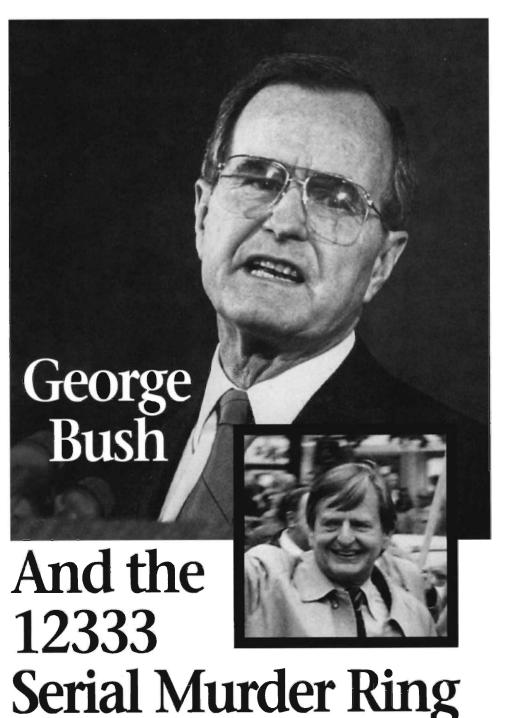


Never again! Stop London's Africa holocaust Cultural foundations of a new economic order D-8 leaders vow to eradicate poverty

A Swift tour of the Pentagon: strategy vs. 'unscience fiction'





Growing numbers of the cronies of George Bush's orgy of worldwide drug- and weapons-trafficking, not-so-secret wars, and just plain murder are pointing bloody fingers at each other, and also at their former masters. A case in point: the murder of Sweden's Olof Palme.

88 pages \$100

Order #EIR 96-005

EIRNews Service P.O. Box 17390 Washington, D.C. 20041-0390

Order from:

**FOREWORD** 

George Bush and the 'Ibykus' principle, by Lyndon LaRouche

Chapter 1

New revelations tie Palme murder to Bush, Thatcherlinked arms cartel

Chapter 2

John Train: Wall Street's man in Bush's secret government

Chapter 3

The Olof Palme assassination and coverup, revisited

Case studies: The LaRouche case and the Palme assassination. The Club of the Isles and the international weapons cartel. Schalck-Golodkowski and 'destructive engagement.'

# Chapter 4 The death toll rises

Uwe Barschel. André Cools and Gerald Bull; Rajiv Gandhi. Yitzhak Rabin. Cyrus Hashemi. Some other strange deaths.

Chapter 5
'Paris Review' goes to Kabul
CHRONOLOGY
Bush-Thatcher 'secret
government' operations:
1979-96

### ALSO AVAILABLE:

"Would A President Bob Dole Prosecute Drug Super-Kingpin George Bush?"

This EIR Special Report documents the ongoing war between U.S. President Bill Clinton and the Queen's Own Republican Party of 1980s drug super-kingpin George Bush.

126 pages, \$100. Order #EIR 96-003

Founder and Contributing Editor: Lyndon H. LaRouche, Jr.

Editorial Board: Melvin Klenetsky, Lyndon H. LaRouche, Jr., Antony Papert, Gerald Rose, Dennis Small, Edward Spannaus, Nancy Spannaus, Jeffrey Steinberg, Webster Tarpley, William Wertz.

Associate Editor: Susan Welsh Managing Editors: John Sigerson,

Ronald Kokinda

Science Editor: Marjorie Mazel Hecht Special Projects: Mark Burdman Book Editor: Katherine Notley Advertising Director: Marsha Freeman Circulation Manager: Stanley Ezrol

INTELLIGENCE DIRECTORS:

Asia and Africa: Linda de Hoyos Counterintelligence: Jeffrey Steinberg, Paul Goldstein Economics: Marcia Merry Baker,

William Engdahl History: Anton Chaitkin

Ibero-America: Robyn Quijano, Dennis Small

Law: Edward Spannaus Russia and Eastern Europe: Rachel Douglas, Konstantin George United States: Kathleen Klenetsky

### INTERNATIONAL BUREAUS:

Bogotá: José Restrepo

Bonn: George Gregory, Rainer Apel Buenos Aires: Gerardo Terán Caracas: David Ramonet Copenhagen: Poul Rasmussen Houston: Harley Schlanger Lima: Sara Madueño Mexico City: Hugo López Ochoa Milan: Leonardo Servadio

New Delhi: Susan Maitra Paris: Christine Bierre Rio de Janeiro: Silvia Palacios Stockholm: Michael Ericson Washington, D.C.: William Jones Wiesbaden: Göran Haglund

EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451. World Wide Web site: http://www.larouchepub.come-mail: eirns@larouchepub.com

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Otto von Guericke Ring 3, D-65205 Wiesbaden, Federal Republic of Germany Tel: (6122) 9160. Homepage: http://www.eirna.com E-mail: eirna@eirna.com Executive Directors: Anno Hellenbroich, Michael Liebig

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

*In Mexico:* EIR, Río Tiber No. 87, 50 piso. Colonia Cuauhtémoc. México, DF, CP 06500. Tel: 208-3016 y 533-26-43.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

Copyright © 1997 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Periodicals postage paid at Washington D.C., and at an additional mailing offices.

Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

**Postmaster:** Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.



# From the Associate Editor

General George Patton, Jr., the commander of the American Third Army during World War II, when his troops liberated the remaining living inmates at the Buchenwald concentration camp in April 1945, vowed that "never again," would the world's nations allow such crimes against humanity to be committed, as were committed by the Nazis.

Patton would not have stood idly by and watched the genocide that is continuing, even now, in Zaire. He defied British obstructions to serious war-fighting, and slammed his troops across Europe with a single-minded determination to defeat the enemy. As Patton wrote in his memoirs, the commander must be guided by two principles: "In war nothing is impossible, provided you use audacity," and "Do not take counsel of your fears." If these principles are adhered to, he wrote, "with American troops victory is certain."

The issues of strategy involved in applying such principles to the political situation in the world today, are taken up in the two principal features in this week's issue.

Lyndon H. LaRouche, Jr., in "A Swift Tour of the Pentagon: Strategy vs. 'Unscience Fiction,' " counterposes the Traditionalists in the American military—of which Patton and Gen. Douglas MacArthur are examples—to the Utopians, such as Robert S. McNamara and Caspar Weinberger. As a result of the ascendancy of the Utopians, LaRouche writes, "today, the U.S. military has no visible strategy worth the name." In order to understand the disorientation pervading the Pentagon hierarchy, it is necessary to analyze the issues that separated General MacArthur from the Anglophile Harry Truman, protégé of the Averell Harriman bankers' cabal.

Complementing this analysis, is the speech by LaRouche's wife, Helga Zepp LaRouche, delivered in New York City on May 29 (see *Feature*). Starting with the need for immediate action to save Africa—"Never again!"—she proceeds to show what the cultural preconditions are for a global economic reconstruction program. Instead of the bankrupt free-market policies of "outsourcing" and "globalization," we need to develop the "Machine-Tool Principle"; we need a new Bretton Woods Conference; and, we of the West need to join with China, the new Developing-8 group, and other nations, in building the Eurasian Land-Bridge.

Susan Welsh

# **E**IRContents

# **Departments**

### 15 Australia Dossier

Australian miners invade Africa.

### 72 Editorial

Strange bedfellows, indeed.

### Photo and graphics credits:

Cover, page 61, New Federalist.
Page 8, WFP/Tom Haskell. Pages
11-13, 35, EIRNS/John Sigerson.
Page 11, EIRNS/Martha Rosen.
Pages 19, Schiller Institute. Page
21, U.S. Army. Page 24 (Schiller and Goethe), EIRNS/Ulrike Lillge.
Page 27, UNICEF/HQ89-0052/
Gilles Vauclair. Page 36, 45, 46
(McNamara), EIRNS/Stuart Lewis.
Page 43 (Pentagon), Department of Defense/Eddie McCrossan. Page
44, EIRNS. Page 46 (Russell),
Library of Congress Prints and
Photographs Division.

Correction: In *EIR* of June 13, readers may have been surprised to learn that "everybody now agrees that the chemical formula for water is H→O" (" 'Core Curriculum' for Schools, But What Kind?," p. 65). The error was not that of E.D. Hirsch, Jr., whose book was being quoted, but was rather a "glitch" on the part of a computer that has not attained the cognitive level of even the Enlightenment, much less the Renaissance.

# **Military Policy**



George "Thyroid Storm" Bush.

# 42 A Swift tour of the Pentagon: strategy vs. 'unscience fiction'

By Lyndon H. LaRouche, Jr. In order to understand the bankruptcy of U.S. military policy today, and to replace it with a true, civilized notion of strategy, it is necessary to go back to the 1982-86 factional debates over the Strategic Defense Initiative. These debates were a reflection of the traditional controversy, between the patriotic and Tory-Anglophile currents within our conflicted nation.

# **Economics**

# 4 Amsterdam summit leaves EU economic debate wide open

The two opposite positions taken by France's Prime Minister Jospin and Germany's Chancellor Kohl, are indicative that the debate over economic priorities is continuing in Europe, even if the government of Germany prefers not to take public notice of that fact.

# **6 Currency Rates**

# 7 North Korea famine: an expression of the world's economic, moral crisis

With food stocks having run out on June 20, North Korea's 24 million people face immediate death by starvation.

# 9 Helga Zepp LaRouche appeals to Clinton, Group of Eight

# 10 Official unemployment rate is an attempt to hide economic collapse

"The best of all possible economies keeps rolling along," says Merrill Lynch's chief economist, citing the latest unemployment statistics. But, using U.S. Bureau of Labor Statistics data, *EIR* calculates that America's real unemployment rate is from 2.5 to 4 times the official rate.

### 16 Business Briefs

# **Feature**

# 18 The cultural basis for a new world economic order

The transcript of Helga Zepp LaRouche's presentation to a New York seminar, on "The Machine-Tool Principle: The Key to Global Economic Reconstruction," where she stressed that Lyndon LaRouche's concept of the kind of universal education needed to produce the most advanced technology, is the key for building the Eurasian Land-Bridge.

# International

# 30 D-8 defines new agenda for international relations

The first summit of the Developing-8 countries—Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, and Turkey—harkens to the best days of the Non-Aligned Movement, when economic and political cooperation among sovereign countries was more important than today's dog-eat-dog free trade blocs.

**Documentation:** The draft declaration issued by the D-8 summit.

# 34 Soros minerals grab behind Peru-Ecuador border conflict

Without so much as the cover of an endangered species, Conservation International proposed a "nature park" in the mineral-rich, disputed border area, which George Soros's mining companies were eagerly eyeing.

# 39 Colombia surrenders sovereignty for hostages

In exchange for military hostages, the narco-terrorist FARC has been ceded 5,000 square miles by Colombia's narco-President Samper.

# 40 International Intelligence

# **National**

# 60 'Never again': the battle cry to halt African genocide

With the release of *EIR*'s latest Special Report, "Never Again! London's Genocide Against Africans," Americans have a powerful weapon in their hands for the good. "The only hope," said Lyndon LaRouche, "is to turn this horror into a lesson."

# 62 'Hero' Kabila saves the white rhino

### 63 FBI dirty tricks used vs. LaRouche movement

The plaintiffs' discovery request in the 22-year-old suit by LaRouche and associates against the FBI, seeks to obtain some 25,000 pages of still-secret FBI files.

# 66 Iranian-American arms dealer fears death in London

Mohammad Hashemi is confronting a U.S.-British effort to prevent him from returning to the United States for heart surgery, because he knows too much about George Bush's 1981 "October Surprise."

### **68 Congressional Closeup**

### **70 National News**

# **EXECONOMICS**

# Amsterdam summit leaves EU economic debate wide open

by Rainer Apel

The European Union summit in Amsterdam on June 16-17, which was to ratify the timetable for the much-ballyhooed "single currency," was characterized by the counterposition of the German government's avidness for penny-pinching, and the eagerness of the new French government to seriously address the rising unemployment throughout Europe. The two documents on employment that came out of the summit, which envisioned a more active role of the 15 member governments and of the European Investment Bank (EIB) in turning the tide of joblessness, were an ultimately foul compromise, with formulations left so vague that governments can interpret their mandate any way they choose. Bonn, of course, interprets the Amsterdam documents as "non-binding" and "requiring no additional money." The Germans take the stand that the EIB will operate within its given funding, and spend no extra money for employment programs.

As far as Bonn is concerned, the other document, on the monetary Stability Pact, is the most important result of the Amsterdam summit.

The French government, under its new, Socialist Prime Minister Lionel Jospin, is convinced that the Amsterdam documents leave room for additional funding of labor market incentives, and that the door has been opened for economic alternatives to the hitherto predominantly monetarist outlook of the EU, that a mandate has been passed for an effective strategy to combat unemployment, which has left close to 20 million Europeans without work. The view from Paris is that the commitment to foster employment is at least as important for Europe, as the one for monetary stability.

The two opposite positions in Bonn and Paris are indicative that the debate over economic priorities is continuing in Europe, even if the government of German Chancellor Helmut Kohl prefers not to take public notice of that fact. The intensity of the renewed debate was highlighted by the summit between Kohl and Jospin in Poitiers, France, on June 13.

There, Jospin presented the German chancellor with a proposal to revive the original Delors Plan of 1993 as the centerpiece of the war against mass unemployment, leaving the Christian Democratic chancellor highly embarrassed. A report on Poitiers in the June 14 *International Herald Tribune* described their confrontation, and other sources have corroborated the report. The *Tribune* wrote that the new French government "was reported to be seeking some kind of measure that would reactivate a [European] Community decision made in 1994 at a summit meeting in Essen, Germany, that provided a framework for vast Europe-wide infrastructure projects."

"At a news conference, Mr. Jospin made indirect reference to the projects, and a French aide said later that they were included in a package of proposals Mr. Kohl said he had received from Paris last night. But the chancellor seemed to brush the public works idea away. 'I don't think much of the idea to spend money twice that we don't even have once,' "the *Tribune* reported.

With that stubborn position, the chancellor and his government marched into Amsterdam three days later. Now, the other EU governments - most of them like Britain's, socialist-led monetarists - share the monetarism of the budgetminded Germans, which explains the weak commitment of the summiteers to increasing employment. The French could not have squeezed more concessions than they did, given the circumstances. But, time is working in favor of the French position, to allocate more funding and effort to fight unemployment, via great projects that create many new jobs at one time. In Poitiers, Jospin made clear to Kohl that he, Jospin, is in the stronger position: Jospin, after all, has just won a landslide election, whereas Kohl cannot be sure he can win reelection in September 1998, and it is not even a given that his Christian Democratic Union will nominate him to run for chancellor again. Kohl's European policies have come under strong at-

4 Economics EIR June 27, 1997

tack from inside his CDU, and even more so from inside the CDU's strong Bayarian wing, the Christian Social Union.

Therefore, if Kohl and the other EU heads of government who do not agree with Jospin, are rejoicing over the fact that they could force a postponement in the debate about unemployment and project-funding, until the autumn, when a special employment summit is scheduled, it is a pyrrhic victory. A few weeks from now, unemployment throughout the European Union will far exceed the current 20 million, sparking renewed social-political turmoil in Europe, even without a banking crash. There will be new mass protests against budget austerity, there will be new strike waves, there will be much more openness to new concepts for economic and financial strategies. The new openings in France are already having an effect beyond its borders: In the German labor movement, there is again interest in the almost-buried, original Delors Plan of 1993 for public infrastructure development projects, that could create 15 million new jobs. There is also an open letter by 331 economists from throughout Europe, which endorses a revival of the Delors Plan, that has been covered in some of the leading dailies in EU member-nations.

# Who is 'against' and who is 'for'?

And, in a most spectacular development in France, the Bâtiments Travaux Publics (BTP), the umbrella organization of some 6,000 French firms engaged in public sector projects, placed a front-page ad in the Paris daily *Le Monde* on June 17. Entitled, "Against or For," the ad lists under large type: "They were 'against,' " referring to the Greens and others who agitated against major projects, including new highways, the TGV high-speed rail line from Paris to Lyons, nuclear power plants, and certain airports. Under similar large type, "They are 'for,' " it enumerates the "16 million people who drive the superhighway of the sun, the 20 million who take the Paris-Lyons TGV, the 48 million who utilize nuclear electricity, and the 91 million who use the airports."

The ad says: "Who wants, therefore, to stop the development of infrastructure projects that generate social progress and jobs? . . . Surely not the 60 million users of these projects . . . surely not the 3 million wage-earners of the BTP nexus and their families."

Such a full-page ad is truly unusual, and it also sends a warning to the minority Green party, Jospin's coalition partner, not to try to sabotage (the way their Green party colleagues in Germany do) any efficient policy for the creation of new jobs in the public works sector. Against the background of this promising development, one can be optimistic that by late autumn, when the EU governments hold their meeting on unemployment, a political environment will be there to promote better policies.

It is very important, for the Europeans, not to get bogged down within the narrow confines of the resolutions and programs that have already been passed. None of these programs can achieve anything, and all of them are badly underfunded. This is also the main reason that, even with the best of inten-

tions, the Amsterdam documents cannot achieve anything, because they will not receive any funding. The EIB, which the Amsterdam summit mandated to work out increased activities against unemployment, depends on allocations by the EU finance ministers, who have, in past years, only slowed down and/or killed any such programs.

### New credit institutions needed

What Europe needs, is a return to the spirit of 1989, of the optimism which brought down the Iron Curtain, and, for the first time since the end of World War II, presented all of Europe with the challenge and opportunity to begin with an ambitious crash program for economic reconstruction. As postwar Europe had the Marshall Plan and the specific banking institutions that were built around it, like the German Reconstruction Bank (founded in 1948) to generate productive credits for rebuilding Europe's industry, the Europe of today needs new banking institutions to provide credits for great projects that offer the potential of creating jobs for Europe's 20 million unemployed.

Putting to one side, for the moment, the distraction of the insane British adventure of the 1990-91 Gulf War against Iraq, the broad, international campaign that was built around the 1989 proposal by Lyndon H. LaRouche for a mobilization of the European industry through a "Paris-Berlin-Vienna Productive Triangle" had an immense impact for two to three

For previews and information on LaRouche publications:

# Visit EIR's Internet Website!

- Highlights of current issues of EIR
- · Pieces by Lyndon LaRouche
- Every week: transcript of the latest **EIR Talks** radio interview with LaRouche.

http://www.larouchepub.com

e-mail: larouche@larouchepub.com

EIR June 27, 1997 Economics 5

years. LaRouche's call for transcontinental rail, road, energy, and urban development projects that could create millions of new jobs, was in the hands of every influential political, economic, and scientific institution of Europe, in the hands of labor union and party leaders, industrial managers, and even bankers.

The impact was such that, in 1992, after the end of the Gulf War and the opening bloody phases of the Balkans war, a group of experts around Jacques Delors, then president of the European Commission in Brussels, began working on a design for a Europe-wide program for infrastructure development. In the summer of 1993, the basic outlines of the design, which was called "The Delors White Paper," were presented to the EU governments, and they contained a bombshell: In addition to the 26 top-priority projects, and another 28 that were given lower priority - which were a provocation to the European elites in themselves—the Delors White Paper included a proposal for the creation of a state-guaranteed credit facility that would be empowered to collect the capital for the projects. This aimed at long-term, low-interest loans, that would break the credit blockade imposed by a private banking sector fixated on short-term profits, and by the penny-pinchers among the government bureaucrats obsessed with balancing their budgets.

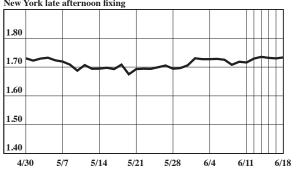
That was the Delors Plan of 1993, the closest approximation of LaRouche's "Productive Triangle," and it suffered the same fate — unceremoniously rejected by the European elites. Instead, the June 1994 EU summit in Edinburgh passed a mandate for a toothless new institution, called the European Investment Fund (EIF), based in Luxembourg, which had no power to make loans, but could only sign guarantees for loans from "somewhere else, preferably, the private banking sector." To date, the EIF has guaranteed loans in the range of 1.7 billion European Currency Units (roughly \$2 billion) for EU infrastructure projects that require at least 50 times that much.

It is very important, therefore, to see the new Jospin government making repeated references to the "original Delors Plan of 1993." Jospin called for its revival, as did French Budget Minister Christian Sautter and European Affairs Minister Pierre Moscovici; and, it is worth noting that Jospin's chief of cabinet, Jean-Pierre Jouyet, used to be deputy chief of cabinet for Delors at the time the Delors Plan of 1993 was worked out. Immediately after the Amsterdam summit, while the other governments were patting themselves on the back that "the French had been not so wild, actually," Moscovici issued a statement that the documents signed at that summit still had to be ratified by the national parliaments, and were not certain to get the approval of the people—the French, especially.

For reasons that are only too understandable, Moscovici's remarks stirred up quite some discomfort on "the other side." The other 14 EU governments are still playing with their old hand, long after a new deck has been shuffled and dealt - and more cards will be added, between now and the autumn.

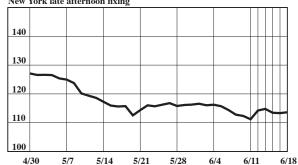
# **Currency Rates**





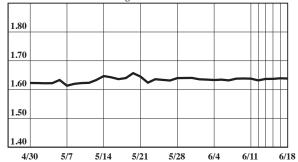
# The dollar in yen

New York late afternoon fixing



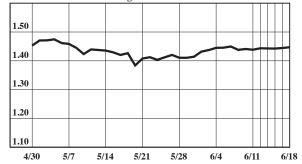
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



**Economics** EIR June 27, 1997

# North Korea famine: an expression of the world's economic, moral crisis

# by Rosa Tennenbaum

Right now, we see the exact scenario unfolding which Lyndon LaRouche had warned of already 20 years ago: If a comprehensive solution to the worldwide economic crisis and the world financial system did not occur in time, the world would be plunged into a New Dark Age, in which, in the worst case, the means of survival would be available for only several hundred million people.

Central Africa and North Korea are only the most prominent points in the current crisis. The situation in large parts of the world—for instance, throughout all of central and eastern Europe, and in Russia—is very similar, even if we, in the West, are not shown such astounding footage with every evening's television news.

In North Korea, we are faced with a unique situation. In that country, the whole population of 24 million people are suffering malnutrition. Usually, famines will announce themselves via early warning signs: In the poorer strata of society, you see more and more people with bloated stomachs and reddened hair, the typical signs of protein deficiency, while the upper classes hoard the dwindling stocks of foodstuffs for their own consumption.

It is different in North Korea. Here, a communist regime produced equal poverty. Here, people are going hungry "slowly and in common," as Rolf Huss of the World Food Program (WFP) said. "You could term it a socialist famine; all available food is being distributed to the totality of the population. . . . If you start to notice the signs of serious malnutrition, it will be too late to do anything," Huss said in May, after returning from a visit to North Korea.

# The worst famine of our century

Even under normal conditions, North Korea cannot feed itself: Only 21% of the land area can be used for agriculture, and the climate allows only one harvest a year. The whole northern portion of the country is rocky: Nothing at all can be planted there. In large parts of the southern regions, where crops can be grown, the cropland has been devastated over the past two years, when hail, in 1995, and huge floods in 1995 and 1996, destroyed the crops just two months before the harvest. Last year alone, 30,000 hectares (75,000 acres) of farmland were washed away in flooding. Fields are covered with mud, and the irrigation canal system was destroyed. Before any planting can start again, the fields have to be restored and prepared—a costly and time-consuming undertaking.

Due to the destruction, grain harvests dropped to 2.5 million tons. But the country needs 4.8 million tons for human consumption and an additional 3 million tons for feed. Even before the natural disasters, the collapse of the Soviet Union brought about great difficulties for North Korean food supplies. Until the beginning of the 1990s, the socialist brother country delivered grain, on very favorable terms.

In the following years, China helped out, but only to a certain degree. Although China has to import grain itself, it nevertheless delivered around 500,000 tons of grain annually to its needy neighbor. But, last year, the grain delivery from China was down to 150,000 tons.

Two years ago, the government in Pyongyang asked the world community for help: In July 1995, the first call for aid went out, which has been regularly repeated since then — with little success. Individual food rations had to be cut regularly, and since the beginning of this year, they have been down to between 100 and 200 grams of food per person per day. You cannot live on that; the absolute minimum a human being needs, is 450 grams per day. In the United Nations refugee camps, the ration is 650 grams.

In five of the ten governmental districts, the food distribution centers had to close down during May, because there was no longer anything to distribute. Since June 20, all food stocks are gone. Hungry people are being told, that from now on, they have to "fend for themselves."

They "fend for" themselves by stretching the few eatable things they can get. First, you take everything that can be cooked: roots, leaves, fruits of any kind. This has no nutritional content, but it gives you the feeling of having eaten. Then, you start to eat ground tree bark—and then you die, because humans cannot digest bark, which causes internal bleeding. The people in North Korea have already been driven to that recourse some time ago.

Visitors report that bakeries, for instance, stretch out the flour with very fine ground bark. Cattle can no longer be seen. In addition, the country suffers from a complete lack of fuel. Factories have stopped operating, and where work is still going on, often soldiers are on duty, because the workers have become too debilitated to work. The same is true for the state farms, many of which had to be taken over by the army.

We are already at the point where one speaks of the worst famine of our century. This means something, because our century has no lack of awful famines. But never before, has a

EIR June 27, 1997 Economics 7



Workers in Pyongsan County, North Korea receive food in exchange for clearing fields damaged by floods. North Korean agriculture has been hit by disasters, including severe flooding. One-fifth of the country's 23 million people face immediate starvation or malnutrition.

whole people been threatened by starvation. International aid organizations cannot handle such catastrophies. They are prepared to assist clearly defined layers of the population, like the elderly, invalid, ill, and children, or to supply the population in a certain area for a certain time. They cannot help a population of a whole country with 24 million inhabitants. This surpasses their experience by far.

Nevertheless, aid organizations like the World Food Program are pressing hard for aid internationally. The WFP aims at getting together 200,000 tons of food, which they want to distribute mainly to kindergartens and schools. Other nongovernmental organizations could come up with an additional 100,000 tons.

## Government-to-government aid needed

In total, the country needs a minimum of 1.8 million tons of food from foreign sources this year, beginning now. If food rations are to be raised to the minimum level of 450 grams per day per person, the food deficit until autumn, when the next harvest will begin in September and October, is 1 million tons. The next harvest of paddy rice and corn will reach a maximum of 4 million tons, according to "most optimistic estimates," a joint press release from the UN's Food and Agriculture Organization and World Food Program stated on June 4. "This is far below the need of the coming months," they said.

Since June 20, the country has totally run out of food. Some 2.6 million children under the age of six are threatened with starvation this year. The WFP is demanding that at least 1 million tons of food be made available by foreign governments. The WFP and the FAO have made an urgent appeal to governments to provide aid directly. The United States, Canada, the European Union, Australia, and others should

# Helga Zepp LaRouche appeals to Clinton, Group of Eight

On June 16, Helga Zepp LaRouche, founder of the Schiller Institute, gave two press conferences in Los Angeles—one in Koreatown, one in Chinatown—at which she issued an urgent appeal to President Clinton to take immediate action to prevent an imminent catastrophe from occurring in North Korea. Citing reports from relief experts, she warned that North Korea would run out of food by June 20, unless immediate action were taken. More than half the population, including 2.6 million children under six years old, face starvation in the weeks ahead. "To say that these children represent some kind of military threat is absurd," she said.

In her appeal, Mrs. LaRouche said that emergency food aid could be transported quickly to North Korea from Japan, Australia, and Thailand. Japan, with 2 million tons of rice in its strategic reserves, could be given an assurance from President Clinton and other heads of state at the June 20-22 G-8 summit in Denver, Colorado, that food reserves in Japan will be replenished from stocks from their nations. "Any delay would be criminal," she said. "The line that there is no significant famine, or that aiding North Korea will only help the military—this is morally unacceptable, it is criminal. It must arrive within days; if it takes weeks, that will be too late."

