and Romantic mind-sets, is their mutually opposing definitions of human nature. The Romantic, as typified by the British legacy of beast-men such as Thomas Hobbes, John Locke, Adam Smith, and Jeremy Bentham, defines man as naturally predatory and wicked, as another species of beast, with fixed, chiefly feral sorts of inbred sensual impulses, and relations of man to nature, and man to man, as defined in terms of sense-perception. The Classical standpoint, especially in its Christian expression, defines individual human nature as naturally good, as a being set apart from and above the beasts, made in the image of the Creator of the universe, or, as in Plato's *Timaeus* dialogue, as made in reflection of that adducible personality who is the *Composer* of the universe.

In the Romantic tradition, the natural order of society, is seen in the circumstance that some men should prey upon others, in imitation of the way in which the farmer breeds, cultivates, uses, and culls cattle. John Locke's notion of property, is typical of this bestial, oligarchical misconception of the natural form of composition of society. Locke's notions of slaveholder value, or its contemporary expression as "shareholder value," is typical of that oligarchical, bestial conception of mankind and society. François Quesnay's mystically irrationalist argument for what he terms *laissez-faire*,

is of the same general, bestial type as Locke's, Adam Smith's, and the utilitarians generally.

Fascism in the U.S.A. Today — Scalia:

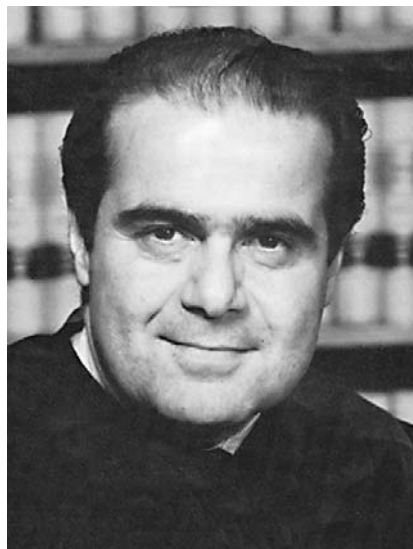
For example: The recent rise in influence of a new kind of fascist insurgency in the U.S.A., since approximately the mid-1970s, is an expression of a blending of the legacy of John Locke with an extreme form of radical positivism in law and policy-shaping, a positivistic misconception of law characteristically even worse than that of Savigny, Carl Schmitt, and Roland Freisler for 1930s Germany.

This clearly, axiomatically fascist trend in today's U.S.A., is shown most conspicuously by that present majority of the U.S. Supreme Court, that centered around the most rabid exponent of so-called "shareholder value," Associate Justice Antonin Scalia. Locke's defense of chattel slavery, in the name of slaveholder values, and the notion of shareholder value espoused by creatures such as Ayn Rand fanatic Alan Greenspan and Scalia, or to patent, as property, the genome which my body invented, represent an axiomatic misdefinition of human nature, as a mere beast, as mere human cattle, to be bred, used, and culled by the owners of shareholder value. The "useless eaters" policies, the policy governing "lives not worthy to be lived" of the executives of U.S. Health Maintenance Organizations (HMOs), typify that legacy today. These bestial notions of man, such as those to be compared for similarities and differences, with the influence of Karl Marx's law professor, the neo-Kantian Romantic Savigny, for Germany, are derived, in European civilization, from pagan Roman law and the Roman notion of *vox populi*.

Although the culture of ancient pagan Rome, is fairly recognized by all qualified historians, as echoing the oligarchical evil of ancient Mesopotamian cultures, and that of Tyre, Rome's more immediate model was that of Sparta, as the code of Lycurgus is associated with the Delphi cult of the Pythian Apollo. This cult organized a predatory culture among a faction of the Latin-speakers, in which the mass of the cult members, the *populari* (e.g., the Latin term for predators), were deployed by the ruling oligarchy as a military force, for looting, rapine, and conquest against their neighbors.

All forms of European fascism are derived directly from that Sparta-like, pagan-Roman legacy. The depraved set of opinions induced among the *populari*, opinions used by the rulers to impose self-policing among the depraved masses of ordinary Romans, was known as *vox populi*: the "voice of the people," a popular mass which was defined as predators. This is a dogma similar to that of the Democratic party of Athens which murdered Socrates. This Romantic tradition of pagan Rome, has been passed down to modern times, as the philosophically irrationalist worship of the pagan gods of what are called today either popular, or public opinion and tastes.

That Orwellian notion of *vox populi*, or "public opinion," is a wicked conceit, copied into the practice of a corrupted



Supreme Court Justice Antonin Scalia is at the center of the cult of "shareholder value" that dominates the present U.S. Supreme Court.

modern society, as a means for controlling the foolish mass of popular political sheep in the image of François Rabelais' account of Panurge and the self-doomed Ding Dong and his sheep. Such popular opinion was never in the interest of anyone but the ruling oligarchy, of Rome then, or of modern nations, such as today's U.S.A. So, President Abraham Lincoln spoke aptly of the folly of today's typical Americans, all of whom are fooled most of the time, and some of whom are fooled all of the time. Fortunately, not all Americans can be fooled all of the time, but only most of the time.

The Classical Alternative:

The contrary, Classical conception of man, placed the emphasis on those cognitive powers of the individual mind, by means of which truthfully validatable and just, universal physical and other universal principles, such as Classical-artistic ones, are discovered, and those discoveries shared within society. In Classical culture, it is ideas born of cognition, as Plato's Socratic dialogues define the cognitive generation of ideas, in that sense, which supply the empirically validatable definition of human nature, as located in the natural goodness and fruitfulness of those cognitive powers.

On account of the Christian appreciation of that Classical Greek conception of the universality and goodness innate to the newborn human individual, it came to be established, in the course of time, *as a matter of universal principle, that no government, or form of government, has the moral authority to govern, except as it is efficiently committed to promoting the general welfare of all existing persons and their posterity. That is the cornerstone of natural law.* The revolution in statecraft effected in Europe, during the course of the Fifteenth-Century Renaissance, established practical precedents for this republican principle of the general welfare (or, commonwealth), in France under King Louis XI and in England under

Henry VII. Such are the precedents to be found echoed in the opening three paragraphs of the 1776 U.S. Declaration of Independence and the 1789 Preamble of the U.S. Federal Constitution.

With the waning of the power of the feudal landed aristocracy, as typified by the decline and fall of Metternich's power, the essential conflict within globally extended European civilization, became that between the republicans, as typified, for example, by U.S. President Abraham Lincoln on the one side, and the oligarchical interests and ideologies typified by the City of London, the Wall Street bankers, and the slaveholder system, on the opposing side.

The Lincoln legacy thus represented the republican, Classical legacy, whereas Wall Street's adopted scions of the treasonous Confederacy, Presidents Theodore Roosevelt, Woodrow Wilson, as followed by Wall Street's Calvin Coolidge, Richard Nixon, Jimmy Carter, and George Bush, like the earlier, treasonous, pro-slavery scoundrels and U.S. Presidents van Buren, Polk, Pierce, and Buchanan, who preceded Lincoln, have typified the kind of political rule dominated by today's Anglo-American financier, and similar oligarchies.

To understand the history of ancient, medieval, and modern Europe, it is indispensable to avoid being trapped into a discussion of particular current issues, as if such issues, in and of themselves, were the causes of principal political and other conflicts. To understand all, or any part of the history of globally extended European civilization, one must define the issues at their root: in the continuing conflict between the oligarchical (Romantic) and republican (Classical) conceptions of man and man's relationship to nature.

World War I, For Example

At this point, consider the following lapsed-time sketch, of the most relevant highlights of the history of European civilization since the famous, initial, 1776-1783, victory of the United States and its allies and friends, over the British monarchy's tyranny. The indispensable function of this synopsis, is to bring the underlying principle of that span of modern history into clearer perspective.

From 1782 on, Lord Shelburne, then Prime Minister of England and leading representative of the British East India Company, was determined to destroy both King Louis XVI's France and the young United States. The key to Shelburne's policy, is located in the 1782 preliminaries of the proposed peace-treaty between Britain and France. The methods used are best typified by Shelburne's positioning his lackey, Jeremy Bentham, as de facto head of the newly founded British Foreign Office and its "secret committee," which, among other projects, launched and directed the Jacobin Terror in France.

The central target of this policy, was the circles of the influential admirers of the U.S. republic in France. Through the "free trade" agreement which Shelburne's circles foisted upon France, the French monarchy was bankrupted, under the

ministrations of Shelburne's asset, France's Finance Minister Jacques Necker.

When the circles of Lafayette sought to remedy the situation with a constitutional reform, Bentham orchestrated the destruction of Lafayette's faction, by launching and orchestrating the French Jacobin Terror from London, using assets such as "Phillipe Egalité" (the Duke of Orleans), Necker, and such London-trained and London-directed, Jacobin demagogues as Robespierre, Danton, and Marat.

Five years of rising, London-directed Jacobin Terror, from July 14, 1789, until the end of mass-murderers Robespierre and St. Just, despoiled France of much of its natural republican intelligentsia, as the U.S. schools are effecting a similar result today. This depletion of the rational elite of France, produced the condition in which France's political leadership passed from the worthy hands of Author of Victory Lazare Carnot, to the despicable hands of, first, the monstrous Barras, and, then, the first modern fascist, the would-be Caesar, Napoleon Bonaparte. Napoleon is to be recognized, today, as forerunner of the modern Caesar, Benito Mussolini's tyranny in Italy, and the figure emulated by such other would-be modern Caesars as Adolf Hitler and London's Mussolini-like Tony Blair.

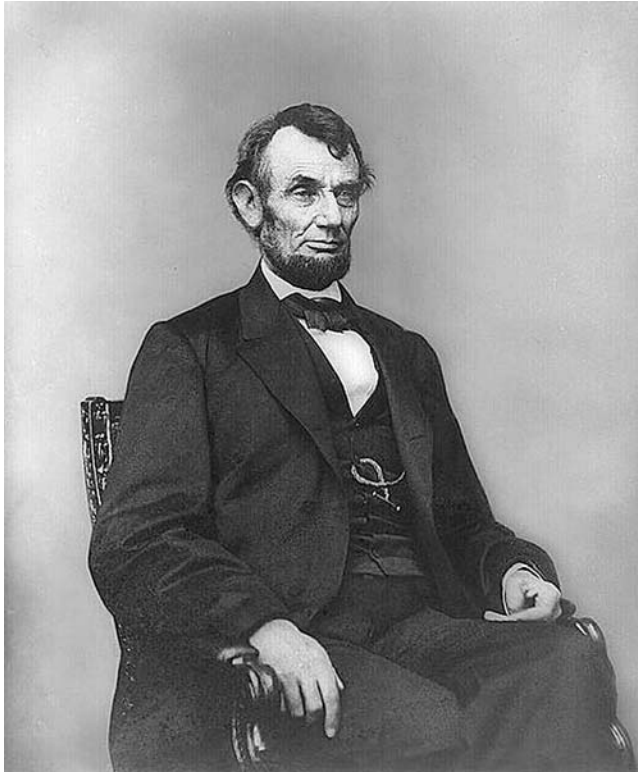
The Vienna Congress, and its included imposition of a British puppet, the Restoration monarchy, upon France, as aggravated by the Metternichean Carlsbad decrees, put the very existence of the young U.S. republic at peril. Under these conditions of the aftermath of the Metternich-orchestrated, mass sexual congress conducted at Vienna, all Europe, whether Habsburg or financier-oligarchical, was bent upon the destruction of the emerging republics of the Americas, the U.S. first and foremost.

Lincoln — The U.S. as a World Power:

This Vienna Congress, combined with the Restoration monarchy in France, was a strategic disaster for Europe, as it was a disaster for the U.S.A. It not until President Abraham Lincoln's defeat of Lord Palmerston's project, the treasonous, Lockean Confederate States of America, that the effects of the Vienna Congress could be reversed.

Lincoln's victory, and the brilliant success of the U.S.'s 1861-1876 economic mobilization, established the U.S.A. as a world power, and as the model for a new form of agro-industrial nation-state economy. Following the 1876 Philadelphia Centennial Exhibition, this 1861-1876 model of the Hamilton-Carey American System of political economy, was copied, as economic-development policy, in Emil Rathenau's Germany, Dmitri Mendeleev's and Sergei Witte's Russia, Japan, the circles of Sun Yat-sen, and elsewhere, during the last quarter of the Nineteenth Century.

It was to counter this spread of the American-system model of economy, into the other parts of the Americas, into Germany, Russia, Japan, the new leadership of China, and elsewhere, that the British monarchy prearranged, and



President Abraham Lincoln's victory over the Confederacy, and the brilliant success of the U.S. 1861-1876 economic mobilization, established the United States as a world power, the model for a new form of agro-industrial nation-state economy.

launched the First World War. Under the leadership of Britain's Prince of Wales, later King Edward VII, the British monarchy, aided by the revanchist anti-Germany panic catalyzed in France through the Dreyfuss affair, orchestrated the development of the Anglo-French *Entente Cordiale*, and led Russia into the self-imposed doom of the Czarist system under King Edward VII's other nephew, the pathetic Nicholas II. The British backing for the first Sino-Japan war, for Japan's seizure of Korea, and for the Russo-Japan war of 1905, was a crucial prelude for the Balkan wars, and that Russian general mobilization for attack on Germany, which actually set Edward VII's intended World War into motion.

Britain's strategic intent, in organizing what became World War I, was to set the Eurasian admirers of the 1861-1876 Lincoln-Carey model of agro-industrial development, at each other's throats, and to break the U.S. itself from what had been its traditional friends during the latter half of the Nineteenth Century, such as Germany and Russia. The pivotal issue, for London, was the influence of the success of the U.S. transcontinental railroad system, in reviving in the Nineteenth Century Europe of Mendeleyev, Witte, Rathenau, and Siemens, the old proposal of Friedrich List for railway development of the largely untapped, vast Eurasian heartland. This

railway development, which we have revived, and defined, since the beginning of the 1990s, as the Eurasian Land-Bridge project, became the central focus in London's determination to destroy Germany and Russia through what became World War I.

The British could not fight such a war without first, breaking the U.S.A. from its traditional friendships with Germany and Russia, and, second, without mobilizing the U.S.'s great agro-industrial might on the side of Britain's war-effort.

Thus, from 1782 until the defeat of the Confederacy, the global intent of all British policy, had been to isolate and destroy the U.S.A., to ruin it economically, to break it up into quarreling, balkanized baronies, easily manipulated and controlled from London. The failure of Palmerston's British-backed Confederacy, prompted a shift in British policy, toward that of taking control of the U.S. through political corruption, rather than a renewed raw attempt to dismember it through direct action. The terrorist's assassination of McKinley, by aid of New York's notorious Henry Street Settlement House, accomplished Britain's intended Twentieth-Century aims, as if almost at a single stroke.

Teddy Roosevelt, assisted by such wretched creatures as a member of the Napoleon Bonaparte clan, his Attorney-General Charles Bonaparte, established a political-police force, on the French Napoleonic police-state model, in the U.S. Department of Justice, thus founding what is known today as the U.S. Federal Bureau of Investigation (FBI). Similarly, large sections of the Federal Executive bureaucracy became, with the help of Teddy Roosevelt's corrupt Democratic Party predecessor, Grover Cleveland, elements of a European-style state bureaucracy, a bureaucracy controlled directly by representatives of Wall Street financial houses and their attached law firms.

The Presidencies of Teddy Roosevelt, a nephew and protégé of the former chief of the Confederacy's intelligence service, the notorious filibusterer, Captain James Bulloch, and that of Ku Klux Klan fanatic Woodrow Wilson, established the Federal Reserve System created by agents of Edward VII's banker Cassel, and otherwise transformed the institutions of government of the U.S.A. London and its Wall Street accomplices relied, chiefly, then, and also, now, in the Bush and Gore candidacies for the Year 2000, upon the combined political and social base provided by Wall Street and the persisting tradition of the Confederacy.

The Franklin Roosevelt Interim:

It was the election of President Franklin Roosevelt, which brought the patriotic currents of the U.S.A. back, temporarily, into positions of power after three intervening decades. It has been the destruction of that Franklin Roosevelt legacy, by measures including the assassination of Franklin Roosevelt admirer President John F. Kennedy, which has enabled the rise, since the U.S. Republican Party's "Southern Strategy"



President Franklin D. Roosevelt's election brought the patriotic currents of the U.S.A. back, temporarily, into positions of power. After his death, the destruction of his legacy has enabled the rise of the Old Confederacy.

of the middle to late 1960s, of the Old Confederacy, in alliance with Wall Street power, as the dominant, pro-racist force today, in the Supreme Court, the Congress, within the Al Gore-led faction of the U.S. Democratic Party, and in large parts of the Executive Branch's permanent bureaucracy.

In this process, the BAC forces have spent the period since Franklin Roosevelt's death, working to destroy what former Secretary of State Henry Kissinger once called, and denounced as the patriotic "American intellectual tradition." Typical of this is the role of radical positivism, such as that of Norbert Wiener and John von Neumann, combined with the corrosive role of the so-called Frankfurt School, which was temporarily lodged, to spawn, like a pack of cultural termites, within the intellectual institutions of the U.S.A. The depravity which is characteristic of the pagan-Roman tradition, has, predominantly, taken over control of the popular and academic culture of the U.S. today, as through comparable age-groups in Europe, and has virtually eradicated all remains of the Classical tradition from leading representatives of the age-groups of less than fifty-years of age today.

As a result of these and other malicious influences upon the post-Franklin Roosevelt U.S., the generation of the age-intervals between thirty-five and fifty-five years of age, who are represented in most of the leading positions of executive power there today, have, with relatively few, but important exceptions, lost the moral and intellectual capacities which were more typical of those, from the Americas and old Europe, who grew up during the Great Depression and the ensuing war.

The Role of a Great, Sudden Shock:

In such a circumstance, the only hope for civilization is a great shock, a shock which shatters confidence in what are presently still the prevailing cultural and scientific norms of behavior among those of ages below fifty-five. In modern U.S. history, the sudden popular reaction to news of Japan's bombing of Pearl Harbor, qualifies as a shock of the type needed today. That shock is imminently available, in the form of the catastrophic collapse of the world's present financial system: *on the day when the light is turned on in the kitchen, and the cockroaches panic.*

The Economic Role of the Nation-State

To find the deeper causes for the presently onrushing general collapse, of not only the present world financial system, but also the world's physical economy, we must focus attention upon seven structural changes in the form of the modern European nation-state, changes which have been built up over the period since the relevant bombing of Hiroshima.

Seven Structural Changes:

Over the entire post-Franklin Roosevelt period, to date, the most conspicuous change, has been the first change, the introduction of the nuclear-weapons policy, including the proposal for a so-called "preventive nuclear attack" upon the Soviet Union, as outlined in Russell's policy-statement in the September 1946 edition of *The Bulletin of the Atomic Scientists*. From the start, throughout the Twentieth Century, Russell, an avowedly perfervid hater of the U.S., was committed to eliminating the existence of the sovereign nation-state, and dedicated to imposing a new version of the old pagan Roman Empire, which he identified as "world government."

Russell stated repeatedly, that he intended his version of "world government," called, variously, "globalization" or "rule of law," today, to be established as a side-effect of nuclear-terror-stricken governments' panic-stricken flight into arms-control treaties. The Cuba Missiles Crisis of 1962, orchestrated, from London, by Britain's Bertrand Russell, and the subsequent assassination of President John F. Kennedy, set that process fully into motion.

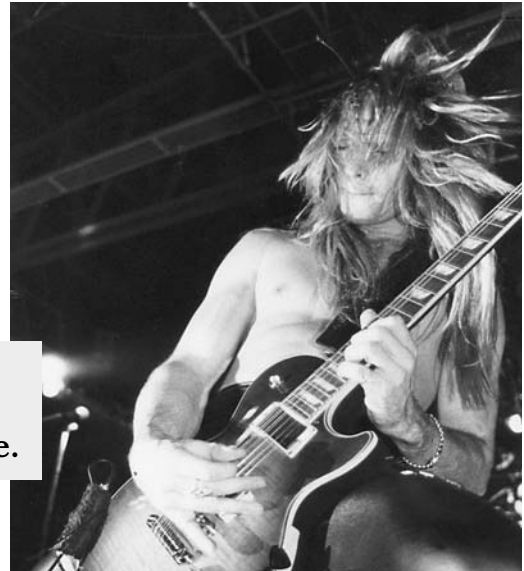
The second succession of radical changes erupted during the period immediately following the assassination of President John F. Kennedy. (For as long as he lived, Russell was always a leading figure behind each of these monstrous concoctions.) The general change, was the self-destruction of a large portion of the university student population which had been born after the close of World War II; the result, was the so-called "rock-drug-sex counterculture."

The selection of recruits to that counterculture, to be cho-

Seven Structural Changes in U.S. Economic Policy



1 The drive toward “world government,” as initiated by Bertrand Russell.



2 The rock-drug-sex counterculture.



3 Halting technological progress.
A Greenpeace rally in Washington, D.C.

sen to rise, rung by rung, to influential positions within government and other leading institutions, provided the shock-troop battalions of the type which had been prescribed earlier by Britain’s Brigadier John Rawlings Rees of the London Tavistock Clinic. These victims of the “rock-drug-sex counterculture,” served as a pro-terrorist mob, like the Robespierres, Dantons, Marats, and St. Justs of 1789-1794, as the Baader-Meinhof gang typifies this, to be deployed for other radical changes, changes which have had a devastating impact upon the governments, economies, philosophy of law, and leading institutions of the U.S., western Europe, and elsewhere.

The third radical change, was an effort to halt the role of technological progress, whether in the name of defending the

“environment,” or preventing the development of “dual use” technologies, a charlatan’s trick performed with aid of the sophistry, that these banned technologies might be imagined to be useful for developing “weapons of mass destruction.”

This change was first introduced during 1966-1967, in massive cut-backs in the Kennedy space-program, done on the pretext of bringing expenditures “back from space,” which was explained, fraudulently, as an attempt to help alleviate poverty. The full-scale rant to this effect, was unleashed in 1970-1971, in the name of “ecology.” This cultural-paradigm shift in policies respecting science and technology, combined with the ruinous effects of the August 1971 conversion of the IMF system into a “floating-exchange-rate monetary system,” led to an accelerating stagnation and collapse in the rate

4 Destruction of basic economic infrastructure,

such as this demolition of “outmoded” steel blast furnaces in McKeesport, Pennsylvania, 1985.

5 Eradication of Classical education programs.

Conductor David Heifitz is shown here working with orchestra students in Mount Vernon, Virginia.

6 Unleashing of the dogma of “free trade.”

A Schiller Institute demonstration against the North American Free Trade Agreement, 1991.

7 The elimination of national banking,

as typified historically by Alexander Hamilton’s first Bank of the United States, in Philadelphia.

of growth of both the physical productive powers of labor, in the standard of living throughout Europe and the Americas, and an unspeakable catastrophe unfolding for Africa.

Under the Trilateral Commission’s Carter Administration, there was a fourth axiomatic change, a full-scale effort to destroy the most essential underpinnings of the U.S. economy. This occurred, most prominently, in the domain of basic economic infrastructure. This has proven to be an essential part of the effort to obliterate the existence of the institution of the sovereign nation-state. Carter’s appointment to be Federal Reserve Chairman, Paul Volcker, wrecked the U.S. economy, to a degree which has never been reversed to the present day. This was done under the name of effecting a “controlled disintegration of the economy,” a phrase from the Trilateral

Commission’s handbooks, which Volcker cited in his 1979 campaign for the Federal Reserve appointment.

A fifth crucial attack on civilization, was the process of eradicating Classical humanist forms of educational programs, both from public schools, and also, to a large degree, on the level of university education.

Sixth, it is most notable, that without the anti-free-trade, protectionist measures typical of the American System of political-economy, it is impossible to have a self-standing form of healthy economy. No national economy based on a “free-trade” doctrine, ever prospered, except by looting its own natural resources and population, as Britain did, or, by looting other nations, as the British Empire and colonial system did, and the Anglo-American hyper-power has been do-

ing since 1989. *The use of taxation, tariffs, fair-trade policies, and public investments in basic economic infrastructure, is essential, to set those price-levels at which long-term, capital-intensive forms of improvements in the productive powers of labor are effected, as these are to be measured, in physical-market-basket terms, per capita and per square kilometer.*

The unleashing of the dogma of “free trade,” under Presidents Nixon and Carter, destroyed the private productive sector, such as agriculture and manufacturing, of the U.S. productive economy, as we see the same result unfolding in the United Kingdom, over the span from Harold Wilson’s, Margaret Thatcher’s, and Tony Blair’s efforts — Luddites one and all — to bring those islands, finally, back to the Orwellian stone age now called “information society.” This has all been done, in the fashion typical of the great swindlers, like John Law, of all modern times, of claiming nothing so passionately as the desire to promote greater glories for “free enterprise.”

Furthermore, seventh, without national banking, as the past functions of the U.S. Export-Import Bank typify this, which depends absolutely on the institution of the sovereign nation-state, it is impossible to mobilize in a sustained way, the low-cost, national, long-term public credit, needed to support a healthy form of private banking system, and ensure rates of productive investment needed for genuine economic growth, both within nations, and among the world’s trading-partners.

The downshift in U.S. economic policy on these seven points, typifies the hopeless situation to be faced by this planet as a whole, unless and until, those seven retrogressive trends are summarily reversed, unless the Romantic cancer of “globalization” is eradicated.

Culture and Physical Economy:

To understand the importance of the modern sovereign form of nation-state republic, we must understand the indispensable function of that institution for maintaining a civilized form of human life on this planet. In summary, the following points are to be made.

The axiomatic difference between the human species, and all other living species, is the function of the development of the cognitive powers of the individual. This is typified by man’s unique ability, as a species, to generate validatable discoveries of universal physical principles, and to develop both Classical methods of artistic composition, and also statecraft, in the same way.

It is by means of the cultivation of those powers of individual cognition, as Classical humanist education typifies such policies, that the human species expresses its unique capability for willfully increasing its potential relative population-density. It is the universalizing of social relations, to the effect of fostering that cultivation and expression of the cognitive powers of each and every member of society, which makes the sovereign nation-state form of republic, the only form of political institution consistent with the distinctive need for

true personal freedom, as required by the nature of the human species.

It is through fostering the discovery of such universal principles, either as original discoveries of validatable principles, or as re-enactments of such discoveries of universal physical and artistic principles, that mankind has become able to promise, now, to deliver to the generations immediately ahead, actually human conditions of life to every person on this planet. Without the continuation of that quality of progress, decent human life for all were not possible. Indeed, unless that policy is restored, very soon, a prolonged new dark age of mankind, throughout this planet, were presently inevitable.

Since the willful administration of the affairs of a people must be organized in a literate form of scientific and language-culture, the sovereign nation-state provides a uniquely appropriate instrument for the participation of the individual in society generally. This participation, outlaws the degradation of some parts of society to the virtual status of human cattle, as pro-racist U.S. Justice Scalia degrades the victims of his policies, for example. The role of Classical culture in the life of the sovereign nation-state republic, fosters the participation of the individual in all humanity, a result which tends to be made universal, through a community of such principle among a world composed of sovereign nation-state republics.

Thus, the promotion of the cognitive method for development and propagation of scientific and Classical culture, through institutions of education and economy, is the precondition for the continuation of civilized life on this planet today.

