

British provocations

Many eyes are focussed now on the July return of Hongkong to Chinese rule, which will be governed as a Special Autonomous Region (S.A.R.). The British will do everything to try to create provocations in their former Crown Colony. In his speech to the U.S.-China Business Council, Minister Qian said, "The law in Hongkong will remain basically unchanged. . . . Hongkong will retain its status as a free port, a separate customs territory, and an international financial center. . . . The Hongkong dollar will continue to be used and peg on the U.S. dollar. The central government of China will not collect a single Hongkong dollar in taxes from Hongkong. The S.A.R. government will be composed entirely of local residents. Foreign economic interests in Hongkong will be protected. The people of Hongkong will enjoy a democracy as well as the press, freedom and human rights." Qian added, "Many such rights were beyond the reach of the Hongkong people under the British rule."

Taiwan still remains "the most sensitive issue" in the U.S.-China relationship," Qian noted. "To end the separation across the Taiwan Straits is the strong aspiration and unshakeable national will of the Chinese people, including the Taiwan compatriots." He tried to draw lessons from American history to explain the situation to his American audience. "The American people have gone through their own Civil War. You should be able to appreciate the Chinese people's firm desire for reunification and their resolve against national separation." It was Republican manipulations of the Taiwan issue that caused a serious break in U.S.-Chinese relations last fall.

Undoubtedly, the coming months will find the path laden with a good number of "bear traps," put there by the foes of the policy of engagement. But, if our political leaders, and particularly the President, view the perspective, as Qian urged in his talks with Albright, "with the foresight of statesmen," the "bear traps" can be avoided. Commenting on the recent ground-breaking agreements between Russia and China, which had been in the making for seven years and which the containment lobby attempted to describe as a new "Sino-Soviet threat," President Clinton noted the real stakes in this diplomacy. "If you look at, for example, the extent to which the politics of India have been dictated partly by the tensions of Russia and China in the past, how important India is—soon to become the largest country in the world, already with the largest middle class in the world—and how important our relationships with India will be, and then with Pakistan. . . . I think it's a very positive thing that they're talking and working together." The U.S. relationship to China is key for the development perspective of the entire Eurasian land-mass. If that strategic perspective is combined with a commitment to the establishment of the Eurasian Land-Bridge as laid out by statesman Lyndon LaRouche, it can be the determining factor in the shaping of the 21st century.

Brits are biggest foreign influence-buyers in U.S.

by Mark Sonnenblick

Did you hear that Chinese and Indonesian businessmen were buying political favors in Washington for their foreign interests? This has been the incessant message pushed by the media for the past several months. And, by focussing exclusively on what Americans have been indoctrinated to think of as "coolies" or the "yellow peril," the U.S. media cover up the fact that the overwhelming preponderance of foreign companies involved in purchasing political influence in the United States, are British Empire interests.

Working with data from the Center for Responsive Politics (CRP), *EIR* found that 13 out of the 21 largest foreign company donors to the two major parties represented the British Commonwealth; nine of them were from the United Kingdom itself. Three were Swiss, and one French. The only Asians were the Japanese firms Toyota and Sony. The Third World was represented only by *Petroleos de Venezuela* (Petroven) (see **Table 1**). The British were responsible for 79.4% of the total political largesse of big foreign contributors.

In most sovereign nations, it is illegal for foreign companies to have any involvement in that nation's domestic political process. In January of this year, the Library of Congress Congressional Research Service issued "Foreign Money and American Elections; The Law and Current Issues," a report which states: "Section 441e of the FECA [Federal Election Campaign Act] prohibits contributions by foreign nationals in connection with any election."

However, in the one-worldist spirit of international globaloney, the U.S. Federal Election Commission (FEC) has opened loopholes for U.S. subsidiaries of foreign companies, permitting them to give unlimited amounts of money to parties. All they have to do is demonstrate that the money did not come from the parent company, and that foreign nationals did not participate in any decisions related to the contributions. That loophole differentiates these "legal" meddlers from the South Korean Cheong Am America (whose \$250,000 was returned by the Democratic National Committee), because its subsidiary was not yet fully operational.

The rule against foreigners backing candidates has never been enforced against British Empire companies. Perhaps because of their increasing domination of U.S. news media and

TABLE 1

British Empire companies give most soft money to U.S. elections

(thousands \$ donated)

Contributor	Total	Democrats	Republicans	Country	Foreign parent
Joseph E. Seagram*	\$1,939	\$1,262	\$677	Canada	Seagram Co.
News Corp.*	675	20	655	Australia	News Corp.
Brown & Williamson Tobacco	643	8	635	United Kingdom	BAT Industries
Glaxo Wellcome Inc.*	510	47	464	United Kingdom	Glaxo Wellcome
CS First Boston Corp.*	297	110	187	Switzerland	CS Holding
BP America*	275	57	218	United Kingdom	British Petroleum
Sony Corp.*	207	102	105	Japan	Sony Corp.
Toyota Motor Sales USA	188	76	113	Japan	Toyota Motor
Citgo Petroleum	188	91	97	Venezuela	Petroven
Zeneca Inc.	185	72	113	United Kingdom	Zeneca Group
Northern Telecom	178	55	123	Canada	BCE Inc.
Great-West Life	156	1	155	Canada	Great-West Life
Sandoz*	155	34	122	Switzerland	Sandoz
ICI Americas	142	54	88	United Kingdom	Imperial Chemical Industries
SmithKline Beecham	131	46	85	United Kingdom	SmithKline Beecham
Gleacher & Co.	130	75	55	United Kingdom	NatWest Group
Ciba-Geigy Corp.	112	23	89	Switzerland	Ciba-Geigy
Genentech Inc.	93	56	36	Switzerland	Roche Holdings
Equitable Companies*	86	55	31	France	AXA S.A.
Hard Rock America	80	80	0	United Kingdom	Rank Organization
Cable & Wireless	75	55	20	United Kingdom	Cable & Wireless

Source: Center for Responsive Politics, based on Federal Election Commission data for 1995-96 contributions to national party organs.