Mrs. LaRouche added that a necessary part of mobiliz-

8 Economics EIR June 27, 1997

deliver large amounts of food directly to the state distribution system. This network has 2,000 food distribution centers, and a system of food ration coupons, and, according to all accounts by aid visitors, it is functioning well and smoothly, and could do the job of reversing the debilitation, malnutrition, and death rate as rapidly as possible.

# **Politicizing famine**

Up to now, international response has been limited. "It is very difficult to get aid for this country, because the crisis was turned into a political issue," said Käthi Zellweger, the director of the Catholic Church organization, Caritas. This is more than true. Political circles around former British Prime Minister Margaret Thatcher and former U.S. President George Bush want to isolate North Korea and to exploit the crisis for their plans to destabilize China. A war in Asia would be very helpful for their intentions to contain China and destroy the European Land-Bridge project. The Thatcher-Bush crowd have managed to block any significant aid for many months, using the argument that food assistance would only help maintain the "Stone Age Communists" in Pyongyang in power.

The crisis in North Korea marks a moral crossroad: If the world community will not come up with sufficient food aid rapidly, the people of North Korea will perish. And with it, human civilization will go under. A human society that allows such unspeakable atrocities to happen while watching it on TV from their easy chairs, has lost its moral fitness to survive. In this case, the North Korean crisis will be just the prelude for a worldwide descent into the maelstrom, at the end of which only some hundreds of millions of people may remain.

Right now, the exact opposite of such a horrifying picture could easily become as true. If we mobilize our dormant resources in industry and agriculture to solve a breakdown crisis like that in North Korea, if we replace today's policies of looting, with economic reconstruction and expansion, we lay the foudations to nourish, clothe, and house a constantly growing world population—in short, to grant a human existence to every human being. The beginning of such a turn is already under way with the Eurasian Land-Bridge, the huge infrastructure program in which the great economic powers like the U.S.A. and the European Union, finally have to become a part.

ing food for North Korea, is getting rid of the World Trade Organization, whose policies are destroying food production on behalf of the commodities cartels. She briefed the reporters and local leaders present, on the Korea crisis in the context of the financial disintegration facing the entire world, stressing that it is essential for the United States to convoke a new New Bretton Woods conference, at which nation-building financial reorganization plans can be laid. She reported on the role of the Eurasian Land-Bridge in its fullest conception, as a crash program for global development.

Her briefing in Koreatown was moderated by Simon Lim of the Korea Study Group, and head of the Koreatown Schiller Institute. Many local business and Chamber of Commerce leaders pledged to work immediately on moving the United States to act on North Korea food relief. Lim stressed that the United States is the leader of the world, and that there will be no aid on the level necessary without the United States. Moreover, if the United States moves to provide aid, and to back the Eurasian Land-Bridge, it will be the basis for economic development and peace.

# 'Plan of Action' issued

The Schiller Institute released a "Plan of Action" on June 12, specifying how to move 1.8 million tons of food aid for delivery to North Korea; and how food emergencies must be met in Central Africa, eastern Europe, and all other points of need, with no "trade-offs":

"The World Trade Organization provisions that went into effect Jan. 1, 1995, should be declared null and void.

The WTO provisions oppose the sovereign rights of nation-states to protect and increase agricultural output, and to provide for their own national food security by developing their farm and economic output potential, and maintaining food reserves. (The WTO rationalization is that such practices 'distort free market trade,' and 'global outsourcing' for food.) In fact, the WTO system fosters scarcity of food and other vital commodities, and functions in service of the market-rigging practices of the commodities cartels.

"Mobilize for *increased* output in agricultural regions around the world. Among the factors necessary, are the following:

- "• End the export quotas on European Union commodities....
- "• End the set-asides and restrictions on land area, and quotas and penalties that currently limit production in the United States, the European Union, and elsewhere.
  - "• Dump the EU milk quotas.
- "• Dump the land lock-up in the United States, called the 'Conservation Reserve Program,' that has just put 16 million acres of farmland into 'non-food' use, on top of over 20 million acres in lock-up.
- "• Mandate commodity prices for farmers, based on the traditional 'American System' of parity prices, to stabilize farms and production.
- "• Mobilize credit and sources of essential inputs—fertilizers, farm chemicals, quality seedstocks, etc.
- "• Press anti-trust actions to break up the commodities cartels' food and agriculture control."

EIR June 27, 1997 Economics 9

# Official unemployment rate is an attempt to hide economic collapse

# by Richard Freeman

On June 6, the Bureau of Labor Statistics of the U.S. Department of Labor announced that in May, the level of unemployment in America had fallen to 6.534 million workers; further, that the unemployment rate had dropped to 4.80% in May, from 5.24% in March, and 4.93% in April. The May unemployment rate, the BLS said, was the lowest since 1973.

The BLS unemployment rate is a hoax. Using exclusively BLS data, *EIR*'s economics staff used two alternate methods to calculate America's real unemployment level. By the first method, *EIR* calculated 15.753 million workers unemployed; by the second, 25.206 million workers unemployed. These levels are, respectively, approximately 2.5 and 4 times the official unemployment level.

The BLS unemployment figures are an attempt to cover up the ongoing economic collapse. As a result of the British financier oligarchy's imposition of post-industrial economic policies on the United States in the mid-1960s, a giant, speculative financial bubble grew, while the U.S. physical economy was sucked dry. The economy, and the related household consumer market basket, have fallen by 50% over the past 30 years. As a share of total employment, the number of operatives engaged in productive activity—manufacturing, construction, agriculture, power generation, transportation, and so on—fell by half. Instead, two types of jobs proliferated: low-paying full-time service and retail jobs, and part-time jobs.

It is the proliferation of non-productive full-time and parttime jobs, that is trumpeted as the "U.S. job-creating model." The British financier oligarchy markets this model to other nations, telling Germany, France, Japan, and other industrial nations that they are too concerned about preserving their old industrial jobs, and that they should adopt the U.S. model, because this would lower their unemployment. But, adoption of this model brings deleterious effects, including *higher* unemployment.

The British-controlled media have promoted the BLS reports. One day after the BLS May unemployment report was released on June 6, the *New York Times* covered the story as its lead item on its front page under the headline, "U.S. Jobless Rate Declines to 4.8%, Lowest Since 1973: Healthy Economy Hailed—Stocks and Bonds Soar and Interest Rates Fall." Apparently, the BLS report did everything but eliminate tooth

decay. The *Times* article quoted a report by Bruce Steinberg, chief economist of America's biggest investment bank, Merrill Lynch, which stated, "The best of all possible economies keeps rolling along."

Here, we look at the level of real U.S. unemployment, which, under current economic policies, is deeply rooted; we also examine the deteriorated quality of jobs in the United States.

# Real unemployment

The BLS determines its official level of unemployment from the responses to its monthly "Household Survey." This surveys only 50,000 households out of 100 million U.S. households (0.05%). If, in response to the "Household Survey," a worker says that he was unemployed during the survey's reference week (the second week of the month), and that he had actively sought work during the four weeks preceding the reference week, he is designated as officially unemployed. The BLS extrapolates from the results of the survey, to arrive at a national unemployment level.

But, there are two other groups that should be counted as unemployed, which the BLS excludes. The first category is the group which the BLS classifies as "part-time for economic reasons," defined as those workers who would be working full-time, but for the fact that full-time jobs simply don't exist. This is the economic reason that they are working part-time. Figure 1 shows that, in May, there were 4.019 million workers who worked "part-time for economic reasons." (The BLS does not report all "part-time workers for economic reasons" on a "seasonally adjusted basis," but only on a "seasonally unadjusted basis." Since the BLS presents the figures for total civilian employment on a "seasonally adjusted basis," EIR sought to bring the "part-time workers for economic reasons" into conformity with the other numbers, by putting them also on a "seasonally adjusted basis." The best approximation is to sum up the "seasonally unadjusted" figures for "part-time workers for economic reasons" for the first five months of 1997, and divide by five. This creates a best estimate, for May, for "part-time workers for economic reasons" on a "seasonally adjusted basis.")

The second category of excluded unemployed, is the group which the BLS classifies as "want a job now," which

10 Economics EIR June 27, 1997



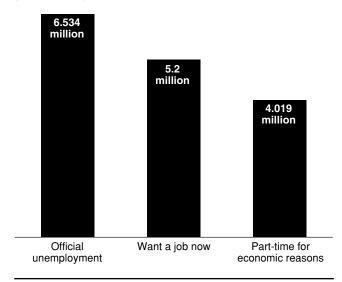
Food lines throughout the United States are a symptom of the high levels of unemployment that are masked by official statistics.

is *not* in the labor force. The workers in the "want a job now" category are workers who responded to the BLS "Household Survey" by saying that, yes, they want a job, but because of health or job-skill or other reasons, they have not been actively seeking a job within the BLS's specified time period of the previous four weeks. An important sub-category of the "want a job now" category is the group of workers classified as "too discouraged to look for work." These are workers who have looked for many months, often for years, for jobs at their old job classifications, but cannot find one.

For example, let us suppose you are a steelworker or skilled master-machinist in an auto plant, and you are fired. A BLS survey-taker interviews you and asks if you have looked for work in the last 30 days. You say, "No, I haven't actively looked for the past month, but before that I looked for 18 months at hundreds of factories, but couldn't find a job at my skill level, or even at a step down from my skill level." The BLS survey-taker asks, "Have you looked for a job at McDonalds?" You say, "No." For this response, you are not classified as unemployed, but as "too discouraged to look for work." In 1993, the BLS redesigned its survey questions; as a result, between 1993 and 1994, the number of workers classified as "too discouraged to look for work" suddenly fell by half, even though the BLS interviewed the same class of

### **FIGURE**

# Real unemployment is at least 15.75 million (Method 1)



Source: "Employment & Earnings," various years, Department of Labor, Bureau of Labor Statistics

workers. These workers were put into other sub-categories of "want a job now."

Another example is a worker who may have exhausted his unemployment benefits, and then become ill for a couple of months, which prevented him from searching for a job. Because he didn't actively seek a job during the previous four weeks, he is shunted into the "want a job now" category.

The value to the BLS of the "want a job now" category, is that it is a sub-classification of the category "not in the labor force." But here's the catch: To be classified as unemployed, one has to be "in the labor force." Thus, the 5.2 million workers who "want a job now," though actually unemployed, are not counted as unemployed by the BLS. However, *EIR* counted them as unemployed. (In determining the number of "want a job now" workers, *EIR* had to convert them from a "seasonally unadjusted basis" to an estimated "seasonally adjusted basis." It is possible that some of the "want a job now" workers should not be counted as unemployed, but it is hard, from BLS figures, to determine which ones; this portion of workers would influence the calculations of real unemployment only slightly.)

Adding all categories together (Method 1), *EIR* estimated the total number of unemployed in May to be 15.753 million. In May, the total civilian labor force was 136.173 million workers. If one adds into the labor force the workers who "want a job now," who are otherwise left out, the labor force for the month expands to 142.074 million workers. Dividing the real level of unemployed by the expanded labor force, yields a real unemployment rate of 11.09%. This is more than double the official BLS unemployment rate of 4.80%.

EIR June 27, 1997 Economics 11

# FIGURE 2 Number of part-time workers, 1977–97



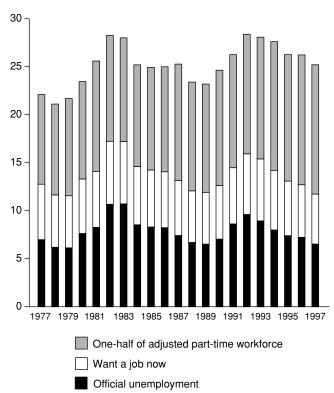
Source: "Employment & Earnings," various years, Department of Labor, Bureau of Labor Statistics

# Part-time employment

But the read level of unemployment is higher still. Over the last 20 years, the United States has experienced an explosion in the number of part-time jobs. It should be stressed that even if an individual works for pay for only one hour per week, he or she will be classified as employed. The person working one to five hours a week, does not earn enough to support himself, let alone his family; yet, that person is classified as gainfully employed, on an equal footing with a worker who is employed the average 43.4 hours that a full-time operative works in America. To the BLS, it is all the same. Parttime work hides unemployment.

Figure 2 shows the growth in the number of workers who are classified by the BLS as "part-time workers." Between 1977 and May 1997, the number of "part-time workers" rose from 20.89 million to 31.08 million. Included within the BLS "part-time workers" category, are workers who usually work full-time, but are not employed for part of the work week because they are on vacation, or are ill, or have a legal or personal matter to attend to. These workers should not be considered to be regular "part-time," because they are parttime for very understandable reasons. Therefore, EIR subtracted them from the total of "part-time workers," thereby creating an alternative group called "part-time workers, adjusted for vacation, illness, etc." Between 1977 and May 1997, this group grew from 18.10 million workers to 26.943 million workers. This represents a substantial growth in parttime employment of 8.843 million workers over 20 years. FIGURE 3





Source: "Employment & Earnings," various years, Department of Labor, Bureau of Labor Statistics

Between 1977 and May of this year, total civilian labor force employment rose by 37.164 million. Part-time jobs alone represented one-quarter of all new jobs created in America.

Consider the fact that the BLS counts these part-time workers (on an adjusted basis) as if they were doing the work of a full-time job, that is, as if they were fully employed. But, during 1993-96, these "part-time workers" worked an average of 20.95 hours per week, or 48.5%—that is, not even half—of the number of hours worked per week by workers classified as "full-time workers." It is absurd to count workers who are working jobs that are half of a full-time equivalent, on a par with full-time employed workers. These 26.94 million "part-time workers, adjusted for vacation, illness, etc.," in terms of the work that they accomplish for the economy, fill only 13.47 million full-time jobs. Thus, in reality, half of the "part-time workers (on an adjusted basis)" are employed, and half are unemployed.

EIR calculated the real unemployment level by adding together the "official unemployed" workers, the "want a job now" workers, and one-half the "part-time workers, adjusted for vacation, illness, etc." **Figure 3** shows the real level of unemployment (Method 2) for 1977 through May 1997. In May 1997, by this method, the real level of unemployment

12 Economics EIR June 27, 1997

# FIGURE 4 Size of U.S. labor force, 1947–97

# FIGURE 5

# Retail employment vs. manufacturing employment, 1960–97

(millions) 22 20 18 16 14 12 10 1964 1968 1972 1976 1980 1984 1988 1992 1996 Manufacturing workers

Source: "Employment & Earnings," various years, Department of Labor, Bureau of Labor Statistics

Retail workers

was 25.206 million workers. Notice that the overall real unemployment level has not changed fundamentally during the last decade. What occurred is a change in distribution: While "official unemployment" has declined slightly, unemployment due to "part-time workers (on an adjusted basis)" has increased. This means that some of the "official unemployed" and some of the potential future unemployed took on part-time jobs. Since they worked part-time, they were no longer officially unemployed.

Dividing this real level of unemployed for May of 25.206 million, by the expanded civilian labor force of 142.074 million (which includes the workers who "want a job now"), yields an unemployment rate for May of 17.74%.

Thus, by Method 1, *EIR* calculated the level of unemployed in America to be 15.753 million workers; by Method 2, to be 25.206 million workers. Whichever of the two methods one prefers—and Method 2 recommends itself as more accurate—these two respective levels are approximately 2.5 and 4 times the official BLS unemployment level.

# Downsizing of the productive labor force

To get beyond the sham of the official BLS figures, one must look at the deteriorating condition of the U.S. workforce. Examining this will show that the conditions of employment, as well as of the productive output of the U.S. economy, are rapidly worsening, giving rise to a *deep-seated*, *structural unemployment*, which the BLS badly attempts to disguise.

While not discussing this issue at length here, two examples demonstrate the underlying trend.

For the past 30 years, there has been a transformation of the U.S. labor force, away from engagement as full-time operatives in productive activity, to working part-time jobs, or non-productive, dead-end full-time jobs.

The significance of productive labor, as distinct from non-productive labor, comes from a concept of real economics.

All economic wealth derives from the developable power of cognition of the sovereign individual mind: The creative individual mind generates or re-creates valid discoveries of principle. The productive labor force assimilates and transmits these validated revolutionary discoveries of principle, using them to alter nature. The productive labor force alters nature through the use of the machine-tool-design sector and the building of infrastructure, which themselves have been upgraded by revolutionary scientific discoveries. The result is an anti-entropic action in the economy, associated with an increase in the rate of relative potential population density.

**Figure 4** shows that under the "post-industrial society" policies, the composition of the U.S. labor force has been degraded. Within a half-century, the size of the total labor force more than doubled, but the combined productive and essential infrastructure workers remained essentially the same. Thus, the number of new productive workers who are needed to produce an expansion of goods output, did not develop. This was one of the important reasons for the 50%

EIR June 27, 1997 Economics 13

TABLE 1 Manufacturing vs. retail workers' yearly wages

	Manufacturing wages	Retail wages
1960	\$ 4,486	\$ 2,858
1970	6,667	4,124
1980	14,431	7,369
1990	22,093	9,720
1992	23,493	10,253
1994	25,347	10,823
1996	26,583	11,491
May 1997	27,426	11,909

Source: Department of Labor, Bureau of Labor Statistics

collapse of the consumer market basket over the past 30 years. Instead, the United States was flooded with non-productive jobs in finance, real estate, the retail trade, and services.

In the second example, Figure 5 compares the number of jobs in the U.S. manufacturing and retail sectors since 1960, and **Table 1** shows the weekly wage paid by the manufacturing and retail sectors, respectively, for selected years. Three trends become evident. First, since 1980, the manufacturing workforce has declined, which is part of the degradation of the productive labor force. (The manufacturing workforce includes all workers in the manufacturing sector, both production and non-production. The number of production workers in manufacturing declined more sharply.) Second, in 1960, America had a manufacturing workforce twice as large as the workforce in the retail sector. Now, the retail sector has expanded, to the point where it is 20% larger than the manufacturing workforce. One out of every 6.2 workers in America now works in a retail job. Third, retail jobs are dead-end, lowwage jobs that are non-productive, and do not enable a family to support itself, even if its members hold three such jobs.

Thus, even in a sector where full-time jobs are created and the retail sector is a combination of full-time and parttime employment — this does not represent a step toward fullemployment and growth; rather, it represents a breakdown in living standards, and a ratchet down in America's ability to produce to sustain its own existence.

The real level of unemployment in America is either 15.753 million or 25.206 million workers, whose capacities are wasted. The unemployment derives from a deeper breakdown process in the financial system and physical economy. To address the problem, America must dispense with the debilitating "U.S. jobs model" and the BLS's unemployment hoax, and face reality.

# LISTEN TO



Frequent Interviews with Lyndon LaRouche on the Weekly Broadcast "EIR Talks"

### **ON SATELLITE** Saturdays 4 p.m. ET Galaxy 7 (G-7) Transponder 14. 7.71 Audio.

91 Degrees West.

**SHORTWAVE RADIO** Sundays, 5 p.m. ET 2200 UTC WWCR 5.070 mHz **Cassettes Available to** 

**Radio Stations** 

Transcripts Available to **Print Media** 

Local Times for "EIR Talks"
<b>Sunday Shortwave Broadcast</b>
on WWCB 12 160 MHz

Adis Ababa	0100*	Little Rock 1600
Amsterdam	0100	Little Hock 1000
Amsterdam	2300	London
Anchorage Athens	1300	Los Angeles 1400
Atnens	2400	Madrid 2300
Atlanta	1/00	Manila 0600*
Auckland	1000	Mecca 0100*
Baghdad	0100*	Melbourne 0800*
Baltimore Bangkok	1700	Mexico City 1600
Bangkok	0500*	Mecca         0100*           Melbourne         0800*           Mexico City         1600           Milan         2300           Minneapolis         1600
Beijing	0600*	Minneapolis 1600
Belfast	2200	Montreal 1/00
Berlin	2300	Moscow 0100*
Bohemian Grove	1400	New Delhi 0330*
Berlin	1700	New York 1700
3onn	2300	Nogales 1500
Bombav	0330*	Norfolk 1700
Boston	1700	Oslo 2300
Boston	1700	Paris 2300
Bucharest	2400	Philadelphia 1700
Bucharest	1900	Pittsburgh 1700
Buffalo	1700	Drogue 2200
Cairo	2400	Rangoon 0430*
Calcutta	0330*	Richmond 1700
Caracas	1800	Rangoon 0430* Richmond 1700 Rio de Janeiro 1900
Casablanca	2200	Rome 2300
Caracas	1700	St. Louis 1600
Chicago	1600	St. Petersburg 0100* San Francisco1400
Copenhagen	2300	San Francisco1400
Denver	1500	Santiago 1800
Detroit	1700	Saraievo 2300
Dublin	2200	Seattle 1400
Gdansk Guadalajara	2300	Seoul 0700*
Guadalaiara	1600	Shanghai 0600* Singapore 0530*
Javana	1700	Singapore 0530*
Helsinki	2400	Stockholm 2300
lo Chi Minh City	0600*	Sydney 0800*
Helsinki	1200	Teheran 0130*
long Kong	0600*	Tel Aviv 2400
Houston	1600	Tokyo 0700*
stanbul	2400	Toronto 1700
Jakarta	0500*	Vancouver 1400 Vladivostok 0800*
lerusalem	2400	Vladivostok 0800*
Jerusalem Johannesburg	2400	Venice 2300
Karachi	0300*	Warsaw 2300
Kennebunkport	1700	Washington 1700
(iev	2400	Washington 1700 Wellington 1000*
Kiev	2400	Wiesbaden 2300
agos	2300	Winnipeg 1700
_agos	1700	Winnipeg 1700 Yokohama 0700*
incoln isbon	1600	Yorktown 1700
isbon	2300	Yorktown 1700 * Mondays

**Economics EIR** June 27, 1997

# Australia Dossier by Allen Douglas

# Australian miners invade Africa

Australian mining companies are part of the British Crown's mad drive to secure raw materials in Africa.

In 1994, with the world already careening toward a financial crash, Ugandan dictator Yoweri Museveni's British imperial masters directed him to invade Rwanda, on the road to ultimately taking over Zaire. The British plan is to survive the crash by grabbing as much of the world's valuable raw materials as possible, of which Zaire has copious amounts.

Lawfully, therefore, as Museveni stooge Laurent Kabila's forces carried out the conquest of Zaire in 1996-97, they were financed by Her Majesty's raw materials cartel, including the Commonwealth "juniors," i.e., the fronts for such "majors" as Anglo American Corp./DeBeers. And, right in there with the worst of them, were the Australian "juniors."

A snapshot of the activities of one of them, the Perth, Western Australia-based Anvil Mining NL, provides an instructive look at the whole process.

In 1994-95, the World Bank and International Monetary Fund (IMF) tried to force Zaire's President Mobutu Sese Seko to break up Zaire's state minerals monopoly, Gecamines, which he resisted, and to allow foreign mining companies free access to Zaire, to which he partially conceded. The first to sign a contract, in 1995, was George Bush's Barrick Gold, for vast reaches of eastern Zaire; the fourth to sign, was Anvil Mining, for 12,000 square kilometers of the world's richest copper territory, in Shaba province in southeastern Zaire. Anvil was by no means the only Australian company moving into Africa. In 1996, some 22% of all new Australian foreign mining ventures were launched in Africa, as opposed to 21% for all of Asia, including such mineral-rich traditional Australian prospecting grounds as Papua New Guinea, Indonesia, and the Philippines.

In 1995, what became Anvil was called KKR Resources, a small Australian miner (as they are called downunder). KKR was given new financing and new management, and renamed Anvil Mining NL (with a branch office in London), to begin the move into Africa. Its chief financial backer was ANZ Nominees, tied to the ANZ Bank, the most British of all Australian banks. ANZ Nominees also sponsored the rise of another Australian miner, "Diamond Joe" Gutnick, who finances the terrorist settler movement on the West Bank in the Middle East. In a prospectus, Anvil said that it expected additional large financing from South Africa, which Australian mining sources told EIR means Anglo American/DeBeers, or Gencor.

Anvil's British pedigree was also evident in a March 25 letter to stockholders, in which Anvil Chairman Peter Walker admitted that Kabila was being heavily armed by his neighbors, "most noticeably the U.S.-backed Ugandan government" (emphasis added). Besides his witting lie that the United States — not Britain — was Museveni's chief sponsor, Walker shamelessly puffed Kabila as a peace-loving democrat: "Kabila's advance has met with little opposition due to a number of factors: 1) The ADFL [Kabila's] troops have been well-behaved and disciplined and not indulged in looting. 2) Kabila has moved quickly to set up new political administrations in the area he now occupies and these are meeting with support from the general populace. 3) Kabila has stated that he wants to see elections take place in the provinces he now controls."

In these propitious circumstances, Walker concluded that Anvil was pushing ahead with its Shaba mine, adding, "Although most if not all of our project area is within the region controlled by the ADFL there is no suggestion of physical confrontation or risk. We have established an office in the provincial capital of Lubumbashi."

A followup letter from Walker, dated April 30, made clear why Anvil was in "no risk": "During the week of 14 April 1997, Anvil management met with senior representatives of the Alliance in Lubumbashi. At those meetings Anvil received strong encouragement to continue with the [Shaba] project." Needless to say, no one mines in that area without paying the genocidal Kabila, as the infamous America Mineral Fields-organized meeting in Lubumbashi on May 9 demonstrated, in which more than \$50 million was handed over to Kabila.

As the case of Zaire shows, the IMF-World Bank financial mafia, a front for the City of London, not only exerts bone-crushing pressure on African countries to allow Her Majesty's minerals cartel to enter their countries, but also helps finance them to do so. As a prospectus for Anvil's Zaire project noted, "The main risk is political, however the presence of the International Monetary Fund and the International Finance Corporation provide a backstop.... The IFC, which is essentially an arm of the World Bank, provides debt funding for mining and development projects." Not only will IFC help finance Anvil, the prospectus says, but the "IFC's political clout is seen as potentially useful" if any problems arise.

EIR June 27, 1997 Economics 15

# **Business Briefs**

Eurasia

# Russia, ASEAN upgrade ties for development

The first meeting of the Association of Southeast Asian Nations (ASEAN)-Russia Joint Cooperation Committee, which ended in Moscow on June 6, set up a four-tiered "mechanism for cooperation" to accelerate economic development. Russian Deputy Foreign Minister Karasin, who has played a key role in expanding Russia's links to the Eurasian Land-Bridge project, called the meeting a "landmark event."

ASEAN Representative Nguyen Manh Hung of Vietnam said the ASEAN-Russia Joint Cooperation Committee will oversee various activities in economic development and improving cooperation, including the Working Group on Science and Technology. The meeting also considered creation of a working group on trade and economic cooperation.

Second, an ASEAN-Russia Business Council will be formed by the chambers of commerce of the nations involved. Hung emphasized "the great importance of the private sector both in ASEAN and in the Russian Federation," which "will be the driving force for cooperation." (Unfortunately, the ASEAN Business Council has been the center for the most rabid support of "globaloney" and "privatization.")

Third, the ASEAN committee, comprised of the ASEAN ambassadors to Russia, which was established in October 1996, will collaborate with the relevant Russian ministries.

Fourth, an ASEAN-Russian Cooperation Fund will be created, which Karasin said would have \$500,000 by the end of this year, to be spent to establish trade, economic, scientific, technological, and other cooperation.

Karasin identified "promising areas" in the energy sector, and "joint projects in railway and other types of transport." He said, "All the cooperation in the Asia-Pacific region, trade, economic, and financial cooperation, will be oriented first and foremost at fulfilling the social and economic tasks of the Russian Far East and the Trans-Baikal area. This is quite logical, because two-thirds of Russia are in Asia."

Nuclear Energy

# China begins research into nuclear fusion

The Xinan Nuclear Industrial Institute of Physics in Sichuan province, China, has constructed a laboratory for research into nuclear industrial circulator experimental techniques. This is China's first laboratory for research into controlled nuclear fusion, Xinhua reported, according to the June 13 Foreign Broadcast Information Service.

According to a briefing by the Xinan Nuclear Industrial Physics Institute, the laboratory, which recently passed the acceptance test of the China National Nuclear Corp., has developed eight major systems, including a neutral fascicular probe system, a microwave system, and an ion cyclotron resonance heating system. The eight major systems, together with the institute's existing China Circulator New Number One Fusion Unit, and its sets of supporting equipment, have formed a relatively complete, advanced circulator experimental facility, thus greatly enhancing the level of the experiments.