To meet the physical requirements for all humanity, there must be a forced-draft emphasis upon capital investments in the fostering and application of scientific progress, expressed as increases in the productive powers of labor, as the increase of mankind’s physical power, per capita, in and over the universe. Without this, a return to barbarism, or worse, were inevitable. Without the protectionist form of nation-state economy, which is dedicated to that function, the collapse into a dark age of barbarism, were inevitable as characteristic of the immediate decades ahead.

Thus, the defense of the institution of the perfectly sovereign, economic-protectionist model of nation-state republic, is not really debatable. Unless those reversals in policy-trends are introduced now, there is presently no future for the U.S., or most of the population of this planet. The apostles of “free trade” and “globalization,” have always been the pro-oligarchical enemies of human freedom.

But, Such Shocks Are Also Dangerous

The type of impending shocks, which I have identified here, like wars, and the critical battles of such warfare, are dangerous. There is an unavoidable element of great risk involved. In such a situation, as in the most notable flanking strategies of the greatest commanders, great creative insight

is needed to avoid catastrophe. Without the mustering of effective leadership, any such crisis ensures disaster.

In such crises, there are brief intervals, during which the general population, or a large part of it, is open to new leadership, new policies. For the U.S., it was fortunate that Franklin Roosevelt provided that quality of leadership, as this quality was otherwise best typified by war-time commanders such as General Douglas MacArthur. A successful leader, under such crisis-circumstances, never relies upon appealing to popular opinion; rather, he revolutionizes it, by an appeal to reason. He relies upon a revolution in the thinking of those under his command, or influenced by other modes of leadership. Without such leadership, a great crisis, like that onrushing today, leads to nothing but great, and probably still greater catastrophes.

This requirement flows from the nature of truly tragic crises, such as that facing the world today.

The Tragic Principle in History:

As the great Classical tragedies of Aeschylus, Sophocles, Shakespeare, and Schiller, expose this fact, humanity never suffers any peril, unless it be from natural causes beyond our present means to control, *except* as the result of a fatal flaw of character in either the ruling agency of society, or in the culture of that society as a whole. Thus, *all man-made catastrophes occur solely as the outcome of prolonged adherence to a mind-set which is alien to the principles upon which the universe is constituted.*

Thus, a great crisis, brought into being in that way, can be mastered only by methods and policies which must appear to the existing generations of society as revolutionary. Truly great leaders, in such times, are those who successfully violate prevailing popular opinion, on behalf of reason, rather than acting in the intrinsically irrational, customary way which had led to that crisis. Herein lies that characteristic of the true making of important developments in history, which the high-priests of Europe's late-Nineteenth and Twentieth Centuries' social-democracy abhorred as "the evils of voluntarism." Pity those foolish high-priests! Most among them would have been offended to hear themselves ridiculed so, but are they not just an echo of foolish, predatory spectators in the Roman Colosseum, cheering for the lions tearing apart the Christians in the arena, raising thumbs up (!) for *vox populi*?

No society can destroy itself of its own will, unless it is impelled to do so in order to maintain conformity with a pre-existing, prevalent mind-set. The individual, or group which is gripped by that delusion, will do nothing so much as appeal to the authority of public opinion, which is to say, to the stipulations of the established mind-set. Thus, in the end-phase of any tragic cycle in the history of any nation, any culture, it is continued adherence to accustomed public opinion, which renders that people one which has lost the moral fitness to survive. The collapse of the regimes, not only of Russia's weak and foolish Czar Nicholas II, but of each and

all of the 1917 successor governments of reformers, is an example of the control of populations and their foolish leaders by the influence of habituated delusions. If a crisis-stricken nation is to survive, it must act just as a scientist must, when he or she is confronted by a stubborn error in pre-existing scientific opinion; the nation must locate and uproot the fatal flaw rooted in its own prevailing, habituated mind-set. Here lies the necessity for revolutionary action in such a circumstance. Not only must axioms be changed, but the action to be taken must reflect such a necessary change in axioms.

What then, must be changed in this matter of opinion? The outcome of this entire period of world history depends upon our recognizing the proper choice of that factor.

The essential change to be made, is the superseding of the relics of oligarchical rule, such as financier oligarchy, by republican self-rule. This means a cultural change, cleansing society of the old syphilis, that Romantic legacy common to most of the institutions and populations of extended European civilization today, to put the society again under the cultural dominion of the anti-Romantic, Classical legacy.

The leading tragic element in the culture of Europe and the Americas today, is the expelling of Classical humanist forms of education, and of Classical forms and principles of artistic composition, from the life of society in general. It is in what passes for entertainment today, in a form of popular opinion congruent with such degraded popular forms of entertainment, that the root of civilization's present tragedy is rooted.

For example, the popularization of Nintendo killer-games, and martial arts, for young children and suggestible adolescents, games modelled on the worst post-war parody of the Japan Samurai mythology, typifies a culture which, by thus destroying its own young children, proclaims itself a post-modernist culture, with no prospect for future existence, except of the most bestial sort.

Return to Classical Culture:

The crucial consideration, which I have elaborated by identifying those seven acts of destruction of the nation-state, referenced earlier here, is to rediscover the principle that human relations, as opposed to bestialized ones, are located essentially in those cognitive processes which are brought to the surface in the Socratic dialogues of Plato. These are the same cognitive processes, by means of which a validated universal physical principle, as also a validatable principle of Classical artistic forms of composition and performance, is generated. It is the sharing of such cognitive discoveries, by means of which mankind's increase of power in and over the universe, per capita and per square kilometer, is effected.

It is sharing those cognitive scientific and Classical-artistic experiences, which expresses the natural, and naturally fruitful relations among human beings. To that we must return, if our nations are to outlive the calamity now descending upon us all.

Peru's Elections: When Lambs Refuse To Go To Slaughter

by Gretchen Small and Sara Madueño

Despite being threatened with international embargos, "ruinous isolation," domestic chaos, and the resumption of international aid to those working to relaunch the narco-terrorist war inside Peru, President Alberto Fujimori demonstrated, once again, that he is prepared to rally the country, to defend Peru's existence as a sovereign nation.

On May 25, the Fujimori government announced that Peruvian laws and national interests take precedence over any alleged "international will," and therefore the final run-off of the Presidential elections would be held, as scheduled, on May 28, despite the refusal of Fujimori's contender, Alejandro Toledo, to participate on that date, or, for that matter, to agree on any date on which he would face the polls.

The Organization of American States (OAS) bureaucracy, which has fronted for the U.S. State Department in the Peru fight, the Carter Center, the National Democratic Institute (NDI), the European Union, the U.S. government-financed non-governmental organization (NGO) *Transparencia*, and a host of other "local" NGOs immediately declared that a May 28 election is unacceptable, and announced that they would not observe the elections, and therefore, those elections will be deemed illegitimate by "The International Community."

The stage is now set for Peru to be declared "undemocratic," and thus subject to sanctions. Steps toward activating the threatened warfare against the country are already being discussed at emergency meetings and consultations in Washington, D.C., and other capitals. Financial interests have already begun their assault, promising that "the markets" will "punish" Peru.

Whether Peru's Ibero-American neighbors join the warfare against that nation, remains to be fought out, but it is not a given.

Sign of Things To Come

The decision by the nationalists in Peru to proceed was not taken lightly. Few in Lima have any illusions that the United States and European nations will not carry through on their threats, and that at least some Ibero-American nations will join them. It has been widely reported that angry high-level government officials told OAS hacks to their face, in an exchange described as extremely acrimonious, that the government had sufficient foreign reserves to withstand an attack.

Over the past few weeks, a growing number of Peruvians had come to realize that the objective of the international forces running the Toledo operation, was not to get Toledo elected, but to use him to overthrow President Fujimori, because Fujimori and the hard-line anti-drug forces which support him constitute the only serious obstacle left to narco-terrorist hordes seizing control over the entire Andean region—the world's leading cocaine producing zone.

Thus, while to chose to fight implies dangerous risks, to not fight, meant that the destruction their nation was assured.

In the arrogance of globalization's rule, Wall Street and London financial oligarchy have become accustomed to nations walking meekly to their slaughter. So, OAS officials and foreign diplomats in Lima were reported universally to have been "shocked" by Peru's refusal to bow to their dictate.

New shocks are coming their way. Peru's decision to

take sovereign action, in itself, has set off a shockwave throughout the Americas, which will spread through the rest of the globe. President Fujimori already enjoyed the quiet respect of many countries for his government's defeat of narco-terrorism, despite the opposition of the world powers at the time, and Peru's latest fight will embolden others to defy globalization's rule, and consider putting together new strategic alliances, under which they can defend their sovereignty.

Using LaRouche To Hit the Enemy

With their backs up against the wall, Peru's nationalists threw back in the face of the enemy the most powerful instrument they found at hand: the "LaRouche card."

Beginning with national television Channel 4's interview with Dennis Small, Ibero-American editor of this magazine, on its well-watched "Democracia 2000" program, discussion of *EIR*'s charge that the "International Drug Trade wants to topple Fujimori" exploded across Peru.

Television Channel 10's "Mesa Política" nightly political analysis talk show interviewed Small on May 25, covering everything from how global speculator and drug legalization champion George Soros and the narco legalization lobby runs the Toledo campaign, to who is Lyndon LaRouche, the importance of his Presidential campaign, and why he is so feared by the Establishment that he had been jailed. The station has since continued to re-broadcast that interview, three times a day. At least one of those times, the show was re-run, interspersed with shots of the destruction wrecked by the narco-terrorist Revolutionary Armed Forces of Colombia (FARC) (pictures similar to scenes from Peru before President Fujimori defeated Peru's Shining Path), and of FARC *Comandante* "Mono Jojoy" calling for drug legalization.

The large-circulation national afternoon daily *Extra* ran a similar interview on May 26, and on May 29, and the second-largest circulation weekly in the country, *Gente*, hit the newsstands with an interview with Small as its cover-story (see *Documentation*). The *Gente* interview, in turn, became the subject of other articles published in regional and local newspapers.

The Peruvians then got really nasty, and asked about electoral freedoms inside the United States: What about the treatment of the LaRouche campaign? When "Mesa Política" again interviewed Small on the night of May 24, this time by phone from the United States, Peruvians nationwide were briefed that Lyndon LaRouche had received 22% — more than 53,000 votes — in the Arkansas Democratic Party primaries the day before, and that the Arkansas State Democratic Party and the national Democratic National Committee, instigated by Al Gore's Presidential campaign, had announced that they were throwing LaRouche's 53,000-plus votes into the garbage.

The "Mesa Política" team was stunned. Commentator

Efraín Trelles asked Small how it is possible that 53,000 votes could be thrown out. I know Arkansas, he said, I've been there. What's going on: Do they grow bananas there now? Small's invitation for Peruvians to come observe the U.S. elections was well-appreciated.

As the international observers marched out of Peru screeching "Fraud!," the next night, "Mesa Política" commentators Jorge Moreli and Efraín Trelles returned to the implications of the fraud being perpetrated in Arkansas. Moreli announced that the Carter Center and the NDI have decided to leave Peru and not participate as observers in the upcoming election.

Trelles replied: I suppose if these gentlemen are leaving Peru, they are going to Arkansas to find out what happened with the 53,000 votes cast for LaRouche.

Moreli: Yes, I'm sure they are going to take steps in the United States to see what happened with LaRouche's votes. In fact, we extend an invitation to them. We are going to invite them to look into the LaRouche case and tell us: What happened to those 53,000 votes?

'Carterista' democracy

Those unfamiliar with Spanish, should find it amusing to learn that a *carterista* is a pickpocket, a petty thief, when considering just what the OAS/State Department/Carter Center machine demanded the Peruvian government do, to keep their Toledo option alive.

After the April 9 first round of the election, in which he won just over 40% of the vote, Toledo left Peru to seek support from international financiers. He began losing support inside Peru and, heading for a big loss, on May 18 he charged that electoral fraud loomed, and announced that, unless the Fujimori government put off the run-off, indefinitely, he would not participate. He claimed that he had the backing of eight foreign countries — two of them Ibero-American — for this maneuver, and he expected them to impose sanctions on Peru, should the Fujimori government not yield.

With President Fujimori's second term ending on July 28, Toledo's stall strategy took shape as a strategy to create a vacuum of power, and a crisis possibly requiring military action.

The State Department, their OAS toadies, the Carter Center, et al., went into action. The OAS seized upon initial problems in the government's vote counting computer program for the second round, as its angle for pressure. The night of May 21, the OAS issued a communiqué, announcing that it was pulling its observers out of the election, unless the government put off the May 28 elections, since computer problems could not be solved in time.

But, on May 25, the ONPE (the Peruvian agency in charge of the mechanics of the election) disappointed that stratagem: They conducted a public, six-hour computer simulation of the election, and even broadcast it live on TV — it went off with-

out a hitch. The OAS issued a press release admitting that the computer test was flawless, *but*, they demanded that the government postpone the election for another ten days, regardless. When the Peruvian authorities refused to delay further, the OAS, the NDI, the Carter Center, and all the other “Carteristas” announced that they were picking up their marbles and going home.

Documentation

Peruvian Media Feature LaRouche

The May 24 issue of the mass circulation Peruvian magazine Gente devoted seven pages to an interview with EIR’s Dennis Small. It is featured as the magazine’s cover story, with the headline: “The International Drug Trade Wants To Topple Fujimori.” A brief excerpt follows:

Dennis Small is an experienced international political journalist, economist, and member of the Executive Committee of the dissident faction of the U.S. Democratic Party led by Lyndon LaRouche. Small was in Peru on assignment covering the Presidential elections. . . . In his view, the tentacles of the organized international drug trade seek to impose a government subservient to their own interests, and to that end, they have created an international pressure campaign “to overthrow Fujimori, since they have never forgiven him for having defeated narco-terrorism.” . . .

Gente: What is the role of the international [election] observers?

Small: In the case of the OAS [Organization of American States], the presence of Eduardo Stein in Peru is very worrisome, above all because he passes himself off as a very objective diplomat. I would first mention two things in regard to the OAS. Within the United States, there are violations of electoral laws. I speak specifically of the case of Democratic Presidential pre-candidate Lyndon LaRouche, who is the second candidate within the Democratic Party. What has happened to LaRouche is that, within the Democratic Party, they have stolen his votes. They have removed him from the electoral ballot, when by law his name is supposed to appear there. They have denied him access to the media entirely, because he is not liked by the Wall Street boys and other interests. In other words, the famous seven conditions that the State Department has imposed on Peru are not fulfilled by the U.S. government itself. . . .

Gente: So what is this whole situation due to?

Small: We are looking at the profound penetration of dirty drug money in the international financial system, which is in a deadly crisis which is going to unleash the disintegration of the speculative bubble, such as has not been seen since the Great Depression of the 1930s. The Wall Street stock exchange is going to suddenly plunge by 70 or 80%. And so, the desperation of these gentlemen is great indeed. . . . Take the truly unprecedented case of the visit by the president of the New York Stock Exchange, Richard Grasso—who’s not just any old banker—to Colombia, to the demilitarized zone of San Vicente del Caguán. He there met with the head of finances of the FARC, the drug cartel. . . . What the devil was the head of Wall Street doing meeting with the principal drug cartel of Colombia? . . .

Gente: What can be done to stop this international offensive?

Small: You have to go to the source of the problem, its cause, and that cause is the international financial crisis. . . . Look at the example of Malaysia. . . . Malaysia imposed exchange controls, limited speculation, and protected its national market. . . . That kind of defense of national sovereignty is what Peru is now going to have to do.

Parallel Electoral Processes

On May 24, Channel 10 TV hosts Jorge Moreli and Efraín Trelles interviewed Dennis Small by telephone. In the far-ranging 25-minute interview, Small and Moreli had the following exchange:

Moreli: What is the worst-case scenario if, on May 28, we proceed with the election—which Fujimori is going to win? What do you think the reaction will be, considering the game the Clinton Administration has been playing?

Small: What is happening is that a new element was introduced into the situation today, and it has to do with the electoral situation inside the United States: Democratic Presidential pre-candidate Lyndon LaRouche won 22% of the vote in the Democratic primary in the state of Arkansas, which is a very important state, because it is Bill Clinton’s home state. Gore got 78%. With the 22% that LaRouche won, he won the right to delegates at the Democratic National Convention. However, the news of the day here is that Democratic Party officials, all of them obviously close to Mr. Gore, have announced that they are not going to recognize LaRouche’s vote, and they are not going to recognize the delegates that he should have at the National Convention. Concretely, LaRouche obtained more than 53,000 votes in the state of Arkansas, and the Democratic Party in the United States has just announced that those votes will be thrown into the garbage can: They will not be counted.

Why do I say that this is an important factor for Peru? A brief has been filed with the OAS regarding the violation of U.S. electoral laws in the case of Lyndon LaRouche. The OAS thus has a file on the LaRouche case, and has just sent

us a letter, today, in which they say they are going to investigate the LaRouche case. If the OAS does not investigate the violations of electoral rights occurring in the United States right now, it will have little credibility in its efforts to interfere in Peruvian affairs at this time.

So, at this moment, we have two parallel processes going on: that of LaRouche in the United States, and the electoral situation in Peru, and I believe that that element limits the offensive that the international financial sectors can throw against Peru in the coming weeks.

Handing Over Peru

The Lima daily Extra published the following interview with Dennis Small, in its May 19 edition, under the title: "Those Have Handed Colombia Over on a Silver Platter, Want To Hand Over Peru":

Q: Is there an export model of Toledo, with international contacts that we know little about?

A: The most important thing to know is that Toledo's main connections are with people who want to legalize the drug trade. I will give you two examples. Toledo's main adviser, Diego García Sayán, has signed open letters to the UN Secretary General, urging an end to the war on drug trafficking. Those letters claimed that the current war on drugs is causing more abuse than drug consumption.

Q: But what does Alejandro Toledo have to do with all this?

A: When Toledo went to the U.S. to meet with the top Wall Street financiers, he brought García Sayán as his right-hand man. There, he met with Soros and other Wall Street elements who tend to favor the drug trade. One of the best examples of this tendency is the famous meeting of New York Stock Exchange President Richard Grasso, with FARC leader Raúl Reyes in Colombia. This meeting has been documented in the famous photo known as the "Grasso Abrazo." In that meeting, both spoke about investments in Colombia. And there have been meetings since.

Q: In your opinion, has Toledo come to be another piece in this scam?

A: Everything indicates that that is so, for several reasons. The clear intention of this international financial sector is to legalize the drug trade, to use its blood-drenched money to support the greatest speculative bubble which humanity has ever seen.

Q: How much money are we talking about?

A: These interests today add up to \$300 billion. That is ten times what the world economy produces. That fabulous sum is behind the campaign to legalize the drug trade, and to impose submissive governments. What obliges the financial sector to have a weakness to the drug trade, is the international crisis, their need for this money.

Q: And how does Peru figure in this scenario?

A: The same gentlemen who have handed Colombia over

on a silver platter, want to hand over Peru, and that necessarily means getting Fujimori out of the way, and that means ignoring the efforts of the Peruvian Armed Forces, which have proven to the world that it is possible to defeat the drug trade.

It is clear to anyone that there is an international campaign to overthrow Fujimori, come what may. Toledo is a disposable tool, a card to be played in this dangerous game.

Q: What would happen should Alberto Fujimori win?

A: The desperation of those sectors allied to the drug trade and to the financial world, is great. Because of their own crisis of insolvency, they have not hesitated in sinking the euro [European single currency], to suck up European liquidity and inject it into Wall Street. They are prepared for anything.

Q: But if political manipulation is so important to them, why don't they start at home?

A: In the United States, there has been a complete censorship and black-out of the candidacy of Democratic Presidential candidate Lyndon LaRouche, Al Gore's only opponent in the Democratic Party. Very grave violations of election law have been carried out in the United States. So much so, that one asks why the State Department does not pay attention to that, before directing its artillery against Peru. Candidate LaRouche has been eliminated entirely from the ballot in various states. The Democratic Party has refused to count votes for LaRouche; he has been denied any access to the media. There is a great hypocrisy occurring here, and a desperation to ensure that no viable alternative to the speculation arises.

Q: What do you think of the observers who have come to Peru?

A: In Peru, there may be useful fools, but I think that the people who are protesting so-called violations (Carter Center, National Democratic Institute, Transparencia), are not interested in democracy and in human rights in the slightest. Rather, they are using these elements as a club against any government that is not convenient to their intentions.

Q: What is your perspective of Peru's political future in the medium term?

A: I don't believe the attacks against Peru and against the Fujimori government will cease, not even with a big Fujimori victory, because what they are attacking are two vital fronts for them. First, the successful fight against the drug trade, and second, national sovereignty. These forces are playing with the idea of globalization; they do not want to have sovereign nation-states, even less so if these states carry out successful policies to defeat terrorism and the drug trade.

Q: What sin is the Peruvian government paying for?

A: I would like to say that the example you have set the world is very important, and very dangerous for the international drug trade and its political allies. You have put an end to these evils, have set an example that they can be fought, that one does not have to make concessions to the genocide of narco-terrorism, that it is possible to defeat them.

LaRouche Campaign Asks OAS To Uphold Free Elections in U.S.A.

The following statement was released by Lyndon LaRouche's Committee for a New Bretton Woods, on May 18.

Lyndon H. LaRouche, Jr.'s campaign filed a complaint on May 16, seeking to have the Organization of American States (OAS) hold the United States accountable for the same standards for free and fair elections as it expects from Peru. The complaint and request for investigation is filed on behalf of Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr., and hundreds of Americans whose right to vote and run for office has been nullified due to "gross violations of and interference with free and fair elections in the United States of America." It is addressed to the OAS's Inter-American Commission on Human Rights (IACHR), which has the mandate to "promote . . . representative democracy" through the "effective exercise of" such democracy and to protect the individual citizen's right to "take part in popular elections," which "shall be honest, periodic, and free."

The cover letter notes: "As the U.S.A. is a member of the OAS, it is imperative that it be held to the same standards the OAS expects of all other member states," and asks that the IACHR "review this matter with the utmost urgency, as the lack of free and fair elections in the world's leading democracy has serious implications for the rest of the world." IACHR Executive Secretary Jorge Taiana responded in writing on May 22 to the LaRouche filing, acknowledging receipt, and reporting that "your petition is under study in accordance with Article 34(1) of the Commission's Regulations, and you will be informed of any further developments in the matter."

The abuses directed at the LaRouche campaign have particular significance, in light of the U.S. State Department's recent interference into the elections in Peru, and the ongoing international efforts to impose the OAS as a supposed "mediator" in the electoral disputes in that country. A spokesman for the LaRouche campaign questioned the purported neutrality of the OAS mission currently in Peru:

"The head of the OAS mission is the former Guatemalan Foreign Minister, Eduardo Stein, whose brother, Ricardo, is the executive director of the Soros Foundation of Guatemala. And George Soros, the notorious international financial speculator and leading promoter of drug legalization, is currently in the thick of an international offensive to topple the Fujimori government in Peru, because of the latter's stubborn war against drugs and narco-terrorism. Unless the OAS immedi-

ately takes up the LaRouche case and investigates the charges of electoral violations in the United States, its credibility as a 'neutral mediator' in Peru or elsewhere, will be less than zero. Are we dealing with an authentic concern with fair elections, or is this a case of monstrous hypocrisy?" the spokesman asked.

Silencing an Opposition Candidate

The LaRouche complaint filed before the OAS details: 1) the disenfranchisement of voters, 2) the systematic black-out of LaRouche in the news media, 3) collusion by private and state officials to exclude LaRouche from the ballot in some states, and 4) state and public officials' abuse of power to prevent the participation of Democrats in the election process if they support LaRouche. As the introduction surmises, "What has been done against LaRouche and citizens who support his candidacy, is nothing but a pretext to exercise the power of position to silence an opposition candidate."

The complaint is accompanied by 56 exhibits, including the report of international observers who described the March 11 Michigan Democratic Party caucuses, from which LaRouche was excluded, despite his having won the popular election primary there, and documentation of how lawyers for the Democratic National Committee, in league with a racist faction of the U.S. Supreme Court, successfully denounced the landmark Voting Rights Act of 1965, all to exclude LaRouche Democrats.

The OAS IACHR's mandates are derived from two seminal documents: the American Declaration of Rights and Duties of Man (adopted 1948), and the American Convention on Human Rights (1969). The 21-page complaint documents a manifold of violations of the principles of free and fair elections perpetrated against the LaRouche campaign by officials of the Federal and state governments, the Democratic Party, the establishment news media, and the Federal and state courts in the U.S.A. It shows that these public and private officials have shown utter contempt for the basic principles set out in these two documents. The "spirit of the Declaration" has been "demeaned," and the "Articles of the Convention have been disregarded and violated by the actors described herein," the complaint notes. Quoting from the Preamble of the Declaration, it points out the high ideals to which the OAS holds its member-states: "All men are born free and equal, in dignity and in rights, and, being endowed by nature with reason and conscience, they should conduct themselves as brothers to one another. The fulfillment of duty by each individual is a prerequisite to the rights of all. Rights and duties are interrelated in every social and political activity of many. While rights exalt individual liberty, duties express the dignity of that liberty." These are high-minded and noble ideals, indeed. The LaRouche complaint poses this paradox: If the OAS is to keep its credibility in asking Peru to live up to these ideals, then it must also hold the United States to the same.

Anglo-American Elite Escalates Its Anti-Zimbabwe Campaign

by Dean Andromidas

The Anglo-American policy elite continues to escalate its campaign to overthrow the government of Zimbabwe President Robert Mugabe. The National Democratic Institute for International Affairs (NDI), the part of the U.S. “Project Democracy” apparatus linked to the Democratic Party, issued a report on May 22, charging that the “conditions for credible democratic elections do not exist in Zimbabwe at this time.” The report is the result of an NDI-organized fact-finding mission sent to observe the political situation leading up to parliamentary elections set for June 24-25.

The NDI has also been deeply involved in the international campaign to unseat Peruvian President Alberto Fujimori, by declaring the Presidential elections fraudulent if Fujimori were to win reelection. Fujimori, like Mugabe, has landed on the U.S. State Department’s list of unacceptable Third World leaders. (See our *International* lead, in this issue.)

Although the NDI team was formally led by former Nigerian Vice President Alex Ekwueme and included representatives drawn from other African countries, the NDI itself, as *EIR* has documented, is nothing more than a “privatized arm” of the U.S. State Department. The NDI made several recommendations in the report, including a demand for an end to violence, and for more so-called transparency. But, the NDI is only one player in a broader operation aimed at cracking any resistance to Anglo-American radical free-market policies, including International Monetary Fund austerity and globalization, not just in Zimbabwe, but throughout southern Africa and around the world.

This broader operation is being orchestrated by a tightly knit network of Anglo-American financier and mining interests, who are well aware that the international financial bubble is about to burst, and who aim to reinforce their control over the oil, mineral, and land resources of the southern African continent. For this group, violence and civil war are part its objectives.

Brits Want To Recolonize Africa

As *EIR* documented in its May 12 issue, two of the organizations spearheading this operation are the London-based Zimbabwe Democracy Trust (ZDT) and the South African-based Helen Suzman Foundation. Both came “out of the

closet,” through some revealing articles in the British press.