*Includes more than one contributor affiliated with the company.

The CRP methodology did not catch such London-based scoundrels as Soros Fund Management, which gave \$250,000 to Republicans, and Sotheby Holdings Inc., which gave \$193,241 to Republicans. Neither gave to Democrats. Sotheby is famous for the discretion with which it auctions collectors items and moves money for the international oligarchy.

culture, they are not seen as threat to U.S. national interests. Outside of *EIR* readers, it is not widely appreciated that the Queen, with advice from Her Majesty's Privy Council, decides all fundamental questions affecting the Commonwealth, and that Commonwealth corporations implement that strategic policy. Is one to imagine that world-scale dirty-money powerhouses such as the Australian Rupert Murdoch, the Canadian Edgar Bronfman, and Canada's most powerful businessman, Paul Desmarais, had no say in the political generosity of their U.S. subsidiaries? Let us look at who these people are.

British Empire political strongmen

The Bronfmans: *EIR*'s bestseller *Dope, Inc.* described the Canadian Bronfman family's history as opium-traffickers and scotch-runners. "Their control of the liquor flow [by decision of His Majesty] during Prohibition U.S.A. gave the Bronfmans life-and-death control over American crime. Refusing to play ball with the Bronfman gang usually spelled

death." They have continued to swing their Canadian club for Crown interests in the United States, Israel, East Germany, and in the world Jewish community. The Bronfmans operate in American electoral politics largely via their Seagrams, Inc. and MCA, Inc.

Paul Desmarais, Sr.: The Great-West Life & Annuity Insurance Co., which has the most extreme tilt toward the Republicans (see Table 1), is the small U.S. part of the corporate empire of Paul Desmarais, Sr., the richest man in Canada. Desmarais is a member of Her Majesty's Privy Council, the elite body which runs the British Commonwealth.

For two decades, Canadian prime ministers from every party have been his lackeys. In the words of author Mel Hurtig, "Paul Desmarais provided much of the money for Pierre Trudeau's campaign, Brian Mulroney's campaign, and Jean Chrétien's campaign." All were his former employees. His son André is married to Chrétien's daughter. Desmarais sits with George Bush on the Barrick Gold advisory board. An official of Great-West told *EIR* that it is engaged in an

TABLE 2

Foreign PAC money 1995-96

(thousands \$)

Company	Country	To Democrats	To Republicans
Glaxo	U.K.	71	330
Brown & Williamson	U.K.	72	309
Hoffman-LaRoche	Switzerland	72	149
Seagram/MCA	Canada	121	127
CS First Boston	Switzerland	64	147
Hoechst	Germany	51	111
Zenica, Inc.	U.K.	31	110
Ciba-Geigy	Switzerland	30	103
SmithKline Beecham	U.K.	38	94
Pillsbury/Heublein	U.K. (Grand Metro)	59	65
Shell Oil	Netherlands/U.K.	12	101
Bayer	Germany	18	86

Source: FEC data as processed by CRP and *EIR*.

aggressive drive to obtain state approval for its One Health Plan to become one of the largest health maintenance organizations in the United States. It boasts of cost-cutting through restricting use of "costly diagnoses."

Rupert Murdoch: The News Corporation owns the London *Times* and 80 other newspapers, plus Fox TV. When Australian-American Murdoch's London-based company went bankrupt in 1991, Citibank, then subject to Federal Reserve Board intervention, provided a bailout on its \$7.6 billion debt. Murdoch is attempting to grab a large portion of the U.S. cable TV market, but he must first get the U.S. Congress to relax the laws limiting foreign domination of American broadcast media.

Most money went to the Republicans

Did most big-buck foreign "soft money" contributions go to the Democratic National Committee? No, the 13 British Empire companies of the top 21 gave 64.3% of their money to Republicans. If the Bronfmans are excluded, 82% of the big British money went to Republicans. The non-Brits gave 59.1% of their "soft" money to Republicans.

A similar pattern emerges when looking at the data for "hard money," the contributions of individuals to candidates, which are subject to tighter FEC limitations. The FEC law encourages interest groups to form political action committees (PACs) to channel funds contributed by individuals to favored candidates. The PACs of foreign-run companies enjoy the same rights as American ones, except that foreign nationals are not allowed to make decisions for the PACs. Although the money for corporate PACs comes from employees, most of the money goes, invariably, to candidates favored

by company management. Again, there is no sign of enforcement in regard to British Commonwealth powerbrokers.

The PACs of the dozen foreign companies giving more than \$100,000 to Congressional and Presidential candidates in 1995-96 are listed in **Table 2**. Once again, half are British or Canadian. And, once again, most of the money goes to Republicans. If direct individual contributions by their employees were included, each of these quantities would be two to three times bigger, according to the CRP.

There has been no scandal in the American media over non-Asian foreign influence-buying in American elections. In fact, the CRP reports little interest even from the half-dozen other Naderite organizations fighting for campaign finance reform. The only significant published item was in the *New York Times*, which used the CRP data (without attribution) to show that Republicans were bigger beneficiaries of foreign money. The *Times*, of course, did not mention British domination.

One might also ask why Chinese investments in the United States are considered a bigger security threat than Commonwealth ones? As of the end of 1995, China had only \$404 million invested in the United States, while the British Empire had \$198 billion invested, almost 500 times more. Perhaps the increasingly pervasive British control over American media has blinded us.

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