The facility has set a series of records for China's nuclear fusion tests, and has reached state-of-the-art levels when compared with international facilities of the same type and size.

### Trade

# Russian machine tools to be sold in China

Russia's Rosstankoinstrument and China's Great Wall corporation signed a framework agreement in Moscow on May 29, to create a joint venture in July, to sell Russian machine tools on the Chinese market, Interfax "Business Report" stated on May 31. Rosstankoinstrument incorporates nearly 300 machinetool plants, and plans to sell \$400 million worth of machine tools, various equipment, and tools, per year, in China, by the year 2000, according to company President Nikolai Panichev. Over four years, Rosstankoistrument has increased its supplies to China

from \$10 million to \$50 million per year, he said.

Rosstankoinstrument began working with Great Wall after an agreement was signed during China's President Jiang Zemin's visit to Russia. The agreement foresees a 20-fold rise in trade over the coming years. The firm's managers hope to have a solid contract with Great Wall signed when Russian Prime Minister Viktor Chernomyrdin visits China in June.

Great Wall is China's largest industrial corporation, combining dozens of factories which manufacture tanks, armored personnel carriers, tractors, trucks, and other defense and civilian products. It plans to use the joint firm to replace its outdated machine tools, and to sell Russian machine tools on the Chinese market. The contract with Great Wall will significantly improve the fortunes of numerous Rosstankoinstrument plants, which currently are operating at only 30-40% of capacity.

Rosstankoinstrument officials are not expecting a recovery in Russian demand in the near future, and are therefore focusing on foreign markets, especially those in Asia that are already familiar with Soviet machinery and equipment. In May, it also received a Turkish order for 250 milling machines.

### Health

# Malaria breakthrough could prevent deaths

An advance in the treatment for malaria sufferers which could prevent the deaths of 2.5 million people each year, has been developed by scientists in Melbourne, Australia, the *Herald Sun* reported on June 6.

Dr. Alan Cowman and Dr. Brendan Crabb of the Walter and Eliza Hall Institute of Medical Research have introduced genes that alter the nature of *plasmodium falciparum*, a fatal type of malaria parasite. Cowman said that the parasite causes death by "sticking" in the brain, where it clogs capillaries, causing headache and coma, usually leading to death.

Cowman and Crabb inserted DNA into the parasite to prevent it from expressing a

16 Economics EIR June 27, 1997

protein that causes it to be sticky. "It's a big breakthrough, technology-wise. It doesn't prevent malaria, but it turns lethal malaria into a non-lethal form," Dr. Cowman said.

Because most malaria deaths occur in developing countries, where the potential for profit is low, drug companies have shown little interest in producing the treatment.

### **Finance**

# China cracks down on stock speculators

China's central bank on June 12 censured the leading "blue chip" firm on the Shenzhen stock market, the private Shenzhen Development Bank, and fired the heads of three of the biggest new private stock brokerages, and of related industrial companies, all for speculation and illegal trading. This came just a week after the People's Bank of China and other regulators ordered state banks to stop trading on the stock markets and to get rid of their stock holdings within 10 days. The actions follow a May 21 ban on stateowned enterprises speculating in the markets.

Chinese regulators have repeatedly warned that China's stock markets are being speculated up too high by big private players, luring in small investors, who will have to pay the piper, à la Albania, if the markets crash. In early June, for example, People's Bank of China Gov. Dai Xianglong warned of the dangers of the "bubble market."

China isn't buying any of the Bank for International Settlements-Federal Reserve claptrap about "setting markets free to regulate themselves." "To maintain the openness and fairness of the securities market and to ensure healthy development of the securities market, we must further strengthen market supervision," said *People's Daily* on June 12. "Our securities market is still not mature, and checking excessive speculation is a long-term and difficult mission."

"Financial and securities regulators stressed that, in the future, they will further intensify implementation of the law," the daily said. "Not only will violators of laws and regulations be given administrative pun-

ishment, but we will also pursue criminal responsibility in accordance with the law."

### Asia

# China, Thailand expand economic relations

Chinese and Thai authorities held two meetings in early June to further a pattern of bilateral cooperation since Thailand's Prime Minister Chavalit Yongchaiyudh's April state visit to Beijing. On June 7, Chinese press reported the signing of an agreement on legal assistance in civil and commercial matters, and cooperation in arbitration to assist trade and investment, the first such bilateral legal accord ever signed by Thailand. Thai Foreign Minister Prachuap Chaiyasan told the press that Thailand realizes China will be its biggest trading partner in the near future, and this accord will facilitate this.

On June 9, Bangkok's *The Nation* reported on the meeting of the Eighth Joint Committee on economic cooperation between the two countries, the first such meeting in five years. Officials from both nations emphasized that the bilateral cooperation between the two countries will benefit the entire region, particularly the immediately neighboring countries along the Mekong River.

Specific proposals discussed include 1) creation of an aviation link between noncapital cities, connecting China's south and southwest, Myanmar's north, Thailand's north and northeast, Laos, Cambodia, and Vietnam, "to help boost tourism and facilitate the transportation of goods and people," according to The Nation; 2) China is interested in Thailand's potential as a supplier of fertilizer from its potash-rich northeast, supplanting imports from Canada; 3) a threeway project with Cambodia in the paperpulp industry, for which a Thai firm is undertaking a major eucalyptus tree-planting project in Cambodia; 4) China is interested in Thai investment in hydropower substations, especially in Yunnan; and, 5) China is seeking Thai investment in 18 provinces in its middle and southwestern regions.

Also discussed was increased barter trade between the two countries, particularly in agricultural products.

# Briefly

BOSNIA-HERCEGOVINA is being threatened with a credit cutoff by the World Bank, if it does not repay debts owed by former Yugoslavia. Bosnia, whose economy was destroyed by the British-instigated Serbian war of aggression, has so far been unable to begin a serious reconstruction effort.

RUSSIA and Chechnya agreed on June 13 to transport "early oil" from Azerbaijan's offshore fields to the Black Sea port of Novorossiysk, via a pipeline transiting Russia. Earlier, First Deputy Prime Minister Boris Nemtsov said Moscow will raise the \$2 million that Chechnya needs to repair the 153-kilometer stretch of pipeline damaged during the war.

**IRAN** is expanding its shipbuilding facilities, most recently opening a \$600 million dockyard in which ships up to 70,000 tons can be repaired, and ships up to 35,000 tons can be constructed. In addition, construction was begun on two drydocks, for ships up to 300,000 tons. Iran is also modernizing its 77-ship merchant and tanker fleet.

**THE LONDON** Inter-Continental Railways Convention, planned for July (see *EIR*, June 13, p. 16), has been cancelled, sources at the consulting firm organizing the conference reported on June 13. Observers had suspected the conference was part of ongoing British efforts to sabotage the Eurasian Land-Bridge project.

JAPAN was asked to expand investment in Russia, especially energy-related projects in Russia's Far East, during Deputy Prime Minister Boris Nemtsov's visit to Tokyo on June 9. Russia also wants Japan to invest in its lumber, automobile, and home electronics sectors.

**AUSTRALIA** has cut the budget for Safety of Life at Sea, leaving only one person in Perth, Western Australia, to monitor 30 million square kilometers (one-thirteenth of the world's oceans) for distress calls, the June 2 *Sydney Morning Herald* reported.

EIR June 27, 1997 Economics 17

# **ERFeature**

# The cultural basis for a new world economic order

by Helga Zepp LaRouche

This speech was given at an EIR seminar in New York City on May 29. Titled "The 'Machine-Tool Principle': The Key to Global Economic Reconstruction," the seminar was attended by diplomatic personnel and others from 24 nations, and two journalists. The speakers, in addition to Mrs. LaRouche, were Dr. Godfrey Binaisa, the former President of Uganda, and Schiller Institute leader Dennis Speed. During her stay in New York City, Mrs. LaRouche also addressed a meeting of more than 250 people in Chinatown. That conference received coverage in several newspapers in Mainland China.

The subject I want to speak about today, is the kind of economy, the kind of economic principles, that the Eurasian Land-Bridge, as the cornerstone for a just, new world economic order, must be built upon: namely, what Lyndon LaRouche called the "Machine-Tool Principle," and the corresponding need for universal, Classical education, and the associated idea that it is *only*, entirely and solely, the creative potential of the individual, which represents the source of wealth in society. If mankind is to come out of this crisis without a major disaster, it will be the Land-Bridge Era which will dominate the world.

I cannot start this part of the discussion, without addressing the ongoing genocide in Africa, even though Dr. Binaisa has already spoken about this, because, if we do not stop the ongoing, unbelievable genocide in Africa right now, and evoke in the population of the United States in particular, but of the world in general, an absolute outrage, but also a *passion to stop this genocide*, I do not think that mankind will have the moral fiber to implement the kinds of reforms which are necessary to overcome the economic depression. And, therefore, it is our view that our ability to get President Clinton to use the power of the United States to stop the genocide in Africa, is identical with the question of the survival of the human species in general.

Now, let me give you some of the facts. The entire international media—not in large quantities, but here and there, for quite some time—have been reporting,



Helga Zepp LaRouche, known as "The Silk Road Lady," lectures in Beijing, China, May 1996. The conception of a new, just world economic order, based on the Eurasian Land-Bridge, she states, "is not a utopia, but it is very, very close, and all we have to do, is to mobilize enough forces to create an environment where this reorganization can be done."

especially the *Philadelphia Daily News*, about two weeks ago, that Winston Churchill and other British leaders knew the Nazis were killing the Jews, from the first massacres in June 1940 on, until the final gassings in the concentration camps in 1945. It has been revealed now, that British intelligence was able to intercept German police radio messages which reported about this mass killing; that the British were in possession of, cracking the codes of these messages from Day One.

I should also mention that the British Guardian, just last week, reported that in September 1942, a certain individual with the name of Gerhard Riegner, who was at that time the representative of the World Jewish Congress, sent cables to Jewish leaders in London and New York, stating that he had retrieved from a well-placed German source, the detailed plans of the Nazis for the Final Solution; and, that on advice of the British Foreign Office and the U.S. State Department, these Jewish leaders in London and New York chose not to publish the existence of such a plan, until November 1942. One has to know, that maybe some German people knew about the genocide, maybe some others, but for sure the general public, in Germany or in the United States, did not know the extent of the Holocaust of the crimes of the Nazis. As a matter of fact, when General Patton finally arrived in Buchenwald, and saw the extent of the crimes, he reacted with horror. It was General Patton who coined this famous notion, "Never again!" Never again genocide, never again Holocaust. It most emphatically was not the

Anti-Defamation League or somebody like that; it was General Patton.

One has to compare the knowledge which British Intelligence, Winston Churchill, and other British leaders had about the genocide committed by the Nazis, to what the governments of the world know today. What does the international media know today? Only in the recent weeks, have some American papers, like the Washington Post, the New York Times, started to report about the genocide in Zaire; but, in the international media, since at least January, there were articles in papers like Le Monde, Le Figaro, Libération, Frankfurter Allgemeine Zeitung, and others, reporting this genocide. So, there is absolutely no question that the international community was aware of the genocide in the Great Lakes region, and they were also aware who was leading the war of aggression at the beginning against eastern Zairethat it was not some rebels in Zaire, but that it was the Armed Forces of Museveni from Uganda, of Kagame of Rwanda, and that there was certain clear-cut international support for this.

### Genocide: now, as then

Now, what we are looking at, therefore, is exactly what happened in the '30s and the '40s. When we say that we have to make a comparison—"now, as then"—and understand that it is exactly the same thing that is going on, one should also know, that while it is now a public subject of discussion that one of those to benefit from this genocide is one of the big raw materials firms, Barrick Gold, a Canadian firm, on the

**EIR** June 27, 1997 Feature 19

board of which you have George Bush and the former prime minister, Mulroney, from Canada; that it was the father of George Bush, Prescott Bush, who happened to be the chief executive officer for Averell Harriman's banking firm, in 1932-33. One should also note the fact that it is in the public record—and we researched and published this in a book which was never challenged by Bush—that Averell Harriman, who was at that time the head of the International Eugenics Association, supported Hitler's race theories in the *New York Times*, publicly.

In 1932, when the Nazis had some major losses in the elections, Hjalmar Schacht was sent to London, and there he met with Montagu Norman, who at that point was an employee of the Averell Harriman banking house, who then, through the intervention of Prescott Bush, the father of George Bush, sent large amounts of money to the Union Bank in Germany, to support the Nazis, and this money enabled them, with the help of the Social Democracy, to topple the Schleicher government, and to create a crisis in this way, so that Hitler could come to power.

One should also note the fact that it was the *New York Times*, among others, that publicly, in their editorial line, supported Hitler until 1933, despite the fact that his policies were absolutely known. But, I think that all of this is topped by the fact that the British *did know about every killing by the Nazis from 1941 on*.

Now, our magazine, Executive Intelligence Review, is presently compiling all the reports which were published in the media internationally in the last six months about the genocide in Africa. Of all the different documents which were publicly available, I want to mention a 10-page memorandum by the organization Médicins Sans Frontières, that is, Doctors Without Borders, called "A Brutal Strategy of Elimination in Eastern Zaire," where they document the fact, based on eyewitness reports from local aid workers in Zaire, that at least 190,000 out of 340,000 Rwandan and Burundi refugees have "disappeared," which is a nice word for being killed by the Kabila-led ADLF forces and the so-called Tutsi Legion, consisting of Ugandan and Rwandan Army personnel. And, Médicins Sans Frontières described how this was done, basically by the denial of food and medical help, by the destruction of the humanitarian infrastructure, by the use of the humanitarian aid organizations to create illusions for the refugees who were hiding in the forests, to lure them out of the forests and then kill them, in an absolute killing-frenzy.

The world knows this. But, what the world generally sufficiently isn't aware of, is the question of *cui bono*: Who profits from this incredible tragedy?

On May 9, ten days before Kabila declared himself President, he met with a group of financiers in Lubumbashi, in southeast Zaire. This meeting was organized by a firm called America Mineral Fields (AMF), and the list of participants is the best guideline to see for whom Kabila liberated Zaire/Congo. The head of AMF is a person called Jean-Raymond

Boulle, who, during the 1960s, ran the DeBeers diamond operations in Zaire. Boule has business links to Tony Buckingham of the infamous Executive Outcomes mercenary organization in Africa, which is one of the largest on the continent.

Now, it is very interesting that the AMF headquarters, supposedly, according to the British press, is in Hope, Arkansas, which is, of course, the hometown of President Clinton. And the British press, in an absolutely outrageous attempt, tried to concoct a "Clinton connection" to this Hope, Arkansas, while the reality is that what is in Hope is just a shell company, while the real headquarters is in Toronto, Canada.

Now, participating in this meeting were the following corporations—and I'm naming them now in great detail because it's on their behalf that this genocide is taking place:

**Bunting Warburg,** which is a division of Swiss Banking Corporation based in Toronto;

Goldman Sachs, which is a Wall Street investment firm; Value Investing Partners, which is a London-based hedge fund;

**Deutsche Morgan Grenfell,** represented through their South African branch;

C.M. Oliver of Toronto, Canada;

Canadian Imperial Bank of Commerce-Wood Gundy, which is one of the five big commercial banks in Canada, and if you look at the board of executives of that firm, you find a good cross-section of the entire Anglophile, Anglophone Canadian elite;

**Marathon Securities,** a Canadian investment firm;

Yorkton Securities, a British investment firm;

Nile International of North Carolina;

**Breco International** of Great Britain:

National Securities of London;

Northern Mining of Ontario, Canada.

Now, it is these firms primarily, which, together with Barrick Gold, represent the Anglophile Commonwealth constellation behind the Great Lakes genocide. One should also take very seriously, an article which appeared in the London Times, in which they say that there are now new African leaders who are redrawing the maps which were drawn up at Bismarck's Berlin Conference in 1884, and that they represent a network of friends and allies, from Angola to Eritrea, and are that behind Kabila. There is, according to the French, an Anglophone conspiracy, in which the British supplied the know-how of the imperial era, and the Americans the money and the military training for the Tutsis. And then, the London Times says: Well, there is some truth, there is such a conspiracy, and among the beneficiaries of this conspiracy, according to the London *Times*, is George Bush and the ex-prime minister of Canada, Mulroney.

Everybody knows that Barrick Gold has acquired 80,000 square kilometers of land in the northeast of Zaire. Now, who is this alliance of friends and allies? It is, on one side, naturally, Museveni, the pet politician of the British in Africa;

20 Feature EIR June 27, 1997



Left: Gen. George S. Patton, Jr., April 1945. Right: A U.S. Army medic looks for signs of life in a boxcarful of victims at the Dachau concentration camp, 1945. It was Patton who first exclaimed, "Never again!" Looking at what is going on in Africa today, states Mrs. LaRouche, "we must give new meaning to this idea."



also Kagame, Garang, Afwerki in Ethiopia; Zenawi in Eritrea; and, according to the London *Times* article, they are preparing the next showdown with Savimbi in Angola, Abacha in Nigeria, Moi in Kenya. They want to topple the government of Sudan. Those people are so happy to support Museveni, who publicly declared that he wants to unite Africa, like Hitler united Germany. Now, obviously, he's not so strong on his historical facts, but the fact that somebody would dare, today, to come out with such a statement, is quite incredible and reflects the policy of *Schrecklichkeit* [terror] that these people are committing.

If you take this article in the London *Times*, unfortunately, that is the reality. And, it confirms what Mr. LaRouche, several months ago, warned President Clinton: that if the United States would not move to stop this genocide in Africa, this

situation would become a quagmire, much worse than Vietnam represented for the United States. You can already see that this is happening, and it is, I think, safe to predict that even the position of the self-proclaimed President Kabila, is not going to last very long, and that the danger of generalized chaos and continuation of genocide exists.

### Why the raw materials grab?

Now, why is all of this happening? We have pointed out for some time, that the reason for this raw materials grab, the reason why these interests want to get hold of gold, diamonds, strategic raw materials, oil, natural gas, and so forth, is because these elites—power elites, not moral elites, for sure—know that the financial system is finished, and that the financial collapse is inevitable, and they want to be in a position

EIR June 27, 1997 Feature 21

to control these strategic raw materials for the period after the collapse.

Now, Mr. LaRouche, who correctly predicted the crash of '87, and the shakeout of the markets which occurred between March and April of this year, when the Dow Jones temporarily lost 10% of its assets (altogether, \$870 billion was wiped out) predicted that the financial system is in for another shakeup. One immediate trigger point is the hyper-fragile situation in Japan (that was the reason why Alan Greenspan went to Tokyo). Mr. LaRouche had already predicted in April, that the international financial institutions would try to postpone any such financial crash until at least after the French elections. Now, you can see that even the trick which Chirac tried to employ, by simply pulling early elections, did not function; he already is the big loser, no matter what comes out of the second round, simply because the population was able to see through this tactic as a trick.

But, you can also see how fragile the financial situation is, by the decision yesterday evening, European time, by the German Bundesbank, to reject the attempt by Finance Minister Waigel to again use a trick to fill the German budget hole by simply upvaluing the gold reserves of the Bundesbank. This was really unconstitutional, because these gold reserves of the Bundesbank are there as a last resort, to be used in case of absolute catastrophe, to save the population, to have some last reserve. And, Waigel, who is obviously Mr. Hard-liner on the Maastricht criteria, had to admit again and again, that he has budget holes: DM 20 billion this week, another DM 20 billion next week. So, he wanted to upvalue this gold, and this was rejected by the Bundesbank, which, according to the German constitution, is autonomous, and therefore has more weight in this question than the government does.

All of these are just symptoms of the situation, and the financial disintegration of the system is absolutely inevitable, because this system is hopelessly bankrupt. If this financial system were to collapse, the danger is that the world would plunge into a global new dark age, in which the developments in Central Africa are really only the writing on Balshazzar's wall, for what would happen to mankind as a whole. If this is not stopped, if this idea, that you can kill people by the hundreds of thousands, by the millions, to grab raw materials, and get away unpunished—if this is the law of the world today, then it is very easy to see that in the not-distant future, the world will be ruled by mafias and armed gangs, by mercenaries, by those who have weapons, because they will be the only ones left with access to food, and mankind will plunge into barbarism, probably worse than that of the 14th century, when the monetary system collapsed, and, because of the Black Death and similar diseases, the population was reduced by one-half, from India to Ireland.

As a matter of fact, if you take the condition of the world, from Africa, to Russia, to large parts of Latin America, it is very clear, that if you apply the principles of physical economy and what amount of population can be maintained by

what kind of agricultural and industrial capacities, that the world's population is in danger of collapsing to the level of several hundred million people. Even if China is probably in the best shape to avoid such a destiny, I think that China, too, would be very much plagued by a collapse of the world's financial system and the resulting consequences.

This is *genocide*. And, as I said, we have to evoke passion in the population of the world to stop that, because, if we don't, then we have said the final word about ourselves and our morality. We have to create the conditions, where President Clinton can come out and say, "Never again!" and denounce this as the genocide that it is, and use the power of the United States to stop it. Which it could. Nobody can tell me that the United States cannot get lousy Museveni to stop what he is doing! I only have to remind people of what happened in Desert Storm, when the United States displayed its capability. And you don't have to do it; I think it would be enough to *hint* at this possibility.

That is the first question. But I want to also use this horror, to point to the fact that the idea that grabbing raw materials, grabbing gold and diamonds, represents wealth, is a completely idiotic idea, because the idea that raw materials represent wealth is utterly wrong, which I will demonstrate momentarily.

# The strategic key: U.S.A. and China

But, as we stated before, at press conferences in this place and many other places, it is the view of Mr. LaRouche, the Schiller Institute, and our international organization, that the only hope to get out of this world crisis, is that President Clinton, together with China, organize a reorganization of the world financial system and that other countries then cooperate; but without the United States and China as the cornerstone, it does not function, because the power of the British Empire, as represented in the food cartels and the raw materials cartels, in the City of London, in the Commonwealth control of the world, is simply too strong. President Clinton therefore must call for a New Bretton Woods summit, to reorganize not only the bankrupt financial system of Wall Street, but to reorganize the world financial system, as it was done in the old Bretton Woods system. The focus of such a reorganized world financial system would be the Eurasian Land-Bridge, i.e., the integration of the Eurasian continent through the concept of land-bridges, integrated infrastructure, railways, highspeed trains, highways, waterways, energy production and distribution, and communications, as the vital precondition for the economic integration of Eurasia; and that this Eurasian integrated space, which then would represent about 4.5 billion people, would extend through land-bridges into Africa, through the Bering Strait to North America, and through the Americas in general. Because we think that rather than grabbing raw materials, and trying to survive that way, this program of global reconstruction is the way out.

For those of you who attended previous seminars, I want

22 Feature EIR June 27, 1997

to point to the fact that from that standpoint, it is a very important step forward, that President Clinton is agreeing to continue extending Most-Favored Nation status to China, because, obviously, the alternative would be bordering economic warfare, and that would really ruin the basis for all of this. Also, an extremely important step in the right direction, was the recent summit of President Jiang Zemin with Boris Yeltsin in Moscow, where they agreed on strategic cooperation between China and Russia, including the so-called quadruple relationship among China, Russia, India, and Iran.

Obviously, if you look at these countries, which are key for the Eurasian Land-Bridge development, they represent the centerpiece of any successful reorganization of the world economy. It is also—maybe not *as* important, but interesting—that even France's Chirac (who is otherwise totally immersed in the Maastricht craziness), when in China, agreed, in a final document with the Chinese leadership, that China and France want to work to together for a new, just international world order based on rationality and justice and development of all. Now, for Chirac to say this—I'm not putting too much weight on it, but obviously, he felt that he had to scramble, because of the election.

The importance of all this is, that the alternative, where to go, is already defined: a New Bretton Woods conference and the Eurasian Land-Bridge.

Now, there are presently in Washington and elsewhere three views about whether this perspective is realistic or not. The first view, is that this idea of a reorganization is not desirable, that the IMF/World Bank system is okay and does not need any repairs. The second view, is that this would be very nice, but that it's politically not realizable. And, the third view, which is held by important people in Washington and elsewhere, is that the crisis will assert itself, and then the only alternative is chaos or the kind of reorganization proposed by Mr. LaRouche.

Let me just leave it at that, because I want to come to the actual subject of my presentation.

# Two opposing worldviews

What is at war here, are two irreconcilable, opposing conceptions of the human individual person. On the one side, you have an image of man, a notion of man which is associated with Plato and with Christianity, and which was reconfirmed in the Golden Renaissance in the 15th century: namely, that man and woman are each made in the image of God, and that they are made to exert increasing dominion over nature, and that that is their role and function in this universe. Then, you have the opposing view, which is a mechanistic notion of man, that man is just a talking beast—an idea which comes from the Enlightenment, which was expressed by people like Mandeville, Voltaire, Montesquieu, Hobbes, Locke, and many, many others—that man is evil by nature, really bestial, and therefore, it's okay if you have a small ruling elite of maybe 5%, over a large mass of backward people, who are

not really human; and, therefore you can dispose of them, you can kill them, as the Spartan state in ancient Greece could kill the helots anytime they wanted to.

That image of man was represented by Cecil Rhodes around the turn of the century, who had the idea that he wanted to depopulate Africa of black Africans, in order to make room for it to be inhabited by whites; this view was the view of the Nazis, very clearly. They thought that Jews, gypsies, and other people, were not really human. That is also the view clearly expressed by Henry Kissinger, who, when he was national security adviser to Nixon in 1974, wrote a document which was called NSSM 200, which I advise everybody to get hold of—you can find it in the Library of Congress—in which he says, in an absolutely unashamed fashion, that the raw materials of the world really all belong to the strategic security interest of the United States, and that therefore the United States has the right to reduce populations around the world; because, if you have too much population growth in Africa, or Latin America, or Asia, then these people will gobble up too many raw materials. Therefore, it was the foreign policy of the United States at that point, under Kissinger and Nixon, to convince governments to impose population-reduction schemes; and, that if these governments are not willing to cooperate, in his view, then it is even legitimate to use the food weapon to convince them to do that. Kissinger says in this document that one has to be careful that this is not looked at as imperialism, but one can cover it up so that these real aims are not so obvious.

That same view of man, that man is not really human, obviously is also the basis for the policies of Barrick Gold and the other firms which are behind the genocide in Africa. Now, I think it is very clear, that the specific difference between man and apes — which Prince Philip, head of the World Wildlife Fund, denies exists. Prince Philip basically says that there is no such difference, and that men are just talking apes. (He may speak for himself, but not for me, for sure!)

The difference between man and ape is the ability of the human individual to generate valid metaphors. What is a metaphor? A metaphor is an *idea*, which had no existence in the language as it was used up to this point, and, nevertheless, represents an efficient principle of the universe, for which you really need *poets*—poets and scientists—to give a name to something new, which did not exist before. Therefore, in Classical science, since the Academy of Plato, all scientific ideas came into existence as human knowledge, through this process of metaphor. And it is one of the most crucial aspects of the specific contribution and fundamental discovery that Mr. LaRouche made, in the period between 1948 and 1952, when he confronted the information theory of Norbert Wiener and John von Neumann, by recognizing the fact, that information theory was absolutely incapable of describing real economic processes, because information theory cannot describe the relationship between the individual's ability to generate metaphors, the sovereign creative process of the individual,

**EIR** June 27, 1997 Feature 23





Left: Statue of Friedrich Schiller (right) and J.W. Goethe, in Weimar, Germany. Right: Wilhelm von Humboldt. It is uniquely the Classical humanist form of education, developed by Humboldt and inspired by Schiller, that fulfills the requirements of a developing economy. Each student replicates the creative discoveries of the entirety of mankind up to that point.

and the subsequent gains in the productive powers of labor through scientific progress.

# The Machine-Tool Principle

This progress is what we call "the Machine-Tool Principle." And, upon this principle, depends all successful sustained performance of the agroindustrial economies. Now, to understand this, it is necessary to master Plato's concept of hypothesis. The application of the Socratic method to any proposition in geometry, leads to the adducing of an underlying set of definitions, axioms, and postulates, and constitutes a theorem-lattice. At each level of production, at each level of the economy, at each level of scientific knowledge, you have a specific hypothesis, which describes a set of such definitions, axioms, and postulates; there is *no* system of either mathematical or any any other thought in general, which is not determined by such an efficient underlying hypothesis.