R.W. Johnson, the director of the Suzman Foundation, penned a commentary in the May 22 *Daily Telegraph* with the brutally candid title, “Sooner or Later Africa Must Face Some Form of Recolonization.” Johnson first goes through the familiar litany of how the corruption and incompetence of the African leadership have been responsible for the current catastrophe on the continent. Then, he writes, the world has three options in dealing with Africa: “To put in place a long-term UN mandate system—in effect recolonizing the place; to allow private companies to do the same; or to walk away.” He writes that the West should “break up some of the bigger countries,” including “the biggest state of all, the Sudan,” where war “pits northern lighter-skinned Muslims against black Christians in the south. Why not face reality, partition the country and start again?” He writes that the Democratic Republic of the Congo should suffer the same fate: “Surely it would be better to partition it into more manageable units.” And, of course, the same for Angola, whose renewed civil war “similarly suggests a partition between a UNITA-ruled south and MPLA-ruled north.”

After another racist attack against the African “big man” and “communalism” culture, Johnson concludes: “What is staring us in the face is a reversion to the old mandate system; an acknowledgment that decolonization has not really worked. . . . At present such a reinvention of colonialism—for that is what it is—brings gasps of politically correct horror. But sooner or later this is what will have to be faced.”

Johnson is merely defining the policy that powerful Anglo-American interests are currently implementing, through their backing for rebel forces against the central governments of these countries. Johnson himself is deeply involved in the anti-Mugabe campaign, having recently penned an article attacking Mugabe which was featured on the ZDT website.

A glance at the British military intervention into Sierra Leone should leave little doubt about the recolonization process. A senior European Africa specialist recently told *EIR*, that the British “are no doubt preparing people’s minds for a possible military intervention into Zimbabwe if the situation gets further destabilized, and it is certainly on track to be further destabilized.” While pointing out that President Mugabe, in his opinion, was not handling the situation intelli-

gently, he underscored that the British were “playing with fire,” because a civil war in Zimbabwe would very easily spread throughout southern Africa.

The wall of silence in the international press appears to be cracking, on this Anglo-American operation. On May 19, for example, *The Herald*, a daily backed by the government of Zimbabwe, ran a brief article citing *EIR*'s exposé on the ZDT under the title, “U.K., U.S. Plot To Oust Government Exposed.” The daily wrote, “Some individuals in Britain and the United States have hatched a plot to topple the government. . . . According to an American publication, the *Executive Intelligence Review* (*EIR*), an organization called the Zimbabwe Democracy Trust was launched on May 3, 2000 to topple President Mugabe and his government from power.”

Within 48 hours of *The Herald*'s article, the May 21 London *Observer* ran its own article on the ZDT under the title “British Cash Behind Bid To Combat Mugabe; Top Tories Backing Pro-Democracy Trust Are Accused of Promoting Their Own Interests.” The article begins, “A prominent group of British and American politicians and businessmen — many with energy and mining interests in Zimbabwe — are behind an international organization to fund the opposition to the regime of Robert Mugabe.” It accuses several ZDT patrons of using the organization “as a cover for promoting the interests of Western multinationals.”

‘Like-Minded People’

Carefully avoiding the political issues, the article underscores the “personal interests” involved. For example, it reports that one of the leading movers behind the ZDT is Sir John Collins, the chairman of National Power PLC, Britain's largest energy company, which signed a contract in 1998 to develop a \$1.5 billion power station in Zimbabwe. Similarly, it identifies Sir Malcolm Rifkind, Foreign Secretary in the previous Conservative Party government, as working for a huge Australian mining company, Broken Hill Proprietary, which has been “involved in a wrangle with the Mugabe government over a mine in Zimbabwe.”

The article mentions another patron, former U.S. Assistant Secretary of State for African Affairs Dr. Chester Crocker, who is a director of Ashanti Goldfields, which owns the largest gold mine in Zimbabwe. When approached by the *Observer*, Crocker said, “I have nothing personally to gain from supporting the ZDT. They were reaching out for like-minded people and I am like-minded.”

The article reports that “concerns about European funding of the Movement for Democratic Change [MDC, the opposition party] were raised by South African ministers visiting Britain last week with President Thabo Mbeki.”

The article reports that analysts and advisers close to the MDC have raised concerns that getting support from the ZDT only plays into the hands of Mugabe. John Makumbe, a lecturer at the University of Harare and supporter of the MDC, admitted, “It cannot be ruled out that the ZDT viewed the

MDC as a way of facilitating their own interests. It is largely white Rhodesians who are backing the Trust.”

Despite this apparently useful exposé, the *Observer*'s motivation might be to preempt the real story, as exposed by *EIR*, from getting out. It is standard practice for a leading British paper to run coverage on such a sensitive political operation in a controlled manner, to ensure that other press don't pick up on it, on the premise that it has become “old news,” or simply an “*Observer* story.” This view is supported by what the *Observer* piece did not mention, as well as the fact that the *Observer* and its sister dailies, the London *Guardian* and the South African *Mail and Guardian*, have been leading the pack against Mugabe's government.

While the *Observer* dealt exclusively with the Conservative members of the group, it failed to mention ZDT patron Lord David Steel. As *EIR* reported (“London Headquarters Established To Overthrow Zimbabwe's Mugabe,” May 12), Lord Steel is a patron not only of the ZDT, but also of the Suzman Foundation. Steel is also close to the directors of a branch of the *Observer-Guardian* group of newspapers, the Fourth Estate Ltd. According to the latter's 1997 filings at Companies House, Great Britain's national regulatory authority, among its directors are Andrew Gifford, the managing director of the political lobbying group GJW. Gifford has strong ties to the Liberal-Democratic Party, and is a personal and political assistant to Lord Steel, one of the most important leaders of that party. Another director of the Fourth Estate is Tony Buckingham, a close friend and business associate of Gifford, and the founder of the infamous Anglo-South African mercenary firm Executive Outcomes. Gifford sat on the board of Buckingham's Heritage Oil and Gas, as did Lord Steel at one time.

Shell, the Vestey Group, and the Royals

The article also fails to observe that Collins is the former CEO and chairman of Royal Dutch Shell, a corporate pillar of the British and Anglo-Dutch monarchies, which are both key shareholders. Collins seems to be close to things “royal” in other ways, which could become useful in what is clearly a special political operation. After retiring from Shell, where he served extensively in Africa, he became CEO of the Vestey Group, the company of the family of Edmond and Lord Vestey, among Britain's top 50 billionaires. Worth £500 million, the privately held Vestey Group is one of the most secretive companies in the world. Involved in shipping, farming, and food distribution, it has huge landholdings throughout South America and is believed to have ranches in Zimbabwe as well. The Vestey family is famous for its closeness to the British royal family, and Edmond is a member of the 1001 Club of super-wealthy who finance Prince Philip's World Wide Fund for Nature (WWF, a.k.a. the World Wildlife Fund). The WWF has financed extensive private game reserves in Zimbabwe, some of which are bigger than the country of Luxembourg.

Sir John Collins is also a director of the Peninsular & Oriental Steam Navigation Co. Founded in the beginning of the 19th century, P&O became one of the pillars of the British Empire. Its current chairman is Lord Sterling of Plaistow, who was a major financial backer of former Prime Minister Margaret Thatcher. Another director is Lord Hambro, of the famous merchant banking family, whose father, Sir Charles Hambro, was chief of the Special Operations Executive, the Anglo-American arm of Britain's Secret Intelligence Service during World War II.

Sharing business links with Shell and the Vestey Group, P&O still operates under the Royal Charter it received in 1840. This is not simply a nostalgic relic from the past. Operating under a Royal Charter means that the company is not registered under the Companies Act, nor does it have to file with Companies House. Thus, such firms are allowed to conduct certain business practices which would be considered illegal under British corporate law. In fact, as a Royal Charter company, its regulatory authority is Her Majesty's Privy Council Office.

There are no fewer than six Privy Council members among the ten patrons of the ZDT. This includes Lord Steel, and Sir Richard Luce and Sir Malcom Rifkind, whose backgrounds *EIR* detailed in its May 12 issue. The other Privy Council members include Lord Geoffrey Howe, Lord Douglas Hurd, and Lord Peter Carrington, who only recently joined the ZDT. *EIR* detailed the backgrounds of these former Conservative ministers as well. As Privy Council members, they are afforded certain privileges which are useful for such special political operations.

There was another glaring omission in the *Observer*: After identifying one Patrick Robertson as the official spokesman for the ZDT, it failed to inform its readers of Robertson's other significant connections. In 1998, Robertson served as the official spokesman for Chechen President Aslan Maskhadov's 1998 visit to London; Maskhadov came on the invitation of Lord MacAlpine, former treasurer of the Conservative Party. *EIR* exposed how Lord MacAlpine promoted reputed Chechen mafia boss Khozh-Ahmen Nukaev, by co-founding the Caucasus International Chamber of Commerce ("Russia's North Caucasus Republics: Flashpoint for World War," *EIR*, Sept. 10, 1999). Nukaev is believed to be one of the principal gun-runners for the Chechen rebels and is part of an Anglo-American operation to destabilize Russia by blowing up the Caucasus.

Robertson and Lord MacAlpine are part of the right wing of the Conservative Party which was linked with the late Sir Jimmy Goldsmith. In fact, Robertson handled Goldsmith's personal public relations. Goldsmith's multibillion-dollar fortune still exists. Sir Jimmy's son-in-law, former Pakistani cricket star Imran Khan, is one of the principal international supporters of the Chechen rebels. Sir Jimmy was also close to the royal family, and was a big contributor to the WWF, as is his ecologist brother, "Teddy" Goldsmith.

Western Policy Toward Africa Is Bankrupt

by Uwe Friesecke

When Richard Holbrooke, the U.S. Ambassador to the United Nations, left the Eritrean capital of Asmara on May 9, and said that he feared a new outbreak of war between Eritrea and Ethiopia, it was obvious, that months of hectic activity by American diplomats in Africa had been in vain. Holbrooke had led a UN Security Council delegation, which consisted of ambassadors from the United States, France, Great Britain, Tunisia, Mali, Namibia, and the Netherlands, first to Kinshasa, Congo, then to Kigali, Rwanda, and to Kampala, Uganda, to speed up the implementation of last year's Lusaka agreement over Congo; finally, they went to Adis Abebe, Ethiopia and Asmara to persuade the two governments on the Horn of Africa to settle their differences without a new round of war. But only three days after the delegation left Ethiopia and Eritrea, fighting broke out again in this two-year-old war. Simultaneously, since the beginning of May, another U.S./UN-brokered peace accord collapsed completely, that of Sierra Leone. U.S. President Bill Clinton last year had appointed the Rev. Jesse Jackson as his special envoy, in cooperation with the British government and the UN, to force the government to accept a deal with the murderous Revolutionary United Front (RUF).

The U.S. government had started the year 2000 with an ambitious agenda for Africa. In his capacity as rotating president of the UN Security Council, Holbrooke declared January 2000 the "Month of Africa," which he hoped would be "a turning point for Africa, the United Nations, and the United States relationship with both."

On Feb. 17, Clinton opened a national Summit on Africa in Washington, which for five days was attended by 2,300 people from around the continent and the United States. President Daniel arap Moi of Kenya, Secretary Salim Ahmed Salim of the Organization of African Unity (OAU), and Vice President Abubakar Akito of Nigeria were among the high-level African participants.

A week later, Clinton addressed the Burundi peace talks, which are chaired by Nelson Mandela in Arusha, Tanzania, from the White House by teleconference. In the meantime, high-level officials of the U.S. government, including Susan Rice, Tony Lake, Howard Wolpe, and Harry Johnston, were moving around the continent to bring American pressure to bear on the various parties to so many unresolved conflicts in Africa.

But, the Washington policy, which claimed with great fanfare to be the new hope for Africa, to foster peace and democracy all over the continent, has, with the failure of Holbrooke's latest mission, essentially collapsed. African countries are disintegrating, wars are grinding up nations, economic breakdown and diseases are killing millions. Neither U.S. nor European policy is right now capable of reversing those trends, because they have accepted the underlying dogmas of neo-colonial geopolitics in Africa for too long. The continent-wide explosion of crisis spots clearly shows, that policymakers in Washington have been caught by their own follies. But they stubbornly refuse to admit that they have been lying to themselves, when they advertised their policy as furthering peace, good governance, and free markets.

A Fraudulent 'Peace Policy'

The long-term trend for Africa's ruin has been situated for almost three decades in the policies of the international financial institutions, the International Monetary Fund and the World Bank. Africa was condemned to deliver raw materials, but not to develop. Foreign debt skyrocketed, and infrastructure collapsed or was never built. This was the framework for steadily deteriorating standards of living and disintegration of political and social institutions.

But the worst came during the 1990s, when American and European policy toward Africa was rallied around the idea of bringing the "new breed of African leaders" to power. In this way, African conflicts were created by the West, rather than solved. Western policy would regularly support and encourage the aggressor, either governments or so-called rebel movements. Once war broke out, Western governments would shed crocodile tears and call for mediation and peaceful resolution of conflict, blaming especially the side which was attacked, for intransigence, if they defended themselves. Then "peace negotiations" were organized, which again favored the aggressor, and forced untenable compromises by the side which was attacked. In this way, the West created the disaster of so-called ethnic conflicts and rebellions in Rwanda, Burundi, and Congo.

For example, when Ugandan President Yoweri Museveni and today's Rwandan Defense Minister and "Acting President" Paul Kagame started their war against the Rwandan government of President Juvenal Habyarimana in October 1990, it was not they who were blamed by London and Washington, but Habyarimana. The Arusha peace negotiations that followed were only a prescription for further wars.

Later, in 1998, when Ugandan and Rwandan troops invaded Congo, and Zimbabwe sent in troops to stop the aggressors, President Robert Mugabe of Zimbabwe was blamed for the war, not Museveni or Kagame.

And again, the Lusaka peace agreement of last year, which was negotiated under the auspices of Britain and the United States, is no basis for real peace, and the war goes on.

In May 1998, Eritrea invaded Ethiopia. The West again

failed to condemn the aggressor, because, like Museveni and Kagame, the Eritrean President Isaias Afwerki belonged to the so-called "new leadership" of Africa.

In Sierra Leone last year, British and American diplomacy, in coordination with the United Nations, committed the biggest fraud of a peace settlement. After the government of Ahmad Kabbah had arrested and convicted Revolutionary United Front leader Foday Sankoh for high treason, it was forced, in last year's Lomé peace treaty, not only to release him, but also to give him and his murderous rebels four ministries in the new government and total control over the diamond industry of the country. The predictable result was the new round of chaos, into which Sierra Leone collapsed at the beginning of May.

If one adds to these dreadful scenarios the bungled conflict-resolutions in Angola and southern Sudan, it becomes clear that the West right now simply lacks the moral and intellectual authority to help in any peace negotiations in Africa.

Chaos and Recolonization

When the London *Economist* of the second week of May appeared with the cover story "The Hopeless Continent," the question arises, why the British government nevertheless would deploy a most effective military force to intervene in Sierra Leone. The British press two years ago started reporting about "Africa's first world war," a phrase that was later picked up by U.S. Secretary of State Madeleine Albright.

While the British government is fanning the flames in Zimbabwe, they are making Sierra Leone the showcase of a policy of outright recolonization (as laid out explicitly in the *Daily Telegraph* on May 22 (see article, p. 41). First, they instigate rebellions, and let the former colony sink into chaos. Then, they wait for the desperation of the people to increase enough, that their government asks for the colonial power to come back to restore order.

For its neo-colonial return, Britain has developed two options. One, is the deployment of mercenary troops, such as the ill-famed Executive Outcomes, which in the past defended the diamond mines in Sierra Leone. The second option, is the deployment of British paratroopers, or, in the future, NATO rapid deployment forces and their African equivalent. In this way, the grip over Africa's raw materials can be secured, even if governments and countries disintegrate. In the long run, such strategy prevents the emergence of independent African powers, which could exert their authority and start using Africa's raw materials for their own development.

In this way, Britain's Tony Blair government makes sure that the Empire lives on. While American diplomats take the blame for failed missions, the British government sits back smiling with satisfaction. From time to time, like today in Sierra Leone, they simply exert their power to demonstrate to the world, who in the Anglo-American alliance is running Africa policy.

Belarus: A Workshop of Dirigism

Konstantin Cheremnykh travelled in March to Minsk, the capital of Belarus, and provides a first-hand picture of the economic situation in the country.

Our correspondent's report is particularly timely, since the new Russian government has vowed to emphasize economic, as well as political ties with Belarus, with Russian Prime Minister Mikhail Kasyanov pronouncing the Moscow-Minsk-Berlin superhighway corridor to be a priority project for the near future. Cheremnykh's many discussions in Belarus included an interview with President Alexander Lukashenka.—ed.

In 1995, I stayed in a new district of Minsk on the edge of a deserted construction site, which looked rather gloomy, with idle cranes and broken-down fences. I could not recognize the same place as I arrived there five years later. I was in the middle of a new city, with only a small construction site in the middle, reserved for a metro station; the line is planned to be opened within the next year, and undoubtedly will be. A kilometer away, a huge church building, rising beside a future garden, apparently will be completed before the metro line is. The design, with huge vertical windows and semi-arches rising from the ground to the roof, resembles the ancient style of Great Novgorod church architecture, typical for Northern Russia in the times before the Tatar-Mongol invasion. No church existed here before.

In the Soviet Union, Belarus had the modest function of an assembly shop, where industrial semi-manufactures were turned into finished machinery, for both defense and civilian, including agro-industrial, use. At the same time, its history was less romantic, but also more quiet than other regions. During the great revolutionary movement of the early 20th century, Belarus supplied eleven times fewer revolutionaries than Latvia, five times fewer than Russia, and eight times fewer than the Jewish community. This says something about the integral character of the nation, in which productive labor has traditionally been regarded as a higher priority than the desire for spiritual and social changes. This conservatism, labelled "peasant thinking," was regarded as a great problem by the radical wing of perestroika-period Soviet politicians and their helpful Thatcher-Bush-oriented partners.

At the same time, due to a historical paradox, the Belarus Republic appeared to be the only post-Soviet state with a parliamentary system of power.

The Belarussians, beyond particular political views, regarded the reforms not as an ideology, but rather as a new

mode of existence, to which it was necessary to adapt, without getting fooled and devastated. In the framework of the parliamentary system of power, the rules of the game were formulated as a collective decision, without a man at the top to dictate that "economic changes" by definition mean the decontrol of prices, and that privatization means issuing anonymous securities that circulate onto a speculative market. With all kind of views represented in its Supreme Soviet, Belarus would never be able to work out a property reform scheme such as the one sold in Russia by "institutionalist" (as in the institutionalization of crime) Vitali Naishul to Anatoli Chubais.

In the parliamentary system of power, the permanent commissions of the Supreme Soviet played the role of think-tanks for ministries which, for a significant time (as there was no Gaidar here), kept functioning as state management structures, rather than being transformed into monopolistic private corporations. In particular, the system of state-run construction was kept in its traditional Soviet form, which once made it possible to implement vast programs of public construction, albeit with a certain low level of state thievery.

The Permanent Commission for Control of Financial Agencies, including three energetic young men, Alexander Lukashenka, Ivan Titenkov, and Victor Sheiman, was less ideological than any other, more practical than any other, and more associated with law enforcement bodies than any other of the commissions. In this unique system of power, this commission was able to monitor financial operations carried out by republican officials, those who identified themselves both with democracy and reforms and, on the contrary, with Marxism-Leninism. For these young men, political coloration did not make any difference, if its subject was a swindler.

'To Get Rid of Those Pensioners in Power'

The first question I was to ask President Alexander Lukashenka, as I was instructed by my colleagues at the papers I write for in Russia, was how he decided to become President. The most banal, rather ceremonial question was followed by a quite unusual answer. "That was not my idea," he said.

"You see, this idea of the Presidency originated from those people, primarily from the old nomenklatura, who wanted to remain in power in a new form [like Yeltsin, Popov, and Sobchak, transforming themselves from head of the Su-



Belarus President Alexander Lukashenko (left) with Russian State Duma president Gennadi Seleznyov, in Moscow on Dec. 8, 1999.

preme Soviet, Mossovet, and Lensovet, respectively, into President and Mayors of Moscow and St. Petersburg — K.C.]

“They had a certain idea of the Presidency. It was supposed to be ‘like in Europe’: an aged man, with an experience in public politics, necessarily with a big stomach. . . . At my age of 38, I had no idea of matching these parameters. And [I decided to run] only when a group of my friends, members of the Parliament, rushed into my office and told me that as I am popular, I have an opportunity to run for the supreme post, and I should not miss it, as otherwise the work we are doing will be irreversibly curtailed, and its results eliminated.

“We wrote a program — as far as I remember, it was typewritten on two sheets of paper — and went travelling across the country, to each town, large or small, to the villages, too. I saw that people recognized me, but what was more important, they expressed the hope, that with me as the head of the state, their life and their jobs will be protected. A lot of people, by the way, were unemployed at that time. In general, that pre-election time was the highest peak of chaos in the economy and social life.

“I can’t say that our views were very differentiated and detailed. We just realized very well that we, I mean our people, had to get rid of those pensioners in power. . . .

“You see: that was an open talk with the people. I can’t say definitely why they supported me. Probably the people were very tired with all this hard drinking of the old bosses, and their attempts to sell this or that part of the economy. The people just perfectly understood what I was telling them. And then, I realized I couldn’t betray them. These TV journalists in Russia just don’t understand that the people made a risky decision, deciding to support me, a new and young person,

not generally known. I can’t forget this moment of confidence. Sometimes I am being accused of taking populist decisions — but *populus* means ‘people.’ I try to take decisions in the interests of those who have chosen me.”

His victory shocked the “pensioners in power” — and not only in Minsk. The expected winner, Prime Minister Vyacheslav Kebich, enjoyed powerful support from Moscow ex-Politburo pensioners, such as, in particular, Arkadi Volsky.

While for the West, Lukashenko was an unknown, for some Moscow oligarchic circles, he was regarded as an unwanted element, as an obstacle for some private plans, involving Belarus. The unwanted winner had certainly reasons to fear for his life.

His victory could never have resulted in any productive changes, if he had not continued, from the very first days, to speak to the people in the same way he did during the election campaign. He addressed them through the state TV channel. The “national-democratic” intelligentsia mocked his village type of Belarussian language. He spoke, in both Belarussian and Russian, with a lot of energy and pathos, following each move he made or was going to make with a detailed explanation for the people.

He made perfectly clear for the people what he thought was good, and what bad. For instance, industrial production is good, and doubly good if the products are made in the country, and not imported. The market is good if it benefits the entire people, and state management is good if it organizes both the state-run and market sectors of the economy to benefit the people. Foreign assistance is good when it benefits economic development and, especially, allows the production of domestic goods at a higher technological level. But it is bad,

when this assistance is designed to undermine the country and discredit its leadership for the sole sake of discrediting. All of this sounds very simple. But this ABC of national morality, told to the whole nation in very clear and definite terms, created more than just admiration of the leader on behalf of the majority; it created a unique phenomenon of public optimism.

In 1995, when the Agrarian Party's chairman, Semyon Sharetsky, getting somewhat giddy over the success of his party in the parliamentary elections, and over an excessively warm appraisal of himself from the U.S. Congress, started a power intrigue against him, Lukashenka appealed to the nation. Unlike Yeltsin in Russia, he did not need tanks to convince his political enemies. He had already explained his line to the people, even if he could not have managed yet to pull the economy and governance together.

"It was like a war mobilization," says my friend Nikolai, a member of a party which once criticized Lukashenka for acting too mildly against his West-supported enemies. "It looked powerful. People went to the polls, silent and grim, in thousands and thousands, standing there in queues and patiently waiting for the opportunity to vote and thus to protect *Batka* [the Father]" — as they called a man who was then 39 — against rightist, leftist, and "centrist" foreign-manipulated pensioners.

The Continuity of Industrialism

The revival of Orthodoxy peacefully and quite functionally coincides with the profile of Lenin at the entrance of the Minsk Tractor Plant, a state-owned enterprise which, by itself, is fundamental evidence that the argument of Harvard Prof. Jeffrey Sachs and Russian liberal Yegor Gaidar for how property must be organized, is a lie. The privatized Kirov Works in St. Petersburg, which was divided into ten smaller private companies, is not competitive: No wonder Leningrad Province has invited Caterpillar to build its own plant there. The Minsk plant produces only half the number of tractors it did in the Soviet period, but the range of models and the technological level of production can't be compared with that of the Soviet era. The appearance of the plant, with neat and clean workshops and a low level of noise, are also strikingly different from what I used to see ten years ago in St. Petersburg.

The directors of the plant told us that actually, if the plant were to stop working now, the enterprise would still be able to survive for three years, with regularly paid wages and allocations for the huge "social sphere," which includes 26 kindergartens, a vocational school, a seven-story emergency care facility with all kinds of medical assistance, and, finally, the largest stadium in the city, which also belongs to the plant and was completely renovated at its expense during the last two years. There are adequate financial reserves, and most of them are derived from sale of machinery for hard currency.

"Some Western companies tried to eliminate us from competition with European industry, but soon found it is impossible," says the Minsk Tractor Plant's financial director,

Alexander Boiko. "Now, they realize that it makes more sense to cooperate on mutually favorable terms."

Alexander Kartsev, the plant's director for social programs, followed us to his eparchy. The head of the clinic, a surgeon, said he was dissatisfied with the fact, that right now, he can't treat oncological patients. "But I think we'll be able to soon. We have possibilities to buy equipment at our own expense, as we are allowed by the plant's directorate to run our own commercial medicine business, and make use of our own income," he said. Certainly, the commercial services are for the population of the city, while the 9,000 plant workers, along with the veterans of tractor construction, receive medical treatment for free.

We felt even more envious of the children than of the retirees. The kindergarten, looking quite modest from outside, is decorated with fancy lamps, each of which could be bought in an average Moscow shop for 600,000 Russian rubles. In St. Petersburg, some of the local banks would envy the room where the children of Belarussian tractor-builders play, not to mention their health facilities (a swimming pool and even a sauna) and small computer center.

There were no books about a little boy Volodya Ulyanov, the future Lenin, on the bookshelves of this kindergarten. The education on the example of a father and grandfather who had devoted themselves to the same labor, and associated their life with this production process, does not need ideological brainwashing procedures.

The Economy Somehow Works

"We have to manage industry in various ways," the President told us, as we arrived at his office, full of impressions of a functioning machine-building industry — something we have already forgotten about in the once-powerful industrial city of St. Petersburg, which has been turned, by the collective efforts of "teachers of democracy" and practitioners of thievery, into a transit stop for global organized crime.

"We don't have oligarchs. The fact is, that we did not allow privatization according to the Russian pattern. From a very simple standpoint: If a private person gets a gigantic enterprise for nothing, why should we expect him to become a capable master (*khozyain*) of this property, and use it in the interests of the nation and the people?"

"Therefore, the large industrial enterprises are run by the state, and the strategy of their development is also determined by the state. This is not ideological instructions, but just state management. Yes, we compose plans for concrete amounts of production, but they concern not just the quantity of machines, for instance. Last year, with the surplus of industrial output reaching 10%, energy savings reached 6%. This is really a great result.

"Therefore, we have to introduce certain indices, and sometimes to act with administrative means. But the laws of economics are also functioning. If the director does not manage to decrease his energy costs, he will fail in competition with a lot of Western rivals, who will destroy him with

Belarus and Its Neighbor Countries



lower prices for their products. So, the director of a company knows that he is obliged to reduce production costs, in order to be competitive.

“Competition is one of the crucial levers, forcing enterprises to reduce expenses and costs. This is classical economics. But we direct this mechanism on the state level. In Russia, this is done in the energy sector. And if you suspend control, the real economy will collapse.