Now, most people are not self-conscious, and they just think that what they think is self-evident; but, if you investigate what are the axioms of your thinking, then you come to the conclusion that these are related to what we call the theorem-lattice. So, for example, if you are a Greenie, if you are an environmentalist, you have a certain set of axioms and assumptions which are coherent with that ecological world outlook—I'm just giving this as a pedagogical example. This is important, because if you want to *change it*, you have to first be conscious of what these axioms are in your own thinking.

Now, in economics, as in experimental physics, any "fact" of nature, which cannot be made efficiently consistent with exisiting generally accepted physical assumptions, constitutes a paradox. Such paradoxes are crucial for valid experimental physics and economics.

If you look at the history of scientific progress, you can

24 Feature EIR June 27, 1997

say that it appears in the following form: that, according to an existing physical doctrine, a certain fact is impossible; even though that fact ridicules that aspect of existing opinion, that existing opinion does also contain a lot of efficient truths. So, therefore, both in physics and in economics, progress requires two indispensable steps. First, you have to define the principle of nature which the paradox expresses; and, second, once an experiementally valid principle has been adduced, you create a new hypothesis to supersede the hypothesis underlying the old scientific knowledge. Qualitative scientific progress occurs in this way. Now, when such a scientific new discovery occurs, you cannot simply add the new principle you discovered to the old hypothesis, but you have to create an entirely new hypothesis, and consider in which way this newly discovered principle impacts each and every item of definitions, axioms, and postulates of the superseded hypothesis.

It is for this reason, that textbook learning, or, what today dominates our universities—multiple-choice learning, that you learn, for example, for a medical examination, by having questions with three possible answers, and before you take the examination, you go into these crash programs of learning by heart, and you say, "a, or b, or c?"—that this actually has absolutely nothing to do with human knowledge, because it does not address this problem. It's a completely linear approach.

It is only the Classical humanist form of education, which fulfills this economic requirement. The system which Wilhelm von Humboldt invented, inspired by the German poet Friedrich Schiller, in the 19th century, which is called the Humboldt educational system, is exactly that each student must replicate in his training, the knowledge of the entirety of mankind up to that point. Naturally, not all the ridiculous footnotes and secondary literature, but the crucial qualitative steps of science, of literature, of great art, in the following way: The student, in acquiring real knowledge and not simply stupid "learning," must be confronted with the same paradox which represented itself to the person who made the initial discovery. He must be confronted with what he believed up to this moment. Then, the student must be encouraged to overcome this paradox, by generating the solutions to that paradox. This, he can obviously not do through the receipt of information, but only by reenacting, in his own mind, the discovery of the original discoverer. This he can only do in his sovereign cognitive processes, in his own private, personal mind, not by some objective form.

So, if the student in this way goes through, not *one* discovery, but a succession of valid discoveries, then he learns something much more fundamental than textbook principles. By reexperiencing much of the history of human knowledge, he acquires what Plato called *the hypothesis of the higher hypothesis*, to understand that the evolution and expansion of human knowledge is absolutely crucial to comprehend history itself. This kind of training is also necessary to qualify the student

in an environment of technologically progressive production. It is also key for developing the moral qualities of the student, because only if he learns universal history in this way, if he learns the history of natural science, geography, the history of great art, the history of music, that he has a *moral obligation* to give the talent which he received, from his parents, from the generation in which he lives, from his teachers, to have a noble obligation to give this talent, more enriched, to future generations, and to add, through his own creative contribution, to that heritage.

This is the question of moral character, because only an individual who thinks in this way, has a moral obligation to society as a whole. Therefore, it is this kind of acquiring of knowledge, which is also important for the identity of man in the image of God the Creator; because, when man tries to imitate the most noble ability of the Creator, namely, to himself create, to be creative, only then is he truly in the image of God.

Therefore, such an education must be associated with scientific progress, and it is from that symbiosis of education and science, that society obtains the principles which revolutionize the strategic machine-tool sector, and the labor force which is qualified to assimilate the revolutionary changes in an efficient way.

These changes in the technological environment of education and production are what increase the productive powers of labor per capita, per household, and per square kilometer. These creative powers of the individual human mind are the sole source of sustainable profit in economics (see Figure 1). So, the rate of improvement in the characteristic conditions of life in general, of entire societies, is in proportion to the extent and quality of compulsory education, and to the fostering of scientific and technological progress. The preconditions for increases in the productive powers of labor, lie exactly there. These preconditions represent the basic economic infrastructure, and they are the essential responsibility of government, because, for example, the fostering of investment in capital-intensive and power-intensive modes of scientific and technological progress, may occur in private firms, but if the government does not provide the framework, such as through tax incentives or other means, then this will not function.

# The nation-state: to secure the common good

This is basically the reason why the economies associated with the emergence of the European nation-state, which occurred for the first time in France of Louis XI in 1461, and in practically all the centuries till the middle of the 1960s, led to such improved conditions of the life of the world population, compared to all previous cultures, worldwide.

There are three aspects to why the modern European nation-state, in which the government was obliged to secure the welfare, the common good, of the people—as compared to the previous imperial forms, where a small elite was just inter-

**EIR** June 27, 1997 Feature 25

FIGURE 1 How the Machine-Tool Principle is situated **Current Levels of Development** Individual Creative Reason Discoveries of Valid Principles Discoveries of Valid New Hypotheses Classical Humanist Machine Tool Designs Education New and Improved Product Designs **Developed Labor Force** Infrastructure Designs **Productive Processes** Increasing Capital-Intensity Increasing Power-Intensity Labor Force and Machine-Tool Designs Are Combined **Productive Process** Development Increased Productivity Increase of Potential Relative Population-Density Higher Levels of Development Individual Creative Reason

ested in their own privileges—is the superior form of government. This was located in three basic principles: first, that the state was responsible for universal, compulsory humanist education of the entire population; second, the fostering of investment in capital-intensive and power-intensive modes of increase of the productive powers of labor; and third, in the fostering of high rates of transmission of valid new discoveries of principle into the productive process and product design, through a high-density role of the strategic machine-tool

design sector, in respect to per-capita productive output.

Now, I want to point to another aspect of this economic principle. In 1876, during the 100th anniversary of American Independence, at the time of the World Exposition in Philadelphia, there was a gathering of the leading industrialists from around the world. Among them was Emil Rathenau, who later became the head of the famous German firm AEG; and also Franz Reuleaux, who was at that time the head of the German machine-tool sector. And, when he saw the economic principles which were presented at the Philadelphia World Exposition, he wrote his socalled "Letters from Philadelphia," which were a very dramatic challenge to German industry, because at that time, the free-market economy principles had taken over German industrial thinking. Reuleaux challenged that, and said: Everywhere today there is the principle to produce "cheap and bad," or to put it better, "cheap and therefore bad," because at that time, people had adopted the British free-market economy idea, that if you wanted to be competitive, then entrepreneurs have only one way of proceeding: cutting prices to undercut the competition. Reuleaux noted that, even in the area of public works, this was the case: Contracts for buildings and railways were always given to the lowest bidder; and he said that it is absolutely scientifically certain, that the economy will go downhill if you proceed in this way, because the secret of a blossoming economy, is the maintenance of a good price, but, at the same time, the increase of the quality of the product.

As history has demonstrated, Reuleaux's challenge to the German industrialists in the 1890s was successful, so that already by the middle of the 1890s, German industry had turned the name "Made in Germany"—which the British had enforced, basically to hurt German industry, in order to say, "This is a bad, cheap product"—into a sign of high quality, which it remained for a very long time, until the recent period.

Now, 120 years later, the German economy has reached a similar branching point — and one can say the same thing for

26 Feature EIR June 27, 1997

France, Japan, Italy, France, and others. The world financial system, where presently 99% of all financial transactions are tuned toward speculation, has led to the present crisis of the banking system, the collapse of investment in the former Soviet Union, the enforced logjam in investment in western Europe, through the Maastricht strangulation—which was really designed to strangle the European economies—all of this has led to the worst economic crisis in Germany since the Second World War, and the highest unemployment figures since Adolf Hitler came to power.

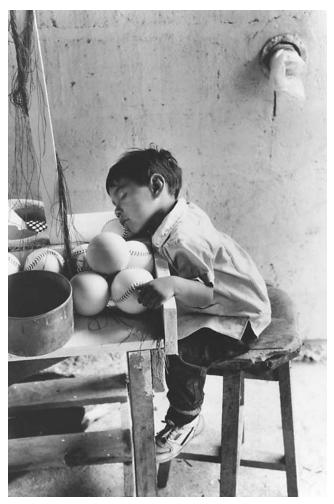
# The myth of globalization, outsourcing

The free-market profiteers have this logic of globalization, to which they claim there is no alternative. They say that German jobs, which are relatively high-standard, relatively high-cost, could only survive in competition with eastern Europe, Asia, and Latin America, if German industrialists would go into cost-cutting and outsourcing, and, because of this international competition, Germany could no longer afford a health system, high pensions, infrastructure, and all of these things, and, therefore, what was required, was outsourcing into those countries where you have cheap labor.

Just as it was 120 years ago, that idea, of cutting prices, of going for cheap labor, is absolutely wrong, and is a disastrous direction. Just as, 120 years ago, it was the increase of the cost per capita for education, health care and social security, for research and development, infrastructure, which was the way out of the depression, so it is today also *not* the orientation to the so-called world market, but the development of the productive powers domestically, which is the reason, and the *only* reason, for an economic blossoming. As it was 120 years ago, once you increase the productivity of your domestic labor force, then an export boom is the by-product. But, if you do it the other way around, it doesn't function.

Now, the myth of globalization is normally accompanied by the utopia of the post-industrial society: the idea that the service sector would somehow replace the Industrial Age. Pittsburgh is being pushed as a model, where they eliminated steel factories, and they now have casinos, and hairdressers, and other service-sector jobs; while it is very clear that the expanding service sector is only possible if you have reindustrialization on the highest technological level, because you can only expand services, if industry is doing well, not if industry is collapsing. It is, therefore, the volume of the creation of wealth in production, which determines what we can afford in terms of services. If you shrink production, the basis for the service sector melts away.

Also, one has to address another aspect, because people who are used to thinking in linear, mechanistic ways, somehow think that production is limited by a certain living standard, that once everybody has a Mercedes, once everybody has a refrigerator, then somehow the market is saturated, and production comes to an end. That is an idea which some peo-



The vicious toll of "outsourcing": This child in Honduras has fallen asleep, while making softballs for the "free market," to help keep his family alive.

ple have. Now, there must be no concern that we will lack work in the future, because there is no such thing as a fixed basket of goods and services which, asymptotically, eventually will go toward zero.

Just think about the following question: If we were to give up the technologies of the last hundred years, how many workers would be necessary to get one satellite into orbit? Or, how many nurses would be necessary to heal an eye problem, with ultra-short light impulses of 1 gigawatt per square centimeter, which is today done in laser application in medicine? How many nurses do you need, if you take the technologies of the last hundred years out of the picture? These questions sound absurd, because they're posed in the wrong way: The fact is, that without modern technology, such possibilities would not exist, even if you had millions of workers. The main function of technological progress is *not* the replacement of manual labor; this is a common idea that many trade unionists

**EIR** June 27, 1997 Feature 27

have, the Marxists have, but this is not really the case. The real role of technological progress is the enlargement of human capabilities to utilize processes of the physical universe in a goal-oriented way. And in this way, there are emerging new production techniques and products, also new types of tools, which can bring into being entirely new economic areas, with millions of new workplaces.

An example of this was the chemical industry and electronics, in the last century, and, even if you take into account automation, designed to replace manual labor, this also has other beneficial results. For example, today in Germany, there are 60,000 industrial robots. They are mainly used where human work is problematic for health reasons, for example, in car production, in the welding and painting of the finish, which produces vapors that are bad for your health. Now, industrial robots have created a new branch in machine tools, where presently, in Germany alone, 20,000 engineers and technicians are deployed.

So, the source of wealth absolutely is *not* raw materials, or even a fixed machine-tool capacity, but it is the creative powers of the mind of the people, which redefine previously worthless dirt, as newly discovered raw materials, and develops entirely new branches of machine-tool design. Therefore, the center of a good economy must be the development of the creative powers of the entire population.

The oligarchs, the enemies of the human race, have recognized that, and it is most noteworthy that the infamous former editor of the London *Times*, Lord Rees-Mogg, wrote in a recent article, that in the coming Information Age, all necessary knowledge can be produced by 5% of the population, and that, therefore, 95% of the population does not need to be educated anymore.

### The vital role of the 'Mittelstand'

Now, let me point to the decisive role of the *Mittelstand*, the middle-level industry. In Germany, this is basically defined by the limit of 500 workers or employees. In Germany, this is for sure—and it used to be so in Japan—the hard core of the productive part of the economy. In Germany, only 1% of the industrial firms are so-called "big" industries, while the small and middle-level industries represent 60% of all the workplaces, 70% of all the taxes paid, and 75% of the profit taxes paid.

Why is this middle-level industry so important? First of all, mostly in Germany, but also elsewhere, the boss of the business is at the same time the owner of the capital. This is very important, because it excludes the disease of the "share-holders," and, therefore, the idea of going for quick-buck profit, but rather, people think in terms of long-term success, because the fate of the company and the fate of the family are immediately connected. The typical German middle-level industry also has a situation where the owner knows the details of the production process and has a personal relationship to the employees, and therefore works more as part of a team,

and therefore the firm has a much more flexible response to new challenges. They have, on average, a much higher ratio of highly qualified workers, and therefore, the *Mittelstand* functions as the transmission belt for innovations.

Obviously, you don't arrive at the *Mittlestand*, middle-level industry, by splitting up a big firm. For example, if China wants to renovate or reorganize its state-owned industries, this will not be not accomplished by just splitting the big firm into many, many parts, because the secret of success does not lie in the size of the firm per se, but rather in the ability of a qualified boss, preferably an engineer or a scientist, and a highly qualified team of the workforce. Only if a national economy produces enough entrepreneurial personalities, and if you have, in addition, a high degree of education of the employees, can you have such a *Mittelstand*, as a transmission belt of scientific progress.

In Germany, one other aspect is relevant, and that is the so-called dual system of education of apprentices. Contrary to the model of the Anglo-Saxon countries, where the firms are more in charge, you have a combination of public schools, which defines a minimum standard of education for everybody, with the specific interest of the individual firm.

For example, in Germany, the machine-tool sector has virtually no large firms at all. The ten largest machine-tool builders in Germany only represent 6% of all people employed in that sector, and the 6,000 German machine-tool firms employ 1 million people; but they are, nevertheless, in many areas, leading in the world market. Now, in 1995, a consulting firm, whose head was Herman Simon, wrote a book called *The Secret Champions*, in which he investigated 500 German middle-level industries which are all leading the world market in their specific area. Now, of these secret champions, 37% of them are in machine tools, 12% in the electro-industry, 10% in metallurgy, and on average, they have 500 employees. More than half their production goes to export, and, if you take components which they sell to other firms, which then assemble these components into a larger product, which then goes to export, they produce 70% for export.

The leaders of these "secret champions" are mostly engineers or natural scientists. The average age of the bosses of these firms is a relatively high 67 years, and nearly all of these firms have made decisive technological innovations and a permanent improvement in the production process, which many times was the result of the invention of one exceptional employee. The study comes to the surprising conclusion, that it is not the outsourcing which brings any profit to these firms, but the superiority in quality and reliability.

The Fraunhofer Institute for Systems Technique and Innovation Research came to the same conclusion: that outsourcing, which people thought would result in incredible profits for the firms that are doing it, indeed had the contrary effect: It led to a loss of flexibility, and that even the outsourcing of the most unproductive areas of their production did not

28 Feature EIR June 27, 1997

have satisfying results, but what *had* the best results, was the application of the most advanced technologies in Germany, which would then lead to an increase in the production of wealth per employee, up to 50%.

The Stuttgart consulting firm Management Partner produced a study in July 1996, which says that the initial euphoria of outsourcing has completely disappeared; that one-third of all firms did not really succeed at all; and, when German industries were outsourcing into Poland and Czechia, because of the cheap labor, it turned out that this was "milkmaid accounting," because they immediately had problems with maintenance, consulting, the lower qualifications of the personnel, and, even though the motivation of the workforce was very high, they were not used to the high rate of technological change; and then, on top of that, within a very short time, the increase of prices on the domestic market basically eliminated the benefits for the country into which the production was outsourced.

Now, the Czech Republic is a typical example, because when the Soviet Union collapsed and the Comecon disintegrated, Czechia, under the leadership of Vaclav Klaus and Vaclav Havel, was hailed as the showcase of the IMF reforms. Klaus imposed the most rigid reforms, privatization, with no respect for the social consequences of these reforms. And, today, Czechia is totally in chaos: You have strikes, you have a collapsing banking system; the krona is collapsing. Czechia is a new Mexico, as a result of these policies—which we, by the way, told them, back in 1990. I was just in Prague two weeks ago, and people remembered that we had warned them in 1990 that this would happen.

Therefore, the way out of the crisis is *not* cutting prices, is not austerity, outsourcing, and all of these things, but it is research and development. It is applying the principles of physical economy and the maximum scientific and technological progress.

## Never again!

Let me go back to what I said at the beginning. When you look at what these people are doing; what the Nazis did then, and what these multinational firms are doing now, when they are grabbing the raw materials, with the illusion that that represents wealth; the genocide which we see in Africa, and Nazi economics, are based on the same principle. It is the idea that you can use human labor, as it was done in the concentration camps, to extract the last iota of strength, until people die, and if you reduce the calories to 800 per day, as the Nazis did, it was predictable that the victims would die after a couple of months. The same thing is happening, de facto, with the raw materials grab in Africa today. Because these people figure that they don't need many people to mine the raw materials; they just need some slave labor, and guns, and goons, and that way they can accomplish what they want.

That is why these things are related: because, you see, there are two philosophies. One is control of world raw materials, the theory of Margaret Thatcher, who, in her memoirs, wrote that the doctrine of the free-market economy is, "buy cheap, sell expensive"—and make usurious profit. We completely reject that. That is the way to doom, catastrophe. We say that it is only the increase of creativity of the individual, because that defines what is a "raw material." I can take a stone and hit you over the head with it, and kill you, and then it's a weapon; but I can also take a stone and say, "There are the following iron ores and other strategic minerals in this, and I can extract them, through the following production processes, and then it's the raw material for producing maybe an aircraft, or I don't know what." So, a raw material is defined by the level of technology by which I attack that raw material.

When General Patton arrived in Buchenwald, he said, "Never again!" As you know, especially in this country, there are many people who like to use this phrase. There is the famous Daniel Goldhagen, who runs around and talks about how all Germans were Nazis and perpetrators; well, I'm interested to hear what Daniel Goldhagen has to say about the fact that now, the British leaders, including Churchill, knew from the beginning what the Nazis did. Does that mean that all the British subjects are perpetrators too? In any case, I think we must give new meaning to this idea, "Never again!" And we must arouse, in the whole world, the passion for people to demand from President Clinton that he stop this. We have to also understand, that for Clinton to go against these raw materials cartels, takes courage, and a mobilization of the population, because these people are known to kill without mercy, and they have done this in the past. "Never again" today, means to bring the perpetrators of today to justice. I think that if you do not confront that, then we will not have the just, new economic order which we need.

I think we can accomplish it, but it requires that all people of good will around the world work together, to take the very promising developments which are emerging, under the leadership of China, but now, also, increasingly, Iran, India, and other countries—the Land-Bridge conception—to open up a new era of mankind. This is not a utopia, but it is very, very close, and all we have to do, is to mobilize enough forces to create an environment where this reorganization can be done. I am absolutely convinced, that man will not forever be equally confronted with good and evil. I'm convinced that the Manichean view of the world is not correct. I believe that this Nazi-like oligarchical thinking—that there should be a small elite and a mass of stupid people—that that can be overcome, and that when we reach a situation when we have universal education for every child on this planet, that we will enter a completely different era of mankind, in which people will be happy to be scientists, discoverers, composers, poets; and that a new Renaissance will be possible; and that we will look back at the misery of today, as just the last outbreak of a childhood disease of mankind, and that people will become adults, as a human race.

**EIR** June 27, 1997 Feature 29

# **ERInternational**

# D-8 defines new agenda for international relations

by Muriel Mirak Weissbach

Over the June 14-15 weekend, prime ministers, foreign ministers, and heads of state from eight countries joined in Istanbul, Turkey, to officially establish a mechanism for economic cooperation, known as the Developing-8. The event, coming just days prior to the Denver Summit of the Eight (as the Group of Seven plus Russia meeting has been dubbed), constitutes a powerful and intriguing challenge to the economies of the advanced sector, both politically and conceptually. If the governments of the United States, western Europe, and Japan appreciate the significance of the D-8 initiative, it could stimulate them in their process of rethinking their own economic policy outlook, among themselves, and in their relationship to the developing sector.

The first summit of the D-8 countries included the heads of state and/or government from Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, and host country Turkey. It was Turkish Prime Minister Necmettin Erbakan who launched the initiative last October, and constituted it preliminarily in January, after having consulted with each of the potential member countries. The purpose of the new organism, as spelled out in the summit's draft declaration (see *Documentation*), is "socio-economic development" in accordance with the principles of peace, dialogue, cooperation, justice, equality, and democracy, as opposed to an order which has been characterized by conflict, confrontation, exploitation, double-standards, discrimination, and oppression.

### Eradicate poverty through economic growth

The eight nations, from Africa, the Middle East, and Asia, representing 800 million people, have come together to initiate a process of rapid economic growth, through application of advanced technologies, to overcome what is identified as the central problem in today's world: poverty. In his speech to the summit, Erbakan stressed, "The main issue of this era is the eradication of poverty through increased economic

growth and continual social development. The precipitous deterioration of the global environment is caused among other things by the problem of poverty." The Pakistani prime minister, Nawaz Sharif, echoed his views: "The foremost challenge before us is the eradication of poverty. Economic growth leads to political stability and reinforces democracy," which, "in turn, reduce the chances of war. This is true of the affluent West as it is of Asia," he said.

Noting that the developing sector could not rely on the advanced sector for technology transfer, Erbakan stressed the growing technological capabilities in the developing sector. "Among us," he said, "there are already those able to make their own automobiles, locomotives, ships, machine manufacturing plants, factory machinery, up to rocket plants and airplanes, using high technology." The task of the D-8 is to mobilize these resources, and coordinate their deployment, to the maximum advantage of all the member countries, as well as others.

The technical means by which to achieve this coordination are identified in a paper issued at the summit, on the structure and functioning of the D-8. The supreme organ of the new institution is the summit of the heads of state or government, to convene yearly. The political decision-making organ of the D-8 is the Council, composed of the foreign ministers, which considers reports of the Commission, the executive organ, and makes necessary decisions or recommendations to the summit. The Commission itself, composed of senior officials appointed by their governments, is responsible for preparing the work program and agenda of the Council. All decision-making in the D-8 is by consensus.

### Working groups activated

This rather streamlined structure has already been put to work. Over the past six months, working groups of the D-8 have met, to draw up proposals for concrete projects of eco-

30 International EIR June 27, 1997

nomic cooperation. The working groups themselves, established by the Commission, are defined by activity. At a meeting of the D-8 held in Turkey on March 15-16, representatives of the D-8 countries set up the following groups: Trade, Industry, Telecommunications and Information, Finance and Banking and Privatization, Rural Development, Science and Technology, and Human Resources Development. Within each group are sub-groups, for which single countries have responsibility. The division of labor and projects was discussed at the March meeting, and substantiated in a progress report presented at the recent summit.

**Trade:** Chaired by Egypt, this group is responsible for harmonization of bilateral agreements on prevention of double-taxation, and the conclusion of a multilateral agreement for the promotion and protection of the investments. Free trade zones and establishment of a cotton union have been discussed. Egypt has proposed the establishment of an international marketing company among the D-8 countries. The group has recommended that D-8 countries consider a general agreement for establishment of general trading companies, to promote trade.

**Industry:** This working group, under the chairmanship of Turkey, recommends cooperation on design, development, manufacturing, and marketing of products in the aerospace, automotive, and eletronics sectors. Specific projects discussed at the March meeting, and subsequently accepted, include mass transportation, stainless steel production, agricultural aircraft design and production, helicopter design and production, trainer aircraft design and production, electronics and avionics, submarines design and production, water production, computer chip production, multipurpose car design and production, textile machinery production, cooperation through the small and medium-size industries (SME) and promotion of the SME through means of micro-credit, establishment of D-8 productivity organization, and cooperation in locomotive and rail car production. Iran and Turkey proposed a conference, which they would host, for the automotive industry.

**Telecommunications and information:** Chaired by Iran, the group presented projects on information technologies and telecommunications, establishment of an industrial and technological data bank, and software development.

**Finance, banking, and privatization:** This group is chaired by Malaysia, and has elaborated proposals for technical cooperation, including insurance schemes (Takaful), joint ventures, investment, and banking.

**Rural development:** Bangladesh will chair this group, which has not yet completed its deliberations. It will deal with potable water supply systems in remote areas by PV pumps, water purification in remote areas, and helping the mountain, forest, and desert populations. Improvement of rural areas is to be pursued through micro-credit systems as a means of poverty alleviation.

Science and technology: Chaired by Iran, this group has

presented the recommendation that a D-8 council on science and technology be established.

Human resources development: Under the chairmanship of Indonesia, this group selected priority projects, which include training and livestock and fisheries; poverty alleviation; water resource management; and education programs, including graduate studies, and scholarship and exchange programs. Projects ready for implementation from this working group, include training in animal production, laboratory technology, and veterinary management; training in livestock artificial insemination; disease investigation techniques; technical training programs for women; graduate studies, and so forth.

**Agriculture:** Chaired by Pakistan, this group identified projects for cooperation in sugar crops; joint ventures in integrated feed lot units and poultry complexes; pressurized irrigation systems; plant bio-diversity; soil and water conservation; joint ventures in agricultural machinery; improvement and development of pest management; control and eradication of animal diseases; development of inland and coastal aquaculture.

**Energy:** This group, chaired by Nigeria, has not yet completed its deliberations. Areas under its responsibility include thermal, hydroelectric, and nuclear power plants, as well as liquid natural gas transport and shipping.

**Health:** Chaired by Turkey, this group dedicated to promoting public health, will establish an institute for environment and public health training as well as an AIDS prevention and control program. Food safety, nutrition, and cancer prevention and control programs are also included.

From all these, six priority projects were identified at the summit for immediate implementation. They are the establishment of an international marketing and trading company; poverty alleviation programs; establishment of an industrial and technological databank network among the D-8; establishment of "Takaful" (insurance) schemes, and joint ventures among D-8 companies; development of inland and coastal aquaculture; design, development, production, and marketing of aircraft for agriculture.

### The D-8 is not a 'Cold War' bloc

Through the projects defined by the working groups, the D-8, in the words of Erbakan, "will play a big role in bringing peace and security." It is not, added Erbakan's minister of state, Abdallah Gul, a "bloc like those that existed during the Cold War. It is going to be a tool for dynamic economic cooperation." Furthermore, he stressed, "The political side is not really important," as the composition of the group itself shows. "They have very different political styles." Nor, he added, is this "the Muslim eight." It is, rather, in embryonic form, a kind of new Non-Aligned Movement.

Several prominent spokesmen of the D-8 emphasized this aspect in their speeches and remarks to the press at the summit. Erbakan himself cited the United Nations Charter, the decla-

EIR June 27, 1997 International 31

rations of the Non-Aligned Movement, and "the Ten Bandung Principles, or Ten Principles of International Relations which were initiated by the historic Asia-Africa Conference in Bandung in 1955." Iranian Foreign Minister Ali Akbar Velayati said at the summit, that he expected other Muslim countries to join the D-8 soon. Indonesian President General Suharto, during discussions on the sidelines of the summit with Iranian President Ali Akbar Hashemi Rafsanjani, stressed the importance of enhancing south-south ties and strengthening the Non-Aligned Movement.

One way that the D-8 will contribute to reviving the Non-Aligned Movement as a living process, will be through dynamic "networking." This means, that the members of the D-8, will be able to bring into collaboration with the new institution, other countries associated in other forms, to which they also belong. For example, as Rafsanjani pointed out in remarks to the press, all the D-8 countries are also members of the Organization of the Islamic Conference (OIC), whose administrative and economic cooperation structures can be used. Furthermore, he stressed, the three founding members of the Economic Cooperation Organization, Pakistan, Turkey, and Iran, are also in the D-8. That institution, since the collapse of the Soviet Union, has expanded to include Azerbaijan and Afghanistan, as well as the five Central Asian republics. Furthermore, he said, there are in the D-8, members of the Association of Southeast Asian Nations (ASEAN), and of the South Asian Association for Regional Cooperation (SAARC). "While D-8 signifies the beginning of a new strategy for cooperation, it should complement and support existing regional and international groupings," he said. "In our view, he added, "the main function of D-8 is to provide a flexible, transparent, and effective forum without a cumbersome bureaucracy to facilitate coordination at the macro level for implementation of large-scale industrial and economic projects requiring resources of more than one member-state. It should also concentrate on adoption of collective strategies to participate more actively and take their rightful place in international economic decisionmaking."

# Will the West respond?

Although certain Western press outlets tried to undermine the importance of the D-8, or to distort its founders' intentions, by casting it as an adversary of the G-7, participants at the summit were explicit in affirming quite the contrary. The D-8 does, yes, mean that the nations of the developing sector will work together to speak with one voice, and will look to bodies like the G-7 as their interlocutors, but not from a hostile standpoint. Explicit in the summit's draft declaration, is the statement, that the D-8 members are convinced that their joint efforts will augment their "contribution to the decision-making process at the international level" and allow them to "become partners in shaping world economic relations." The document also expresses the D-8's "collective resolve to

cooperate with both the developing and the developed countries in the realization of [its stated] goals."

The D-8 has put something qualitatively new on the international agenda, which is the idea that countries bound by a common religious culture, may come together in active association, to establish new institutions, around the common commitment to abolish poverty, through massive, joint industrial cooperation, and thereby lay the basis for peace among themselves, and more broadly, with the rest of the world. The question is, will those leading nations in the G-7 welcome the offer of such a unique "partnership," and share the D-8's goals, of establishing peace through economic cooperation and growth?

# Documentation

The following is the declaration of the "First Summit Meeting of the Heads of State/Government of the D-8 Countries," on June 15, in Istanbul, Turkey:

We, the heads of state/government of Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey, having met in Istanbul on 15th day of June 1997, and,

having reviewed the international political scene and concluded that the post-Cold War international situation, including rapid globalization of the world economic structure, has created both opportunities and challenges for developing countries,

conscious of the deep-rooted and sincere aspirations of mankind for peace, dialogue, cooperation, justice, equality, and democracy,

having observed with disappointment and concern that instead of achieving these goals, new causes of tension, instability, conflict, and confrontation have developed in various parts of the world and old policies of double-standards, discrimination, and oppression have continued, and in some cases, intensified,

having confirmed that close and effective cooperation and consultation among developing countries is essential for world peace,

having exchanged views on the current global economic situation and its impact on our countries,

recognizing that the eradication of poverty requires ensuring universal access to economic opportunities that will promote sustainable livelihood, and making basic efforts to facilitate access to opportunities and services for the disadvantaged,

noting that people living in poverty and vulnerable groups must be empowered through organization and social life, in particular in the planning and implementation of policies that affect them, thus enabling them to become genuine partners in development,

recognizing the need for a stable international macro-eco-

32 International EIR June 27, 1997

nomic framework, open markets, enhanced financial resource support, and infusion of technological dynamism to sustain the competitiveness of our economies and to overcome their problems of integration to the world economy,

stressing the necessity for the international community to promote and implement policies to create a supportive external economic environment, through consultation and coordination in the formulation and implementation of macroeconomic policies,

stressing the need for a sound macro-economic management with emphasis on industrialization and human resources development and a constructive partnership between public/government and private sector,

*considering* the obstacles before our countries' economies for a faster and healthier growth,

*recognizing the need* to overcome the existing trade barriers facing our countries,

having noted the insufficient share of our economies in the global trade activities as well as the inadequate role of our countries in the global economic decision-making,

convinced that through our joint efforts, revitalization of our mutual cooperation and coordination with the rest of the developing world, we can increase our contribution to the decision-making process at the international level and become partners in shaping world economic relations,

desirous of enhancing the insufficient volume of trade among our countries, as well as increasing the group's exports to the outside world,

expressing the resolve of our governments for a wider use of modern technology and its effective contribution to the economic and social development of our countries,

committed to fostering a global partnership in the world economy based on a constructive dialogue through a democratic and participatory process,

expressing the immediate needs and expectations of our respective nations for a higher level of development in all its aspects,

being aware of our vast common potential and the proven benefits of closer economic cooperation,

*stressing* the crucial role of the business community in fostering cooperation among developing countries,

having acknowledged that the deep-rooted historical affinities provided a strong basis and framework for mutually beneficial cooperation,

*underlining* the imperative of respect for the purposes, principles, and objectives of the United Nations Charter,

*subscribing* to the principles of consultation, coordination, transparency, equity, equality, and respect for each other,

- 1. *hereby decide to* establish a mechanism for development cooperation which will be called Developing-8 (D-8),
- 2. further decide that D-8 will be a forum with no adverse effect on bilateral and multilateral commitments of the member states emanating from their membership to other international or regional organizations,

- 3. *declare* the main objective of D-8 to be socio-economic development in accordance with the following principles:
  - Peace instead of conflict
  - Dialogue instead of confrontation
  - Cooperation instead of exploitation
  - Justice instead of double-standards
  - Equality instead of discrimination
  - Democracy instead of oppression
- 4. *decide* that cooperation will encompass all areas, including political consultation and coordination at the international fora, and *agree* on a number of non-exhaustive areas of cooperation such as:
  - Trade
  - Industry
  - Communication and information
  - Finance, banking, and privatization
  - Rural development
  - Science and technology
  - Poverty alleviation and human resources development
  - Agriculture
  - Energy
  - Environment
  - Health
  - Tourism
  - Culture and Sports

5. *approve* the Report of the Council which agreed on six priority projects to be launched immediately,

6. encourage the establishment of Joint Business councils among the chambers of Commerce and Industry and other related bodies of the member countries with a view to initiating action-oriented projects of cooperation and promoting concrete transactions within the business community in accordance with the principles and objectives of D-8,

7. decide that D-8 be a global forum whose membership will be open to other developing countries subscribing to the goals, objectives, and principles of the group and sharing common bonds.

8. *express* our collective resolve to cooperate with both the developing and economically developed countries in the realization of the above-mentioned goals,

9. *decide* that an appropriate mechanism be established to liaise with other relevant international organizations, particularly with the Organization of Islamic Conference,

10. *approve* the Council document on the structure and functioning of D-8,

11. welcome the decision of the government of Turkey to appoint an executive director to provide coordination during its chairmanship of D-8, and express deep appreciation for the generous offer by Turkey to provide facilities for the executive director in Istanbul and to meet his expenses during that period,

12. *decide* that the next meeting of the D-8 Summit will be held in Dhaka, Bangladesh in November/December 1998.

EIR June 27, 1997 International 33

# Soros minerals grab behind Peru-Ecuador border conflict

# by Gretchen Small and Dennis Small

When the festering border dispute between the South American nations of Peru and Ecuador escalated into a significant military confrontation for three weeks in early 1995, British-sponsored supranational forces went into high gear. Operating through the international media, United Nations non-governmental organizations (NGOs), and assets inside the U.S. State Department, they argued that only some form of supranational mediation could settle the matter. They demanded that both sides make territorial concessions. They urged that the United Nations and the Organization of American States get involved. And some went so far as to call for the establishment of an international nature park in the disputed area of the Cordillera del Cóndor mountain range—a kind of noman's-land to be controlled by environmental organizations, rather than nations.

Such "solutions" were necessary, the British and their agents of influence argued, because the only thing driving the Peru-Ecuador conflict, they claimed, were "symbolic issues" such as "misplaced nationalism" which could be easily "dialogued" away, if everyone would just cooperate. The line was promoted, and widely accepted, that since the region contained no oil, no uranium, and no major population centers, there was no big deal.

# No big deal?

The fact is that the Cóndor range, through which the 78-kilometer stretch of disputed border runs, contains potentially rich deposits of gold, silver, and other minerals. Already staking their claims for those riches, are many of the British Commonwealth's global mining giants, the same group of private financial interests which *EIR* has identified as leading the genocide and destruction of the institution of the nation-state in Africa. A map prepared by Conservation International, an environmentalist NGO, speaks volumes: *Major international mining concessions completely overlap the disputed border area* (see **Figure 1**).

An ongoing *EIR* investigation has revealed that, behind the Peru-Ecuador crisis, is a sordid operation to carve up Ibero-America and seize its riches, just as is now ongoing in Africa. The Peru-Ecuador conflict was deliberately provoked by these British interests. They then deployed to provide "solutions" to the crisis they had created, which would lay the basis for blurring borders across the continent. They are hell-

bent on getting their hands on the colossal mineral wealth of the region. And there is one additional feature of strategic significance to their deployment: *drugs*. The Andean region, which includes Peru and Ecuador, is the world's premier coca-growing and -processing center. By destroying the nation-states of the area, the British intend to let loose the hyenas of the drug trade, to the greater glory of the international banks, which today depend on laundered drug-money for their very survival.

At the head of this operation is an individual well-known to readers of *EIR*: George Soros, the British-run speculator who is the patron saint of drug-legalization efforts worldwide. Other key players include:

**Luigi Einaudi,** a Kissinger clone who has run U.S. State Department policy toward Ibero-America for about 25 years.

**Eliezer** and **Eike Batista**, a Brazilian father and son team spearheading the British resource-grab in the Cóndor range.

**Gen. Francisco Moncayo**, the head of Ecuador's joint chiefs of staff and a pawn of the British geopolitical gambit.

**Conservation International,** the notorious environmentalist NGO which has played a critical role in profiling the disputed area, and promoting supranational "solutions."

We begin with the visible head of the operation: George Soros.

### Soros and TVX Gold

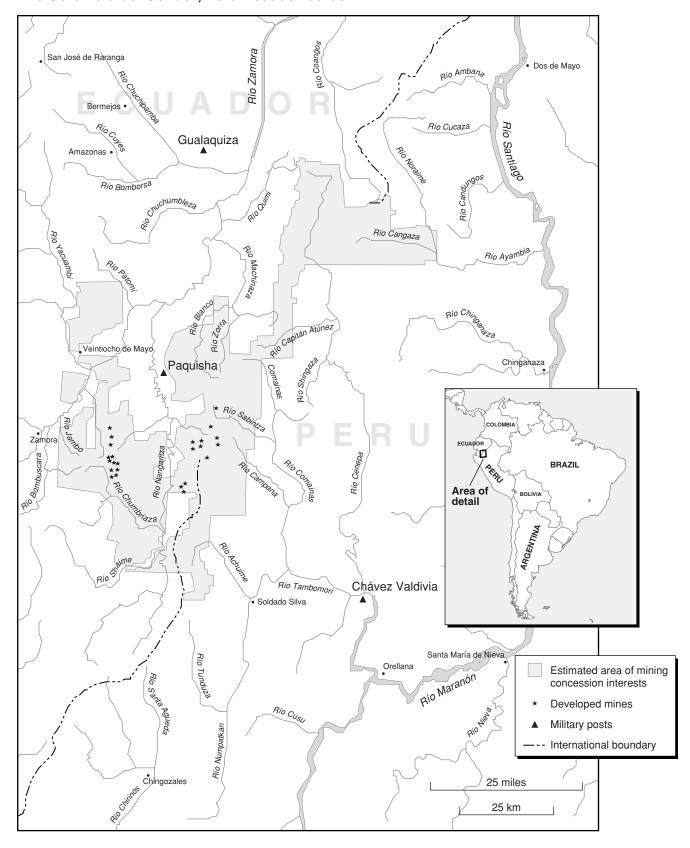
In the past six years, Soros has systematically bought up strategic assets across Ibero-America, positioning himself to dominate the entire regional economy. Already, this Britishrun dope king has become the second-largest landowner in Argentina; he holds a major interest in Brazil's recently privatized mining giant, Companhia Vale do Rio Doce (CVRD); he controls prime real estate property in Mexico; he moved into Peru through Newmont Mining's grab of the Yanacocha gold field in 1993; and, he is reliably reported to be a major stockholder in one of Colombia's largest banks, the Banco de Colombia, which was recently caught laundering drugmoney for the Cali Cartel. Soros also holds a prominent position in Venezuelan banking, real estate, textiles, and salt production, and, in April 1997, he sent his brother Paul to Venezuela to scope out the potential pickings in the upcoming privatization of its state-owned iron and oil industries.

But the Soros clan, it turns out, is also smack in the middle

34 International EIR June 27, 1997

FIGURE 1

The Cordillera del Cóndor, Peru-Ecuador border



EIR June 27, 1997 International 35



The British-run global speculator George Soros (at podium) is spearheading an operation by the oligarchy to get its hands on the mineral wealth in the disputed Peru-Ecuador border area.

of the disputed area along the Peru-Ecuador border—and has been, since before the fighting broke out in early 1995. A number of British Commonwealth mining giants, such as South Africa's Goldfields, Australia's Emperor/Odin, and Canada's Zamora Bay, are active in the area, many of them in joint ventures with Ecuador's military. Also active is the lesser-known Toronto-headquartered company, TVX Gold, Inc., on whose board of directors sits Paul Soros, George's brother and investment partner. Paul is prominent in TVX: He serves on the audit, compensation, and nominating committees of the board of directors.

TVX has at least two projects in Ecuador. Of immediate interest, is the Pachicutza project, a 25-kilometer-long site, 120 square kilometers in area, located only 70 kilometers from the disputed Cóndor range. In the early 1990s, TVX established a joint venture, Condor Mines, with the Ecuadoran Army's industrial company, Army Industries Administration (DINE), to explore the Pachicutza site. TVX holds all the voting common shares, while the DINE has the right to appoint one of the five directors of the company, and holds a 10% preferred share interest, from which it derives specified royalty rights.

TVX undertook a comprehensive exploration and drilling program at Pachicutza in 1994, reporting in its Annual Report at the end of the year that the company was confident that Pachicutza "will become a large resource base for the company." On Feb. 2, 1995, even as fighting was taking place along the border a short distance away, Brazil's *Gazeta Mercantil* reported that TVX planned to more than double its investments in Ecuador's gold, citing TVX's chairman and chief executive officer (CEO), Eike Batista, who bragged that

"with our going into Ecuador, many other companies will begin to invest in the country." Batista specifically named the infamous Canada-based Barrick Gold Corp., of Sir George Bush and Canada's Brian Mulroney.

TVX was incorported in Canada in 1980, as Treasure Valley Explorations, Ltd. Its founder and CEO, the Brazilian Eike Batista, is the son of Eliezer Batista, former chairman of the crown jewel of Brazil's state-sector companies, the giant Companhia Vale do Rio Doce. Curiously, Soros just bought a major interest in CVRD, when the Brazilian government finally put it up for privatization earlier this year. A friend of Sir Henry Kissinger, the senior Batista has become a vociferous advocate of using "green" non-industrial infrastructure projects to "eliminate borders" across South America. And, he sits on the board of directors of Conservation International, the authors of the referenced map.

Son Eike's TVX Gold has long held close ties with Rio Tinto Zinc (RTZ), the second-largest global mining conglomerate of the British Commonwealth, which also plays a prominent role in Prince Philip's World Wide Fund for Nature apparatus. RTZ and TVX have jointly operated various mines in Brazil over the years, and in 1996, TVX brought three RTZ executives onto its team, including hiring the former president and CEO of RTZ's operations in Brazil, David Murray, as TVX's president and chief operating officer.

In fact, it can be argued that TVX Gold is nothing but a spin-off from, and front for, the notorious RTZ.

TVX is currently invested in mines and exploration projects in Canada, Nicaragua, Ecuador, Brazil, Chile, Greece, the Czech Republic, and Russia. In 1995, Eike Batista announced that TVX also had its eye on Africa, where he saw "spectacu-

36 International EIR June 27, 1997

lar areas" for high-yield, low-cost mining—TVX's criteria for its projects.

### Einaudi and Moncayo: geopolitical manipulation

TVX's joint project with the Ecuadoran military is quite an irony. In September 1993, a full-page advertisement was placed in the New York Times, consisting of an interview with Paul Soros and Gerard Manolovici, the managing director of Soros's Quantum Fund, on the investment opportunities in Peru. Paul had been sent into Peru in July to scope out investment possibilities for brother George. Paul Soros used the Times ad to deliver an ultimatum to Peru: You must dismantle your military to ensure "investor confidence" in "democracy." Soros was explicit: "When you can be sure that [military influence in the government] is really firmly finished, the value of any investment goes up 30, 40, even 50%. In Latin America, whenever the army, as an institution, is part of the country's power structure, all investments are discounted because that introduces an element of instability. As an investor, one likes stability."

It is hard to avoid the conclusion that Soros did not want the Peruvian military to get in the way of the planned manipulation of the Ecuadoran military—both to provoke the border crisis, and to seize the mineral riches in the area.

Inside Ecuador, the leading role in reactivating the decades-old dispute with Peru, has been played by Gen. Francisco Moncayo Gallegos, today the head of Ecuador's Armed Forces. General Moncayo is well-known as an Israeli-trained geopolitician, and is widely acknowledged as the border dispute strategist.

Moncayo also has a close working relationship with Luigi Einaudi, an avowed Kissingerian and one of the most vociferous proponents of supranational governance over Ibero-America within the State Department permanent bureaucracy. From 1995 until today (he is expected to end his 23-year career at the State Department this June, and to move over, according to one report, to the Inter-American Dialogue), Einaudi used his post as Peru-Ecuador negotiator, to insist both that a *permanent* settlement to this decades-long conflict, must now be reached immediately, even if that requires Peru to yield territory to Ecuador.

When fighting broke out in January 1995, Einaudi, then senior policy adviser to the secretary of state, stepped forward to direct the negotiations, held under the terms of the 1941 Rio Protocol which designates the United States, Argentina, Brazil, and Chile as Guarantors of the Treaty.

Einaudi's aggressive stance became even more scandalous in Peru, when it became known that General Moncayo, a self-proclaimed friend of Einaudi, has played a prominent role in the decade-long project for the overall destruction of the armed forces of Ibero-America, a project set up and directed by Einaudi. This strategy was promoted in the now-infamous 1990 book, *The Military and Democracy: The Future of Civil-Military Relations in Latin America*, better

known in Ibero-America as the "Bush Manual."

This past May, in an exchange with an *EIR* reporter in Lima, one of the three editors of the "Bush Manual," American University's Louis Goodman, strongly defended General Moncayo. Moncayo "was very, very prominent," in the *Military and Democracy* project, Goodman stated emphatically. "He spoke a lot, and we keep in touch, and I mentioned him in the book." Asked if he now repented of mentioning him, given his well-known role as the architect of the 1995 Peru-Ecuador war, and his ties to Einaudi, Goodman merely protested that "it is very important, I think, to separate the actions which Moncayo took in the war," from his participation in their project.

It is hard to convince the Peruvian military of any such separation.

#### Conservation International maps the Cóndor

In January 1997, Conservation International (CI), one of the leading environmental NGO hit-squads spun off from Prince Philip's World Wildlife Fund (WWF) (see *EIR*, Oct. 28, 1994, "The Coming Fall of the House of Windsor"), ran a lengthy report documenting the Cordillera del Cóndor as a potentially giant "gold belt." CI works closely with the WWF (today, the World Wide Fund for Nature) and the Nature Conservancy, another "conservation" agency chartered under the British Privy Council in 1949.

In 1993 and 1994, CI sent teams of anthropologists and biologists to map the disputed border area of the Cordillera del Cóndor. The expeditions included visits to various military posts of both countries, and drew on the expertise of the WWF's Ecuadoran branch, Fundación Natura. Lasting six weeks, the expeditions followed the standard methodology employed by CI in its so-called Rapid Assessment Programs (RAP). The teams start with Landsat satellite images of the area targetted for mapping, if they are available, as they were for the Cóndor range. Pictures are then taken in a series of overflights of small planes or helicopters, with the final mapping refined from the RAP team's use of CI's geographic information system (CISIG).

The core of the CI 1997 report, *The Cordillera del Cóndor Region of Ecuador and Peru: A Biological Assessment*, are three detailed maps of the disputed border region. One, identifies military posts of both countries in the area, along with other sites visited by the teams; a second, maps the "territories" of the various indigenous communities living in the area; and the third, reproduced in Figure 1, shows the approximate area covered by mining interests and concessions operating in the area as of 1995. The military quality of the maps serves as a useful reminder of the strategic value of such "ecological" missions to the British and related financier interests which fund and staff such "environmental" agencies.

CI reports that "southeastern Ecuador contains a chain of important mineral deposits," which first attracted "intense informal mining activity," and then international companies pursuing "large-scale mining of gold and other minerals." As

EIR June 27, 1997 International 37

the caption accompanying the mining map summarizes these findings: "Mineral prospectors have named the Cordillera del Cóndor a 'Gold Belt' of global significance. Since the mid-1980s, intense gold and other mineral exploration programs have been carried out by multinational mining companies. The rediscovery in 1981 of high gold deposits in old Inca workings at Nambija led to a mining rush in Southeastern Ecuador. Many new discoveries have since been made and most zones were found to extend into Peru."

As of 1995, CI reported ruefully, international mining companies had made no headway on the Peruvian side of the border.

#### The parks project

Even before the fighting had been stopped in 1995, a persistent campaign was launched, arguing that the preferred (by the British) "resolution" to the differences between Ecuador and Peru's positions on the border, would be to remove the area from the sovereignty of either country, through the establishment of a supranational park.

No greater threat to continental security could be concocted. As *EIR*'s Lyndon LaRouche warned in his September 1995 Presidential campaign document, *The Blunder in U.S. National Security Policy*: "If the resolution of a border dispute is taken out of the sovereign hands of the nation-state parties, the disputed area becomes a region of 'extra-territoriality,' in which terrorist/separatist operations thrive."

Nowhere is this seen more clearly than in Africa, where, under British direction, the entire continent has been criss-crossed with such trans-national parks. The parks constitute a double blow to the nations of the region. Not only have they removed enormous sweeps of land, and related resources, from urgently needed human habitation and development, but virtually every single park has also served as the staging ground for assaults against the nation-states from whose territory they have been carved, including terrorism, invasions, arms trafficking, and every kind of dealing in contraband, including drug-trafficking.

The push for a cross-border park in the Cóndor range took on renewed vigor at the end of 1996, with some most unusual players getting into the act. One such lobbying effort, was a joint mission sent to Peru last November, by a representative of the global tobacco and contraband giant, Philip Morris, and the U.S. branch of the British Privy Council's Nature Conservancy. Representing Nature Conservancy, was their vice president for Latin America, Alexander Watson, a former U.S. Assistant Secretary of State for Inter-American Affairs. Watson knows Peru well, having previously served as U.S. ambassador there. Both the Conservancy and Philip Morris came bearing money to finance private organizations managing Peru's existing nature reserves, and Watson promised more money would flow, if Peru would set up ecological zones on its borders.

Joining the corporations and NGOs in promoting suprana-

tional parks, are a crew of U.S. "academics" who are purported experts on terrorism. Until 1993, many of them had distinguished themselves by their fervent defense of the bloodthirsty Shining Path's right to rampage against so-called "state oppression." For example, David Scott Palmer, former head of the State Department's Foreign Service Institute and a self-proclaimed "admirer" of Shining Path (he personally knew its leadership from his days at the University of Huamanga in Peru), spoke on the Peru-Ecuador conflict at a Nov. 22, 1996 seminar at George Washington University. There, Palmer presented a paper with the grandiloquent title, "Missed Opportunities and Misplaced Nationalism: Continuing Challenges to Multilateral Peacekeeping Efforts in the Peru-Ecuador Border Conflict," wherein he suggested that the creation of "an international park and forest reserve" in the Cóndor region, should be put on the negotiating table between the two countries.

In January 1997, Conservation International renewed its campaign for a park, with the publication of its report on the Cordillera del Cóndor. Arguing that "human wastes" threatened the "biology" of the "globally significant" area—an almost humorous argument, given the few thousands of human beings who inhabit the vast region—CI's report calls for the creation of "a core protected area covering the disputed region," which would exclude human presence, limit colonization, and the building of even such basic infrastructure as roads in the area.

Most telling, Conservation International argued that the 1995 fighting over the border was *useful* to their park project. "Perhaps the most recent border conflict has bought a breathing space in which a more rational development plan for the region can be envisioned," it states, adding that the NGO apparatus was mobilizing its forces behind the plan: "The high human and financial costs of the war forced many stakeholders, including non-governmental organizations and governments in both countries, to consider new solutions to the Cóndor conflict. Indigenous federations from both countries as well as regional federations . . . have expressed their interest in some kind of protected area, and have requested recognition and full participation in the development of a solution to the conflict."

On June 3, one of the leading globalist nut-cases within the U.S. bureaucracy went public as a champion of the "park solution." Speaking before a Western Hemisphere Defense Environmental Conference, organized jointly by the U.S. Army's Southern Command and the Defense Department's Office of Environmental Security, Undersecretary of State for Global Affairs Tim Wirth told some 300 military and civilian delegates from Ibero-America, that they should consider "establishing a series of nature parks along their common border[s], as a way to reduce tension." Colombia and Panama are considering doing this, he noted, and "this is potentially a very good idea, one that could be applied along any numbers of borders in this hemisphere, including the one between Peru and Ecuador."

38 International EIR June 27, 1997

# Colombia surrenders sovereignty for hostages

by Javier Almario

On June 15, the narco-terrorist Revolutionary Armed Forces of Colombia (FARC) handed over to delegates of the International Red Cross and to a commission of prominent international observers, 60 soldiers and 10 sailors, most of whom had been held hostage for nearly 300 days. The main condition for the release of the hostages was that Colombian narco-President Ernesto Samper Pizano order the military evacuation of 13,000 square kilometers (5,000 square miles) of sovereign territory, in the region of Caguán, in the province of Caquetá.

Samper not only accepted the condition, but did everything in his power to make sure that the release of the hostages would be turned into a vast international show, with nearly every important news media organization in the world present, so that the FARC could issue its second demand: that Samper deliver to them, again without having to fire a shot, an additional 50,000 square kilometers of national territory, as the condition for sitting down to peace talks with the government.

#### **Armed Forces humiliated**

That Samper has accepted the FARC's condition is a major blow to national sovereignty, and represents the total humiliation of the Colombian Armed Forces, whose commander, Gen. Harold Bedoya, had repeatedly rejected the narco-terrorists' demand, because it represents a serious threat to the territorial integrity of the nation. It is humiliating enough that the Armed Forces have had to accept as their commander-in-chief a man like Samper, who "won" his Presidency with millions of dollars from the drug cartels. But this time, Samper also ordered every national security agency not to interfere with the Red Cross's support operations for the FARC narco-terrorists. Some \$4 million was spent in complying with the FARC's demands, and in transferring to the targetted jungle zone all the equipment and satellite antennae necessary for direct transmission of the FARC's propaganda.

The speech by narc-FARC chieftain Manuel Marulanda Vélez, read by his "Commander Fabián" as part of the official act of handing over the hostages, reiterated that if the government wants to "talk about peace," it must first retire General Bedoya from his post as Armed Forces commander. In other words, the FARC is demanding the right to determine military promotions and changes. Marulanda also demanded the dis-

mantling of the rural security cooperatives known as *Convivir*, a prohibition on any government official or news organization calling the FARC "narco-guerrilla," and, above all, the demilitarization of another 50,000 square kilometers, encompassing the municipalities of La Uribe, Mesetas, Vistahermosa, and La Macarena, in the department of Meta.

For its part, the Samper government is heeding the demands of the International Monetary Fund in drastically reducing the military budget. The 1997 military budget was \$1.937 billion. After a series of cutbacks ordered by the Finance Ministry, under the personal instructions of IMF Managing Director Michel Camdessus, the budget was cut to \$1.187 billion—a nearly 40% reduction!