“We realize very well that we are not an advanced economy. This means for us that we have to think even more about the reduction of costs, and energy-saving technologies. This is our approach, which we find to be the only possible one in our situation, with a lack of cash inflow and the necessity to save and develop our real economy, inherited from the U.S.S.R. This approach is maybe not the best, but it is better than the absence of an approach,” concluded the President.

One Kilometer from NATO

In Brest, the westernmost city of Belarus, the newly built cathedral looks more Greek Orthodox than the churches in Minsk, and the brand new houses at the outskirts, with decorative elements and unusual geometric forms, are similar to the “architecture for new Russians,” which one can see in some districts of St. Petersburg. I was amazed to find out that this was also public construction, designed for common Belarusians, not the *nouveaux riches*. In particular, for the workers of the Gazoapparat Plant, producing gas stoves for Belarus and at least half of Russia.

A renovated church, though an old one, attracted our attention in the Brest Fortress, the legendary site of resistance to the Nazi troops in 1941. The two-story building where the 1918 Brest Peace was signed, contains the museum of the fortress. The first thing you see is the portrait of the engineer who designed this glorious bastion of the Russian Empire — Andrei (Johann) Tothleben, the architect of the citadels of Sevastopol and the forts of Kronstadt, and hero of Sevastopol’s defense in the Crimean War.

We were standing on the bank of the Bug, near the tomb of commissar Yefim Fomin, an ethnic Jew with a Russian surname, who was the last person surviving in the garrison, continuing to resist till the Nazis killed him. “Look, here is NATO, across the river,” our guide said, half ironically.

The expansion of NATO is hated by local businessmen as well as by schoolboys. But geopolitics is geopolitics, and the economy is the economy. Belarussian business hopes for a better future. Alexander Moshensky, head of Santa-Impex, a Belarussian-German joint venture engaged in food production, is opening a new workshop in the so-called free trade zone (actually, a zone of development, enjoying temporary tax exemption) on the outskirts of Brest. I talked to the chief technician of his fish-processing workshop, a nice girl, who answered me in good Russian. Suddenly, I discovered that she was a Polish citizen. Anya came to Brest four years ago, and permanently works here, as does her husband. She is quite pleased with the job, with the salary, and with the community, in which every third citizen is a Catholic. “Are there many unemployed people in Bialystok?” I asked about her native city. Anya’s face became sad. “Over 15%.” “Like in Lithuania?” “About that.”

A Bank that Works as a Ministry

In Belarus, the new non-partisan National Assembly is running the national household in accord with the government and President: priority number one, two, three. Quality and, once again, quality. Measures of economy, based on energy-saving technologies. One of the key government agencies is the Standards and Measurement Committee, commonly called Gosstandart. Another key structure is the State Control Committee, or Goskontrol. The third key institution, supervising the force ministries and the control structures, is the Security Council. Ministers change, even rather frequently, including the heads of defense, intelligence, and foreign relations. The Security Council’s chairman is Victor Sheiman, Lukashenka’s colleague from the Supreme Soviet’s Permanent Commission for Control of Financial Agencies.

Instead of investing in options and futures, related to the mythical energy independence, and various kinds of securities which are anything but secure, Belarus invests in its surviving assembling industry and in real estate. The reserves of wealth of the citizens are concentrated in their new apartments, 55,000 of which were distributed for free.

How was that possible, without support from the Commu-

nist Party of the Soviet Union Central Committee, the U.S.S.R. Construction Ministry, without oil and gas reserves of the country's own, without support from the International Monetary Fund, without assistance from shady operators who promise to sell a ton of diamonds or uranium and then are found somewhere in Greece, and only with assistance from Interpol?

There is one place in Minsk where you can receive detailed information on this subject. It is neither a ministry nor a tax police service, nor an intelligence body. It is a bank.

Five years ago, it was a private bank which collapsed in the first wave of the Russian banking crisis. It could have been either closed or taken under state control. Lukashenka's leadership decided to transform it into a specialized state bank. One of the six . . . no, now already seven state-run banks: In 1998, the President signed a decree founding a Development Bank, a special institution for long-term investments.

But we are speaking of Belarusbank, the one responsible for the state construction program—though this is not written with golden letters on its office door, which looks much less luxurious than the kindergarten of the Minsk Tractor Plant.

Nadezhda Yermakova, the bank's CEO, has nothing in common with a typical Russian banker. No big stomach. No armed bodyguards. No armored Mercedes-600. The bank has armored cars, but they are designed to carry the money, not the bank officers.

"We launched the program of credits for public construction in 1996," she says. "It does not depend on just one single financial source. As Lukashenka likes to say—and I have been acquainted with him since the Supreme Soviet—each house has four corners. So, there are four sources: the reserves of the construction company; the resources of the enterprise where the person works; the state allowances, paid to the person depending on how long he has worked in industry; and, finally, the state loan. The program is based on several Presidential bills concerning categories of citizens needing apartments, in particular: young families, under 31 years old; military servicemen and war veterans; and construction in the rural areas. The principle is the same in each case: first, the real need for better housing, according to legislative regulations, and secondly, the person's income. Originally, the loans were issued by the National Bank at 5% interest on a scale of 90% of the costs of construction, repayable over 40 years.

"In a certain way, the program served as an impetus for the development of a number of national industries: construction materials, wallpaper, bathroom equipment, heating and gas-supplying devices, etc. So, this program pulled up the whole industrial complex of the republic. Beginning this year, in order to prevent a further rise in inflation, the finances are allocated not by means of special emissions by the Central Bank, but from the articles of the budget.

"In the process of work, we have developed a system of stimulation and control of the program's implementation. The

lists of the citizens are prepared by municipal bodies, which also define one of the two major forms of ownership, and distributes the orders among construction sites. After that, we receive the corresponding volume of finances from the National Bank, and beginning this year—from the Finance Ministry. So, the money passes through our bank in transit. But our bank was made responsible for control of the appropriate use of the loans, and for the correspondence between the lists we receive and the criteria of need.

"We have 168 branches throughout the republic, and each of them is engaged in issuing credit for public construction. The orders are sometimes signed by the capital construction departments, sometimes by home management offices directly. The clients don't even handle cash, as it is transferred from the special housing accounts to the accounts of the contractor for certain work which is accomplished. The home management offices are also obliged to monitor this process. So, there is a triple system of control, which makes it possible to avoid mismanagement and embezzlement."

Beyond its specialization, Belarusbank offers a wide range of traditional banking services to its clients. In this sphere, its relations with other state-run and privately owned banks follow the usual competitive principle: The better you serve a client, the more and better clients you have. The competition of banks for clients, a natural feature of the Western economy, appears to be functioning in Belarus in the same way as anywhere else. But the decision of what is useful and stimulates improved quality, belongs to the state, and the Belarussian leadership is not ashamed of saying this openly and officially.

The 'Teachers of Democracy'

If Western media report about Belarus, they mostly focus on some demonstration or other media event, around certain opposition groups in that country. But, there is scarcely any significant opposition figure in Belarus who has not undergone training either at the Soros Foundation, the Euroatlantic Association, the Friedrich Ebert Foundation, or the Organization for Security and Cooperation in Europe's Consultative Observing Group. On the other hand, the major demands of the opposition refer not to the real needs of people, but to a limited number of allegedly unsatisfied rights, of significance to a narrow layer of the intelligentsia, but not more. I say "allegedly," because opposition papers are freely sold everywhere, including at hotel desks and bus stops, while all the above-mentioned Western institutions quite legally function in Minsk, excepting the Soros Foundation, which has also been kicked out of a number of other East European countries.

A peculiar discussion took part at a seminar of the Ebert Foundation, convened exactly one day before the recent "march of freedom." One of the foreign teachers of democracy declared that mass media should not be supported by the state. A state official objected that in this case, the paper

designed for Belarussian national writers, *Litaratura i Mistactva*, would die the next day.

Beyond their official subject, the helpful tutors were promoting free elections, based on party principles. Ironically, in Russia their colleagues demanded the opposite—in order to reduce the influence of the Communist Party of the Russian Federation and its allies.

But actually, the “teachers of democracy” are struggling not just for free trade, but for complete freedom of election funding, which is regarded as equal to “freedom of opinion.” Practically, the objective is freedom for the financiers—and precisely for that reason, Russia’s TV channels, owned by oligarchical interests, often follow the same line of coverage of Belarus as the “teachers of democracy.” From both the West and Russia, the Belarussian leadership is labelled “fascist.” For a people that lost every fourth citizen in World War II, this sounds offensive.

In his dialogue with journalists from St. Petersburg, President Lukashenka explained the reasons for heavy participation of Western figures, including once prominent intelligence operatives, in the opposition movement, and for the desperate hypocrisy of the “human rights” propaganda:

“There are two reasons for the Western strategists’ dissatisfaction. In case we followed the example of Ukraine in our military policy, Russia would be completely stripped of its Western flank. During the Soviet rule, three strategic defense groups were formed—in Ukraine, Belarus, and in the Baltic area. In the present world situation, wars are not conducted in the same way as before—Northern Front, Southern Front, etc. The key role is played by missile strikes. Belarus has the most reliable system of anti-missile defense. Actually, we are able to protect the whole space from Kiev to Riga. Certainly, the NATO leadership is aware of this. It is also aware of the fact that our army is well trained. This is one reason, but not the only one. We represent also a rival in civilian industrial production. We produce our own goods, which are often quite competitive. This is not appreciated by Western, and not only Western large interests. They don’t like our behavior, not for political, but to a very significant extent, for economic reasons.”

As for basic human rights, the Western audience could easily find them in the Bible, if it were read more often than detective thrillers and bodice-rippers. The right to live, and to live in conditions which a human being deserves, is more important from the standpoint of Christianity than the right to insult the head of the country, or the right to speculate with the wealth created by the previous generations of your people. The very fact that infant mortality and morbidity in Belarus is lower than in any other post-Soviet state and in some ostensibly advanced countries, as well as the fact of a practical absence of child poverty and trading in human beings, suggest that the method of management chosen by Belarus’s leadership, is more Christian than what the population of the Western industrial countries faces, in the process of becoming post-industrial.

New Geopolitical Offensive To Be Launched at Oxford

by Our Special Correspondent

EIR has learned from U.S. Republican Party-linked sources, that on June 30, a newly created Mackinder Forum is having its inaugural meeting at Christ Church, Oxford, England. The forum is named after the late Sir Halford Mackinder, the founder of the mysticism-ridden imperial theory of “geopolitics.”

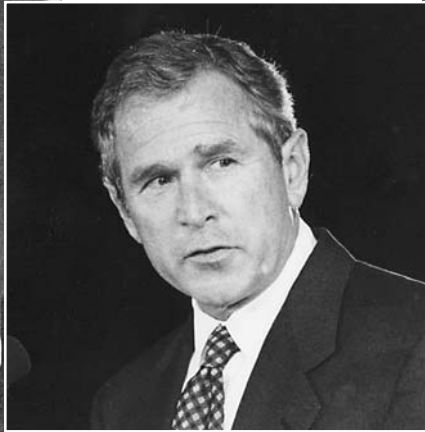
The gathering is being sponsored by the Strategic and Combat Studies Institute of the British Sandhurst Military Academy, based in Camberley, Surrey. It will be addressed by British Gen. Sir Rupert Smith, NATO Deputy Supreme Allied Commander-Europe, on “Geopolitics: A Tool for Strategic Analysis.” Attendance at the by-invitation-only event will bring together the All Souls, Oxford Foreign Policy Studies Program, and leading British and American strategists. Certain of the latter have had, or continue to have close relationships with the George Bush apparatus in the United States.

The Orchestration of World War I

Mackinder codified what has become known as “classical geopolitical theory,” in a number of books and articles spanning the period of the late 1880s through the mid-1940s. The theory grounded the notion of strategy, in the geographical factors of a nation or region, and treated the activities and operations of the human mind as, at most, an epiphenomenon of these factors. Ultimately, “geopolitics” is of the same order as the “blood and soil” belief-structures that motivated the Nazis. It is hardly an accident, that Adolf Hitler’s pet geopolitician, Karl Haushofer, borrowed many of his ideas from Mackinder.

Mackinder’s ideas of the importance of the struggle to control the “Eurasian Landmass,” or “Eurasian Heartland,” and of the necessity for the “Anglo-American rim powers” to prevent the dominance of any one single or group of powers in Eurasia, provided an important ideological and conceptual basis for British King Edward VII’s orchestration of the events leading into World War I. Already in 1904, Mackinder was warning that the development of rail networks on the European continent represented an emerging mortal threat to the British Empire.

For the Oxford gathering, Mackinder’s core concepts have been assembled in a new book, *Geopolitics, Geography, and Strategy*, edited by two of the leading British geopoliticians today, Geoffrey Sloan of the Britannia Naval War College in Dartmouth, and Colin S. Gray of the University of



Followers of the Mackinder school of geopolitics, left to right: Adolf Hitler, George W. Bush, and Britain's King Edward VII.



Hull. In 1988, Sloan wrote a book-length study, "Geopolitics in United States Strategic Policy: 1890-1987," heralding the Mackinder-ite ideas of U.S. strategists, from the 19th century's Admiral Mahan, the godfather of the "sea power" doctrine, to Henry Kissinger.

The Coming Geopolitical War

An individual deeply involved in the launch of the Mackinder Forum said that a primary aim of the British participants, is to "impede Britain's drift into the continental European mess," and, instead, to "strengthen transatlantic ties" between Britain and the United States. One idea being actively promoted, is that of Hollinger Corp. head Conrad Black, for Britain to join the North American Free Trade Agreement.

According to this individual, what must be looked into, is Mackinder's concepts of the "fulcrum of power" and "geographical pivot," as these concepts shifted, in Mackinder's thinking, in his 1904, 1919, and 1943 writings. Increasingly, as time went on into the 1940s, Mackinder warned that the entire area of the Soviet Union had become this "pivot" or "fulcrum," threatening to engulf the entire "Eurasian Heartland." His ravings in this regard, were a key contribution to launching the Cold War. In recent times, the Mackinder Forum strategist went on, "after the Cold War ended," a growing number of geopoliticians have insisted that that "pivot," or "fulcrum," was "shifting westward, to China and the Pacific Rim." This, he insisted, is a wrong focus, asserting:

"The fulcrum of power is, and will be for the coming decades, the Caspian, Aegean, and eastern Mediterranean, into the Balkans. What defines that, is the combination of the vast gas and oil, and how those energy resources must be transported. All of this is much more important, respecting how we deal with Russia, than what is happening in the Bal-

tics, and in Central and Eastern Europe. The real focus of the future, as far as the Russians are concerned, will be the push into the Caucasus. If [Russian President Vladimir] Putin restores Russia's economic strength, the Caucasus will be the jump-off point for Russian operations into the Caspian Sea. That must be our focus."

Dubya Bush Discovers 'the Eurasian Landmass'

Mackinder's ideas have, in recent years, formed the underpinning for such U.S.-based geopoliticians as Kissinger and Zbigniew Brzezinski, and are now playing a seminal role in formulating a foreign policy for Republican Presidential candidate George W. Bush. On Nov. 19, 1999, Bush made striking references to Mackinder's geopolitical doctrines. To be sure that Bush would not confuse Eurasia with Asia Minor, his speech was prepared by his foreign policy team, whose leader is former Bush Administration official Condoleezza Rice.

Said George W. Bush: "Today I want to talk about Europe and Asia . . . the world's strategic heartland . . . our greatest priority. Home of longtime allies, and looming rivals. Behind the United States, Eurasia has the next six largest economies. The next six largest military budgets. The Eurasian landmass, in our century, has seen the indignities of colonialism and the excesses of nationalism. . . . In this immense region, we are guided, not by an ambition, but by a vision. A vision in which no great power, or coalition of great powers, dominates or endangers our friends. In which America encourages stability from a position of strength. . . . The challenge comes because two of Eurasia's greatest powers—China and Russia—are powers in transition. . . . China is rising, and that is inevitable. . . . China is a competitor, not a strategic partner. . . . If I am President, China will find itself . . . not unchecked."

Bush Guru Promotes Fascist Policies in U.K.

by Mark Burdman

In a speech to the annual meeting of the British Police Federation on May 18, William Hague, leader of the British Conservative Party, declared that should his Tories come to power, they would adopt the “zero tolerance” policing methods that have been adopted by Mayor Rudolph Giuliani’s New York City. “In Britain, we have heard endless talk of zero tolerance, but no one has really begun to try it—not yet,” Hague said. The next day’s London *Daily Telegraph*, the most pro-Tory newspaper in Britain and the mouthpiece of Hollinger Corp. magnate Conrad Black, ran a lead editorial, strongly endorsing Hague’s polemic.

Of course, while promising that the Tories would restore “law and order” in Britain were they to be elected as the next government, former Prime Minister Margaret Thatcher protégé Hague made no reference to the recent atrocities, the shootings of innocent civilians, by police in Giuliani’s New York. These brutal actions have been a key focus of attention of the National Commission on the New Violence, that was established by U.S. Democratic Presidential pre-candidate Lyndon LaRouche.

But the implications of Hague’s diatribe should not be seen only as support for Giuliani, the man whom LaRouche has dubbed “the Mussolini of Manhattan.” Hague is aligning himself and the Tories with what he assumes will be the *national* policies of the U.S. Republican Party’s George W. Bush, should “Shrub” be elected President in November.

A key to this strategy, is the visit to Britain, in early May, of Myron Magnet, a New York-based architect of Giuliani’s policies, and one of the leading ideological-philosophical gurus of Texas Governor Bush.

Magnet Rants Against the ‘Underclass’

In early May, a mood of optimism had erupted in London and elsewhere in Britain, when Prime Minister Tony Blair’s nemesis Ken Livingstone was elected Mayor of London, and when Blair’s evil “New Labour”/“Third Way” policies were repudiated by voters, in local elections throughout the country. At that time, Magnet descended on Britain for meetings with the higher-ups among the London police and Scotland Yard, and for high-profile attention in the British media.

On May 2 and 3, he published two full-page articles in

Black’s *Daily Telegraph*. His May 2 article, entitled “Yes, I Saw It All Happen in New York,” gives a flavor for the way this creature’s mind works. Until Giuliani, he ranted, New York was faced with “the homeless colonizing its streets, a dysfunctional underclass filling its squalid and dangerous housing estates, and failing to get an education in its ill-performing schools. . . .

“Colonizing public spaces everywhere, sleeping on park benches or sidewalks, and cadging change at every corner, were the ‘homeless’ . . . and the motley collection of drunks and drug addicts formerly called bums or derelicts. Their begging often turned aggressive and scary; the stench of their urine pervaded the subways and parks. . . . Black and Hispanic kids strutted the streets carrying radios the size of suitcases, blasting angry music that declared that this is my space, motherfucker.”

He complained that British police, today, are too affected by “race sensitivity,” in response to various commissions that have criticized British police mishandling of the brutal racist murder of a young black man, Stephen Lawrence, some years ago.

On May 6, Magnet was interviewed on BBC. He mocked Livingstone, saying sardonically, that London’s residents “perhaps needed a couple of years of Ken Livingstone,” before they would come to their senses. He warned that London is heading in the same direction as New York had been ante-Giuliani, in which city, there had been constant “begging and urinating in the streets,” until police adopted a much more uncompromising attitude, including that if someone *looked like* they were going to commit a crime, they were picked up and detained. He made repeated attacks on “the underclass,” as the core problem now in London, insisting that their status was made inevitable by their receiving welfare.

A source at London’s Thatcherite Adam Smith Institute told *EIR* that Magnet’s voyage was the latest of many back-and-forth between New York Giuliani-linked influentials and the British Home Office, over the past two to three years, i.e., the years of Blair’s being Prime Minister. Blair’s Home Secretary Jack Straw is reported to be a supporter of Giuliani’s “zero tolerance” policies.

Summoned by ‘Dubya’

Magnet has a wide range of ominous connections. He is the editor of the *City Journal*, the house publication of the Manhattan Institute for Policy Research, established in the late 1970s by Briton Antony Fisher and William Casey, later appointed by Ronald Reagan to head the Central Intelligence Agency.

Fisher, who died in the mid-1990s, had been the chief mentor to Thatcher. It was he, who created London’s Institute of Economic Affairs in the mid-1950s, this being the first radical “free market” think-tank formed to promote the ideas of Friedrich von Hayek, founder of the Mont Pelerin Society.

Later, Fisher established, with von Hayek's enthusiastic support, the Atlas Foundation, the purpose of which was to set up a network of "free market" institutes, in the United States and elsewhere, that would spread the ideas of von Hayek. Today, the Atlas Foundation is based at George Mason University in Virginia, and is active in many of the formerly communist countries of eastern and central Europe.

The *City Journal* has been at the forefront of pushing neo-conservative policies, such as "welfare reform," "hospital privatization," and "gentrification." The latter policy, which is really an onslaught against the poorer layers of the population, was developed in the 1970s by Roger Starr, who is on the *City Journal* board. The magazine was also the first, in the 1980s, to publicize the ideas of neo-conservative Charles Murray, the author of numerous racist attacks on "the underclass."

In his student years, Magnet, today 53, spent time studying at Cambridge University. Before becoming *City Journal* editor in the mid-1990s, he was a senior reporter for *Fortune* magazine, at which post he promoted speculative ventures in the "Information Society" and the "New Economy." In 1993, he authored *The Dream and the Nightmare: The Sixties' Legacy to the Underclass*, a book whose theme is that 1960s-style liberalism exacerbated the noxious—in Magnet's view—trends earlier set in motion by Franklin D. Roosevelt and the New Deal. Further details on Magnet's arguments, are reported below.

The Dream and the Nightmare was, in ensuing years, to receive the attention of George W. Bush's chief strategist, Karl Rove. In 1997, Magnet was summoned to Austin, Texas, by Governor Bush and Rove, to give a briefing to the Bush staff, on his social theories. These theories, together with those of one Marvin Olasky, form the core of that oxymoronic Bush policy known as "compassionate conservatism"—a fascist economic and social policy that seeks to roll back any notion of the "general welfare," and to replace it with "privatization" of vital services and vicious austerity.

In April 16 *Dallas Morning News*, reporter Bill Minutaglio wrote that Olasky and Magnet, "far and away, have been the spiritual and intellectual godfathers of Mr. Bush's core philosophy."

The Smell of the Confederacy

According to Magnet and Olasky, the axiomatic flaw of FDR and 1960s liberals is that, as Magnet writes, they blame a "diseased social environment" for causing violence and crime. These liberals believe, mistakenly, that men are born peaceful and good, and are made bad by evil rulers and bad social and economic policies.

Magnet singles out for attack, Tom Paine, the leading anti-British campaigner during the American Revolution, for promoting such a view. He expresses a special animosity for the views of Ramsey Clark, who was U.S. Attorney General during the 1960s Presidency of Lyndon Johnson. Magnet

blasts Clark for having written, in 1970: "Crime among poor blacks . . . flows clearly and directly from the brutalization and dehumanization of racism, poverty, and injustice. To permit conditions that breed anti-social conduct to continue, is our greatest crime." (In the 1990s, Clark was to become a lawyer for Lyndon LaRouche.)

In contrast to Paine, Clark, and others, Magnet insists that man is, fundamentally, born with evil and criminal impulses, and that unjust economic or social policies cannot be used as an "alibi" for "individual responsibility" for criminal activity. In his view, the central government should have no concern for the "general welfare," but "society" and "authority" should only exist to punish and dissuade criminals. Effectively, this can become the justification for the worst kind of fascist economic policies, since these are "not to blame" for bad behavior. Hence, Magnet positively counterposes the ideas of such British bestialists as Thomas Hobbes and Edmund Burke, who believe that man, in his original nature, has a life that, in Hobbes's words, is "solitary, poor, nasty, brutish, and short," and is only dissuaded from his innately negative, violent instincts, by a "social contract."

Magnet also pushes Sigmund Freud's notion of the "superego," which, he writes, "punishes one with shame and guilt, speaking with the voice not of divinity, but of society." That is, man is not born with the "divine spark of reason," but must be disciplined by "society." Measures must be devised, that inculcate this dissuasive "shame and guilt," and this can only be done by "private charity," rather than by "government welfare."

According to various accounts, Magnet's book was one of the seminal influences on former House Speaker Newt Gingrich (R-Ga.) and the latter's barbarous "Contract with America." It is also relevant to the overall picture, that Giuliani was among the first U.S. Republican influentials to endorse George W. Bush as Republican candidate for the Presidency.

The "compassionate conservative" is also being endorsed by the leading figures of the Mont Pelerin Society today. Mont Pelerin ideologue Anthony de Jasay, who has written articles and books calling for the effective dismantlement of Federal governments on the American model, told *EIR* in a May 9 discussion, that he strongly supports the Magnet-Olasky concept. He expressed his profound opposition to "the New Deal of FDR. That FDR policy evolves from a straight line in historical development, that goes as far back as the decline of feudalism. There is a line of development of the centralization of power, which brought about an end to the decentralized structures of feudal times. . . . There is an unbroken line from that development, to Roosevelt's New Deal."

De Jasay said that there is a straight line connecting the policies of President Abraham Lincoln and FDR. In this light, he praised the "just cause" of the Confederacy during the Civil War, insisting that the real issue was not slavery, but the fight for "states' rights and secession."

State Department Joins Britain and Kuwait in Plot To Oust Saddam Hussein

by Muriel Mirak-Weissbach

There is a very dangerous operation being put together, by Britain and Kuwait, which aims at overthrowing the government of Saddam Hussein in Iraq, and replacing it with a puppet regime. The plan is all the more insidious, as it is being cloaked under the expressed desire of Kuwait, to reestablish healthy, friendly relations with two of its biggest Persian Gulf neighbors, Iran and Iraq, in order to allow Kuwait to link up transportation networks with them, and thus gain access to Central Asia. Such a project for regional infrastructure development and integration, bringing Iraq—and Kuwait—into the great Silk Road, which Iran has been championing, is a magnificent idea. Such a perspective of reintegrating Iraq economically and politically into the region, has been put forward by a group of women's organizations, and is supported by political figures, economists, academics, and organizations throughout the world. This is the Women's Commission for New Silk Road, launched in 1999, and presented and endorsed at the conference of the General Federation of Iraqi Women, in Baghdad, in November (see *EIR*, Nov. 26, 1999).

But what was discussed, at a seminar organized by the Kuwaiti Umma Council (parliament), at the Sheraton Hotel in Kuwait City in the second week of May, was something quite different. Here, the line was, that Kuwaiti-Iraqi relations could be reestablished *only* in the context of the overthrow of the Saddam Hussein government. The leitmotif of the conference, was that Kuwait and Iraq are "natural partners" and should, together with Iran, join to build up railway infrastructure, to connect Kuwait to Central Asia and Asia.

Attending the seminar were former U.S. State Department official Anthony Cordesman; Kenneth Katzman, a specialist from the U.S. Congress on the Gulf and Iran; editor-in-chief of the Saudi paper *Al Sharq al Awsat*, Abdul Ahman al Rashid; Ibrahim Karawan, formerly of London's Royal Institute of International Affairs (Chatham House), now at the University of Utah, specialist in Middle East and Gulf issues, and Islamic movements; Mustafa Ani, from the Institute for International Strategic Studies in London; Iraqi dissident Rassan al Atiyya, close to royal circles in London; Fred Halliday from Britain; the Kuwaiti Permanent Envoy to the UN, Dr. Mohammad

Abu al Hassan; a representative of the UN High Commission on Refugees (UNHCR); the host, head of the Kuwaiti Parliamentary Foreign Relations Committee, Mohammad al Sakr; Dr. Faiza Ali Amani, daughter of Ali Zakr Amani, former Saudi Oil Minister; and Dr. Walid Khaduri, of the Cyprus-based *Middle East Economic Survey*. Seven Iraqi opposition groups, of those financed under the U.S. Iraqi Liberation Act, participated, along with the Supreme Council for the Islamic Revolution in Iraq (SCIRI), based in London, the United States, and Iran. Sheikh Nasr Sabah al Ahmad, son of the Kuwaiti Foreign Minister, chaired the event and presented concluding remarks.