Even before the release of the hostages, the United Nations human rights non-governmental organizations, in collaboration with Samper's "People's Defender" and Attorney General, were setting the basis for preventing the Armed Forces from recovering control of the 13,000 square kilometers, arguing that confrontations that could affect the "human rights" of the region's inhabitants had to be avoided at all cost. Not surprisingly, these same forces repeatedly contrasted the supposedly "peaceful" solution to the hostage crisis in Colombia, with the "violence" employed by Peru's President Alberto Fujimori, who had refused to yield an inch of Peru's national sovereignty to the MRTA narco-terrorists.

While the military is being kept out of the region of Caguán, the coca growers and the cocaine processors are hurriedly re-populating the area, confident that they can rely on the protection of the narc-FARC.

In a communiqué issued from Mexico, FARC spokesman Marcos Carlacá demanded "the application of social solutions to the drug-trafficking problem," which in plain language means legalization of the drug trade. In a second communiqué, Carlacá demanded that the Colombian Congress refuse to approve the extradition of Colombian drug traffickers, a proposal currently passing through the legislature. In other communiqués, the narc-FARC has warned that it will not allow any politicians to carry out electoral campaigns in regions under its control; it has also threatened to prevent the upcoming legislative and Presidential elections scheduled in 1998.

Other narco-terrorist groups, such as the People's Liberation Army (EPL), following the model of Caguán, kidnapped three policemen and demanded as the price for their release that EPL leader Francisco Caraballo, currently in an Itaguí jail near Medellín, be transferred to a lower-security jail in Bogotá—from which he could presumably be freed more easily. The National Liberation Army (ELN), yet another narco-terrorist group, is demanding a chunk of Santander department in exchange for release of several hostages they are holding.

If things continue as they are, the nation today known as Colombia will soon be divided into a series of "republiquets," each controlled by a different band of narco-terrorists.

EIR June 27, 1997 International 39

# **International Intelligence**

# Carl Bildt hopes for new Bosnia conflict

The international community's high representative in Bosnia, Carl Bildt, finally left his position after 18 months as that country's supranational ruler. During his mandate, the "civilian side" of Dayton—the announced economic reconstruction—was not even begun. Rather, the Swedish Bildt shot off his mouth a lot, especially in making provocative remarks against Bosnian President Alija Izetbegovic.

Upon leaving, Bildt, after a series of embarrassing denials about the failure of his reconstruction mandate, stated that he expected a resurgence of the military conflict, because of the U.S. \$400 million "equip and train" defense program for the Croatian-Muslim Bosnian Federation Army.

On June 7, the London *Times* reported on Bildt's pontifications: "That [equip and train] approach was flawed, he said, as it encouraged both the Federation and Republika Srpska to think of returning to war once the NATO mandate was over.... The lesson of the four-year Bosnian war was that Europe and America had to act in tandem. The Europeans' perception was that while 'they were taking losses they were subject to moral sermons from Washington. They are not going to relive that experience,' he declared."

#### 'Ouest-France' breaks blackout of Cheminade

The French media policy of blacking out or ostracizing Jacques Cheminade, a longtime associate of Lyndon LaRouche, who beat all the odds to run for French President in 1995, was broken by the regional daily *Ouest-France* on June 11. Although a regional paper, *Ouest-France* has a larger circulation than any of the national dailies. Author Alain Besson questions precisely why it is that Cheminade has been made a political outcast by the media, under the headline, "Cheminade, Cursed Poet of Politics": Does Cheminade, a student of Leibniz, French Socialist

founder Jean Jaurès, and the social encyclicals of Pope Leo XIII, "deserve the excess of indignity which has placed him, these last years, either on the extreme right, or among the cults...?" Once labeled by the media, he says, Cheminade seems "like an ancient hero, stuck with a life of ostracism.... In our media-centered world, the auto-da-fé starts with the television news."

Cheminade's Solidarity and Progress party, "called on citizens to vote for either Communists, or the Citizen Movement or Socialist candidates.... This is not, unless it were a subtle cover-up, what characterizes an extreme-right movement." Cheminade's organizing for a new international monetary system, the Eurasian Land-Bridge, and against Maastricht, reflects "original thinking, complex, maybe a little bit disconcerting for people who like simple ideas," writes Besson, concluding: "To his 'Leibnizism,' to his 'Jauressism,' we can add a zest of socialism and Gaullism.

"We burned witches for less than that!"

# RIIA imparts imperial vision to Tony Blair

The Royal Institute for International Affairs (RIIA) at Chatham House, devotes the editorial of the latest issue of its quarterly the *Round Table*, to a call for 1997 to be "the U.K.'s year of the Commonwealth." The British Commonwealth is the new alias for the British Empire. The editorial was written as policy-input in anticipation of the October Commonwealth Heads of Government Meeting (CHOGM) in Edinburgh.

Chatham House professes itself "extremely interested to see in the coming months if Tony Blair develops his proposal for a Harare-style declaration on economic matters to complement the 1991 document on basically political matters—and to see what practical effect can be given to the admirable Adam Smithian document jointly presented by the FCO [Foreign and Commonwealth Office] and the DTI [Department of Trade and Industry], 'Free Trade and Foreign Policy: a Global Vision: Opening World Markets,'" published in November

1996 for the first plenary meeting of the World Trade Organization.

In 1991, Queen Elizabeth, who is head of state of all the major Commonwealth countries, issued the "Harare Declaration," proclaiming "good governance" and "international cooperation" as the Commonwealth's primary goals, and that any governments not meeting those standards should be overthrown. In honor of the occasion, the host President, Zimbabwe's Robert Mugabe, bulldozed acres of shantytowns around Harare.

# 'New Africa' dictators consolidate outrages

Without so much as washing the fresh blood from their hands, the Congo of Laurent "Hitler" Kabila is joining with the dictators of Rwanda and Uganda to study setting up a joint tourism and wildlife authority, announced Uganda's second deputy premier and minister of Tourism, Wildlife, and Antiquities, Brig. Moses Ali, according to the Kampala daily *The Monitor* of June 6. Ali denounced the U.S. ambassador for saying that tourists were too fearful of Uganda's insecurity, boasting, "Uganda is the most secure African state after Tanzania and Kenya."

In Rwanda, the capital, Kigali, has now been turned into a drug depot, according to a June 6 report from International Press Service. Since the takeover by the Rwandan Patriotic Front, the "streets... are rapidly becoming the center of a growing trade in marijuana, heroin, and cocaine." As *EIR* documented, the RPF used the British-established wildlife preserves on the Ugandan-Rwandan border as the staging ground for their 1994 coup. The Tutsi military that rules neighboring Burundi also has long-standing ties to the international drug trade, Burundian sources have told *EIR*.

On the modus operandi of the Congo's butcher, Laurent Kabila, a Bosnian government official compared him to Bosnian Serb chieftain Radovan Karadzic, who pioneered the method of getting the local population to join in the "ethnic cleansing." Similarly, Serbian war criminal Ratko Mladic, after

40 International EIR June 27, 1997

seizing Srebrenica, disarmed Muslim refugees, and then murdered them en masse. Even the details of using UN aid workers to entice refugees out of hiding was the same, he said.

# WWF grabs former Soviet land as 'protected areas'

The World Wide Fund for Nature, the private, supranational hit squad of Prince Philip, launched a "Living Planet Campaign," to run for the "1,000-day countdown to the dawning of our next millennium . . . to encourage . . . as many commitments from as many governments, businesses and communities as possible, to protect, preserve, revive and sustain, through the third millennium, the natural heritage that has suffered such destruction in the last century." The statement appeared as a commentary by WWF-International director Claude Martin in the May 27 issue of the *International Herald Tribune*.

Martin gloats over the WWF's success already in the former Soviet Union: "Some governments, too, have recognized the need for dramatic action to protect the environment, especially its most valuable and threatened eco-systems. The Living Planet Campaign began with an undertaking from Yakutia, a republic within the Russian federation, to create one of the largest protected areas in the world—70 million hectares (24% of its wildland), an area roughly twice the size of Germany. The Republic of Georgia pledged to place more than 20% of its territory under official protection. Georgia was joined by Mongolia, whose government pledged protection for 49 million hectares (30% of its land area) by 2000."

# British media spit out new lies about ASEAN

Spin-doctors among the British press and their stable of "expert sources," are putting out the line that the Association of Southeast Asian Nation's long-standing policy of "constructive engagement" toward its poorer neighbors, especially Myanmar, is really to counter China's "possible hegemonic ambitions," and is a rebuff to Washington for pressing ASEAN on human rights and similar "democratic" issues. The London Financial Times and Reuters also push the line that ASEAN should find an excuse (the Times suggests "political chaos in Cambodia") to delay the July entry-date for Cambodia, Laos, and Myanmar, as memberstates, lest the association be fractured by dissent from founding members, such as Thailand and the Philippines, that are closer to the "democratic" West, while Indonesia backs Myanmar, which Reuters dubs "an international pariah."

The new British government of Tony Blair further decided to set an example, announcing on June 3 that Myanmar will not be invited to next year's Asia Europe Meeting (ASEM), which will discuss enlarging the group to include Commonwealth colonies Australia, New Zealand, India, and Pakistan.

# France to hold off NATO reintegration

Alain Richard, France's new defense minister, met with U.S. Defense Secretary William Cohen at the June 12 NATO meeting in Brussels, to prepare for the Madrid summit next month. In keeping with President Jacques Chirac's previous stance, Richard told Cohen that both Chirac and the new Socialist government are determined to obtain a "better equilibrium" between the United States and Europe in the NATO command structures, before France would re-join. This means that the United States would have to agree to relinquish NATO's southern command to a European, which Washington has stated it is not prepared to do.

"Progress has been made but there is not a position which makes it possible to conclude. Madrid is not, however, necessarily the moment for a final good-bye. Discussion can continue," said Richard. En route to Brussels, Cohen was categorical about NATO's southern command: "The discussion is closed. There is a commander in Naples and he is an American."

# Briefly

TWO UGANDAN opponents of dictator and "human rights" darling Yoweri Museveni were murdered on June 3. Democratic Party Women's National Leader Kabaranga Modesta died after "unknown assailants" stabbed her, poured paraffin on her and set her ablaze. Her mother was also killed. Samson Kasajja, a member of the Ugandan Peoples Congress, who was going to run for local office from Tororo, was also gunned down by unknown assailants at his farm in Kabwangasi.

THE PHILIPPINES Supreme Court on June 10 upheld its March decision to reject a petition drive that would constitutionally allow President Fidel Ramos to succeed himself. Upholding the six-year term limit opens up greater possibility for economic policy debate of alternatives to Ramos's pro-free-trade stance.

PRO-DRUG LEGALIZER Brian Hamley, chairman of the Sorosbacked Australian Drug Foundation, was given the Order of Australia, on June 9, "For service to the community, particularly through charitable organizations and the Uniting Church, and to the finance sector."

CHRIS PATTEN, Her Majesty's Last British Governor of Hongkong, was insulted by the Chinese-supported filmmakers of "Opium Wars," when he was excluded from the guest list of the film's gala premiere in Hongkong on June 11. More than 1,000 guests were invited by Panasia Films.

ALBANIA continues to be embroiled in chaos as elections near, according to a June 13 report from Radio Free Europe. On June 11, an Albanian freighter reportedly fired at an Italian Coast Guard vessel near Durres. The Italians returned fire and forced the ship to return to port. On the same day, the Greek consulate in Gjirokaster closed temporarily after it was fired on. On June 12, eight people were wounded in Elbasa during a shoot-out at a campaign rally of President Sali Berisha.

EIR June 27, 1997 International 41

# **ERMilitary Policy**

# A Swift tour of the Pentagon: strategy vs. 'unscience fiction'

by Lyndon H. LaRouche, Jr.

June 18, 1997

Usually, a briefing on the prehistory of a current strategic policy, is indispensable for making the issues clear. The subject of this report, is the presently persisting lack of competence in the U.S. military's visible current efforts to formulate a U.S.A. strategic doctrine for 1997 and beyond. On that account, Lemuel Gulliver's tour of today's Pentagon would add a worthy chapter to the chronicle of his travels. To understand the ruinous rampage of wild-eyed "un-science," which is visibly rampant in current military policy-planning, one should go back at least a dozen years. That is to say, to the furious 1982-1986 factional debates, over that offer of a Strategic Defense Initiative, to Moscow, which President Ronald Reagan delivered in his March 23, 1983 televised address. The issues of the SDI, then, define the starting-point from which the task of defining our strategic perspective must be viewed today.

Therefore, this report will be, unavoidably, harsh; but, for that reason, it will be as helpful in practice, as by intent.

Consider the case of former Secretary of Defense Caspar Weinberger's recently published rant against China. Readers who remember certain things, might ask themselves, whether Weinberger ever understood the policy behind President Reagan's offering cooperation in a Strategic Defense Initiative (SDI) to the Soviet government. Those readers, and others, should look back to Secretary Weinberger's unbridled support for Margaret Thatcher's South Atlantic re-election campaign of Spring 1982. Even then, his moral flaw was, that he was a compulsive Anglophile in the Harriman-Stimson-Lovett tradition. Recently, as Sir Caspar, he has become, if anything, worse. If he ever understood SDI, and I tend to believe he did, his Anglophile side showed as he distanced

himself from that understanding, once Prime Minister Thatcher's government had registered its opposition to the most crucial features of President Reagan's March 23, 1983 address.

For anyone who studies that televised Reagan address with sufficient care, the essential facts are clear. The content of that March 23 address, reflected the back-channel discussions which I had been conducting, in cooperation with Judge Clark's National Security Council, with the Soviet Union's representative. Significant changes began to be inserted soon after March 1983. To be fair to Weinberger, it was my opinion, at the time, that Weinberger was loyal to the President he served, even when he might have had private reservations about a White House policy. Nonetheless, at the same time he continued to support the package, he soon aligned himself, in effect, with those opportunistic, former opponents of the policy, such as former DIA chief Daniel P. Graham, who campaigned vigorously in his attempt to chew away crucial features of the original policy. Some of the original design continued to be Reagan administration policy: notably, through the time of the October 1986 Reykjavik "summit" meeting. Yet, even by late Summer 1983, the original policy had been significantly gutted.

Meanwhile, a significant current within Germany's military and related circles, for example, had clearly understood the issues of SDI. A portion of the senior and other military ranks, in Germany, Italy, France, and elsewhere, rallied to deep discussions with me and my associates, as early as late 1982. I was assured of their desire for active cooperation with any U.S. commitment to such a change in strategic policy. The gist of the congratulatory message to me from relevant Europeans, was: "You have put Europe back into the strategy business." Even before the name "SDI" had been assigned to



the policy, senior European military and related strategicplanning circles saw my proposal as superseding the hopeless prospect revealed by every NATO exercise of their recent past. What became known, later, as SDI, offered an alternative, hopeful road, toward honorable and peaceful solution of the continuing, post-1946, global conflict.

Yet, by Autumn 1983, some crucial features of the program had been eliminated; by October 1986, the policy itself had become a virtual relic. Today, the U.S. military has no visible strategy worth the name.

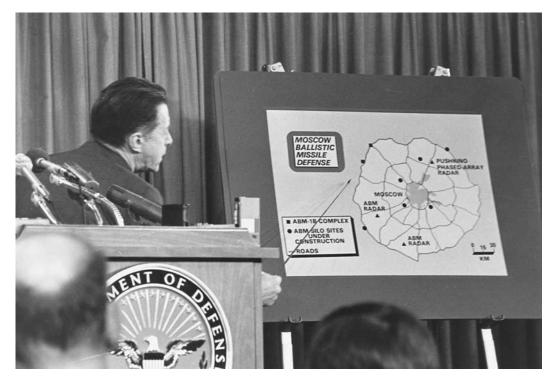
The Department of Defense's (DoD's) September 1995 *United States Security Policy for the Americas*, is exemplary of what is being cooked up as military policy, by the relevant witches and wizards of the DoD and State Department today. Look at the crucial elements of visible U.S. military policy, as these are also expressed in shameless action, not only in Central and South America, but also nearly everywhere else. That evidence gives the viewer an eerie sense, that U.S. military policy today has been supplied by a preadolescent sadist breaking the heads off toy soldiers in the virtual reality of an attic sand-box.

The New-Age pathology, known as "utopianism," which

"systems analysis" huckster, and Secretary of Defense, Robert McNamara, imposed, back during the early 1960s, has now become a neo-conservative tradition. Thus, military policy-planning often presents a spectacle like that of a flunky running cabinet-warfare errands for either this or that State Department cabal. In the case of policy for the Americas, the source has usually been such covens of think-tanks as those associated with the notorious Luigi Einaudi and his boys. This tendency within the military and DoD generally, continues to fly as if on autopilot, with little or no consideration given to whether, or not, the President would agree, or, is even permitted to know what his military policy-planners are actually doing, or why, in various parts of the world.

The January 1989 accession of George "Thyroid Storm" Bush to the U.S. Presidency, smelled as if something important had died in the wall. It appeared that the last vestige of modern strategic thinking was pushed out, to be replaced by the corruption-ridden, mafia-style tactics of "Iran-Contra," which a drug-trafficking Vice-President Bush had deployed, under his 1982-1988 authority as head of the Special Situation Group. Otherwise, it appears that those incumbent military ranks, which are responsible for today's U.S. military policy, are still gripped by the "we-should-have-won-that-war" lunacy of men reliving the nightmare of McNamara's, McGeorge Bundy's, and Henry Kissinger's cabinet-warfare mind-games in the bloody, Indo-China sand box.

<sup>1.</sup> Lyndon H. LaRouche, Jr., *The Blunder in U.S. National Security Policy* (Leesburg, Va.: Committee to Reverse the Accelerating Global Economic and Strategic Crisis, November 1995).



Defense Secretary Caspar Weinberger, in April 1985, gives a press conference on Soviet military capabilities. "Forbes' Weinberger brings no moral principle to warplanning," writes LaRouche. "For him, it is only another bloody mind-war, like McNamara's and Kissinger's affairs in Indo-China: without commitment to any world-historical purpose, excepting a mercenary's devotion to 'our team winning the game.' "

Referencing a pair of additional images, will help to bring the crucial issue into focus.

For the first image, think back to the gladiators of the ancient Roman arena. What was their *patriotic* strategy? None. With the image of the gladiators fresh in one's mind, shift to the modern high-school, college, university, and professional's football field. What is the *patriotic* strategy of these teams? None. Where is the *patriotic* strategy in the recent book of Forbes' Caspar Weinberger? Like California prosecutor Marcia Clark, he apes the amorality of professional sports. Forbes' Weinberger brings no moral principle to war-planning. For him, it is only another bloody mindwar, like McNamara's and Kissinger's affairs in Indo-China: without commitment to any world-historical purpose, excepting a mercenary's devotion to "our team winning the game."

"Look, you guys, we've got another season coming up. This time, watch out for that China team! We've got to get ready . . ."

What immorality! What *macho* infantilism! No Douglas MacArthurs, these clowns. Blood sports, played with aircraft, rockets, tanks, and, above all, live fire. The name of the game, is the existentialist's sport, of kill or be killed. It is played according to the schoolyard sport of "King of the Hill." Their brutish object is to kill as many of "the blokes on the other side," as possible, and that in the dramatically most gory way, as preferred, these days, for the current, late-night video-theater taste. To the prospective victim, the armchair warrior, like corrupt prosecutors and their favorite judges, offers the consolation: "Nothing personal, scum-bag: I'm just playing

the game." To that mercenary, Bush-League sort of military mind, the important thing is to find a next match to play, and, above all else, to rally the fans, to keep the sport alive.

As one of history's greatest military commanders said, war, by its nature, is "Hell!" General MacArthur's unmatched conduct of the war in the Pacific, included some hellish battles. So, William Tecumseh Sherman's hammer on the Confederacy's strategic flank, obliged Ulysses Grant to stage the bloody anvil in Virginia; but, overall, like Sherman and Grant, like Alexander the Great at Gaugamela, the intent of the great commander is to fight no wars which are not fully justified, and to conduct warfare to the effect of victory achieved with maximal net economies in time and lives, overall, on both sides. The proper intent of warfare, is not to annihilate people; the proper proximate goal of warfare, is to annihilate the adversary's organized capacity to continue warfare, whether that be done by battle, or other means.

Behind, and above warfare, there must be a higher, governing purpose. The purpose of warfare, as Augustine of Hippo identified the rule of justified warfare, is a just peace for both victor and vanquished, without taint of vengeance. War is to be fought only when justice could be obtained by that means, but no other morally acceptable alternative is available. That higher purpose, is that notion of *strategy* which is appropriate for civilized society.

These were the considerations underlying my design for what became, at least briefly, the SDI. Consider the fact, that my design was quickly embraced by some of the best representatives of strategic thinking still living at that time. Many

of us, from different starting points, had reached a converging understanding of the strategic problem which SDI promised to cure. It was a strategic idea whose time had come. Unfortunately, to parody Friedrich Schiller's observation on the French Jacobin Terror, the great opportunity had found a small-minded people. The idea remained great, but, in the aftermath of its refusal, as following analogous, earlier great tragedies in history, the minds of the small-minded people grew smaller, and smaller, and today, smaller still.

One case of converging views should be singled out: that of Dr. Edward Teller. While I have a certain affection for him, he, excepting a few months during early 1984, has shown little for me. The issues of earlier conflict between us, had been two. First, that, once, during the mid-1970s, I had attacked him by name for his role in furthering a policy of those wealthy oligarchical families with which Dr. Teller's career had become politically entwined. Second, as his friend Stefan Possony once clarified, there had been the factor of the, still continuing, implacable hatred against me by the Anglophile establishment's families themselves.

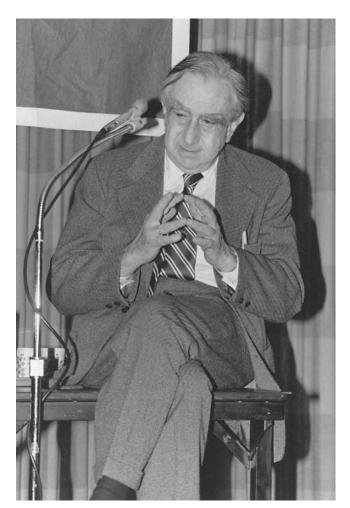
Nonetheless, on SDI, Teller and I converged. In some degree, there was agreement on related issues of technology. More significant, is a point which Dr. Teller made in a public appearance during the Autumn of 1982, in which he gave support for the policy which I was pushing (in fact, although not by name). On this occasion, he emphasized the most crucial strategic issue: that, by mustering a "crash program" of development of new physical principles for strategic ballistic-missile defense, and doing this in cooperation with the Soviet Union and others, we would unleash new qualities of technologies, by means of which all, or nearly all nations might cooperate to "realize the common aims of mankind."

That utterance pleased me greatly, commanding my admiration of Teller, on that account, to the present day. That is exemplary of true strategic thinking. Augustine of Hippo would be pleased. That outlook satisfies the highest law of our land, as that law is embedded in the Preamble of the U.S. Federal Constitution. That outlook, is what must be resumed as the axiomatic basis for U.S. military and related policy.

#### How the SDI was adopted

As I have reported, the later SDI gained significant international support, from the time of my announcement of the policy at a mid-February 1982, Washington, D.C. conference. To explain this support, one must take into account the reaction, by sundry currents within our nation, to the increasingly nauseous spectacle of Robert McNamara's and McGeorge Bundy's post-Kennedy adventure in Indo-China. It is that policy-conflict of the 1960s through early 1980s, which points out the same, essential, axiomatic elements central to the strategic problem which confronts us today.

The utopian cronies of Bertrand Russell and his lackey, Leo "Strangelove" Szilard, and many other converts to the cult of "détente," insisted that Szilard's policy of mutually



In 1982, Dr. Edward Teller supported the SDI policy which LaRouche was pushing, by means of which all, or nearly all nations might cooperate to "realize the common aims of mankind."

assured thermonuclear destruction (MAD), was the road to peace, and, ultimately, to Russell's and H.G. Wells's dream of "world government." The Pugwash Conference's utopians, such as Russell, Szilard, Bundy, Bundy's Henry A. Kissinger, McNamara, et al., insisted, that the urgency of such MADness was the hard-won lesson of the 1962 missiles-crisis.

Others had a different view of the policy of premising peace on Szilard's 1958 Pugwash proposal, that all nations must be defenseless against barrages of medium- to long-range thermonuclear missiles. The heirs of Russell's 1946 nuclear-war policy, such as Pugwashee Kissinger, were confident that the issues had been settled by the 1972 U.S.A.-Soviet, Anti-Ballistic-Missile (ABM) treaty, which had outlawed the use of countermissiles for strategic ballistic-missile defense.

For others among us, the matter was not settled. Some sought their alternative to Szilard's and Kissinger's "peace through mutually assured nuclear suicide," from the narrow







Leading lights of the Utopian faction (left to right): Robert S. McNamara; Bertrand Russell, Lt. Gen. Daniel Graham. Advocates of Danny Graham's "High Frontier" package, writes LaRouche, "opposed my science-driver approach, and insisted that ballistic-missile defense be limited to the packaging of 'off-the-shelf,' so-called 'kinetic weapons' technologies."

standpoint of weapons systems: strategic ballistic missile defense as such. I emphasized, as I had already done during the Vietnam-War years of the 1960s, the standpoint of those same, global economic strategies which turned up as the center-piece of that design which became, initially, the basis for the SDI. During the second half of the 1970s, these two proposed alternatives to MAD converged. Both currents found common ground in a proposal to develop a new kind of strategic ballistic-missile defense, based upon what the 1972 ABM Treaty identified as "new physical principles." The crucial feature of my design was to bring the Soviet Union, if possible, to agreement on a new strategic nuclear policy. Both super-powers, and other partners, should use the sciencedriver effect of creating such a new type of strategic ballisticmissile defense, as the pillar of a new wave of global economic cooperation among leading and other nations of our planet. This provided the basis for broader economic cooperation, as Teller later said, for "the common aims of mankind."

Years prior to the February 1982, Washington conference, I had presented this policy in an August 1979 paper, issued by my campaign for the 1980 Democratic Presidential nomination. In 1979 and 1980, as in 1982, I was impelled by the continuing necessity for introducing such a solution; yet, necessity aside, I had greatly underestimated the scale and intensity of support which my proposal gained during and following the February 1982 event. I soon saw, that there were many more currents than I had imagined, out there, ready to support a coherent policy of this type.

I should have anticipated this response. Those of us from that generation which served during World War II, had a relevant experience of the Roosevelt-led economic recovery, the war mobilization itself, and also of the role of the agroindustrial management-strata of the 1946-1966 post-war period.

#### The strategic Machine-Tool Principle

When the SDI was first adopted, the founder of the world's first modern nation-state, that of France's Renaissance king, Louis XI, had been dead just a few months less than five hundred years. That was the first nation-state in which the existence of the state was premised upon its assigned function as the agency for development of each among all of the people, both all the living, and all of their posterity to come. This historical fact, had a major, but, unfortunately, rarely noticed, relevance to the design of the SDI policy itself.

The significance of Louis XI's France, was that in all known earlier forms of society, tradition had condemned ninety-five percent, or more, of the whole population to the relative bestiality of thralldom. The society had been juridically either the property of an emperor, as in the empires of Mesopotamia, Rome, and Byzantium, or of another form of ownership by a powerful oligarchy, which ruled over the common population as a landlord herds, and culls his cattle. Although Louis was a monarch, he was, more essentially, an instrument trained, and dedicated, to fulfill the objectives of the 1439-1440 sessions of the Council of Florence, the Coun-

cil which was the pivotal institution of the Fifteenth-Century Golden Renaissance. By that design, he changed the character of the state, as typified by his emphasis on the obligation of the state in fostering public health, technological progress, popular education, commerce, and related essentials of the public welfare of the whole people and its posterity.

Although he had compromised the power of his throne, through agreements with some powerful feudal oligarchs within the realm, he shifted power, significantly, toward an urban-based intelligentsia, composed of educated persons recruited from virtually all social strata. During his reign, he doubled the national income of France, and began the process of which the U.S. Federal Republic, with its Constitution, when we are true to ourselves, is the highest expression known to mankind up to this time.

It is to those values represented by the best features of our Republic, and represented by kindred features in the best periods of other modern nations, which it is the proper function of strategy to defend and enhance. It is from the same source of our moral and economic strength as a whole people, that we must find those means which, by their nature, cohere with the principles which we must defend.

In the externally and internally conflicted society which our Republic has been, unfortunately, since its first war against our historically mortal enemy, the British monarchy, even the relative best is expressed only in a preferable approximation. Such was the best in the character of this U.S. economy which President Franklin Roosevelt retrieved from the muck of Woodrow Wilson's and Calvin Coolidge's Great Depression. It was from that best side of us, as that heritage of the Renaissance had been developed in our own and other nations, that the feasibility of the SDI was derived.

For related reasons, it is the comprehension of real history, on which a U.S. public official's moral competence to swear, and fulfill his oath of office depends, not that dog's vomit which our lying mass news and entertainment media presents, rewarmed, from Twentieth-Century classrooms. The importance of this is increased by the fact, that our nation has been a society in conflict, from almost the time of its origins in the semi-autonomous English colonies of North America.

In real history, we were fashioned as a sovereign Federal republic through the initiative of a plebian intelligentsia. This intelligentsia represented a tradition traced from such contributing authors for the idea of the modern sovereign nation-state as Abelard of Paris, Dante Alighieri, and Nicolaus of Cusa. Our nation's founders were an intelligentsia itself the product of the Renaissance, in the image of the urban intelligentsia of Louis XI's France, and, more directly, the Erasmians of Tudor England. That Tudor Renaissance intelligentsia is typified by such opponents of Paolo Sarpi's Lord Cecil and Francis Bacon, as Christopher Marlowe and William Shakespeare. The case of Thomas More, together with Marlowe's *Dr. Faustus* and Shakespeare's tragedies, typifies this struggle of English Renaissance against that rentier-financier suc-

cubus known as modern England's, presently ruling Venetian Party.

In the Americas, our pre-1688 Massachusetts Bay Colony, and the Commonwealth of Pennsylvania of William Penn and Jonathan Logan, exemplify the English side of the Golden Renaissance's heritage. Scientist, statesman, and global conspirator Benjamin Franklin, the father of our constitutional federal republic, exemplifies this quality.

Yet, especially since the bloody English tyranny imposed by the "Second William the Conquerer," invading William of Orange, we have been a nation in conflict among ourselves.

In England, the patriots, led by such followers of Gottfried Leibniz's faction as Jonathan Swift, lost the battle for a true nation-state, to the Venetian Party of Thomas Hobbes, John Locke, and William of Orange's Marlborough and George I.<sup>2</sup> From the accession of George I, the patriotic English-speaking party in North America, was destined to establish the colonies here as a new, perfectly sovereign nation-state, a state created by that plebian intelligentsia which adopted the standpoint of Gottfried Leibniz, and of Leibnizians such as the Emmerich de Vattel who influenced Alexander Hamilton and others, against the influence of John Locke. This intelligentsia assumed such forms as that Nineteenth-Century American Whig tradition continued by Abraham Lincoln's protectionist Republican Party, a tradition called upon to lead our republic up from terrifying crises, by President Franklin Roosevelt.

That patriotic American intelligentsia was pitted in constant conflict, not only against the British parliament and monarchy, but also against what became the core of the often treasonous, Tory, "free trade" faction in our land, the oligarchs of slavery and merchant rentier-finance. From the days of Cotton Mather, to the present, the history of the United States has been a see-saw battle for power between our patriotic intelligentsia, and the often treasonous, Tory "free traders," the oligarchical Anglophile current. We have had patriots typified by such Presidents as Washington, Monroe, John Quincy Adams, Lincoln, Grant, Garfield, McKinley, Franklin Roosevelt, and Kennedy. We have also had free-traders such as Jefferson, Dolley Madison's mismated spouse, 4 free-trad-

<sup>2.</sup> Cf. H. Graham Lowry, *How The Nation Was Won* (Washington, D.C.: Executive Intelligence Review, 1987).

<sup>3.</sup> On Emmerich de Vattel, see, in *Fidelio*, Spring 1997, Robert Trout, "Life, Liberty, and the Pursuit of Happiness." In the same issue, see Richard Freeman, "The Confederate Legacy of Thomas Jefferson," to contrast the Leibniz influence on the leading founding fathers, with the faction of Locke's devotees.

<sup>4.</sup> Dolley Madison was an asset of British agent Aaron Burr, whom Burr planted upon an available James Madison, who was not the same afterward. After Burr's disgrace, the key British controller working inside the U.S. political system became Albert Gallatin. It was Gallatin's influence from inside both the Jefferson and Madison administrations which came near to causing the dissolution of the young United States. See Anton Chaitkin, *Treason In America*, 2nd edition, (New York: New Benjamin Franklin House, 1985).

ers and filibusterers such as Jackson, van Buren,<sup>5</sup> and Polk, outright traitors such as Pierce and Buchanan, shameless spawn of the Confederacy, such as Cleveland, Teddy Roosevelt, and Woodrow Wilson,<sup>6</sup> and Yankee scalawags Coolidge and Bush.

Under President Franklin Roosevelt, and until 1966, this historic conflict between patriot and Tory was reflected, organically, in the conflict between two opposing factions within the executive agencies of our government, private economy, and educational systems. The patriotic heritage was reflected organically within those pro-protectionist currents of the national intelligentsia associated with directing the operations and development of the physical economy, by means of capital-intensive modes of agro-industrial scientific and technological progress. Within the nation's private sector, the Tory constituency was met within the same economic institutions, but as the extended tentacles of Wall Street's predominantly parasitical overreach into the productive enterprise. The endemic struggle of skilled production management versus financial administration, for control over the executive and the policies of the productive enterprise, is to be understood as an organic expression of the continued, centuries-long conflict between patriot and Tory.

The continuing 1982-1986 fight over the issues of strategic ballistic-missile defense, reflected this. Those who represented the tradition of the strategic machine-tool-design sector, tended, as if by organic instinct, to support the policy which I advocated; whereas, the representatives of the Wall Street view, such as the Heritage Foundation and other advocates of the kookish L-5 group's High Frontier package, opposed my science-driver approach, and insisted that ballistic-missile defense be limited to the packaging of "off-theshelf," so-called "kinetic weapons" technologies. During 1982, and the early weeks of 1983, these down-to-earth fliers savagely attacked not only me, but Dr. Edward Teller. It was this same, Heritage Foundation-centered faction, which used the Republican Party's 1984 congressional campaigns, to keep the SDI virtually out of President Reagan's own reelection campaign, until the second Reagan-Mondale debate.<sup>7</sup>

This side of the fight over SDI could not be understood competently, until one recognized it as a reflection of the traditional, virtually organic controversy, between the patriotic and Tory-Anglophile currents within our conflicted nation.

It is impossible to understand the United States today, without first focussing upon the expressions of this conflict brought most nakedly to the surface by the Civil War and its aftermath. On the military side, the irreconcilable differences in personal moral character, are, to the present day, those which separated Lincoln and such commanders as Sherman and Grant, from that dubious General George McClellan who allowed himself to be used by British agent August Belmont.<sup>8</sup>

To get at the root of the disorientation pervading the Pentagon hierarchy today, one should recognize, that those are the same issues which separated General Douglas MacArthur from the rabidly Anglophile Harriman cabal's President Harry Truman. We can not understand the U.S. today, with-

planet those traditional, nationalist U.S.A. economic policies which Churchill had found to be such a grave threat to British imperial interests during the war-time Roosevelt-Churchill conflicts. Under Ed Feulner, it spread Mandeville's dogma, that good is automatically generated by giving free rein to evil, as "Thatcherism." Although I had known the Mont Pelerin Society's origins and history earlier, in Europe, I first learned of its takeover of the Heritage Foundation and other U.S. organizations, beginning 1978, as a result of a coordinated personal attack upon me steered by the Mont Pelerin Society through channels of such assets as the Heritage Foundation, the Rockford Institute, the Anti-Defamation League (ADL), McGraw-Hill's Business Week, and, later, a squib inserted in Michael Deaver's Citizen for the Republic. The Mont Pelerin Society's Professor Milton Friedman, was a key part of the influence which this branch of British intelligence exerted upon the economic and related policies of the Reagan Administration.

8. Lincoln's problem with his generals, was not a reflection of indecisiveness, or other fumbling, on his part. It was the result of British intelligence's use of Mazzini's Young America organization of Concord, Massachusetts and Charleston, South Carolina, to reshape the U.S. military officer-corps' command-structure, under Presidents Polk, Fillmore, Pierce, and Buchanan. Once Lincoln had sorted through the collection of West Point graduates bequeathed to his Administration, the Union piled up its victories. Giuseppe Mazzini, one of the highest ranking agents of Britain's Benthamite Lord Palmerston (he of China "Opium Wars" notoriety), was the instrument which British intelligence used to create and deploy the package of sundry anarchist and socialist organizations ("Young Europe") used in the revolutions of 1848-1849. "Young America" was the U.S.A. branch of this Palmerston operation. The "Concord Transcendentalists," including Henry David Thoreau, and the Charleston, South Carolina branch, which organized the Knights of the Golden Circle and the short-lived British asset known as the Confederate States of America (CSA), were the leading pre-1860 branches of Mazzini's "Young America." (On "Young America," see Chaitkin, op. cit., pp. 197-212.) Polk's war with Mexico was the crucible, in which officers such as Franklin Pierce, were drawn into the treasonous conspiracy behind the creation of the Confederate States of America. Others, like McClellan, stayed with the Union, but were committed to Britain's policy of partition of the U.S.A.

9. One should never lose sight of the fact, that what is usually referred to as "McCarthyism," were, in fact, better named "Trumanism." Truman's economic policy for the post-Roosevelt U.S.A. was for austerity policies which returned us to a virtual replay of the 1930s Depression. The result of this

<sup>5.</sup> Martin van Buren, a Wall Street banker in the footsteps of Jeremy Bentham's agent, Aaron Burr, was the money-bags behind one-time Burr accomplice Andrew Jackson's Presidency. It was later President van Buren, who orchestrated Jackson's shutting down the Second Bank of the United States, in order to set up free-trader van Buren's land-bank bubble, a bubble whose collapse nearly bankrupted the U.S., as it sent the nation careening into the Panic of 1837.

<sup>6.</sup> Chaitkin, op. cit.

<sup>7.</sup> During 1978, the Heritage Foundation had been taken over by the British intelligence interests, which are efficiently represented by Heritage's Ed Feulner. The Mont Pelerin Society, founded by right-wing oligarch Friedrich von Hayek, based itself, as von Hayek insisted, upon the ideology of the notorious, Anglo-Dutch satanist Bernard Mandeville, best known for his *Fable of the Bees*. This Mont Pelerin Society was founded following World War II, as part of the efforts of Winston Churchill et al. to eradicate from this

out comparing the way in which Tory Wall Street interests, working at London's direction, largely ruined the world's most technologically advanced, and mightiest agro-industrial and military power of the 1865-1876 period, that of the United States. We do not understand today's United States, until we recognize that Senator Phil Gramm and neo-conservative Representative Newton Gingrich's "Contract on America," represent a radical form of the same policies by which Britain, and its Uriah Heeps of Wall Street, beginning 1873, virtually bankrupted the world's most advanced and powerful economy of the 1866-1876 interval.<sup>10</sup>

Until this persisting conflict, between patriotic and Tory tendencies, is taken fully into account, no representative of our officer corps could know the real-life meaning of "the vital interests of the United States." For example: no man, in or out of uniform, could understand the real-life meaning of "the vital interests of the United States," who did not abhor the stink of treason upon which free trade's Professor Milton Friedman explicitly premised the political philosophy underlying the entirety of his economics nostrums: that treasonous Specie Resumption Act of the 1870s, through which the world's mightiest nation, the U.S.A., was betrayed by its own, corrupted Congress, to become, for decades, a looted, second-rate power.

Consider the cardinal lessons of World War II and its aftermath. How did the U.S. mobilize to emerge from Coolidge's Depression, to organize victory in World War II?<sup>11</sup> It

turn, was a period of deep cultural pessimism, a populist insanity which gripped not less than ninety percent of the adult population throughout most of the 1946-1952 interval. Neither President Truman, nor the Wall Street "Establishment," was always pleased with the political by-products of the cultural pessimism which their policies had evoked. One of those by-products was Democrat Roy M. Cohn's Senator "tail-gunner Joe" McCarthy (whose margin of election to the Senate had been, ironically, arranged by the Wisconsin Communist Party!). That unprincipled political chameleon's populist attacks on both the U.S. Central Intelligence Agency, and the U.S. Army, created a real national-security crisis. Leading figures later known for their association with Dwight Eisenhower's Presidential campaign, organized the bi-partisan take-down of McCarthy and Cohn. As Truman's 1948 electioncampaign, reflected the establishment's recognition of the urgency of ending the 1946-1948 rampages by Newt Gingrich look-a-likes in the 80th Congress, so, the election of Eisenhower was aimed at checking the national-security threat posed by the popularity of the fascistic McCarthy. One should not naively misread Truman's 1948 election-campaign.

10. See Anton Chaitkin, "The 'Land-Bridge': Henry Carey's Global Development Program," *EIR*, May 2, 1997.

11. The customary, ritual reference to the celebrated New York Stock Exchange panic of October 1929 as inaugurating a "Hoover Depression," stubbornly ignores the fact, that Hoover had been inaugurated less than eight months earlier, on March 4. The architect of the specific policies leading to the 1929 "Crash" was the Treasury Secretary Andrew Mellon whom Hoover "inherited with the furniture," from a Calvin Coolidge who had been President since August 1923. Mellon was Wall Street's and London's man inside the U.S. Government, running U.S. policy in tandem with London's Montagu Norman, et al. Hoover actually initiated a number of the programs put into effect under Roosevelt's "New Deal." Hoover's problem was, that although

was the partnership between the scientists and the production managers, which enabled U.S. farmers and operatives to produce the logistical and technological cutting-edge of warfare. On what did the post-war U.S.A. and NATO rely for the 1949-1963 strategic mobilization? Chiefly the scientists and production managers, not only of the U.S.A., but, also, of the Federal Republic of Germany, and their allies.

The heart of the mobilization, during both periods, was the build-up of a special sector of the machine-tool industry,

Until this persisting conflict, between patriotic and Tory tendencies, is taken fully into account, no representative of our officer corps could know the real-life meaning of "the vital interests of the United States."

the sector which I have set aside for special designation, as the "pure science"-driven *strategic machine-tool-design sector*. <sup>12</sup> This was our economy's margin of advantage, which made the difference. The symbiosis between this science-driven sector, combined with the quality of science-oriented, general secondary and higher education supplied to the general population, was the unique source of those high rates of gains in designs of products, in designs of productive processes, and in the per-capita productive powers of labor, which supplied the cutting edge of victory.

Until McNamara's introduction of the kind of linear thinking represented by systems analysis, the development of that peace-time capability, was understood to be the most essential strategic military interest, to be defended axiomatically at all times. To maintain that vital strategic resource, since President Lincoln, until the mid-1960s shift toward "post-industrial" utopianism, the U.S.A.'s strategic defense depended absolutely upon the cadres of scientists and technologically progressive farmers, and a high quality of technological progress in a capital-intensive, power-intensive mode.

he had not caused the Depression, his Presidency wore the entrenched Coolidge-Mellon apparatus as a drowning man might wear a ship's anchor.

12. Lyndon H. LaRouche, Jr., "Return to the 'Machine-Tool Principle," EIR, Feb. 7, 1997. By "pure science," I signify the discovery of validated new physical principles, as Riemann's 1854 habilitation dissertation provides the basis for rigorous mathematical and practical distinctions in this matter. I mean to imply, as Riemann does: When dealing with matters of scientific principle, we must leave the department of formal mathematics, for the domain of physics.

As I have stressed this fact in other locations: in no case, during the Twentieth Century to date, has any leading nation maintained physical-economic margins of profitability for its economy taken as a whole, except through the scientific-technological, machine-tool-centered mobilizations called forth in preparation for, and conduct of wars of annihilation.<sup>13</sup>

As a correlative of that, during each period we were either fighting modern "annihilation" warfare, <sup>14</sup> or preparing for that contingency, national interest demanded that the monetarist, and other parasitical impulses characteristic of the financier and related merchant interest be curbed, to give priority to the requirements of the scientist, farmer, and industrial production management. Thus, in the history of Twentieth-Century economy, the net profitability of each and every capitalist economy as a whole, has depended upon a technological spill-over from such military mobilizations of the world's leading economies.

So, one recalls from the 1940s, 1950s, and 1960s, the widespread opinion, that "corporate America," farmers, and trade-union interests, joined hands to fight wars, and prepare for threats of wars, so that farmers and industries might enjoy the profitable spill-over of both high rates of investment in advanced technologies, and more or less full employment of the labor-force.

#### 'Post-industrial' military utopianism

During the mid-1960s, the relevant military literature sometimes referred to a policy-fight which had been raging, since about the time the Truman Administration gave birth to the U.S. Air Force. Frequently, the name given to this, was "The Traditionalists versus the Utopians." The most famous expression of such utopianism during the late 1940s, was the support from Air Force, and other circles, for Bertrand Russell's September 1946 proposal for a "preventive nuclear war" against the Soviet Union. By the mid-1960s, under the reign of New Age cultist Robert McNamara, the utopians had gained what seemed, to many, to be irreversible control over the official U.S. military mind.

I had first encountered this "utopian" trend, beginning approximately 1948, in the circles associated with Professor Norbert Wiener, along the trail left by Dr. Kurt Lewin. I point

to the Research Laboratory of Electronics (RLE), at the Massachusetts Institute of Technology. I became suspicious of certain off-key projects sponsored by what we know today as the RAND Corporation think-tank, and to certain sociology projects of a New Age species sponsored by the Air Force. The trail led to a kind of "mother" institution known as the Josiah Macy, Jr. Foundation, a nest whose agendas were dominated by rascals, such as so-called anthropologist Margaret Mead, and her sometime husband, British intelligence's Gregory Bateson, he then controlling the Veterans Administration hospital at Palo Alto, California. The curious Walter Pitts, at MIT's RLE, was a relevant connection. Also relevant, in addition to Bertrand Russell's clone Norbert Wiener, was the work on systems analysis, and "brain theory," by another Russell clone, Professor John von Neumann.

I reference those slices from post-war U.S. history, to emphasize that the rapid takeover of the Pentagon by kookery, during the post-Kennedy years, represented a process which had been already under way in the U.S.A., and in the military itself, over nearly two decades prior to the U.S. regular-military operations in Indo-China. Truman's firing of General MacArthur had transformed the war in Korea into a New Age, "mind-wars" parody of Eighteenth-Century "cabinet warfare." Thus, the post-MacArthur phase of the Korea war degenerated into a rehearsal, and seed-crystal for the "cabinet warfare" abomination of Vietnam. What was different about the mid-1960s, was the exploitation of Nazi Propaganda Minister Josef Goebbels' doctrine of mass-terror, as a way of

<sup>13.</sup> Lyndon H. LaRouche, Jr., "Machine-Tool Design: The Brains of Profit," *EIR*, Jan. 1, 1997, and "Return to the 'Machine-Tool Principle,' "op. cit.

<sup>14.</sup> The reader should be reminded, that the use of the term "annihilation" here, is the Classical usage of von Schlieffen. It signifies here, not the annihilation of people, but of an adversary's organized capability for continuing effective forms of warfare. That term must be employed in this location, to emphasize the difference between Classical modern warfare, since Lazare Carnot's 1792-1794 reforms, and modern parodies of Eighteenth-Century "cabinet warfare," such as the 1965-1972 Indo-China adventures, or the Thatcher-Bush surrogate (mountain) warfare against the Soviet Union, in Afghanistan.

<sup>15.</sup> That pair was notorious as Bertrand Russell cronies since Bertrand Russell's 1938 partnership with Chicago University's Robert Hutchins, in launching the theosophical Unification of the Sciences project, the which gave birth, in turn, to the Korsch-Carnap-Harris-Chomsky linguistics later integrated into the Marvin Minsky "artificial intelligence" sideshow at MIT's RLE. Mead and Bateson had a notable history in the Anglo-American intelligence community, both before and after the relevant stints with the Josiah Macy, Jr. Foundation. Perhaps because of, rather than despite her shoddy personal character, Mead had been involved in a celebrated intelligencecommunity hoax or two, earlier. During the later years of my life, beginning approximately 1968, she chose to become an impassioned enemy of mine for the residue of her unhappy life. In later years, she affected a witch's staff, replete with satanic horns. On one public occasion, at a 1974 UNO conference in Bucharest, in Summer 1974, an easily enraged Mead lurched like a sow in heat, after that more nimble Helga Zepp, who survived the assault to become my wife less than three years later. At Bucharest, Mead menaced Helga with that same horned staff she brandished as she customarily clomped. snarling, about the premises of the New York American Museum of Natural History, seeming to threaten to eat, if not merely slaughter groups of small children who occasionally shared her elevator. Her occasional husband, Bateson was encountered by this writer, during the late 1970s, promoting a national witchcraft movement; at that time, Bateson was operating under the sponsorship of New York's Episcopal Cathedral of St. John the Divine. The same Bateson was a hot sport of the MK-Ultra circuit, during his tenure at the Palo Alto Veterans' Administration Hospital. Mead was a key figure in organizing the spread of the "rock-drug-sex" youth-counterculture on campuses during the 1960s: the stream running from the utopian pilot-projects of the late 1940s ran downstream into the mass utopianism of the 1960s.

generating a Tavistockian<sup>16</sup> "cultural paradigm-shift," in the U.S. population generally.

Thus, in the aftermath of the successive shocks of the 1962 "Cuba Missiles Crisis," and the assassination of President John Kennedy, approximately thirteen months later, a fundamental change was introduced into all aspects of U.S. policy of practice: economy, culture, education, science, morality, and strategy. To understand the profound change in military doctrine, we must take into account the cohering changes in our policy and culture as a whole.

Most notably, in the U.S.A. and in western Europe, the focus of the brainwashing of the mid-1960s university, antiwar student strata, was to identify "industrial society" and its sovereign nation-state institution, as the factor which must be destroyed. Only that, the brainwashers insisted, would remove the cause of the existentialist pain suffered by those young people whose parents and grandparents had thrown them into a psychologically, intolerably painful situation.<sup>17</sup>

It were, therefore, not only fair, but pedagogically indispensable, and historically accurate, to describe the kind of New Age coalition between the funders, McGeorge Bundy's Ford Foundation and Arnold & Porter's Institute for Policy Studies (IPS), and the self-styled "SDS Crazies" such as Mark Rudd, John Jacobs, et al., 18 as a coalition, mediated through

16. "Tavistockian" = London Tavistock Clinic and London Tavistock Institute. These were the institutions which designed the "Clockwork Orange" projects, such as "MK-Ultra." MK-Ultra typified that official, post-MacArthur, obsession with New-Age "mind-war" games, which gave us both the "rock-drug-sex" youth counterculture of the late 1960s, and the Vietnam War itself. Former CIA Director William Colby's mid-1970s actions, in blowing the cover from some of the most extensive and kookiest branches of military operations under "intelligence" cover, was not an attack upon the CIA as an institution, but rather an "old boy's" reaction to the realization that the entirety of the "mind-wars" game acted out as U.S. intervention into Indo-China, was the kind of sickness which must be treated. That exposure occurred as part of the process of deworming the CIA and other relevant institutions of long-standing problems such as James Jesus Angleton. My own problems with retired Lt.-Gen. Daniel P. Graham, touched upon not only the "High Frontier" kookery of Graham's L-5 Society associates, but a significant assortment of "things that go bump in the night" around the Defense Intelligence Agency (DIA) and certain other notable Pentagon institutions, all left-overs of the plagues of mental mice and spiders from the pre-1975 "mind-wars" games.

17. "Various types of beliefs can be implanted in many people, after brain function has been sufficiently disturbed by accidentally or deliberately induced fear, anger, or excitement. Of the results caused by such disturbances, the most common one is temporarily impaired judgment and heightened suggestibility. Its various group manifestations are sometimes classed under the heading of 'herd instinct,' and appear most spectacularly in wartime, during severe epidemics, and in all similar periods of common danger, which increase anxiety and so individual and mass suggestibility." William Sargant, *Battle for the Mind: A Physiology of Conversion and Brain-Washing* (originally published 1957) (republished, Greenwood Publishing Group: Westport, Conn.: 1975).

18. Later of "Weatherman" notoriety. Angela Davis has the same track as these terrorists. The coordinator for the Columbia University "Crazies" of 1968-1969, was Frankfurt School leftist, OSS veteran, and CIA operative,

those kinds of channels, of feudalist financier-oligarchical barons and their deranged left-wing lackeys. In other words, a continuation of the tradition seen earlier, in the training and direction of the French Jacobin Terror's Danton and Marat, by the then-head of the British Foreign Service, Lord Shelburne's Jeremy Bentham.

To understand this mass-brainwashing, of what became, ultimately, the majority of the Baby-Boomer generation from the U.S. campuses, and comparable strata in Europe, one must locate this problem in U.S. history. Had you, the reader, been one in the immediate circle of Benjamin Franklin's Matthew Carey, or a leading counterintelligence specialist, such as West Point's Edgar Allen Poe, <sup>19</sup> and had you lived and worked your profession up through the present day, you would have understood clearly the truth behind the 1960s youth-counterculture insurgency. Take as a point of reference, the case of British spy, Aaron Burr, once Thomas Jefferson's Vice-President of the United States: an agent of the same, thenhead of the British Foreign Service, Jeremy Bentham, who had trained and controlled agents such as the Jacobin Terror's Danton and Marat.

Turn to the famous remark which Clement Prince Metternich is reported to have uttered in his capacity as (officially) chief pimp of the Congress of Vienna: Metternich's out-

Herbert Marcuse. Marcuse, together with another leading figure of the Frankfurt School, Hannah Arendt crony Theodor Adorno, were the key sponsors and conditioners who prepared Angela Davis for her celebrated plunge into the nether world. As an official document from November 1973 typifies the fact, the leadership of the Communist Party U.S.A., which Angela Davis joined, was under control of the FBI at that time, as was the violence-prone Young Workers Liberation League (YWLL) to which Angela Davis was assigned as a leading, polluting figure. The relevant Atlanta center, a product of old CPUSA figures and YWLL ex-Communists of this sort, is presently among the key channels of control over radical "black nationalist" deployments throughout the United States. Who walks blindly into the swamp may be eaten by the quicksand. The FBI, as defendant in SWP vs. FBI, conceded it had controlled a large fraction of the SWP members as informants. In the case of the CPUSA, the control was directly from the top, not just through the FBI, but much older Wall Street connections of Daniel DeLeon et al.

19. Edgar Allen Poe was a qualified member of the Cincinnatus Society, by virtue of his grandfather's position as Baltimore-based Quartermaster for the United States Army during the War of Independence. Young Edgar Allen Poe served, first, as an enlisted man, rising quickly to the rank of sergeantmajor, before entering Sylvanus Thayer's West Point. There, his medical problem, which experts have identified from clinical evidence, as epilepsy, forced him to drop out after a year of poor health. He took up the alternate role of a domestic counterintelligence agent, working for U.S. intelligence, against the British enemy. In this capacity, he effected major breakthroughs, as are reflected in his essays, and, if a bit delphically, in his fictional writings. He was murdered in Baltimore, in the course of his 1848 investigations into the conspiratorial organizations associated with Lord Palmerston's Young America organization.

20. Metternich personally supervised the work of his secret police in arranging countesses' and peasant maidens' roles as bedroom entertainers for visiting royalty and aristocrats of such relevance as Czar Alexander I of Russia. (The veneral disease which the Czar contracted as a by-product of such entertainment, played an important role in aggravating the Czar's plunge into

burst, declaring that the discovery of the Americas had been Europe's great mistake. That remark, which does express an attitude otherwise known to be characteristic of Metternich's policy, has two implications, both of which were intended. On the one side, Metternich is attacking the role of Spain's Queen Isabella, in supporting the plan for the voyages of evangelization which had been proposed by the circles of Rome's Cardinal Nicolaus of Cusa.<sup>21</sup> However, Metternich, like Bentham and Castlereagh, saw as the main enemy to be destroyed, the influence upon Europe exerted by the establishment of the U.S.A. This had been London's motive in sponsoring the Jacobin Terror in France, a systematic purging of France of those aristocrats, such as the Marquis de Lafayette, and others, who had been the pro-U.S.A. party there, such as the members of the circle of Benjamin Franklin, including such Franklin protégés and collaborators as the scientist Antoine Lavoisier.