The main points presented at the seminar, according to press reports, were: 1) Kuwait, Iran, and Iraq should be linked with railways, to Central Asia; 2) this can happen only after Saddam Hussein has been removed from power; and 3) Iran is a key country to achieve both previous points.

To push through this line, it was necessary to establish that the current government of Iraq is unacceptable. Thus, a representative from the U.S. State Department insisted the Iraqi regime could not be rehabilitated, and must be replaced. Anthony Cordesman was most vicious, in making unfounded allegations about Iraqi military power. He said Iraq had more tanks than ever (2,700), 450,000 troops, and claimed that the population would soon reach 31 million. He argued that the sanctions must be kept in place, and said the oil-for-food funds were being diverted to purchase weapons. Kenneth Katzman said that Saddam Hussein could not be rehabilitated or reformed, because the Iraqi leader wants to control the entire Gulf with weapons of mass destruction. He said that the UN Security Council should use military power to force Iraq to comply with the sanctions and other resolutions. Katzman reminded the audience that the United States had adopted a policy to replace Saddam Hussein, by passing the Iraqi Liberation Act and by promoting the British idea, to establish a tribunal on crimes against humanity, before which the Iraqi President would be brought. Katzman, however, acknowledged that such an enterprise would not be easy. He acknowledged that the Iraqi opposition is not capable of overthrowing the government, and recalled attempts in the past, to organize

an uprising, which failed, leading to arrests of members of the Republican Guard and Armed Forces.

The editor of *Al Sharq al Awsat*, agreed that the opposition could not be expected to succeed, with the exception of the SCIRI. His view was that the SCIRI would require cooperation from the military, to pull off a coup. That the SCIRI is indeed involved in disseminating chaos through terrorism inside Iraq, was demonstrated dramatically during the conference, when the news broke of a major rocket attack on buildings in Baghdad, said to be part of the Presidential palace. Indeed, a leading personality of the SCIRI, while in Kuwait at the conference, claimed the group's responsibility for the attack.

The Kuwaiti speakers were explicit in promoting a coup. The Foreign Minister ruled out any talks or reconciliation with Iraq, until the government were overthrown. The Kuwaiti hosts said that, if such a plan were to succeed, it would require the acquiescence of Iran, the most important country in the region. The Speaker of the Kuwaiti Parliament stressed that Iran is the key to the whole scheme. Sheikh Nasr Sabah al Ahmad, referring to the project to build railway connections from Kuwait to Iran and Iraq, and thence, to Central Asia, said that the Kuwaitis had discussed this with Iran, and stressed that the Chinese were enthusiastic about the general plan for Eurasian rail networks. The Chinese, he said, had offered their help in integrating the Persian Gulf region into the overall project. The Sheikh stressed the urgency of the project, while reiterating that it could not start until Saddam Hussein were ousted. In his concluding remarks the Sheikh went into raptures over the perspective for reestablishing friendly relations with a post-Saddam Iraq, "our wonderful neighbor Iraq," with its rich history and civilization, from Ur to Babylon, and so forth.

The outcome of the conference, was clear: a certain Anglo-American faction is preparing to go with the "Zinni Plan," named after Gen. Anthony Zinni, Commander of the U.S. Central Command, to encourage a coup d'état against Saddam Hussein, from within layers of the Iraqi military leadership. The SCIRI would be used to create confusion and chaos in the capital, by launching further rocket attacks or exploding bombs. This group would like to involve some faction from Iran in the operation, in hopes, then, of bringing Iran into a regional security arrangement, controlled from above by the Anglo-Americans.

Gulf Cooperation Council Meets in London

That this is the name of the game, was revealed just days later, in London, when another seminar was convened. The May 18-19 conference, sponsored by the Royal United Services Institute (RUSI), featured defense ministers and chiefs of staff from the countries of the Gulf Cooperation Council. The GCC includes the Persian Gulf countries, minus Iran and Iraq. The title of the conference was, "The Future of Persian

Gulf Security and British Policy."

British Defense Secretary Geoff Hoon set the tone, in his opening speech, by saying that the "greatest threat" to security in the Gulf, was "the shadow of Saddam Hussein's Iraq." He heaped praise on Iran, which he characterized as "a major player in the Persian Gulf." Hoon expressed the desire for Arab states to encourage more friendly ties with Tehran, according to a dispatch by the Iranian press agency, IRNA. Hoon said that in Iran, he saw "a clear sign of change for the better," as the government of President Seyyed Mohammad Khatami is opening "a new chapter of relations with its neighbors and the West." He added that Britain is still "vigilant," regarding the possibility that Iran would develop weapons of mass destruction and sabotage the Middle East peace process, but Britain's main concern, was "security in the region." Hoon also confirmed that over one-half of Britain's arms sales go to the Arab countries of the Gulf, amounting to £20 billion over the past five years.

Although Iran did not participate in the conference, it was a central concern of especially the British and their piggybank, Kuwait. Chief of Defense Intelligence Vice Admiral Sir Alan West expressed the view that Britain was "extremely encouraged" by Iran's cooperation with various arms-control regimes. West was represented at the conference by John Andrews, who said that Iran was a "leading participant" in the Chemical Weapons Treaty, as well as "a party to and major influence" on the Biological Weapons Convention, and so forth. Andrews went on to say, that the British understanding was that Iran had a policy of "no-first-use of missiles to other countries of the region." He said that there was a "qualitative difference" between Iran and Iraq. As for the latter, he said that Saddam Hussein could acquire nuclear weapons. Andrews offered his view, that Iran was concerned about Iraq, and considered Israel a threat. He said that there had been only "limited" condemnation of chemical weapons used by Iraq against Iran in 1982, and that that had "little effect."

Neil Patrick, the head of the RUSI's Middle East program, dismissed Israel's nuclear arsenal as a "fact of life." Then: "What was needed in the Persian Gulf was an improved security atmosphere, he said, but suggested that with the U.S. becoming a 'permanent feature' in the region, that made it 'more difficult' for Iran to cooperate militarily with neighboring countries," according to IRNA's dispatch.

As for the Kuwaitis, they were openly courting Iran. Kuwaiti Defense Minister Sheikh Salim al-Sabah did not rule out that Iran could join the GCC, saying that the six Arab GCC members desired better relations. "We have got to get the Iranians with us," he stated at the conference. The GCC, he said, did "not want to provoke Iran to be anti-Arab," and emphasized that Kuwait considered Iran "an important country." He did not think it possible "at the moment" for Iran to join the GCC, however, as he did "not think Iran would come

on board.” Security in the region, al-Sabah said, could be handled without external forces “only in the long term.” The Arabs still require help from the West, he said.

A Deadly Threat

The fact that two such conferences should occur, at such high levels of participation, shows that their plans must be taken as deadly serious.

Further indications, that this is a live operation, came in remarks made on May 19, to the Washington Institute for Near East Policy, by George W. Bush’s adviser, Robert Zoellick. Zoellick, who had been Deputy Chief of Staff to Bush’s father, said that Iraq must be dismembered into more “enclaves,” like the Kurdish autonomous region, and urged the use of “air power in the south,” to start “taking away pieces of his territory,” and to “undermine [Saddam Hussein’s] position within his own country, also with the Russians and the French.”

At the same time, George W. Bush and Al Gore, speaking to a conference of the American-Israeli Public Affairs Committee, in Washington, on May 23, reiterated the notion, that Saddam Hussein is the principal target. Bush justified his support for a ballistic-missile defense system, against alleged threats from so-called “rogue states,” by saying that Iraq is only 250 miles away from Israel, a U.S. strategic ally. Gore was even more belligerent, promoting a policy of “forward engagement.” The candidate, according to a report on his website, “discussed providing support to the Iraqi opposition that could lead to the removal of Saddam Hussein from power,” and said that he would meet with Iraqi opposition figures in June.

Iraq, still victimized by genocidal sanctions, is in a disastrous state, internally. Its economy is crippled, its population is being killed, and a once-vibrant, optimistic society has been turned into one of despair. Were the British and the Americans, cheered on by the Kuwaitis, to attempt to engineer a military coup against the current leadership of the country, with the active terrorist support of the SCIRI, a bloodbath and/or civil war could ensue. If Iran were in any way drawn into this mad adventure, it could spark renewed war between Iran and Iraq.

It is in the interests of all the nations and peoples of the region, and of world peace, that this evil, dangerous plan be exposed, and uprooted, before it can lead to disaster.

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Israeli Withdrawal from Lebanon Will Not Decrease War Danger

by Dean Andromidas

Despite the fact that Israel ended its 22-year occupation of its so-called security zone in southern Lebanon during the last week in May, the Middle East continues to be vectored toward war. Israeli Prime Minister Ehud Barak has characterized the withdrawal as fulfillment of one of his election campaign promises, to have Israeli troops back on Israeli soil and not engaged in a war of attrition in occupied foreign territory. While technically true, it rings hollow, given that Barak’s other election promise, to negotiate a peace settlement with Syria and come to the necessary final agreements with the Palestinians, appears on the verge of collapse.

Commenting on these developments, American statesman Lyndon H. LaRouche, Jr. characterized the situation as “extremely dangerous.” LaRouche pointed out that the situation began to deteriorate sharply after late March with the failure of the summit conference between President Bill Clinton and Syrian President Hafez al-Assad (see “Failure of Israel-Syria Talks May Mean War,” *EIR*, April 7). That failure was the result of Clinton’s sacrifice of a principled perspective for long-term peace and stability through economic development, especially through the introduction of large-scale nuclear power for desalination to provide abundant water to the Middle East.

The perception in the region, which is borne out by recent developments since the failed summit, is that Clinton has not only gone into the “lame duck” phase of his Presidency, but also has capitulated to electoral politics, exchanging his Middle East peace policy for peace with the right-wing “Zionist lobby” in the United States. Clinton is looked at as little more than a messenger for the U.S. State Department, which is perceived as more “pro-Israel” than many Israelis.

A political climate is now developing where all the players, including the Syrians, Israelis, and Palestinians, will not make any decisive moves toward peace, until after the U.S. elections. Some are already betting on the election of George W. Bush. This is the worst of all possible situations in a region that is so clearly influenced by outside forces.

Israel's Northern Border

The reasoning behind the Israeli withdrawal was to end the war of attrition inside Lebanese territory. With Israeli troops out, weeks ahead of schedule, the formal pretext for an attack on occupation forces would be removed. Thus, an attack on Israel's northern border, from within Lebanon, would be considered an act of war.

At a press conference on May 25 following the withdrawal, Barak declared, "Shooting at soldiers or civilians within our borders will be seen as an act of war which will necessitate response in kind." Israeli Defense Forces Chief of Staff Lt. Gen. Shaul Mofaz was more explicit: "If there is an attempt to harm the residents of the north or our soldiers, we will retaliate against all the powerbrokers in Lebanon, including Syrian targets in Lebanon. Our warplanes are ready. Our pilots are on alert, and their accuracy is well known," he said.

These are not idle threats, and moreover, there will soon be no political machinery in place to prevent border incidents from escalating into a major crisis. Even U.S. Secretary of Defense William Cohen, speaking before the U.S. Chamber of Commerce World Economic Forum in Washington, said that the Israelis "will respond according to the nature of the attacks upon their people, and that can go up the ladder quite quickly and very dangerously."

There has been much talk of increasing the United Nations troop presence, which has been deployed as a political buffer. This is pure fantasy, because the United Nations has already let it be known, that once Israeli withdrawal from Lebanese territory is verified as in compliance with UN Security Council Resolution 425, and control of the territory has been turned over to the Lebanese government, the UN mandate will be completed. After which, all UN troops will be withdrawn and all the parties will be left to their own devices.

This was stated by UN Secretary General Kofi Annan: "Once the situation is settled and Lebanon has assumed its full territorial responsibility, the peacekeepers will withdraw, our work would have been done."

The Weakening of Barak and Assad

Up until now, most pundits have focussed on whether Syria will use its proxies, either the Hezbollah or dissident Palestinian groups based in Lebanon, to continue its irregular warfare as to pressure Israel to come to an agreement on the Golan Heights. Such proxy warfare would be continued from Lebanon, directly against targets inside Israel. Nonetheless, these pundits seem to have neglected to take into account that the failure of the Israel-Syria talks has politically weakened both Barak and Assad.

After months of effort, the failure of the Syrian negotiations has left Barak without the political momentum which could have enabled him to come to an agreement with the

Palestinian Authority that would be acceptable to the Palestinian population. The week prior to the Lebanon withdrawal saw the worst rioting on the West Bank and Gaza Strip since 1996. Six people died, including five Palestinians and one Israeli soldier, and almost 1,000 were wounded. The riots not only reflected the pent-up rage within the Palestinian population, which is frustrated by the failure to reach an agreement, but also left a sense that Barak is not capable of presenting them with an acceptable agreement. As of this writing, all negotiations between Israelis and Palestinians have been suspended.

In addition, several political scandals, especially an election campaign finance scandal (see *EIR*, April 7), although dormant in recent months, could once again heat up. If this occurs, Barak could be faced with a criminal investigation. Thus, at the first sign of a provocation along the northern border, Barak might feel compelled to respond with the classic "act tough" Israeli profile.

Similarly, the failure of the Syria-Israel talks has left Syrian President Assad to deal with securing the succession of his son Bashir, without the prestige and political support the recovery of the Golan Heights would have brought with it. Thus, a "little war" with Israel might also be to his advantage.

The Way Out of The Crisis



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

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



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International Intelligence

Italians Boycott Phony 'Reform' Referendums

Italian voters, listening to opposition politicians and especially elder statesman, former Prime Minister Giulio Andreotti, boycotted a government-backed referendum on May 21. With only one-third of the voters casting ballots, the vote fell below the 50%-plus-1 threshold required for the election to be valid. The seven propositions on the ballot, with the backing of new Prime Minister Giuliano Amato, consisted of two anti-labor de-regulations, three judiciary reforms, and two election laws. The election reforms were aimed at abolishing the last remnants of the party system, i.e., finishing the dirty job started with the politically targetted "anti-corruption" Clean Hands prosecutions.

Opposition leader Silvio Berlusconi, a former Prime Minister, is now intensifying his call for early general elections.

Andreotti gave a "victory" interview published in *Corriere della Sera* on May 22, in which he argued forcefully for a return to nation-state policies, especially those inspired by the Camaldoli Code. The Code was the founding constitution of the Christian Democratic Party (DC), taking its name from the Camaldoli monastery. It was there that the DC's founders met secretly under Fascism, to plan a postwar reconstruction, combining the dirigism of Franklin Roosevelt and the Social Doctrine of the Catholic Church. Andreotti said that, had the election reforms been passed, they would have established a system where, "in the end, candidates would be decided by the most powerful men."

Colombians Revolt over FARC 'Necklacing' Murder

Shortly before international governmental representatives prepared to meet for a May 29-30 conference on drug legalization convoked by the Revolutionary Armed Forces of Colombia (FARC), the narco-terrorist gang ordered the "necklacing" murder of farmer Elvia Cortés Gil. On May 15, six FARC soldiers burst into the house of Mrs.

Cortés Gil at 3:30 a.m. and demanded 150 million pesos in "revolutionary taxes," which she refused. In front of her husband and four children, she was dragged outside and made to kneel, while the FARC fastened a plastic tube filled with explosives around her neck, and left, threatening, "We'll be back later for the money." A military explosives expert worked on releasing her from the "necklace" for four hours, before the pressure-release bomb exploded, killing them both and seriously wounding five other soldiers.

Several farmers in Boyaca province had also refused to pay these "taxes," and unconfirmed reports are that Cortés Gil was a leader in the broader anti-terrorist resistance which is shaping up in central Colombia.

President Andrés Pastrana, who has disgusted his nation's citizens, as he has handed over larger and larger portions of the country to the narco-terrorist drug cartel in "peace negotiations," was compelled to postpone the international drug legalization conference. Only a week before, a delegation from Spain and Norway met with the FARC to prepare the conference, to be convened in the FARC-controlled "demilitarized zone." Government delegations were to include: the Vatican, France, Switzerland, Greece, Italy, Germany, Belgium, Holland, Sweden, Finland, Austria, England, Denmark, Portugal, Brazil, Mexico, Costa Rica, the United States, Canada, and Japan.

Some 5,000 outraged Colombians attended Cortés's funeral in Chiquinquirá, where all businesses and schools shut down in the city of 50,000. While the FARC had recently made big noises about "millionaire farmers," Elvia Cortés owned seven cows, and grew some potatoes and corn. She and her husband were community leaders who were trying to bring water and sewage improvements to the area.

Bangkok 'Nation' Blasts Colonialist Ethnologists

The May 7 issue of Thailand's daily *The Nation* published a very insightful attack by Dr. Marja Leena Heikkilä, showing how the British and French ethnologists created

racial and ethnic divisions during the colonial era, which still serve the colonial powers.

She first discusses the unique character of Thailand's policy of assimilating Chinese, Indians, Persians, hill tribes, and others into the Thai melting pot, and ascribes the country's success to its freedom from direct colonization. She continues: "Not having had the scientifically minded French ethnographers of [the French Far East School] or the pedantic British colonial servants classifying, naming, and inventing ethnic groups, is indeed a blessing. Whenever the European colonial powers arrived, whether in Asia or Africa, they sooner or later started the process of dividing and categorizing the population into different religious or ethnic groups, thus creating the very concept of ethnic minorities. The reason behind this operation may have been pure *divide et impera* spirit." She points especially at Myanmar, where the British carefully nurtured each district tribal "culture," where "such ethnicity per se did not exist in the old Burmese kingdoms of Pagan, Pegu, Ara, and Mandalay."

Fiji Coup Comes Amid Economic Crisis

Gunmen stormed the Fijian Parliament on May 19, overthrowing the government of Prime Minister Mahendra Chaudry, in Fiji's third political coup in 13 years. The coup took place as the country's police commissioner and the head of the army were overseas. Coup leader, ethnic Fijian businessman George Speight, the son of an opposition Member of Parliament, issued a statement saying, "I would like to announce that Fiji is currently under civilian rule, with the assistance of armed forces. . . . This country of ours currently resides in my hands." Initially, the military did not respond to the coup, but on May 20, the military and police declared their loyalty to the elected government of Chaudry.

Economic factors seem to have contributed to the coup environment, including a threat to Fiji's textile industry, from loss of an Australian government credit facility. As

many as 8,000 export jobs were threatened in this Pacific island country of 812,000 people. This was the main economic problem facing Chaudry, a former union official who had won a stunning election victory last year. Chaudry had instituted popular reforms of a decidedly anti-International Monetary Fund nature: He had removed the duty on basic foods, slapped price controls on key consumer items, strictly regulated bank fees, and abolished the regressive consumption tax.

However, tension between the ethnic majority, which makes up 51% of the population, and the large Indian minority (44%), which includes Mahendra, has been growing. The farming leases in the crucial sugar industry are due to expire; these are 99-year leases held mostly by Indians, who lease from ethnic Fijians. Ethnic politicians and pressure groups have been calling for Indian farmers to be stripped of their rights and repatriated. Prime Minister Chaudry's efforts to find a compromise were reportedly blocked.

Serbian Opposition Appeals for Russian Help

The opposition to Serbian President Slobodan Milosevic is appealing to Russia for help against the dictator's crackdown against them. Addressing a protest rally in Belgrade on May 19, Vuk Draskovic, chairman of the Serbian Renewal Movement (SPO), the largest opposition group, said that soon, he and opposition leaders, such as Zoran Djindjic of the Democratic Party, would travel to Moscow, to seek Russian assistance in securing a peaceful transition in Serbia. "Whenever we Serbs were in difficult times, we asked Russia for help," Draskovic said. "Now we need Russia's help more than ever, and I believe that President Vladimir Putin and his government will do everything to prevent this terror."

As Draskovic was speaking, news wires reported a statement from the Russian Foreign Ministry, regarding the fact that Serbian police had beat protesters, and stormed and shut down publishing houses and radio stations. The statement voiced "se-

rious concern about the information coming from Belgrade and underline[d] that freedom of speech and a free press are an integral part of all democratic processes."

'Times' Exposes Blair Dirty Tricks vs. Press

The London *Sunday Times* of May 21 revealed that Prime Minister Tony Blair has a "New Labour" dirty tricks unit, deploying all of the British intelligence services against the media, to prevent unauthorized leaks. According to the *Times* investigative reporters, the head of the secret unit is Michael Pakenham, who chairs the Joint Intelligence Committee, which deploys MI5, MI6, and General Command Headquarters (GCHQ). "As JIC chief he is responsible for ensuring that Tony Blair and other ministers have advance warning of security threats. . . . But in reality it spends an increasing amount of its time discussing policy on gagging journalists. The committee meets on an ad hoc basis and has up to 20 members, mainly representatives of the intelligence services MI5 and MI6, the Home Office, the Ministry of Defence (MOD), and the Foreign Office."

One of the recent targets of the Pakenham secret committee, continues the report, is the Northern Ireland editor of the *Sunday Times*, Liam Clarke, who faces arrest by the Special Branch, for writing about a former member of a British Army Intelligence unit that engaged in illegal operations in Northern Ireland. The Army man goes by the pseudonym Martin Ingram, and he charged the Army unit with complicity in murders and their cover-ups. (As *EIR* has reported, former Army intelligence officer Colin Wallace, who was deployed in Northern Ireland in 1975, has charged that he was part of a disinformation operation that sabotaged peace efforts, and set up the ensuing 20-year bloodbath.)

The *Times*'s exposé also charged that top officials of MI6 sought to have ex-MI5 chief Dame Stella Rimington arrested under the Official Secrets Acts, for disclosures in a book that she proposed to write about her experiences as the first woman to ever head a British intelligence branch.

KASHMIRI TERRORIST groups Harkatul Mujahideen and Jaish-e-Mohammad (Prophet Muhammad's Army), formed by Azhar Mahmood, have announced their merger. Azhar had been jailed in India, but early this year, was released in exchange for hostages seized on a hijacked Indian Airlines plane. He will head the new group.

30,000 ERITREAN refugees streamed into Sudan over three days, according to Gov. Ibrahim Mahmoud of the eastern district of Kasala. He called the situation "very tragic." "We have nothing to give these refugees. The situation is beyond our abilities. We need food and drugs," he told the May 20 daily *El Sudani el Dawli*.

JORDAN'S KING Abdullah II flew to Syria on May 21 for talks with Syrian President Hafez al-Assad, to discuss both the Middle East peace process, and an apparent "chill" in relations between their countries, supposedly related to Syria's suspended talks with Israel, which Jordan is attempting to re-initiate.

RICHARD BUTLER, the former UN weapons inspector in Iraq, has written a new book claiming that he had "credible, intelligence-based information" that former Russian Prime Minister Yevgeni Primakov received payoffs from Saddam Hussein. Butler is an Australian with a British intelligence pedigree. Primakov told the *Times* that he was considering suing Butler over the false charges.

INDONESIA signed a cease-fire with the Free Aceh Movement (GAM), which Jakarta insists is *not* recognition of GAM, but a "humanitarian pause." A GAM spokesman claimed the deal included the withdrawal of Army troops and some sort of disarmament, which Foreign Minister Alwi Shihab contradicted: It is "purely an earnest effort to create peaceful conditions."

LaRouche Wins 22% in Arkansas, as 'Dump Gore' Movement Grows

by Debra Hanania Freeman

Democrats in President Clinton's home state of Arkansas rapidly accelerated the already-growing momentum of a "Dump Gore" drive inside the Democratic Party, by delivering upwards of 22% of the vote to Lyndon LaRouche, in what was the first head-to-head contest between the noted physical economist and Vice President Al Gore, in that state's May 23 Democratic Primary. LaRouche, who was credited with more than 53,000 total votes, with 98% of the precincts reporting, also outpolled Republican front-runner, Texas Gov. George W. Bush, by more than 17,000 votes.

Asked to comment on what is being called a significant breakout vote in support of his candidacy, LaRouche, who was speaking from Wiesbaden, Germany, where he is currently engaged in high-level meetings on the global strategic and financial crises, had the following to say:

"During the past four weeks, I had expected that I would top the 15% threshold [needed to win delegates to the Democratic Party National Convention in August] in more than one Democratic primary before the June 6th date. The Arkansas Democratic primary result is typical of the sometimes unexpected way in which the foreseen and inevitable often happens. The fact that I out-pollied George W. Bush's candidacy, on this occasion, adds a delicious element to the entire development.

"To understand the reasons this breakout for the LaRouche candidacy had to occur, one must look beyond all considerations, to the larger global reality. In short, the issues featured by my campaign website, and by no other candidate's site, are the only real issues of the day. In one way or another, those issues of the onrushing world financial collapse will determine the history of the United States during the several months immediately ahead. In that sense, I have been the only real Presidential candidate of any party in the race so far. Yesterday, in Arkansas, *reality* struck."

Wall Street Is Losing Control

The strategic significance of the vote, LaRouche commented, is that it shows that the Wall Street crowd is losing control. The oligarchy is losing control of the election in the same way that it is losing control of the Nasdaq and the so-called "New Economy." And what they do to try to regain control, will only make their predicament worse.

Indeed, it was approximately four weeks ago, that the increasingly desperate attempts to stave off the inevitable collapse of the global financial system until the November elections, by pumping in staggering amounts of liquidity, began to founder when the Nasdaq took a sharp dive. At that time, LaRouche declared that Gore's candidacy was doomed. Since then, although the markets have experienced a series of wild fluctuations, the overall trend has been downward, with the Nasdaq losing approximately 37% from its height. Gore's campaign has experienced none of the hyper-volatility seen on the financial markets. On the contrary, the Gore campaign has plummeted steadily.

Over the last few weeks, private concerns expressed by Democratic Party operatives, that Gore himself was unelectable, and that, if he succeeded in capturing the Democratic nomination, he would lead the party to a stunning defeat, began to break into the public arena. Editorials and commentaries have appeared in major American newspapers, from the *New York Times* to the *Washington Post* to the *Los Angeles Times*, comparing Gore's candidacy to some of the most humiliating defeats in Democratic Party history: Jimmy Carter in 1980, Walter Mondale, Michael Dukakis. One Washington pundit joked, "The only loser Gore hasn't been compared to is Paul Tsongas and he's dead. No use in wishful thinking."

On May 23, United Auto Workers President Stephen Yochick said that the UAW may not endorse Gore, and instead look at "alternatives like Ralph Nader," the candidate of the

pathetic Green Party. Even Al From, of the “third way” Democratic Leadership Council, a group that constitutes the hard core of Gore’s waning support, set off alarms at Gore’s Nashville headquarters, when he was quoted as saying that Gore was losing support because he was being unfaithful to the “New Democrat” agenda. In fact, Gore’s done nothing of the kind, and From’s statement has been likened to a rat abandoning a sinking ship.

Nevertheless, the Gore-dominated crowd at Democratic National Committee (DNC) headquarters in Washington, D.C. remains determined to stamp out any visible resistance to a Gore coronation at the Aug. 14-17 convention, even if it means destroying the Democratic Party in the process.

In Arkansas, just 48 hours before the primary election, State Attorney General Mark Pryor, Gore’s Arkansas campaign chairman, was quoted in the *Arkansas Democrat-Gazette*, the state’s major newspaper, blustering that Democrats would come out in large numbers to show strong support for Gore and to keep LaRouche out of Arkansas Democratic politics. “Maybe part of this election is to send a signal to Lyndon LaRouche to get out of our primary,” he said. The article goes on to say that, according to Pryor, LaRouche is an interloper: “I don’t think he has any organization or presence in the state. I’ve never talked to or heard of a person here who is a supporter of his. His policies are not Democratic policies, and I really don’t know why he files as a Democrat.”

The *Democrat-Gazette* features LaRouche’s response: “That a Gore supporter defines a Democrat as someone who

supports Gore is not surprising and also not true. I supported President Clinton during the impeachment, when many ‘good Democrats’ wanted to give up and abandon him.

“Gore supporters are sending out a message that all good Democrats will turn out and vote for Gore on Tuesday. They fear a ‘Dump Gore’ movement at the Convention.”

LaRouche goes on to emphasize, “Gore may get the nomination, but he can’t win. . . . That will become more and more obvious” as the Democratic National Convention approaches.

Three days later, the *Arkansas Democrat-Gazette*, reporting the results of the May 23 primary, states that “LaRouche will get 10 of Arkansas’ 48 delegates if his 20% margin holds.” Of course, by the time the newspaper hit the streets, LaRouche’s 20% margin not only held, it grew. A clearly destabilized Mark Pryor is again quoted, “I never knew of any sort of presence LaRouche had in the state, and my guess is he might have had his folks do some early voting. . . . I would be surprised if that percentage holds. . . . It’s too early to know what that [figure] means, if anything.”

Gore Steals Delegates

Earlier, Pryor had been quoted boasting that getting all 48 delegates for Gore was an attainable goal. What he didn’t say, is that Gore would have to get them by stealing!

But, less than 24 hours after the Arkansas polls closed, despite the fact that well over 50,000 Arkansas Democrats had gone to the polls in good faith, and cast their votes for Lyndon LaRouche; despite the fact that the Arkansas Election

Reich Assails Gore for Peddling Status Quo

It is no longer blasphemy for well-known Democrats, including former Clinton Cabinet officials, to let down their hair about how horrified they are about Al Gore’s desperate Presidential campaign, which threatens to relegate the Democratic Party to minority status in Congress and in state houses all across the country this November.

First, in March, and again in May, former Labor Secretary Robert Reich penned stinging attacks against the Vice President, for running such a rotten campaign, devoid of imaginative new ideas, that “right now, Bush’s vision wins by default simply because it dares to be new and different.” “Gore,” Reich wrote in the June 5 issue of the *American Prospect*, “is losing ground because he’s not talking about what could be. He’s riding on what is.”

“Al Gore’s problem,” Reich continued, “is that he’s acting as if he’s desperate to be President, but sounding as if he doesn’t want to do anything new once elected.”

In the *New Republic* in March, Reich had been even

more blunt, attacking Gore’s nutty ideas about paying down the debt at all costs—even during a severe recession. He referred to Gore’s position as “worse than Reaganomics. It’s Coolidgeomics.”

Jeff Faux, the president of the Economic Policy Institute, a Democratic Party think-tank that shares some of Reich’s views, talked about Reich’s critique of Gore. “There’s no question that Bob Reich’s article reflects the frustration of a lot of Democrats. . . . We’ve been playing defense for so long, it’s about time we had an inspiring agenda and we haven’t had that from Gore.” He added, “Now we have Al Gore saying that we have to reduce the deficit to zero, and that puts him to the right of Herbert Hoover. . . . The polls are telling us something. When you have union members saying they would vote for Bush over Gore, there’s something wrong with his campaign.”

Another prominent Washington Democrat, who served for years as a chief counsel to a ranking Senator, confirmed that there is rampant disgust at Gore and his abominable campaign. This Democrat vented his spleen in particular at the fact that Gore has failed to dump his campaign director, Tony Coelho, who is the subject of several criminal investigations.—*Jeffrey Steinberg*

Code clearly requires each state party to hold a binding preferential primary election and states that delegates to the national nominating conventions of the political parties “shall be apportioned according to the votes cast for each candidate”; and, despite the fact the Arkansas Democratic Party, in its Arkansas Delegate Selection Plan, which has been approved by the DNC, clearly states that the primary *shall* be governed by the election laws of the State of Arkansas, the Arkansas Democratic Party announced that, based on orders from DNC Chairman Joe Andrew, Lyndon LaRouche would not be awarded any delegates, despite the fact that he cleared the 15% qualifying threshold in all four of Arkansas’s Congressional districts, and that those delegates who would have been awarded to LaRouche had the law been followed, would instead go to Al Gore!

Not surprisingly, the announcement created an uproar. Reporters who questioned state party officials were referred to the Washington headquarters of the DNC, where ranking party officials declared that they didn’t care how many Arkansas Democrats voted for LaRouche! Apparently, one journalist, who called the White House for comment, was told that President Clinton had nothing to do with the events, and would not comment, “since he is no longer a resident of Arkansas,” and has already registered to vote in the New York Democratic Primary!

Sen. Tim Hutchinson (R), who is Bush’s Arkansas chairman, was quoted from the floor of the U.S. Senate, saying that the LaRouche vote was unquestionably a strong challenge to Gore’s candidacy, and reflected the growing anti-Gore sentiment. Not surprisingly, Hutchinson failed to comment on the fact that LaRouche also trounced George W. Bush.

Although a Supreme Court decision earlier this year upheld the Democratic Party’s right to function as a private club, and exclude LaRouche and his supporters, the explicit nature of Arkansas’ Election Code, and of the state party’s agreement to adhere to that Code, poses new problems for Gore’s would-be dictatorship, and promises to develop into a brawl that will spill over into an all-out credentials battle at the National Convention. Civil rights leaders across the United States have likened LaRouche’s continuing fight to defend his growing vote to the 1964 Convention fight waged by the Mississippi Freedom Democrats. It was that fight which thrust the issue of voting rights before the American people, leading to the passage of the Voting Rights Act, considered among the crowning achievements of Martin Luther King, Jr.’s civil rights movement.

LaRouche will have the opportunity to amass more delegates in the period immediately ahead, when Democrats go to the polls in Alabama, New Jersey, and New Mexico on June 6. And, the compelling question on the minds of Democrats across the nation, is whether the current Democratic Party leadership will come to its senses, and embrace the voters that only Lyndon LaRouche’s candidacy can turn out, or whether they will continue on their current suicidal drive to deliver the party’s nomination to the unelectable Al Gore.

Poverty’s Link to AIDS Demands Financial Reform, Says Mbeki

by William Jones

The first official state visit of South African President Thabo Mbeki to Washington on May 22-23 may have helped to strengthen the strong bonds already established with U.S. President Bill Clinton, and may have served to shake things up a bit in Washington, which has been all-too-complacent in the face of the global financial crisis, which has collapsed living standards and led to pandemics of old and new diseases around the globe.

Speaking at the state dinner at the White House on May 22, President Mbeki praised the attention President Clinton has placed on Africa. “I followed a lot of your remarks, Mr. President, as you’ve raised questions about poverty and deprivation and disease around the world, as you’ve spoken against war, against conflict, and the need to find peaceful resolutions to these various questions. You may remember that when you spoke at the [UN] General Assembly last year . . . we met, and I said I was very, very moved by the comments you made, where you were clearly saying that the levels of poverty and suffering around the world were unacceptable and something needed to be done about that.”

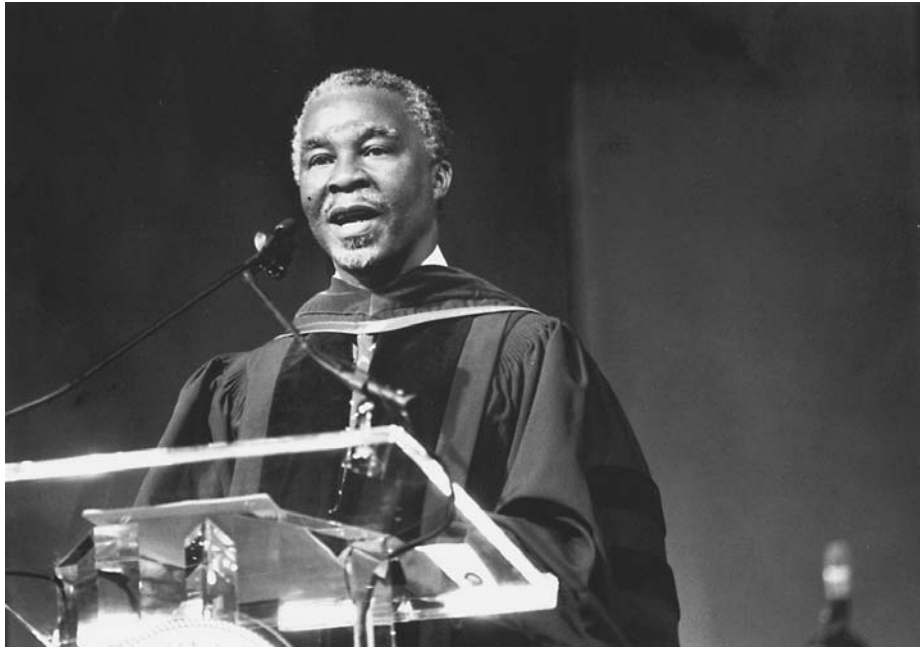
Indeed, it was this issue that dominated much of the discussion between President Mbeki and President Clinton when they met on May 22.

Urgent and Extraordinary Interventions

The international media virtually declared war on the South African President when he set his mind to finding a solution to an AIDS epidemic that has become a grave threat to the very existence of his nation. When asked about the numerous press allegations that he had denied a connection between HIV and AIDS, or belittled the significance of AZT in combatting the disease, he characterized such allegations as “pure invention.”

The media have been especially incensed over Mbeki’s consistent emphasis on linking the rapid spread of AIDS in Sub-Saharan Africa to the rampant poverty there.

Speaking at his arrival at the White House on May 22, President Mbeki said, “We believe, Mr. President, we must act together in solidarity with as many people around the world, and especially in Africa. The best possible ways have to be found to end poverty and disease, and to help people to extricate themselves from the indecencies of wars and violent



South African President Thabo Mbeki speaking at Howard University, where he received an honorary Doctor of Laws degree.

of discussion between the two leaders. “They agreed on the importance of having a common strategy to move forward,” one official told reporters. “They discussed at some length the issue of the affordability of medicines. And while President Mbeki certainly appreciates the recent steps that have been taken—in terms of the Executive Order, initiatives by pharmaceutical companies, and other steps to make medicines more affordable to a majority of Africans—he did point out that for a majority of people in South Africa, even with these measures, prices are very high, and focussed to a great extent on the need to also treat the opportunistic diseases associated with AIDS, and to ensure that the medicines needed to fight those diseases are affordable.”

conflicts. These challenges require of us not just standard responses, but urgent and extraordinary interventions that will ensure that the benefits of the current scientific and technological advances are shared by everyone, including those in the most remote and isolated villages of the world.”

Indeed, even the Clinton White House has begun to treat the AIDS epidemic as a question of national security. In a recent Executive Order, President Clinton promised not to seek sanctions against African countries which produce generic AIDS drugs rather than purchase more expensive U.S. and European drugs. As Democratic Presidential pre-candidate Lyndon LaRouche recognized more than a decade ago, the AIDS epidemic would threaten the very existence of entire nations, and ought to be treated as a global pandemic. The rapid spread of AIDS in many parts of the world is prompting belated adherence to that far-sighted observation of LaRouche.

Clinton’s Executive Order underlined that the devastation of AIDS in Africa will also weigh heavily on the United States itself. White House press spokesman Joe Lockhart, responding to a question from this author on May 22, confirmed that the South African leader’s point was well taken. “I think what President Mbeki has done as eloquently as anyone in the region, or anywhere in the world,” Lockhart said, “is draw the connection between poverty and AIDS, and the connection between the difficulty in fighting this sort of health epidemic in areas where health infrastructure is not as strong as in other parts of the world.”

Later in the day, several senior Administration officials confirmed that poverty and AIDS had been a major topic

A New, Just Economic Order

The U.S. media, however, chose to virtually ignore this aspect of the South African leader’s message, with the *Washington Post* running a vicious editorial attacking Mbeki for complaining too much, and doing too little to deal with the AIDS crisis in South Africa. With the financial markets on the verge of a complete breakdown, and emergency stop-gap measures being implemented practically on an hourly basis to keep the financial system afloat, no Western official has had the guts to call for the obvious necessary program to deal with the AIDS epidemic: a Marshall Plan for Africa.

Mbeki delivered the Inaugural Oliver Tambo Lecture at Georgetown University in Washington on May 23, choosing as his theme that fundamental question that Cain asked God, “Am I my brother’s keeper?” Quoting John Donne and Percy B. Shelley’s “Ode to the West Wind,” President Mbeki said that the International Monetary Fund’s (IMF) “Washington Consensus”—under which African nations are called upon to liberalize, deregulate, and reform their economies, promising that, from these measures, all good things will flow naturally to them through the workings of the “free market”—has failed miserably to produce the promised results. “Many African countries have tried and are trying to live up to these prescriptions, naturally with varying degrees of success,” Mbeki said. And yet the benefits have been nonexistent.

Quoting from a recent article by Moses Naim in *Foreign Policy* magazine, Mbeki said, “Not many emerging markets are ending the decade with foreign money, hot, warm, or cold, overflowing into their economies. On the contrary, the decade is ending with a boom on Wall Street that makes investors

wary of sending their hot money abroad. Internet stocks are providing the high risk and high rewards once supplied by the allure of emerging markets, only they do it with a higher credit rating.”

Mbeki then outlined the effects of this “liberalization” policy. “According to the United Nations Development Program 1999 *Human Development Report*, more than 80 countries have per-capita incomes that are lower than they were a decade or more ago,” he said. “Since 1990, fifty-five countries, mostly in Sub-Saharan Africa, eastern Europe, and the former Soviet Union, have had declining per-capita incomes. The income gap between the fifth of the world’s people living in the richest countries and the fifth in the poorest was 74 to 1 in 1997, up from 60 to 1 in 1990 and 30 to 1 in 1960.”

“The end result of all this,” Mbeki said, “is the further entrenchment of both Afro-pessimism and poverty, the very things that the implementation of the prescriptions was, in our case, intended to address.”

Even worse, he continued, the UNDP report makes the important observation that “fiscal pressures are cutting back on the supply of state-provided care services. Tax revenue declined in poor countries from 18% of GDP in the early 1980s to 16% in the 1990s. Public services deteriorated markedly—the result of economic stagnation, structural adjustment programs, or the dismantling of state services, especially in the transition economies of eastern Europe and the CIS [Community of Independent States].”

What Mbeki has been warning about regarding the lack of needed infrastructure to deliver medical aid to Africans, has been the very result of that “Washington Consensus.”

No One Is Immune

Mbeki also warned that the United States is by no means immune from the devastating effects of the financial crisis. Quoting the report by the New York Council on Foreign Relations (CFR)-sponsored Independent Task Force on the Future International Financial Architecture, Mbeki said, “Our defense against crises should not be predicated on the assumption that crises will occur abroad only when the U.S. economy is well-positioned to absorb them. . . . As Federal Reserve Chairman [Alan] Greenspan has aptly put it, the United States cannot expect to remain ‘an oasis of prosperity’ if the rest of the world is in financial chaos.” As an example of the financial insanity, Mbeki pointed out that “the average daily turnover in global foreign exchange markets is now roughly \$1.5 trillion, while the global over-the-counter derivatives market is larger than \$70 trillion.”

The South African leader was also clear about the fact that the CFR Task Force report largely understated the problem, and heavily favored monied interests. “The report does not give sufficient weight to the need to create a more level playing field,” Mbeki quoted one of the participants as admitting.

“By default the world is now opting for a version of capitalism in which the profit motive is largely unrestrained,” Mbeki said. Referring to the anti-IMF demonstrations at the Nov. 30-Dec. 2, 1999 World Trade Organization summit in Seattle, he said, “We should not stigmatize as Luddite or reactionary those who query the universal validity of this social model. They have a case that deserves a reasoned reply.”

Mbeki warned that action must be taken quickly and must be appropriate to the gravity of the crisis. He cited the example of the British garrison in Singapore during World War II, which had pointed its guns toward the sea in anticipation of an attack by the Japanese from that direction, and was unprepared, when the Japanese came overland on foot and by bicycle and easily overpowered the garrison. “Will it happen again that we, who deserve a reasoned reply, meet a stony silence because those who man the garrisons of wealthy societies are confident that they have pointed their guns in the right direction?” Mbeki asked. “Surely the lesson has to be relearned and taken to heart that, once more, if the cries of the poor of the world are not heard, they will come by bicycle and on foot, leading to the disaster which President Clinton rightly fears, that instead of continuing to thrive together, we begin to shrivel together.”

DO YOU KNOW

- that the American Revolution was fought *against* British “free trade” economics?
- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?



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Dirt on Coelho Hits the Press

by Scott Thompson

Starting with a front-page article in the April 8 *New York Times*, there has been a crescendo of reports in the major media of various criminal investigations and other probes into alleged illegal activities by Al Gore, Jr.'s Presidential campaign chairman, Tony Coelho. All of the investigations have occurred since Coelho fled his position as House Majority Whip in 1989 under other, multiple investigations, which have since been settled. Almost all these latest scandals had been published in *EIR*, in three articles in 1999 and early-2000.

Key Democratic leaders are beginning to question Coelho's competence to run the Gore Campaign 2000, stating in effect that he has failed to define a programmatic reason — as did notably Presidents Franklin Delano Roosevelt and John F. Kennedy — for the Democratic Party's core constituencies to vote for the Vice President. For example, the May 12 *Washington Times*, in an exposé of both Coelho's latest alleged illegalities and of growing discontent at his mismanagement of the Gore 2000 campaign (both inside the campaign and among Democrats in general), quoted Rep. Tim Penny (D-Minn.) saying: "There's a risk if you stay in an attack mode too long, you end up looking like a politician and not a leader. The voters are tired of attack-style politics."

A Potential Rap Sheet

As the May 15 issue of *Time* magazine reported in an article entitled "The Trouble with Tony: Coelho Is Al Gore's Right Hand, But He Has Legal Woes, and His Roughshod Ways May Hurt the Veep," Coelho's list of alleged illegalities in recent years is growing:

1. The State Department Office of Inspector General (OIG) is conducting a criminal investigation of Coelho for his financial abuse of his position as Commissioner General (with the rank of Ambassador), when he was in charge of the U.S. Pavillion at the 1998 World Exposition in Lisbon, Portugal (see "Al's Pal Tony Coelho, and 'Honest Graft,'" *EIR*, April 14, 2000). The May 15 edition of *Time* reports: "A running State Department Inspector General's investigation of Coelho has entered a new and potentially more ominous phase, sources close to the probe tell *Time*. . . . Potential witnesses in the case, legal sources tell *Time*, have been told to expect subpoenas, and the matter may soon be presented to a grand jury."

2. On April 8, the *New York Times* corroborated earlier reports by *EIR*, that Coelho is the subject of two active criminal investigations by the Securities Exchange Commission. Both investigations have to do with Coelho's role as a director in two firms that were associated with legalized gambling. One has to do with how Coelho and a business associate, Nunzio DeSantis, allegedly milked International Thoroughbred Breeders, Inc., which was a horse-racing firm. The other deals with how Coelho and DeSantis drove the New Mexico-based AutoLend Group into bankruptcy before DeSantis turned the company toward production of slot machines.

3. On April 8, syndicated columnist Robert D. Novak, in his "Inside Report" for the *New York Post*, reported that Rep. Dan Miller (R-Fla.), chairman of the House Subcommittee on the Census, had called on the General Accounting Office to see whether Coelho had used his position as co-chairman of the U.S. Census Monitoring Board (a post he held immediately prior to joining the Gore 2000 Campaign) to deploy funds for preparation of a report to cover up his misuse of Expo '98 monies for a private foundation that he had established.

After hearing of the State Department OIG's criminal investigation, Coelho reportedly hired an old friend, Democratic attorney Stanley Brand, to represent him in the matter. Brand, who had once worked for Coelho, was at the time Democratic counsel to the U.S. Census Monitoring Board, a position he had been hired for by Coelho. While at the U.S. Census Monitoring Board, Brand ran an investigation that he claims cleared Coelho of Representative Miller's accusations. But, in a discussion with *EIR*, Brand added that even if Coelho had not paid for the Expo '98 final report out of pocket, it would not matter, because "it was all U.S. government money."

Too Hot To Handle

Coelho's legal woes ought to have been sufficient to warrant his resignation as Gore campaign chairman. The last thing that Gore needs, given his own unsavory track record of colluding with some of Russia's biggest kleptocrats, and getting rich off of the late Armand Hammer's sleaze, is to have his campaign manager hauled into Federal criminal court for corruption.

But, the bigger problem, from Gore's standpoint, is that, under Coelho's guiding hand, the Vice President has managed to alienate almost all of the traditional "must-win" Democratic constituencies. Coelho, in his career in the U.S. Congress, had pioneered the Democratic Party's leap into bed with big corporate and big lobbying interests, abandoning all of the traditional Democratic Party voter groups in pursuit of quick money. The Gore-Coelho team spells death for the Democratic Party, regardless of whether or not Coelho winds up wearing less dressy pinstripes before the November ballots are cast—a prospect which looks more likely by the day.

Kosovo Policy Taken Up by House and Senate

Separate votes on U.S. military involvement in Kosovo on May 17 and 18 sent conflicting signals as to what U.S. policy in the Balkans ought to be, and ultimately failed to resolve the issue. The House voted 264-153 on May 17 to set a timetable for withdrawal of U.S. ground troops, if the rest of NATO doesn't meet its police and aid commitments to Kosovo, whereas the Senate voted 53-47 to remove a similar provision in the fiscal year 2001 Military Construction Appropriations bill.

The House vote came on an amendment to the 2001 Defense Authorization bill sponsored by John Kasich (R-Ohio), and based on a draft by Sen. John Warner (R-Va.). It requires that the President certify by April 1, 2001 that the European Commission, the European Union, and European NATO members are meeting their police, reconstruction, humanitarian, and budgetary commitments to the satisfaction of Congress. If the President doesn't make such a certification, then the amendment requires a pullout of U.S. troops.

The Senate debate began after the House had voted, and the Senate language in the Military Construction bill was stronger. It required an affirmative vote, in the form of a concurrent resolution, to continue a U.S. troop presence. Carl Levin (D-Mich.), who sponsored an amendment to strike the Kosovo language, which was introduced into the bill in the Appropriations Committee by Warner and Robert Byrd (D-W.V.), argued that imposing such a requirement would "create a year or a year and a half of dangerous uncertainty and dangerous instability in the Balkans."

Joe Biden (D-Del.) said that what the House voted for was only half as bad as the Senate provision. He

warned that the Byrd-Warner language "says we are going to announce that in the summer of 2001 we are out of there, unless we affirmatively vote to stay." Biden argued that a U.S. withdrawal would result in all of Europe ultimately abandoning Kosovo, allowing Serbian President Slobodan Milosevic to resume his genocide against the Albanian population, and that, in fact, the Europeans are currently meeting their aid and police commitments.

Budget Process Reform Rejected by House

On May 16, the House rejected legislation to reform the way the Federal budget is put together, even though both sides acknowledge that the current process doesn't work. The bill's main feature was a provision to send the annual budget resolution to the President for his signature, thereby "giving it the teeth of law," as Rep. John E. Sununu (R-N.H.) put it. Two other provisions, a two-year budget cycle, and a permanent continuing resolution, hobby horses of the Conservative Revolution, were both rejected on separate votes. The two-year budget-cycle amendment went down by a vote of 217-201, and the permanent continuing resolution was rejected 236-173. The vote on the bill itself was 250-166.

Opponents of the bill successfully argued that it's not the process so much that isn't working, but the GOP leadership. David Price (D-N.C.) said, "The challenge to us as members is to use the existing process responsibly, and yet in recent years that has just not been done." Instead, "for the past two years, the leadership has allowed Congress to approve budget resolutions that could not possibly be implemented, and then has facilitated waiv-

ing as many rules as necessary in order to break or circumvent or ignore those budget resolutions."

The bill also seemed to expose a power struggle between the Budget Committee, which was the source of the bill, and the Appropriations Committee. Sonny Callahan (R-Ala.), a senior member of the Appropriations Committee, told the House that the Budget Committee wants to appropriate and it wants to authorize, and the bill would tremendously increase the power of the Budget Committee by bringing the President into the process to sign the budget resolution. He warned that the bill "is causing us a greater problem for this Congress and leading us into dangerous territory when we delegate our Constitutional authority to the administrative branch of government."

Energy Bill Pushed by Majority Leader Lott

Senate Majority Leader Trent Lott (R-Miss.) introduced a bill on May 16 which aims to reduce U.S. dependence on imported oil from 56% currently to less than 50%. The bill requires the Secretary of Energy to report to Congress on progress toward reducing U.S. dependence on imported oil, and to develop legislative and administrative steps to meet that goal. The bill would open up the Alaska National Wildlife Refuge to oil exploration, a measure that has so far been successfully opposed by environmentalists, and includes tax credits for wind and solar energy production. Frank Murkowski (R-Ak.), an architect of the bill, said, "We do not want to pick and choose and decide that some do not fit our policy or our lifestyle."

The introduction of the bill coincided with reports that the price of

crude oil had gone back up above \$30 a barrel, despite the decision by the Organization of Petroleum Exporting Countries (OPEC) last March to boost production. Lott warned that that will have an effect on the prices of fuel oil and gasoline, and on the economy. "While we saw some levelling off or some general sliding back, we have done nothing to secure our country's economic future," he said. "What are we going to do about the future?"

While Lott was speaking, Energy Secretary Bill Richardson was meeting with President Clinton about the increase in crude oil prices. He told reporters afterwards that he might be asking the OPEC countries for another production increase. "It could be we may need increased production," he said, but the United States will not take a formal position until June.

Movement Grows To Ease Cuba Trade Sanctions

After three years of efforts, measures to ease trade restrictions against Cuba are now set for floor debate in both Houses. The measures would lift current restrictions on the export of food and medicines, and prohibit the imposition of any new such sanctions without the approval of Congress. Neither the House nor the Senate version names Cuba specifically, but it is widely seen as the main beneficiary. Cuba imports about \$700 million worth of food from Canada, Europe, and Ibero-America, and U.S. farm groups and agribusinesses are anxious to get a piece of that business.

The Appropriations committees passed the measures, sponsored by Rep. George Nethercutt (R-Wash.) and Sen. Byron Dorgan (D-N.D.), both from states with large farm sectors, on May 10. Dorgan told reporters

on May 16, "We're finally going to break the back of these sanctions on food and medicine. There are times in the Senate and the House when a fundamental shift occurs, and I think that's what has occurred with this issue." Supporters of easing the sanctions also argue that, after 40 years, they haven't worked anyway.

The legislation has always been opposed by Cuban-American groups, but some pundits have suggested that the custody battle over six-year-old Elian Gonzalez has cost the Cuban-American lobby some of its clout. "That silliness in Miami has really made people think," and turn against the embargo, Rep. Jose Serrano (D-N.Y.) said on May 19.

The fate of the sanctions reform is unclear. The White House hasn't threatened a veto, but neither has it given its endorsement. The measure is bitterly opposed by the House GOP leadership. Majority Whip Tom DeLay (R-Tex.) lost a bid in the Appropriations Committee to strike the language, but he has vowed to stop it on the floor. "I don't support the Cuba trade language because you're not dealing with the Cuban people, you're dealing with Fidel Castro," he told reporters on May 17. That morning he got the House GOP caucus to go along with a non-binding resolution to strip out legislative provisions from all appropriations bills, but it is not expected to have much effect on the House floor.

China Trade Bill Passes House

On May 24, the House voted 237 to 197 in favor of granting permanent normal trade relations (PNTR) to China. The vote came after often impassioned debate that followed weeks of intense lobbying by both sides. The

breakdown of the wider than expected margin showed 73 Democrats joining 164 Republicans in support of the bill with 138 Democrats, 57 Republicans, and 2 independents voting against it.

What shifted many undecided Democrats in favor of the bill was side legislation creating a Congressional-Executive commission to review, on an ongoing basis, human rights in China. The commission is to review freedom of expression, freedom of peaceful assembly, the rights of criminal defendants, freedom from imprisonment for being in opposition to the government, and so forth. The commission is required to produce annual reports, and the House International Relations Committee is required to hold at least one public hearing within 30 days after a report is released.

The side legislation also includes mechanisms for enforcing China's World Trade Organization commitments, monitoring of importation of prison-made goods into the United States, and calls on the U.S. to make the accession of Taiwan into the WTO the WTO's next order of business.

The side legislation was crafted by Doug Bereuter (R-Neb.) and Sander Levin (D-Mich.). Bereuter said that the bill "assures that China's compliance with their commitments and their human rights record will certainly not be ignored by the Congress or the Executive Branch after China receives PNTR." Both he and Levin argued that the commission will be a far more effective instrument for spotlighting China's record on human rights than the heretofore annual debate has been.

The Senate is expected to take action sometime in June, and while the bill is expected to pass easily, the Senate bill doesn't include the side legislation, and it remains to be seen what sort of compromise the two bodies will come to.

National News

HMO Slashes Patient Care to Save Stocks

On news of falling profits, shares in Magellan Health Services, Inc. dropped to \$2.0625 as of the market close on May 12, down from as high as \$32 per share two years ago, the *Washington Post* reported on May 16. A health maintenance organization (HMO), Magellan attributed the collapse to losses related to the "specialty" health division, dealing with chronic conditions such as cancer and heart disease. As a result, Magellan said it fired half of its 400 "specialty" employees, and, if that sector of the company doesn't break even by the end of fiscal 2000, the company will "take whatever steps are necessary to mitigate or eliminate such losses." By the afternoon of the day on which this austerity decision was reported, the stock recovered by about 14% to \$2.3750.

The company says that "investor confidence" had been shaken by current Justice Department investigations into Medicare and Medicaid fraud at Charter Behavioral Health Systems, psychiatric hospitals owned jointly by Magellan and George W. Bush's business partner Richard Rainwater. The Rainwater team looted Charter, which has now filed for bankruptcy. The state of Maryland also fined Magellan \$300,000 for failing to pay claims in a timely fashion and other violations.

Judge Warns FBI on LaRouche Case

U.S. District Court Judge Thomas Griesa warned the FBI in a court hearing on May 16, not to hide evidence from the plaintiffs in the case of *LaRouche v. Freeh*. The lawsuit against the FBI, which has been ongoing for 25 years, alleges that the FBI conducted illegal "national security" investigations of Lyndon H. LaRouche, Jr. and the National Caucus of Labor Committees (NCLC), the philosophical organization which he founded in the 1960s.

"I want to make it very clear to the

government," Griesa said. "You should make sure the plaintiffs have what they're entitled to, even if it is bad for the government. If something surfaces at trial, that should have been turned over, it will be very bad for the government, as far as this Court is concerned."

Griesa's comments came at the end of a long conference on the FBI's continued stonewalling on discovery in the case. In March, attorneys for LaRouche had served the FBI with 64 requests for documents that likely contain evidence of FBI wrongdoing. The FBI refused to produce anything. At the May 16 hearing, Judge Griesa said that he did not want the plaintiffs to go to trial without all the evidence they were entitled to; but, he refused to compel the FBI to respond to the entire request. Instead, he asked LaRouche's attorneys to narrow the request to specific documents and to specific redactions.

The judge made it clear, that the case is going to go forward on Aug. 7. At the trial, attorneys for LaRouche and the NCLC will present evidence showing the FBI's sordid history of targeting LaRouche and his associates, which formed the basis for the media demonization of LaRouche from the early 1970s onward. Also at issue will be the FBI's efforts to conceal their illegal operations, which continue to this very day.

The politically motivated operations at issue in this trial were outlined by LaRouche in "He's a Bad Guy, But We Can't Say Why," *EIR*, March 10, 2000.

DOJ, FEMA Conduct Counterterrorism Exercise

U.S. agencies conducted a massive live exercise in counterterrorism for ten days in Portsmouth, New Hampshire and Denver, Colorado during the second half of May. The operation was run by the Department of Justice (DOJ) and the Federal Office of Emergency Management (FEMA), at a cost of \$3.5 million. The exercise was mandated by Congress.

A separate counterterrorism test also started on May 20 in Washington, D.C. and adjacent Prince George's County, Maryland. Thousands of people participated in

the exercise, called TOPOFF (for Top Officials), including Attorney General Janet Reno, Secretary of Health and Human Services Donna Shalala, and local mayors, police, hospital personnel, fire departments, ambulance and emergency workers, and volunteer actors playing the role of injured and dead civilians.

The scenarios were designed as separate chemical and biological warfare attacks. State and local officials knew that this was a drill, not a real attack, but were not informed of the scope of the exercise. DOJ spokesman Gina Talamona said, "The goal of the exercise was to assess the nation's crisis and consequence management capacity under extraordinarily stressful conditions." A New Hampshire official with the Office of Emergency Management said that no one involved in the exercise "was surprised, that's not the critical part."

In Portsmouth, the exercise began when a fake chemical bomb detonated at the start of a "make-believe charity foot race." In Denver, the police responded to a death in a fake hotel, and found the victim had symptoms of an anthrax bio-warfare attack.

Measures were used to prevent panic among the population, including that police did not use sirens. A Clinton Administration official was quoted by the press, that the intent was, "to make sure that this does not turn into the War of the Worlds." He was referring to the famous 1938 incident, when radio listeners thought that actor Orson Welles's "news report" introduction to a radio play about alien invasion, was an actual attack.

Clinton Emphasizes AIDS Security Threat

President Clinton reiterated that AIDS and other pandemic diseases represent a grave moral and national security threat for the United States. Speaking before graduates of the Coast Guard Academy in New London, Connecticut on May 17, he outlined America's prime national security concerns, including terrorism and missile defense.

On the infectious disease crisis, the President said: "The world is also threat-

THE ARKANSAS Senate's President Pro Tempore, Jay Bradford, denounced the move to disbar President Clinton. "It's kind of like a continuation of the special prosecutor's effort," said Bradford. "It's an extreme right-wing group getting more out of the publicity of trying to get the President's law license. At the end of the day, he'll still retain his license."

THE COLLEGE of William and Mary, in Williamsburg, Virginia, announced on May 19 that Sir Henry Kissinger will succeed former British Prime Minister Lady Margaret Thatcher as chancellor of the college. Thatcher is now completing her seven-year term as chancellor.

A LAWSUIT led by the American Civil Liberties Union was filed in California on May 17, charging that schools which serve minority students lack bare essentials for education. The suit, on behalf of nearly 70 public school students at two dozen schools, alleges that schools have as many as half of their teachers without permanent credentials; textbook shortages are common; classrooms are often stifling hot; and some schools are so crowded, that children are assigned to the wrong grade, so that they can have a seat.

NEW HAMPSHIRE'S legislature on May 18 was the first in the nation to vote to abolish capital punishment since the U.S. Supreme Court allowed executions to resume in 1976. The bill would replace the death penalty with life in prison without parole. However, Gov. Jeanne Shaheen (D), a Gore supporter, has vowed to veto the bill, and there is probably not a sufficient majority to override her veto. Gore also supports the death penalty.

GEORGE W. BUSH wrote on May 19 that he supports continued expansion of NATO, in a letter to Lithuanian President Valdas Adamkus. Bush said that Russia should not be seen as an enemy, "but, Moscow must never be given a veto over NATO enlargement."

ened by physical infection like malaria, TB, and AIDS. Some people questioned me when our administration announced a couple of weeks ago that we considered the AIDS crisis a national security threat. But let me just give you a couple of examples.

"In Africa alone, there are 70% of all the world's AIDS cases. The fastest growing rate of AIDS is in India, which happens to be a nuclear power. In Africa, some countries are actually hiring two employees for every job, on the assumption that one of them is going to die from AIDS. In other African countries, 30% of the teachers and 40% of the soldiers have the virus. In addition, millions of people suffer from malaria; and about a third of the world has been exposed to TB, a disease that can reach our shores at the speed of jet travel.

"With malaria, people now discuss in common parlance, airport malaria—something people can get in any international airport in any country in the world, because we're all travelling around and bumping into people from other countries. These diseases can ruin economies and threaten the very survival of nations and societies. I think meeting this public health challenge is a moral imperative and a national security concern."

Citing his Executive Order of May 10 "to make AIDS drugs more affordable to people in poor countries" (see last week's *EIR*), he added, "I propose that we give a generous tax credit to our private pharmaceutical companies to give them an incentive to develop vaccines for things like AIDS, malaria, and TB, because the people who need it most can't afford to pay for it."

U.S. Rebuked over 'Torture' in Prisons

The United Nations rebuked the United States on May 16, over charges which were brought to the international body on May 9 by Amnesty International, in a 45-page report which described specific cases that it said violated the United Nations Convention Against Torture.

After reviewing the Amnesty charges,

the UN Committee Against Torture expressed "its concern about the number of cases of police ill-treatment of civilians and ill-treatment in prisons. Much of this ill-treatment by police and prison guards seems to be based upon discrimination." The committee's ten independent experts urged the United States to abolish the use of electroshock stun belts and restraint chairs on uncooperative inmates, and also expressed concern about the "excessively harsh regime" in "supermax" prisons, including the use of chain gangs.

The Amnesty report says that "certain forms of torture or ill-treatment of men, women, and children by U.S. police or custody officials, as well as cruel, inhuman, and degrading prison conditions, are fast becoming institutionalized across the country." Documented in the report are instances of prisoners being strapped into four-point restraint chairs for minor acts of non-compliance, who are then hooded and tortured, stripped naked, and left for hours in the chair in their own waste and shocked with stun guns or pepper sprayed while still in the chair.

The report also pointed to the ill-treatment of prisoners held in private facilities run by Corrections Corporation of America.

William F. Schulz, Amnesty's Executive Director, according to a press release issued by the group, said that "the UN Committee Against Torture should condemn this behavior, thereby telling the world that the U.S. must adhere to international law and accept the same minimum standards for its own conduct that it so often demands from other countries."

This was the first time that the United States was forced to formally reply to human rights violations charges before the United Nations. The U.S. was represented by Assistant Secretary of State Harold Hongju Koh, who said that the United States is trying to eliminate any such practices. The U.S. report, Koh told the committee, "makes clear our unequivocal and unambiguous condemnation of torture as a tool of governmental policy. . . . Although our commitment is unambiguous, our record is not perfect. Torture does not occur in the United States, except in aberrational situations and never as a matter of government policy. When it does occur, it constitutes a serious criminal offense."

Commission Is Created To Combat the ‘New Violence’

by Dennis Speed

The National Commission Against the New Violence was formed at an all-day meeting on May 20 at Columbia University in New York City. The Commission, an initiative proposed by Lyndon LaRouche in the aftermath of the March “not guilty” verdict in the trial of four New York policemen who, on Feb. 4, 1999, shot the unarmed, and unresisting, West African immigrant Amadou Diallo, promises to become a new, formidable weapon in the battle against the New Age “technetronic violence,” that is becoming more commonplace in America, and, largely through the influence of American violent movies and video games, throughout the world.

LaRouche, the keynote speaker, was joined by a panel that included: Lt. Col. David Grossman, the well-known teacher, lecturer, and author of *Stop Teaching Our Kids To Kill: A Call To Action Against TV, Movie & Video Game Violence* and *On Killing: The Psychological Cost of Learning to Kill in War and Society*; Pennsylvania State Rep. Harold James (D-Phila.), himself a 22-year veteran of the Philadelphia police force; Minister Charles Quinn Muhammad and Sister Esther Muhammad, whose son, Andre Jones, was hanged in a Mississippi prison in August 1992; U.S. Marshal Matthew Fogg; Dr. Kildare Clarke, Assistant Medical Director, emergency room, Kings County Hospital, New York City; and Jeffrey Steinberg, Counterintelligence Editor, *EIR*. LaRouche spoke from Europe to the gathering of 150-200 policemen, parole officers, activists, and former and present LaRouche delegate-candidates, and the entire proceedings were broadcast live via audio webcast. The text of his remarks, as well as those of Colonel Grossman, are included below.

The extensive discussion highlighted by LaRouche over the past two months, on what he has termed “Nintendo vio-

lence”—that vicious, dehumanized “Information Society” mind-set that distinguishes the violence perpetrated by its victim, upon other victims—was underscored by Grossman’s presentation, and affirmed by Representative James, who told the audience: “Listening to what the Colonel said, I remember that I have a son who will be 13 next month, and a daughter who will be 12. They had me take them to this place, several months ago, and it was called ‘laser tag.’ I didn’t know what it was about, so I took them. When they came out, they told me that, ‘We were in there, and we had these laser things, and we were shooting each other, and it would hit you, and tell you how many hits you got.’ So I started thinking about that, and about what the Colonel said. What are my young people being conditioned to? They’re good on those video games—they’re *excellent* on those video games, and they’re too violent. And the television contributes to the violence. . . . So, I have to go back and tell them—because they like that laser tag—that we’re not going there any more. And I have to explain to them why. And I’m going to do that. We all need to get involved in that kind of education. And I’m glad to have heard from the Colonel, and Mr. LaRouche, and glad that you started this Commission Against Violence, because we all need to participate in this.”

The Roots of the ‘New Violence’

LaRouche, in an article entitled “Information Society: A Doomed Empire of Evil” (*EIR*, April 28, 2000), pointed out that the roots of “Nintendo violence,” lie in the “artificial intelligence” and “linguistics” projects carried out by the “Unification of the Sciences” grouping assembled at the University of Pennsylvania in 1938 by Bertrand Russell, and later



The “new violence” has been sparked by the so-called Information Society, with a proliferation of violent video games that teach children how to kill. Shown here: an assortment of advertisers in a recent issue of Computer Gaming World.

housed at the Massachusetts Institute of Technology (MIT), Columbia University, and other locations. These early projects laid the basis for the emergence of the pathological epidemic known today as the “Information Society,” and the mad St. Vitus dance known as the “dot-com bubble-brain economy.” Understanding the brainwashing activities of Russell, MIT’s Noam Chomsky, and the other operatives, as well as their “pop science” interface with British intelligence hands like Aldous Huxley, in preparing the crossover of “artificial intelligence” into the “popular mainstream” through the rock-drug-sex counterculture, is crucial to understanding why the present culture of violence that exists in the United States,

is *not* natural, but has been *induced* over approximately a century of cultural decay, and distilled into its “modern” form over the past 50 years.

Writing in 1954, Norbert “Mr. Cybernetics” Wiener succinctly delineated the anti-republican, anti-American Revolution epistemology of the “Information Society” in the first chapter of his revised book, *The Human Use of Human Beings: Cybernetics and Society*. “In giving the definition of Cybernetics in the original book, I classed communication and control together. Why did I do this? When I communicate with another person, I impart a message to him, and when he communicates back with me he returns a related message

which contains information primarily accessible to him and not to me. When I control the actions of another person, I communicate a message to him, and *although this message is in the imperative mood, the technique of communication does not differ from that of a message of fact*. Furthermore, if my control is to be effective I must take cognizance of any messages from him which may indicate that the order is understood and has been obeyed. . . .

“ . . . When I give an order to a machine, the situation is not essentially different from that which arises when I give an order to a person. . . . To me, personally, the fact that the signal in its intermediate stages has gone through a machine rather than through a person is irrelevant and does not in any case greatly change my relation to the signal. Thus the theory of control in engineering, whether human or animal or mechanical, is a chapter in the theory of messages” (emphasis added).

All ‘Facts’ Are Judgments

This explodes one of the most popular conceits of the Information Society — its alleged “democratic impartiality.” Wiener, one of the fathers of Information Society, simply in the interest of Mr. Spock-like rigor, can find no logical difference, in his notion of “human engineering,” between *coercion* and *communication*. (Readers are referred to the numerous writings of LaRouche on the subject of metaphor, for the opposite epistemological stance.) Wiener says that there can be no essential difference asserted between “giving a command” and “sending a message.” Thus, in his logically consistent theorem-lattice, the oft-stated platitude that “the Internet,” or “personal computers” are wonderful because, unlike biased teachers, they simply make the greatest possible amount of information available to the largest number of people,” is disproved. All “information,” all facts, are judgments, made by judges — real people who decide what is true and false, right and wrong, good and bad. Further, these decisions are usually based on unconscious axioms, deeply held prejudices that permeate the so-called “impartial facts” that are assembled as “value-free” information.

This does not mean that *EIR* would agree with Wiener, that there is no distinction between a thought-dialogue among men, and man’s interactions with beasts, or machines — although his “information theory” states this to be so. Wiener is, however, correct, that the “mere dissemination of information” is a fraud, and, if believed, as it is in today’s United States, becomes a very effective method of social control. Nowhere is this fraud more hideously encountered than in the assertion that “television violence does not cause actual violence.” If there is no causal relation between what people see and what they do, we have one question: Has anyone told this to the pornography industry, or to advertisers more generally? If the reason that violence is placed in programs is to cause people to be entertained by it, does that not mean that

it causes them to watch the program, rather than turn the channel — or turn the channel because they are so disgusted by the violence? Is that not a physical effect?

The Surgeon General’s Report

Colonel Grossman stated on May 20 that, when U.S. Surgeon General Dr. David Satcher, was asked whether it would be appropriate to do a study to determine whether violence on TV causes violent behavior, retorted that this had already been established back in 1972! This study was before video-game killing simulators were popularized, and before the latest epidemic of violence. Participants in the founding of the Commission are discussing multiple actions that could be taken to fight against the culture of Nintendo violence, including an all-out fight against the mass dispensing of the drug Ritalin to so-called hyperactive children. In order for such battles to be fought effectively, however, the deeper understanding, supplied by LaRouche and other members of the Commission on why Al Gore’s Information Society is doomed, must be confronted, and mastered, that there might be any chance at all of actually winning the war against the New Violence.

Lyndon H. LaRouche, Jr.

Wake Up to the Danger of the ‘New Violence’

Here is Lyndon LaRouche’s address to the New York City founding meeting of the Commission Against the New Violence, on May 20. Subheads have been added:

Let me begin by making a few observations on the question of what we may call the specificity of “New Violence.” Now, by “New Violence,” we mean, by first approximation, “Nintendo killers” in the military. We mean the replacement of qualified police officers by “Nintendo cops.” We mean “Nintendo kids” in the schools, from the ages of 6-16. This is where the core of the New Violence is located. It is not in the bullet, it is not in the axe, it is not in the hammer, it is not in the fist. The violence is not located in the physical act performed upon the victim. The New Violence is located in the peculiarly perverted minds of the perpetrators. The perpetrators are typically military professionals, trained by the official military, or trained by programs designed originally for the military. These are Nintendo-style brainwashing techniques. This means Nintendo cops, police officers who are not police officers any more. They’re merely Nintendo-cop killers. They have no sense of a human relationship and their act, on the

one hand, and the effect on the victim, on the other hand.

These are children who play Nintendo and Nintendo-style games, such as Pokémon, who are between the ages of 3 to 7-8—are being brainwashed into becoming rage-controlled killers, who will kill as an adult, in an adult manner, but with a childish mind which has no comprehension of the act which they're perpetrating. It's something which they are just compelled to do. Littleton is a paradigm of this problem.

The difference between the New Violence and the old, lies not in the victim, or what the victim suffers; it lies in the mind of the Nintendo-conditioned perpetrator. The controlling motivation lies in a computer program, not in the human behavior of the mind. This kind of motivation is peculiar to a society which is brainwashed into believing in what is called an "Information Society," as opposed to the pre-, so-called, Information Society. This causes a lot of controversy, because, when you get to the point of pointing out where Columbine began, pointing out where—occasions in New York and elsewhere, of Nintendo cops putting 41 bullets into a man who had no reason to be a suspect, before finding out who the man was. . . .

The problem is, these acts have occurred; when you trace them back to the cause, to the Nintendo-style training programs, or the conditioning programs broadcast over the television networks, distributed as games by game companies, game-selling companies—are used to train cops, are used to brainwash the military the way the cops are brainwashed—you then have to say, "What's wrong with society?" This is the result of the Information Society.

It's the 'Information Society' That's Killing

Now, the Information Society is being praised from the President on down, especially the President in charge of Vice, Al Gore, as being a good. That is, the "New Economy." Everything will be better in the Information Society. But, it's the Information Society that's killing! And when you attack that as the source of the problem, you're running into some opposition, and people don't want to hear about it, and say, "No! It's the guns! Take the guns away!" It's not the guns. It's what's being done to the mind. I have not seen a six-year-old child go into a store to buy a weapon—whether the weapon is safety locked, or not. That is not where the violence comes from—from six-year-old kids going into gun stores to buy guns. It comes from other sources.

The characteristic of this also means that we're dealing with a society which is becoming dehumanized, dehumanized in a way which was not peculiar to our society in any previous time. This is a process which has developed, essentially, over the past 30-35 years, which has become an acute problem in the past 10-15 years. This is a new condition. But, it means that when people are so locked into the Internet, and the programmed games, Nintendo-style games, and so forth, that their relations to other people are no longer *human* relations,

but are *dehumanized, digital relations* controlled by a game. In other words, the motive of the individual ceases to be the effect of their relationship to another human being on a human level, but instead, their motivation becomes their ability to perform according to a program which is built into a digital computing system.

The Insanity of the 'New Economy'

Now, for example, we had on Friday [May 19], we had one of the biggest collapses of the market, financial market, especially the Internet market, the Nasdaq, that we've had to date. We are seeing the inevitable doom of the existing financial system in progress. We are being told, "No, this financial system is not going to collapse, because it's a wonderful, good New Economy system which is going to carry us to prosperity forever." But then you go around the country—not only in the state of Mississippi—where you find people saying the economy is booming. Everybody's employed, they say. Well, how about the tax-revenue base; where is the municipal income for the firemen, for the police, for the schools, for the health care, for the other things that the community, the local community, needs, which the state used to support? It's not there any more! Why not? Because with working two or three jobs, instead of one, or one-plus jobs, as they used to work, they're now working two to three. And the real purchasing power they're getting from two to three jobs per person is less, far less, than the purchasing power they were getting when they were working one to one-and-a-half jobs per person.

This is not only true in Mississippi, it's true throughout the country. Local communities' tax-revenue base is collapsing. This is not a prosperous economy. Nor is it a secure one. It's one which is doomed. But the ideology here is: This is the New Economy, the New Society; the Internet will bring prosperity.

We have in the school system—this is not just a matter of money. The report is that half the pupils reaching the eighth grade are illiterate. Now, this is not just because of cutting the money to school systems. This is because of an increase of the ratio of bad teachers. And the bad teachers, who are producing this illiteracy, are teachers who are responding to the new ideology that corresponds to the New Economy.

You have, for example, in the nation as a whole, you have hysteria. I'm getting reports from various parts of Europe—from high levels from various parts of Europe, and from elsewhere, from Mexico, from parts of South America, from Africa—people of fair importance, hearing we're from the United States, say, "Don't go back there again. They're insane!" They're talking about the White House, they're talking about the Congress, they're talking about influentials in the press. They're saying the United States is the most insane nation on this planet. "They refuse to discuss anything until after the November elections."

And what's the insanity centered on? It's centered on the

Greenspan-Summers phenomenon. You have Larry Summers, the Secretary of the Treasury, and Alan Greenspan—they are building up the biggest hyperinflationary financial bubble in history as a way of trying to prevent, or postpone the greatest financial collapse in history. And there's no solution to that problem. The system is collapsing now. It probably will not make it to the August conventions of the Republican and Democratic parties. It will not make it till November, in any case. The system is doomed.

But the whole society is characterized by hysteria. Hysteria is based on confidence in the Information Society, the so-called New Economy. The hysterical belief: "You can not take this away from us. We depend upon it. It's the only possible future. Don't try to go back to the old kind of economy. It doesn't work. *It's dead. It's dead. It's dead.* The New Economy is here, and we've got to defend it to the last drop!"

Now the New Economy mentality *is the same kind of thing* as we're seeing in the Nintendo-killers in the military; we're seeing it the replacement of qualified policemen by quick-trained Nintendo-killer cops. We're seeing it in Nintendo-killer children, our own children, in increasing numbers. Children from the ages of 6 to 16. We had a case recently of a victim of Pokémon—which is a killer program; if your child is watching Pokémon as an addict, look out! He may kill you, or he may kill himself.

This child, four years old, tried to fly out a window, and he flew to his death, because he believed he could fly, because he was so conditioned by Pokémon that he, as one of the players of Pokémon, believed he had the ability to fly. He flew: He flew to his death. Other children kill other children under the influence of Pokémon—specifically Pokémon. The same kind of games are being pushed in schools, the same methods; the same ideas are being pushed in the schools. So, our children are being destroyed under our eyes. And often, parents who want to keep peace in the family, will encourage their children to play these games, because the parents either have their own entertainment agenda, and they don't want to waste that on spending time with their children, or something of that sort.

A Symptom of a Sick Society

So, the New Violence: It's very specific in the sense it's a part of the Information Society lunacy which has taken over the top level of the White House, as Larry Summers typifies that, and many others—is also a symptom of a sick society. The New Violence is separate, it's distinct, it's specific. But society would not tolerate, would not take the Nintendo games to its heart, unless the society were morally sick, and therefore, we have to address the problem caused by the New Violence as the Nintendo mode of conditioning, of Information Society in general, but we have to recognize it's a symptom of a moral collapse of society. And we have to recognize that the reason we're in this mess, is because we've been

doing something wrong. We've been going along to get along, when something was wrong. And that something that was wrong is about to destroy us all.

Killing the New Violence will not solve all our problems. But paying attention to the immediate threat caused by the New Violence, and paying attention to that which caused so many of us to become suckers for tolerating the New Violence, should be treated as a warning sign to us: Wake up! We're doing wrong. We'd better change it, while we still can.

Thank you.

Lt. Col. David Grossman

Violent Video Games Are Mass-Murder Simulators

Lt. Col. David Grossman is the author of Stop Teaching Our Kids To Kill: A Call To Action Against TV, Movie & Video Game Violence, which he co-authored with Gloria DeGaetano, and On Killing: The Psychological Cost of Learning to Kill in War and Society. The following is his speech to the founding meeting of the Commission Against the New Violence, on May 20. Subheads have been added:

I'd like to talk to you about violent crime and the causations of violent crime. And what I want you to realize is, we have to think of violence like we would think of heart disease. It really is a soul-disease, if you will. And many things cause heart disease. There's obesity, overweight—does that cause heart disease? Yes. Does a high-cholesterol diet, or stress, or lack of exercise, or genetics—do all those things cause heart disease? Yes, we know they do. If you take all the existing factors, and add tobacco to it, the result is an explosion of heart disease, anywhere in the world.

Well, in the same way, I want you to ask yourself, what causes violent crime, or causes people to kill. Well, poverty, gangs, drugs, availability of guns, child abuse, family breakdown—these are all important factors. But what we *know* is, that if you take the existing factors, and add the media violence—television, movie, and especially now the video-game violence—the result is an *explosion* of violent crime in any nation in which it takes place.

In America, since 1957, per-capita violent crime has gone up approximately six- to sevenfold. Now, the first thing you have to realize is, you have to ignore the murder rate, because medical technology saves more lives every year. What you have to do, is you have to look at the aggravated assault rate, the rate at which Americans are trying to kill one another off.

And that has gone up between six- and sevenfold—per capita, now, we're allowing for population growth in all these data.

It's Not 'All About Guns'

So, that's what's happened in America, and a lot of people say, "Well, you know, it's all about guns." I testified before the U.S. Senate and the U.S. House, and keeping guns out of the hands of kids is a terribly important responsibility that everybody from the NRA [National Rifle Association] to the ACLU [American Civil Liberties Union] agrees on. When I testified before the Senate and the House, a man by the name of Jack Valenti testified with me. Mr. Valenti [head of the Motion Picture Association of America] stood up in front of Congress, and said, "This is not happening in other nations. It's all about our guns. It's because the guns are there."

Well, again, guns are part of the issue, but the two killers here in my hometown, in Jonesboro, Arkansas, at the age of 11 and 13, used an acetylene torch to try to break into a gun case. When that failed, they stole a car, drove across town, and used a crowbar to break into a law-enforcement officer's gun safe. What I want you to realize is, that 15, 20 years ago, nobody would have had a gun safe, and today that's the norm.

The killer in Paducah, Kentucky broke into a locked cabinet in a locked garage in the neighbor's house. I was a consultant in that case, and I tell you, that that boy went to an extraordinary measure to get the guns that he used in that case.

Additionally, the killers in Littleton, Colorado had adults commit felonies to get the guns that they used in that situation.

We are doing a better and better job of keeping the guns away from kids, and we must continue to do so. But the kids are going to extraordinary measures to get those guns.

As I said, Mr. Valenti stood up and said, "It's all about guns. It's not happening in other countries." And Mr. Valenti's kind of a slow learner, because both times I stood up and testified after him, before the Senate and the House, and explained how this *is* happening around the world.

In America, we've had a six- to sevenfold increase in per-capita violent crime since 1957. In Canada—in Canada, you know, you've got a great nation. You've got all those gun laws, you've got that semi-socialistic, paternalistic government, you've got almost zero racial problems, and you've got the cold weather that drives all the riffraff down to the United States, you see. So, in Canada, since 1964, per-capita violent crime has gone up fivefold. Attempted murders have gone up sevenfold.

Across Europe and around the world we see the same phenomena. In the last 15 years that we've got Interpol data, per-capita violent crime went up fivefold in Norway and Greece, it went up fourfold in Australia and New Zealand. Per-capita violent crime in those same 15 years tripled—tripled—in Sweden, and approximately doubled in seven other European nations. Meanwhile, in that same time frame, we saw murder double in India.

Violence and Television

Now, here's an interesting phenomenon—and we're going to come back to it over and over again. Television was placed in every village in India in the late 1960s and the early '70s. Fifteen years later, the murder rate doubled in India. Anywhere we saw television appear, around the world, Western television—you see, in India, their favorite show was [a police thriller] "Starsky and Hutch," and other such things. Anywhere that American violent media appear, 15 years later, the murder rate has at least doubled.

Now, when we start thinking of the impact of the violent video games, and the toxic material that's coming over the Internet, when we think about that 15-year delay, you need to ask yourself very, very carefully, what the world is going to look like 15 years from now.

Well, as we said, we saw India, with the doubling of the murder rate in that vast nation, as the direct result of television. We saw Brazil and Mexico had an explosion of violent crime in the last 10 or 15 years. And Japan. Japan is a nation with a homogeneous society, an intact family structure, universal employment, draconian gun laws, an island nation. And in 1997 alone, we saw a 30% increase in juvenile violence in Japan. So, again, what we're looking at is a worldwide phenomenon, in which any nation which feeds death and horror and destruction to their children, pays a tragic price.

Now, a lot of people think that if we just outlaw guns, it'll go away. And that's like saying, if we outlaw drugs, the drug problem will go away. If we continue to glamorize drugs—and every night the children are shown all of their action heroes shooting up drugs, and smoking marijuana—why, we know that it would be virtually impossible to prevent the demand for drugs, which will be met.

In the same way, around the world, we're finding that it's virtually impossible in a free society, to control the flow of guns, if there's this *demand* for guns. I had a BBC crew in my home, here in Arkansas, just a couple of months ago, telling me about the explosion of guns that's coming into England. You can't control all the drugs, and you can't control all the guns, and the guns are worth more, pound for pound, than heroin is. And people are buying the guns, and cases of automatic weapons are coming into England, and the city of Manchester is now referred to as Gun-chester.

You see, the point is, that we cannot permit the mass media to continue to glamorize violence and death and horror, and then think that nobody's going to want the guns, and for some reason, they're all going to go away if we pass a magic law.

What the Experts Have Said

Now, the very people that we count on to inform us about the data, are the media, the television industry. And they are systematically invested in misrepresenting this situation. The AMA [American Medical Association], the APA [American

Psychological Association], the American Academy of Pediatrics, the National Institute of Mental Health, the Surgeon General, the Attorney General, the United Nations or the major UNESCO study—every major scholarly and medical body in the world that’s ever addressed the topic, has made *definitive* statements about the link between media violence, and violence in our society.

I was on “Meet the Press” with our Surgeon General two weeks after the Littleton shootings. They asked the Surgeon General, “Can you do a Surgeon General’s report on the link between media violence and violence in our society?” They said, “You know, what the Colonel’s talking about makes sense; maybe we are teaching our kids to kill. Can you do a Surgeon General’s report?”

The Surgeon General, Dr. David Satcher, got this kind of disgusted look on his face, and he says, “Sure, I can do *another* Surgeon General’s report. But why don’t we begin by reading the 1972 Surgeon General’s report that has already established that?”

Now, how many of you in the audience knew that the Surgeon General says that there’s a link between tobacco and cancer? Raise your hands. Of course you do. It’s on every pack of tobacco you see. Now, how many of you knew that the Surgeon General said that there’s a definitive link between television violence and violence in our society? Now, why don’t we know that? Why don’t we know what the Surgeon General has to say about a product that we inflict upon our children? Why don’t we know about the longitudinal study of 875 kids, across 21 years, that demonstrated the fact that the high-level viewers of television were four to five times more likely to be violent criminals. Why don’t we know that? Why is the Surgeon General so disgusted at having to repeat studies that were done over a quarter of a century ago?

Well, the point is this: If you ask the television industry about the link between their product, and the harmful effects, they’ll do the same thing as the tobacco industry. Now, ask yourself: Up until just very recently, if you asked the tobacco industry about the link between tobacco and cancer, what would they do? Well, they will lie. You know how you could tell the tobacco industry was lying? Their lips were moving.

In the same way, if you ask the television industry about the link between their product and violence in our society, they will do the exact same as the tobacco industry—they will lie. They will bring out their stooge researchers, their tame scientists on a leash, that come out and claim that you can’t prove it. Now, I presented to the AMA, as a preliminary presenter, in their annual national leadership symposium earlier this year, and before the APA. In both of those cases, when we stood up and talked about the health impact of media violence, they did not invite the tobacco industry, or the television industry, to come in and tell “their side of the story.” The AMA and the APA are convinced that there is no doubt about it: They are only frantically searching for a way to get through

the incredible stonewall, by which the individuals who control the public airwaves, are preventing us from getting out vital information about the health of ourselves and our children.

Violent Video Games

Now, the most important point that I want to make today, revolves around the video games, the violent video games. What I want you to realize is, that these video games have reached a new level. All of the data, every lick and stick of the data, on movie and television violence causing violence in our society, applies directly to the video games, with bells on.

Now, what will happen is, you’ll see the video-game industry say, “Well, that data don’t apply to us. This is a new product.” That’s like saying the data on cigarettes don’t apply to cigars. We know the violent visual imagery is having the exact same impact on the kids. The problem is, that this new medium, by which the kids are learning violence—and violence is a learned skill, you learn it through visual observation—but, even better than watching a training film, is partaking in a simulator.

Now, these video games are simulators. There are flight simulators, that teach you how to fly. And there are murder simulators, whose only redeeming social value is that they teach you how to commit the act of murder. If these things were rape simulators, we would not tolerate letting our children play them. And yet, we sit and watch our children play endless hours, practicing blowing people’s heads off.

Now, people are going to say, “Well, you know, that’s just kids playing games. We played caps when we were kids.” You all remember playing caps? We had toy guns. And I said, “Bang, bang, I got you, Billy.” And Billy said, “No, you didn’t.” So, I smacked him with my cap gun. And he cried, and he went to his momma, and I got in *big* trouble. And you know what I learned? I learned that Billy is real. And when I hurt Billy, bad things are going to happen to me.

Now, in the violent video games, I blow Billy’s stinkin’ head off in explosions of blood, countless thousands of times. And do I get trouble? No. I get points.

Do you understand: The purpose of play, is to learn *not* to hurt members of your society, and members of your own species. In a basketball game, or a football game, when one of the players is hurt, according to the rules, the play stops. That what makes professional wrestling so dysfunctional.

Now, if you’re an adult, and you enjoy media violence, that’s fine. I’m an adult. I like to drink a beer, I like to shoot a gun, I like to smoke a cigar, I like sex—I like all those things. If you give any of those things to my grand-babies, you’re a criminal. You understand? The things that we enjoy, as adults, it’s okay. But if you take the things as adults, that you enjoy—guns, pornography, tobacco, alcohol, sex, cars—and you give to kids, you’re a criminal!

Now, if you want to play violent video games, and you want to let your kid do it; if you want to have a drink of beer

and let your kid have a drink; if you want to shoot a gun and let your kid shoot a gun, that's your business. But, if I want to make money selling guns, or beer, or pornography, or tobacco, or violent video games to your kids, then that just became your business.

Military-Quality Training Devices

Now these violent video games are identical, as Mr. LaRouche has said, to military-quality training devices. They make killing a conditional response. I would refer you to my website, at which I have three encyclopedia entries that I've written, and my entry in the *Oxford Companion to American Military History*. I would also refer you to my book *On Killing*, and my new book, *Stop Teaching Our Kids to Kill*. *On Killing* is being used as a textbook in West Point, and in universities across the world. My website is Killology.com, and on that website there are all these extensive mainstream, peer-reviewed scholarly articles of mine, demonstrating how the military has learned to turn off the safety catch in human beings.

You see, in World War II, we had a problem. And the problem was, that the vast majority of our soldiers would not fire. We had magnificent soldiers. We had magnificent weapons. The problem was, that we had crummy training. And in the training, we taught our soldiers to fire at bull's-eye targets.

Now, what is the fundamental flaw in teaching your soldiers to fire at bull's-eyes. Well, as most of you figured out, we have no known instances of any bull's-eyes ever attacking any of our soldiers. If you want a soldier to be capable of killing a human being, he must rehearse on a human being. Anybody that's been in the military in the last 40 years, or law-enforcement training in the last 30 years, what you learn to shoot at, was *not* a bull's-eye target, but a man-shaped silhouette that pops up in your field of view.

You see, if I wanted you to fly a plane, I'd had to put you in a flight simulator. A driving simulator isn't close enough. Under stress, in the plane, your experience in the driving simulator isn't close enough, and it won't transfer to the reality. I've got to put you in the most realistic flight simulator I can.

And in the same way, if I want you to pull the trigger and kill a human being under stress, I have to put you in a killing simulator. In the military, in the law-enforcement community, the conditioned stimulus is a man-shaped silhouette that pops up in your field of view. Conditioned response—you have a split second to engage the target, you hit the target, the target drops. Stimulus-response. Stimulus-response. Stimulus-response. A few hundred repetitions of *that*, and then when an enemy soldier pops up in front of our guys in Vietnam, boom—we shot, and we shot to kill. And we raised the firing rate approximately fivefold; five times more individual soldiers, left to their own devices, in Vietnam, were willing to

fire than in World War II, because of the training.

Now, a bull's-eye is completely different from a human being. Firing at bull's-eyes doesn't transfer to that skill. There's a vast chasm between being a healthy human being, and killing another being—and most people cannot cross that chasm. And firing at a bull's-eye doesn't help. But, firing at a man-shaped silhouette, firing at a simulated human being, *that* is close enough to the reality that I can use it as an intermediate step, that it can prepare me, it can rehearse me, mentally, for the act of killing.

And then, in the violent video games, when I actually hold the plastic gun in my hand, and I pull the trigger, and I feel the recoil, and when I hit the target, the target drops, not only do I learn the mental skill to kill, but I also develop the physical ability to kill—the pointing skills, the trigger control, that allowed the young boy in Paducah, Kentucky to fire eight shots, and get eight hits on eight different kids—a supernatural accuracy.

These violent video games are murder simulators. They're not just murder simulators—they are *mass*-murder simulators, because the child drills, and drills, and drills, and drills, to kill every living creature in front of him, until he runs out of targets, or he runs out of bullets.

The Effect of Drill

Now, in Paducah, Kentucky, in Pearl, Mississippi, in Jonesboro, Arkansas, we believe the boys set out to kill just one person, usually a girlfriend, and then they kept on firing, and they gunned down every living creature in front of them until they ran out of targets, or were interrupted. Afterwards, the cops asked the kids: "Look, you killed the person you were mad at; why did you kill these other people? Some of them were your friends." And the kids don't know. But *we* know. Whatever is drilled in, is coming out the other end.

Let me give you an example: Back in the old days, we used to take our cops, and we trained our cops to fire revolvers out on a range. Now, because we didn't want to have to clean up that range afterwards, we'd have them fire six shots, and then stop—and we'd go "king's ex-time-out" for a minute. We'd empty the expended brass from the revolver into our hands, and then we'd put that empty brass in our pocket, we'd reload, and we'd keep going. Now, you'd never, in the middle of a real life-and-death gun fight, take "king's ex-time-out"—let me save my brass, put it in my pocket, keep going.

Guess what we find real cops are doing? In a real life-and-death protracted gunfight, they would end the gunfight with a pocket full of empty brass, and no idea how it got there. The point is, that two times a year, the cops would fire 60 shots and save their brass; four months later, under extraordinary stress, that's exactly what they're doing.

Now, what are the kids being drilled to do? Not to save their brass. They're being drilled to kill every living creature in front of them, until they run out of targets, or run out of

ammunition, or are interrupted. *That's* what's happening to our kids. And the result is, the kids have got the skill and the will, to kill every living creature in front of them, until they run out of targets, or run out of bullets.

A Moral Responsibility

I want to give you a model, and then a story to wrap it up. The model, is seat belts.

Now, here's what you're going to hear, guys. Katie Couric said this to me when I was on the "Today" show. She said, "Listen, I watched all that violent stuff. I played these games, and it didn't bother me." She said, "Well, why should I worry about my kids?"

I said, "Katie, you know, when I was a kid, I never buckled my seat belt, and it never bothered me, so why should I buckle my kids up?" She says, "Oh!" Understand, when we were young, we didn't buckle our seat belts. But today, we buckle our babies and our grand-babies up religiously. How did we learn to do that?

Well, we knew we did something dumb, we knew we did something wrong, and we were educated, and we did the right thing. A lot of you out there, you did the wrong thing, like I did. I blew it with my boys. I've got three boys who are grown now; I blew it with them. But, I've decided that I'm going to do a better job with the grand-kids. And my model is my mom.

When I had my first grand-baby, and he would sit beside me in the seat, my mom, who was sitting in the back seat, reached down and smacked me on the head, and said, "Buckle that baby up!" I said, "But Mom, you never buckled us up when we were kids!" And she smacked me again, and said, "Don't be stupid! Buckle that baby up!"

That's exactly what we've gotta do. We've got to wake up. Listen to what the AMA, the APA, the Surgeon General, the National Institute of Mental Health, the American Academy of Pediatrics, have to say, and protect our babies, and protect our society, and begin to confront an industry that is systematically selling a toxic, addictive substance to children.

I was on "Politically Incorrect" with Bill Maher and three other Hollywood types. There was me, and four of these wacko types—it was a pretty fair balance. And Bill Maher, the people there, these Hollywood types, this is their standard line: They said, "Look, we don't like all this violence. We don't let our kids watch it. But it's what America buys, so we sell it. We're gypped by the marketplace. America buys it, so we sell it."

I said, "Guys, that's drug-dealer logic. That's pimp logic." I said, "Even drug dealers and pimps don't try to sell to little kids." I said that, "How does it feel to be functioning at a moral level beneath the NRA, beneath the tobacco industry? The NRA and the tobacco industry—they accept regulation on their product when it comes to kids. How does it feel to be the only industry in America with a product that you know is harmful to children, that you continue to insist on selling and refuse to accept any regulation? Do you like looking at

yourself in the mirror in the morning, and you see a pimp, a drug dealer?" Now, I don't think they'll let me back on the show.

But the point is, that this is a group of individuals who are functioning at the lowest possible moral level. And we've got to understand what's happening, and we can't let them get away with it.

And I'll tell you another obfuscation that they're going to try to make. I was on a panel moderated by Larry King. And Larry turned to me, and said, "Well, you know, Colonel, the Bible has lots of violence in it, too. Should we ban the Bible, when it comes to kids?" I said, "Larry, the difference is that the AMA has not determined that the Bible is responsible for at least half of all the murders in America." I said, "Larry, we're not talking about the written word. The written word can't be processed until you're eight years old. It goes in the eye, has to be decoded and processed in the logical center, and trickles down into the emotional center. The spoken word can't be processed until around age four. It goes in the ear, is decoded and processed in the logical center, and it trickles down into the emotional center."

But violent visual images, can be processed at the age *18 months!* At the age of 18 months, the baby comprehends completely what's on the television screen. The only thing is, that it isn't until they're six, or seven, or eight that they can understand that it's not real.

Now, at the age of 18 months, it goes straight into the eye, and straight into the emotional center. It's a powerful and profound impact.

These are the things you'll hear people say: "Well, it never bothered my kids. You know, gosh, should we be banning the Bible, too?" You're going to hear people say, "Well, if you don't like it, just turn it off. Don't worry about what me and my kids are doing. You just turn it off."

Everyone Must Do Their Part

And to people who say that, I tell a story that came out of the shootings here in Jonesboro, in my hometown.

I was out at the school as the lead trainer of mental health professionals, on the night of what was the largest schoolyard massacre in American history—at that time. It's since been beat by the Littleton killings. And we were out there working in that school.

Now, the counselors who were working in the hospital that day, one of those counselors came out, and she had to talk to us, she had to tell us what had happened out in that hospital that day. Now, to those people, whose solution to this problem, "If you don't like it, just turn it off," I tell them this story that that counselor brought to us at the school that night:

She said, they were out working in that hospital, in that emergency room, that small, small emergency room, with over a dozen families in sobbing masses. Moms and dads, and aunts and uncles, and brothers and sisters, trying to come to

terms with an 11- and 13-year-boy that had just butchered their little girls.

In the middle of all of that, periodically, the doctor comes out and pulls aside two parents, and says, "I'm so very sorry, but your little girl didn't make it. We did the best we could."

Now, this counselor said it had been going on for quite a while, and all of a sudden, there's this lady that comes in. She's all alone, she's got no friends, she's got no family, she's got no husband, nobody. She comes walking into that emergency room, and she sits down, and she's just staring off into the distance.

Finally, after she'd been there quite a while, one of the counselors comes up to her, and she drops down on one knee, and she takes this lady's hand, and she says, "Can I help you?" She said, "The lady looks me in the eye, and says, 'I'm the mother of one of the little girls that was killed today, and I just want to know, how do I get my little girl back? What do I need to do to get the body back?'"

And they explained to her, that all of the ones that had been killed today, had been sent to the state capital, 100 miles away, for autopsies. And when they were finished with the body, they'd call her, and she could tell them what funeral home to have the body shipped to.

And you see, it hadn't set in yet. And she says, "Funeral home. Funeral home. We can't afford a funeral. We can't

even afford a funeral."

You see, that little girl was all she had in all the world. There was no husband, there were no friends, there was no family. There was just her and that little girl, and she was going to come to that hospital, and wrap her little girl's body in a blanket and take her home.

And for those whose solution to this problem is, "If you don't like it, just turn it off," my answer is, "Come to Jonesboro with your sad solution, my friend. Come to Jonesboro and tell that mother how she could have kept her little girl safe. Because every single one of the victims of every single one of the school shootings, their parents could have protected them for a lifetime, and it wouldn't have been enough, if the parents of one of the neighbor boys hadn't done their job."

What we have in front of us is a joint corporate, moral responsibility, to reel in an industry that is systematically selling death and horror and destruction to our children. And around the world, as each new level of violence is sold to the kids, and at young ages, they suck this stuff up—15 years later we see the impact. God only knows what the impact is going to be of what's being given to our kids now, but Paducah, and Pearl, and Littleton, and Jonesboro, and Springfield, are an indication of what's in front of us.

And it's not going to stop, until we stop teaching our kids to kill. Thank you and God bless you.

Video-Game Violence Turns Children Into Killers

A 14-year-old boy who had never shot a gun before, shot eight classmates with eight bullets. Police were stunned. How could he do it?

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Speech to Schiller Institute conference, Feb. 20, 2000.

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LaRouche's Prospect of Hope

Lyndon H. LaRouche's keynote address to representatives of 42 nations, gathered together on May 26 in Bad Schwalbach, Germany, which is reproduced in this issue of *EIR*, develops a lawful contrast, or contradiction, of extreme intensity. On the one hand, his reasoned demonstration of the art of economic forecasting, as further substantiated by each of his own forecasts during more than a half-century to date, shows in the final analysis that the present moment is one of those rare, unfortunate moments, when a short-term forecast can be made with certainty: namely, that the present world financial and monetary system is ineluctably doomed over the short term.

But, on the other hand, LaRouche's further exposition shows that without a thoroughgoing revolution in thinking and in action, the inevitable short-term evaporation of the world International Monetary Fund system, must result in the rapid destruction of the current remnants of civilization, and a plunge of humanity as a whole into a generations-long dark age of "barbarism or worse."

Such a catastrophe has never been seen throughout all of recorded history. The millennium-long Dark Age of European civilization which accompanied and followed the long collapse of the Roman Empire, was contemporary with renaissances in China and with the Arab Renaissance. The interdynastic collapses of Chinese civilization, were not worldwide Dark Ages, like that now threatened. Perhaps some such worldwide eclipse of all humanity's historic conquests did occur at some time during the millions of years of human pre-history, but never since then.

But now, absent a sufficient voluntary intervention to prevent it, it must occur very soon.

To some, this will seem too dismal a prospect even to consider: "Hard words—who can hear them?" as the Bible asks. But to those whose perspective is deep enough to see the accelerating collapse of civilization during the entirety of the 20th Century, which began with perhaps the most destructive war in European history, the coming crisis is a cause for optimism.

Very soon, there will be a once-in-many-lifetimes chance to reverse the collapse of our culture. That collapse did not begin with Littleton, nor did it begin with the introduction of the rock-drugs-sex counterculture in the 1960s. As LaRouche points out in that address, the assassination of U.S. President William McKinley in 1901 was a key turning-point. Since 1901, with the exception of the Franklin Roosevelt era, and of the brief moments allowed to Franklin Roosevelt-admirer John Kennedy before he was killed, the United States has not had a Presidency reflecting the traditions of Lincoln.

As a result, during most of the 20th Century, the United States was unable to play its necessary role in world history. Had McKinley not been assassinated, the British Monarchy would never have been able to bring about World War I.

During almost all periods in history, popular masses and ruling elites alike, cling to their outworn ideas, to their long-disproven delusions, "as a dog returns to its vomit," as the saying goes. But when a great existential crisis, like the present one, combines with great leadership, which revolutionizes popular opinion rather than bowing to it, then populations can regain their lost reason and morality, and boldly turn away from a historical dead-end, like that which confronts us now.

At such moments, the innate goodness which each human being brings once more into the world, steps forward to become an active factor in history—indeed, the controlling factor over history.

Thus, where some sense a prospect too dismal to even consider, others see the greatest cause for hope. This is why Muriel Mirak-Weissbach opened the conference at which LaRouche spoke by saying that this is the best of all possible times to be alive, because the final collapse of the corrupt system is now happening. There is danger, of war, chaos, and conflicts, which can be seen around the world, but the demise of this old order is a unique opportunity. It is a revolutionary moment, she said.

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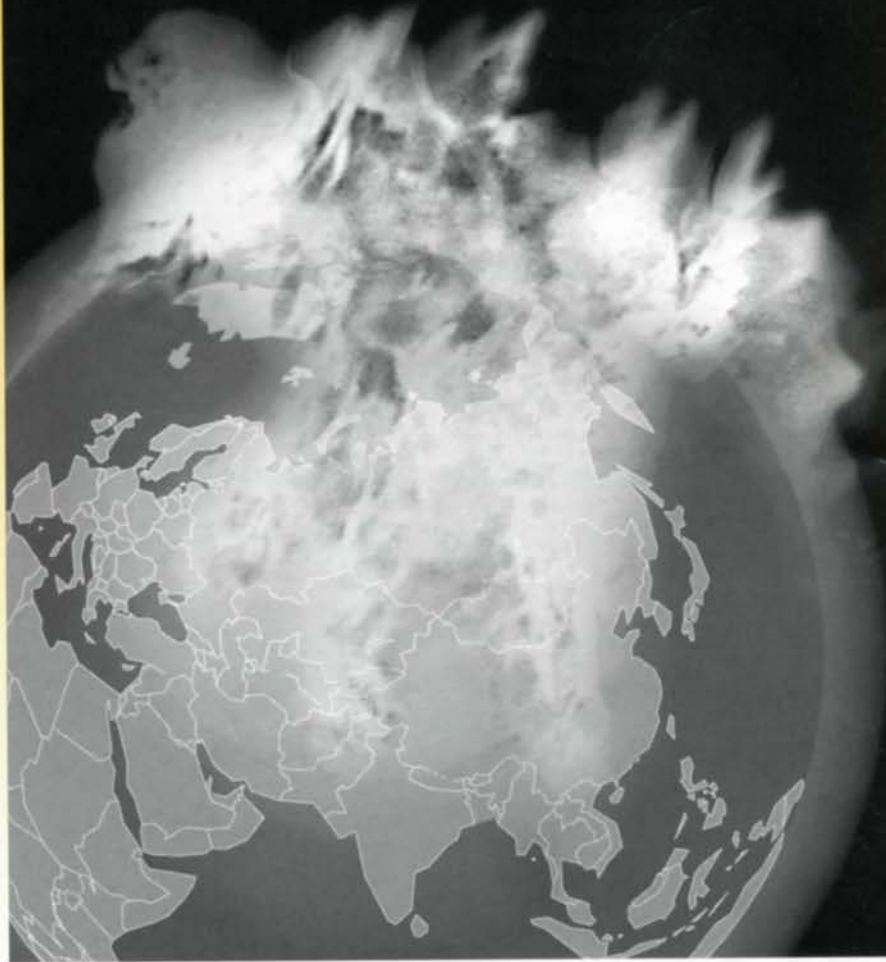
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