In sum, the political division of European civilization, between so-called "right" and "left," is one of the greatest hoaxes of modern history. The division has been between, on the one side, the feudalist oligarchy, with its half-crazed "leftist" and "fascist" lackeys, and, on the opposing side, that oligarchy's enemy, the modern nation-state and its agro-industrial system based upon promotion of scientific and technological progress. This is exemplified in the present moment, by the use of nominally leftist but actually fascist (e.g., Fanonist) trainees from Dar Es Salaam University (e.g., Yoweri Museveni, John Garang, Laurent Kabila, et al.) as Nazi-like

the hesychastic lunacies supplied by that British intelligence operation known as the St. Petersburg Bible Society.) Metternich's point, was to keep the aristocratic potencies distracted by entertainment, while the bureaucratic mice working in the proverbial back rooms, such as Venice's Count Giovanni Capodistria and Carlo Pozzo di Borgo, actually prepared the documents issued as the decisions of the Congress.

21. Columbus's plan for what became his A.D. 1492 voyage of discovery, was based partly upon the knowledge of the Atlantic currents, gained as a captain in the Portuguese service. It depended, principally, on a map drawn by a close associate of Cardinal Nicolaus of Cusa (Cusanus), Paolo dal Pozza Toscanelli. Columbus obtained this map from documents, in Portugal, in the possession of the canon of Lisbon, Fernao Martins, who was also both the executor of Cusanus' estate, and a friend of Toscanelli. Later, Columbus had received further counsel on this matter in a letter from Toscanelli himself. [Fidelio, Spring 1992, pp. 37-50.] The map itself was based on scientific principles of Earth-measurement in the tradition of Eratosthenes' astrophysical estimates. The error in the map was the result of reliance on Venice's falsification of the distances from Venice to Japan, placing Japan, on Toscanelli's map, in the middle of today's United States, and, therefore, placing the eastern Pacific islands of the Indies in the vicinity of what Columbus discovered as the West Indies. The discovery of the Americas was the result of a policy of evangelization developed by Cusanus and his associates, as reflected in Toscanelli's work. This is also reflected in Queen Isabella's fight against the efforts of Venice's agents to halt evangelization, and to legalize slavery of both indigenous Americans and imported African slaves. After her death, agents of the Venice which had already put Portugal into trafficking in African slaves, succeeded in introducing African slavery into regions within the Sixteenth Century Spanish Americas.

concentration-camp "Kapos" for that British Commonwealth-based, financier-oligarchical cartel which is looting the gold, platinum, diamonds, petroleum, and strategic minerals of sub-Saharan Africa. Anyone who knew modern political history, and who examined the late 1960s pages of the leftist *Guardian* weekly, and studied the specimens from the ranks of the Columbia University's self-proclaimed "SDS Crazies" of May-June 1968, or later, would recognize the latter as of the same epistemological type of fascist movement as we saw in Mussolini's Black Shirts, or pouring into the Nazi Party from the ranks of Weimar Germany's youth counter-culture of the 1920s and early 1930s.<sup>22</sup>

Whenever would-be defenders of economic progress and the institution of the nation-state, align themselves (as "conservatives") with the oligarchical faction, or (as "liberals") with the Jacobin-like, "left-wing" lackies of oligarchism, it is the would-be defenders of economic progress and the nation-state who thus fall into the trap of, however unwittingly, betraying their own cause. That is the real meaning of British agent of influence Henry A. Kissinger's Palmerston-aping insistence on "balance of power," rather than principle. There is essentially no difference between a Newt Gingrich, whose Mont Pelerin Society-orchestrated "Contract with [on] America" aims at the destruction of constitutional government in the United States, and those liberal advocates of additional supranational authority granted to the UNO, who are, in fact, aiming to produce the same result.

For appropriate contrast, it should be emphasized, that, like the physician who seeks to cure his patient of a deadly mental disease, those nations which oppose continuation of the policies of a President George Bush, may be the truest friends, rather than enemies of the United States. The proposition should be considered, that, perhaps, as in the case of Anglophile Presidents Polk, Pierce, Buchanan, Cleveland, Teddy Roosevelt, Woodrow Wilson, or Bush, it has been that

<sup>22.</sup> e.g., Lyndon H. LaRouche, Jr. "The New Left, Social Control, and Fascism," Campaigner, July 1968. This is the species of Hermann Hesse's Steppenwolf, and the existentialists in the tradition of Nazi philosopher Martin Heidegger and his French admirer, Jean-Paul Sartre. (A wit familiar with the work of the pathetic Sartre might wish to say, "Sartre-Masochism.") The distinguishing epistemological characteristic of the fascist personality-type, is the species of existentialism traced from Arthur Schopenhauer, Friedrich Nietzsche, Georg Lukacs, Karl Korsch, Heidegger, Karl Jaspers, Martin Buber, Sartre, Frantz Fanon, et al., and including such sometime Heidegger cronies as Hannah Arendt, Theodor Adorno, Herbert Marcuse, et al. of the "Frankfurt School" cabal. The key, as typified by the Nazi Heidegger's elaboration of his notion of "thrownness," is a perverted view of the human individual's identity, both within society, and in terms of mankind's functional relationship to nature; on these counts, the fascist's sense of human identity is, like Napoleon Bonaparte's, a blend of Caesarism and the adopted identity of the brutal feudal lackey culling the peasant herd for his master, as in the landed aristocracy's slaughter of the defeated peasants, at the end of the Peasant War in Germany, or, such Bush-League crimes against humanity as Panama 1989 and "Desert Storm."

government of the U.S.A. which was the enemy closest at hand. Is it not transparent, that reverting, in military planning, to the childish sport of "King of the Hill," is not a patriotic posture? The true patriot is the person efficiently dedicated to those political principles which foster a global environment in which our republic, and our posterity, were more likely to survive and prosper.

The principle is, as one of our wisest patriots, Franklintrained Secretary of State John Quincy Adams, advised President James Monroe to reject British minister Canning's offer of a treaty respecting South and Central America. We must make no alliance (nor select an adversary) which puts us in bed with those with whom we share no common principle, or pits us against those with whom we share a vital principle in common

In this light, only a fool proposes that we govern ourselves, and shape our strategies according to some modern, would-be Plutarch's abstract notion of statecraft in general. Any particular state itself, including our own, were as nothing, unless its existence were predicated upon a notion of the necessity of existence of such a specific form of state, as an obligatory instrument for fulfilling a principle. The principle upon which our Federal constitutional republic was founded, was that of establishing a form of society hateful to both feudal owners and financier oligarchies, a form of society hateful to both "leftist" and "fascist" varieties of oligarchical lackeys. The essential thing, was to establish a form of nationstate which is, still today, an indispensable bulwark, without which there is no possibility of freedom, truth, and justice for the individual citizen. It is a form of society consistent with the Christian notion of the individual person as made in the image of God—every individual person—and of the need for a nation-state form of constitutional republic which would foster and defend those forms of artistic, scientific, and technological progress, for the living and their posterity, which are the natural condition required by individual human life.

From this standpoint, the characteristic feature of the 1960s youth counter-culture is brutishly clear. That was the insurgency of an existentialist depravity, the uprising of a highly suggestible, highly labile, manipulable instrument of the type preferred by powerful oligarchical-family interests. It was created, by the Tavistock Clinic's methods for mass-brainwashing, as a way of ridding this planet finally of that which was hateful to both the landowning and financier oligarchies of the old feudal order.

Among the objectives of this main-brainwashing of large fractions from among the majority of those 1960s university students, rendered highly suggestible by the combined shocks of 1962, 1963, and the nightly televised images of Vietnam slaughter, the most immediate was the self-dumbing-down of the university-educated strata among "Baby Boomers." Then those strata "marched through the institutions" of Europe and the Americas, to assume gradually the leading positions of

influence in university, mass media, government, and corporate life. There, they, in turn, would spread their infection with the countercultural disease. There, they would work to crush the cognitive potential of the general population. They would work, as if by instinct, to turn back the clock of progress, to push us toward a national, and planetary state of affairs in which ninety-five percent or so of the total population were dumbed-down into that Yahoo condition more suitable to making the thralls, of a future, neo-feudalist supranationalism, contented with their brutish station in life. There, soldier-patriot, you see the face of our nation's adversary from within

The modern form of sovereign nation-state, for which the founding of our federal constitutional republic is the best available paradigm yet, is the vital interest of our nation, which must be defended at all necessary risk. It is not sufficient, however, that we defend such a happier state of affairs within our national borders. As this writer, then a simple soldier, saw these matters, during the months near the close of World War II, and, as I did not yet know, then, President Franklin Roosevelt conceived an anti-Churchillian, post-war "American Century": We can not be safe at home, unless we efficiently defend the right of other peoples to enjoy the benefits of the kind of state of economic and social progress which the founders of our own republic sought to provide to their posterity. Our object, as both a simple soldier and President Roosevelt saw matters in 1944-45, must be, to foster a state of affairs in international relations among fully, truly, perfectly sovereign nation-states, which secures the safety of our republic and our posterity, as far into the future as we might imagine.

That principle, which must underlie strategic thinking, is no utopian conceit, but a matter of principle. The principle, is a certain axiomatic notion of the distinct nature of the human individual, and of the rights and circumstances which that individual requires as a creature fashioned, in the creative, living image of God, to exert increasing dominion in this universe.

That is what such a varied assortment of frankly satanically perverse creatures, as Jeremy Bentham, Clement Prince Metternich, the Mont Pelerin Society's Bernard Mandeville, Friedrich Nietzsche, Bertrand Russell, H.G. Wells, Georg Lukacs, Theodor Adorno, Margaret Mead, and Gregory Bateson sought to destroy. That is what the current fads of counterculture, such as globalist, post-industrial utopianism, will continue to destroy, until we destroy their command over the world's policy-shaping. That is the present essence of sane strategic thinking.

As I have presented the case in numerous extant locations, the shocking events of 1962-1963 were a crucial turn in our national history, and in the history of the world. The détente negotiations pushed through by mediator Bertrand Russell, in the midst of the 1962 missile-crisis, and the subsequent assassination of President John F. Kennedy, were seen by

the Anglo-American "establishment" as the end of modern classical military strategy, and a corresponding return to parodies of Eighteenth-Century European cabinet warfare. This meant, to the morally shrunken little minds of the leading "establishment" circles, that the world was rapidly reaching the point at which nations would no longer place a strategic priority upon the strategic machine-tool-design sector of sovereign nation-state economy. They envisaged a rapid transition, away from a system of modern nation-state committed to the cultural norms of scientific and technological progress, and away from the nation-state itself, toward a "globalist" parody of pre-Fifteenth-Century European feudalism, in which the UNO and related supranational agencies, would supersede national government in ruling the internal affairs of every nation. This plunge into a neo-feudal, "post-industrial" utopia, became, rapidly, the new basis for U.S. strategic assessments and planning.

The generally accepted criteria, advertised in our major media, and in deliberations of elected and other officials, both in western Europe, and in our United States, defend nothing we used to regard as our vital national interest. In my own attempts to revive Classical strategy, in my negotiations and related proposals for what became known as SDI, the United States experienced real strategy for the last time, up to the present moment. By even the poor standard to which strategy had descended during the 1950s, what passes for strategy today, is, in the main, morally and otherwise disgusting. It is worse than useless. The real enemy of our nation, and of mankind as a whole, the utopians, have, for the moment, taken over.

#### The moral foundations for strategy

I now summarize the argument thus far, with what is necessarily a highly technical, scientifically precise, but also highly subjective reference, to those most crucial aspects of the individual's cognitive processes, the which are the foundation of competent strategic thinking. The specific pathology to be addressed, is that aspect of the degeneration of post-MacArthur strategic thought, the which must be attributed to the outcome of two principal aspects of the worsening decadence in quality of content, of post-World War II education, and thinking in general.

We turn attention, first, to that radical extreme in empiricist-positivist conventions in sociology, which has produced such extremely degenerate outcomes as the increasing hegemony of what is called "deconstructionism" in the teaching of language and communication on today's university levels.<sup>23</sup>

The kernel of this point, is best identified by focussing upon the implications for science and strategy of Plato's definition of truth-seeking, as most famously typified by the dialogue among Socrates, Thrasymachus, and Glaucon, in Book II of Plato's Republic: the notion of the passion for truth-seeking, denoted by Plato, and in Apostolic Christianity, by the anti-Aristotelean, Platonic usage of the Classical Greek term agapē.24 Truthfulness can not be located within naive sense-certainty; it lies within those demonstrable absurdities inhering in all faith in sense-certainty. These absurdities are demonstrated by means of Plato's Socratic method, which presents them in the form of axiomatic, or ontological paradoxes. In other words, they are expressed as Classical metaphor. Truthfulness is located in those mental processes of discovery which resolve these paradoxes. These are the processes by which validatable principles are generated, processes through which mankind's improved power to exist, by commanding the universe, is demonstrably increased.25

This specific, non-erotic form of passion,  $agap\bar{e}$ , is recognized as that source of "energy" on which we rely for sustaining those special kinds of extended concentration of our cognitive processes, in the case we are either generating a validatable discovery of principle, in response to a paradox of the ontological form, or, that we are replicating the experience of discovery, as a pupil does in a good school. That is

summary of the case of George Soros' protégé, Jacques Derrida, whose teacher, Michel Foucault, aptly described his former pupil, as "the kind of philosopher who gives bullshit a bad name." Derrida is a fanatical devotee of the existentialist doctrines of Nazi philosopher Martin Heidegger. Note, that "deconstructionism" is the currently hegemonic standard for U.S.A. university curricula pushed through the Modern Language Association (MLA).

24. e.g., St. Paul, I Corinthians 13. Until the Emperor Constantine, acting in his capacity as Pontifex Maximus of the pagan pantheon, legalized Christianity, the method of apostolic Christian thought was, as St. Augustine emphasizes the point, the Platonic method associated with the Gospel of St. John, and epistles of St. Paul. The imposition of Aristotle was the work of certain Byzantine emperors. However, in western Europe, Christianity's method remained predominantly Platonic and anti-Aristotelean, until the simultaneous spread of Aristotle into France and Venetian Italy via Spain. The Golden Renaissance, as marked by that Council of Florence which reestablished the Papacy, was thoroughly Platonic, as distinct from Venicelinked, Gnostic countergangs, such as Pietro Pomponazzi and his students, which gained great influence during the course of the Sixteenth Century. It was the Venice-led, anti-Renaissance influence, which took over Italy, rapidly, following the dissolution of the League of Cambrai, which reestablished the emphasis upon the method of Aristotle by both of the leading anti-Renaissance factions, both the Reformation and the Venice-controlled Case Vecchie faction of the Counterreformation. The Case Nuove, led by Venice's Paolo Sarpi, chose a radical form of Aristoteleanism, that of the nominalist William of Ockham. Sophist Derrida represents an extreme degree of degeneration within the tradition of Ockhamite nominalism.

25. On the scientific principle involved, see, for example, the treatment of scientific discovery from a Riemannian standpoint, in the preceding edition of *EIR*, the present author's "How Cauchy Ruined France."

<sup>23.</sup> On "deconstructionism," see the following pair of contributions to the Summer 1993 edition of *Fidelio* quarterly. Michael J. Minnicino, "The Nazi-Communist Roots of Post-Modernism"; and, Webster G. Tarpley, "Deconstruction: The Method of Madness." Give special emphasis to Tarpley's

key to understanding Plato's emphasis upon the identification of  $agap\bar{e}$  as a passion for truth and justice. That is the same principle to be brought to bear in reading *I Corinthians* 13.

It is that Socratic method, not a Yahoo's faith in sense-certainty, which constitutes the efficient practice of truthfulness. That is the scientific method essential to competence in strategic planning conducted under today's highly anomalous, historical circumstances. That is to emphasize, that we are trapped in the relatively exceptional, extreme type of strategic predicament, in which the geometry of the presently collapsing old cultural order is going out of existence, a situation in which no viable option exists, but to choose between, chiefly, two mutually irreconcilable, new cultures. Under such circumstances, all conventional learning, all thinking according to generally accepted notions of existing rules, becomes not only incompetent, but becomes a lifethreatening danger to the nation foolish enough to cling to the traditions acquired over recent decades.

The relevant pathological phenomenon, as typified by the case of Derrida, is the shift in the practiced definition of the meaning of an utterance, away from the idea in the mind of the speaker, to the view that the meaning is located in the emitted text *per se*. The included result of that general assumption, would be the case in which a musician was considered to be the outstanding performer of a Beethoven keyboard composition, by virtue of his performing, without piano, by merely sitting on stage, before his audience, for up to an hour, like a hesychast, apparently reading the score.

In opposition to deconstructionist dictums, I have frequently corrected persons who have challenged me with, "What do you wish me to say," with my rebuttal, "The proper question is: 'What do you believe?' " All literate expression in language, derives its meaning, not from grammatical rules, but, rather, from the use of *spoken* language, to express metaphor. In science, the alternate name for the metaphor of Classical poetry and tragedy, is "ontological paradox." Knowledge is the nested accumulation of solutions which the human mind has generated in response to such paradox. The typical reenactment of those discovered solutions for paradoxes, includes the transmission of knowledge from one generation to the next, or one person to the next. Thus, in Classical non-plastic art-forms, the metaphor itself often becomes the name subsequently adopted for the solution of the paradox which that metaphor originally posed.

The human mind is not a word-machine, not a digital computer, nor an aggregation of animal cries.<sup>26</sup> We do not communicate *ideas* by means of code. We communicate ideas by stating the paradox which demands the relevant

idea as a cognitive solution. Knowledge, as distinct from merely tentative, possibly false solutions, consists of *validatable* ideas of that quality. The point is, that there is no possible way, in which *ideas* could be communicated, but by stating those paradoxes (metaphors) which provoke the relevant cognitive solution to the paradox. Once an idea has been communicated in that way, that form of communication may be recalled to the consciousness of the knower, by referencing the experience of solving the paradox, a reference made most efficiently by reference to that paradox (metaphor) itself.

Consider the case of Shakespeare's *Hamlet* tragedy. As the point is underlined within the famous Third Act soliloquy, the kernel of the tragedy is a paradox, a metaphor. Hence, "To be, or, not to be." One road, the familiar one, leads to the traveller's assured doom. The other road, leading away from that doom, points to an uncertain destination. Fear of the uncertainty of the unknown destination, prompts Hamlet to prefer the certainty of doom. That is the metaphor posed by the drama in its entirety. Once the member of the audience has grasped the paradox, and, hopefully, also, its proper resolution, the mere reference to the name, "Hamlet," evokes a recollection of the experiencing of that paradox, and, thus, a recollection of the otherwise inexpressible idea, which that paradox provoked from no source other than within the cognitive processes of the individual member of the audience.

There is no way in which literal rules for interpretation of text, could define the communication of such an idea. Yet, all of human civilization's rise from primitive beastlike culture, depended entirely upon such qualities of ideas. Thus, the intrinsically uncivilizable standpoint of deconstructionism permits no meanings of the sort associated with Classical metaphor in art, or associated with a validated discovery of a physical principle. For the deconstructionist, everything must be derived at the blackboard, through designated, simple, putatively generally accepted deductive/inductive rules of construction/deconstruction. On this count, Derrida offers nothing original to the person who has read Thomas Hobbes' efforts to outlaw metaphor and the subjunctive mood, in his Leviathan; to parody Foucault, "Derrida gives Thomas Hobbes — and, all of empiricism/positivism a bad name."

I break in here, with an illustration of what should be the most obvious relevance of my line of argument, to those actual or potential tragedies in policy-formulation, the which arise as a result of attempting to formulate a consensus through "dialogue." Apart from the fact, that such "dialogue" tends to degenerate rapidly into a "therapy group" seance, the point to be stressed, is that the typical argument is over insertion of "language": "If you agree to employ this language, then I can go along with that provision." Nothing bearing upon the difference in ideas: a fictional appearance

<sup>26.</sup> Although, as every U.S. soldier who has served should recognize, one of the putative meanings of the term "Yahoo," is: "the traditional mating-cry of the Confederacy."

of agreement has created a policy-document, which each will interpret differently in practice, or which a third party will use as authority for a practice contrary to the intent of either of the formulating parties, a stated policy which, in fact, represents no clearly articulatable principle at all. This is an example of "deconstructionism" in practice.

Hence, my emphasis upon contrasting the question, "What do you wish us to say," with my rebuttal, "The proper question is: 'How to express, to be understood by another mind, what you actually believe?' "What are those axioms by means of which we might supply a well-defined functional meaning to the theorems and other propositions of your mental geometry? *Analysis Situs?* Precisely.

Thus, the location of agreement, must be taken away from putative literal meanings of phrases, and relocated in the kinds of ideas which exist only within the sovereign domain of individual cognition. Thus, the search for consensus respecting choice of language within an agreement, most often is a spectacle comparable to that created by two mules debating the terms of custody for the progeny to be produced by their mating. There can be no assured functional agreement on important matters of policy, except as the impenetrably sovereign cognitive processes of two respectively sovereign minds, share witting concurrence respecting the ideas of principle underlying the process by which they select theorems and other propositions.

This consideration brings to the fore, that issue of ideas which was addressed by Plato, which we are addressing here. How do the impenetrably sovereign cognitive processes, of one mind, communicate the uncommunicable idea to the impenetrably sovereign cognitive processes of another such mind? The answer is, paradox, is, metaphor. Hence, all true Classical art—Classical poetry, Classical tragedy, Classical music, Classical plastic art, such as that of Leonardo da Vinci and Raphael Sanzio—is based upon the principle of metaphor. Hence, all true science is based upon that exactsame principle, the principle of ontological paradoxes, whose solutions may be generated solely within the impenetrably sovereign cognitive processes of the individual mind. True, discoveries of principle in science must be validated, and that is a matter of experimental method; but, without first knowing the idea which is being tested, how do we know what it is that the experiment validates, or not?

It is through settling choices of principle, by the same use of metaphor (ontological paradox), and, then, validating that agreement in terms of experimental or kindred demonstration, that we know that the *idea* which our cognitive processes have generated, in response to a commonly addressed paradox, is shared in common by two or more individuals' cognitive processes, processes which are otherwise impenetrably sovereign. This is the reality which the intrinsically unprincipled practices of empiricism, positivism, and existentialism have avoided since the first modern, Ockham-

ite empiricists, Paolo Sarpi, his lackey Galileo Galilei, Francis Bacon, lackey Galileo's mathematics pupil, Thomas Hobbes, and that apologist for slavery, John Locke.<sup>27</sup>

Primarily, the issues of strategy today, are each and all issues of principle, in the sense we have employed the terms "idea" and "principle," in the immediately foregoing review of this point. The following two illustrations should suffice to clarify the issue of principle involved.

As we entered World War I, and until the 1951 dumping of General Douglas MacArthur, the hegemonic principles of U.S. strategic thinking were those of the Union during the closing year of the Civil War.

As Anton Chaitkin has presented the case: In President Lincoln's time, and for the remainder of that century, the patriotic faction in the U.S.A., otherwise known by the generic term, "the nationalist party," had two actively, pervasively applied premises for our nation's strategic outlook.

First, that our defense and our general welfare, alike, demanded adherence to Treasury Secretary Alexander Hamilton's emphasis on promoting such investment in scientific and technological progress, as contributed to the increase of the productive powers of labor. On this account, Lincoln's mobilization made us, even to a time beyond London's orchestration of the 1873 crisis, the world's leading military and economic power among nation-states. This policy and experience were the continuing basis for our military mobilizations, war-planning, and related axiomatic definitions of national-security interest, until the mid-1960s cultural paradigm-shift.

Second, that we must have the global means necessary to defend our sovereign independence against malicious foreign forces, led by the British Empire. On the latter account, the United States, during the last four decades of the Nineteenth Century, brought about the modern economic development of Japan, caused the late-Nineteenth-Century industrial revolution in Germany, worked with Germany to extend the industrial revolution to our ally, the Russia of Czar Alexander II, Dmitri Mendeleyev, and Count Sergei Witte, and sponsored Dr. Sun Yat-sen, and his movement for freeing China from the yoke of its oppressor, the British Empire.

<sup>27.</sup> It is relevant to illustrate the issue here, by underscoring the fact that the doctrines of John Locke are permeated by an essentially satanic quality of perversity. Locke is known as a Seventeenth-Century architect of the doctrines of "convenant (contract)" and "free trade." He is also the apologist for chattel slavery upon whom authors of the Confederacy's so-called "constitution" relied most in defense of their peculiar custom. Indeed, one can not achieve "freedom" within a Lockean democracy, unless it provides ironclad guarantees of the property-right of the slaveholder. In the history of Classical Greece, the Constitution of the United States traces its heritage from Solon of Athens, whereas the constitution of Locke's followers, is a constitution defending a slaveholders' democracy, in the image of Lycurgus' evil Sparta. Thus, for Locke, "freedom" comes from "freedom to practice slavery"; that is, indeed, a satanic perversity.

The defense of our nation's sovereignty demands a development in the characteristics of civilization as a whole, which is conducive to fostering those types of relations among fully sovereign nation-states upon which our own secure sovereignty depends.

The takeover of the U.S. government by such spawn of the Confederacy as Teddy Roosevelt and Woodrow Wilson, engaged us in a World War I, in which we served our mortal enemy, Britain, in aid of the destruction of those European political forces which had been our most trustworthy principal allies. Nonetheless, despite that virtually treasonous process, by Teddy Roosevelt and pro-KKK Woodrow Wilson, of leading us into that war which the British should not have been permitted to outlive, the education and traditions of President Lincoln's victorious officer-corps still informed our military thinking, as pre-World War II U.S. War Plans Red and Orange attest to this. Even after General MacArthur's 1951 political defeat, in his efforts to save this patriotic military tradition, the legacy for which MacArthur had been the principal standard-bearer, persisted in the minds of leading military cadres, until the tradition was abandoned somewhere in the swamp of McNamara's and Kissinger's Indo-China cabinet-warfare adventure.

Until the assassination of President Kennedy, the old lineaments of our traditional patriotic notion of National Security interest, still shaped the way in which strategic propositions were formulated. After the shocking developments of 1962-1963, the Anglo-American "establishment's" opinion-shapers, such as the witch Margaret Mead, the hoaxster Rachel Carson, et al., preyed upon the shock-induced susceptibility of Baby Boomers on campus. In this way, a large part of that targetted population was "brainwashed" into the destruction of personal character, through the rockdrug-sex counter-culture, and through correlated, induced hatred against both scientific and technological progress, and the nation-state as an institution.

From the standpoint of the neo-feudalist stratum of the Anglo-American establishment, the events of 1962-1963 had locked the leading powers into irreversible commitments to a process of unfolding "détente" agreements. This situation was taken as assurance that, given the combination of MAD and détente, modern warfare was no longer a likelihood. Rather, conflict would be shifted toward a mixture of parodies of old Eighteenth-Century cabinet warfare, including localized "surrogate warfare" (such as Vietnam and Afghanistan), and irregular warfare of the type which included terrorism. Those neo-feudalist factions of the financier-oligarchical families, as typified by their representatives McGeorge Bundy and Robert McNamara, assumed that it was now possible to begin destroying the modern sovereign nationstate, to return to a neo-feudal, "globalist" utopia, turning back the clock of history as much as a thousand years, or perhaps more.

Increasingly, especially after its own brainwashing in the Indo-China quagmire, the military, retired from its own employment as a traditional force for national defense, sought a new career for itself, as a surgeon forced into early retirement might take up employment as the neighborhood butcher. The alternative, new employment, offered to our military by the neo-feudalists, was in the "Clockwork Orange" realm of postindustrial, globalist utopianism. Under these circumstances, those axioms of national security, which had shaped U.S. strategic planning in earlier times, were dumped. The military was relegated to the status of a mercenary force, a neo-feudal condottieri, unprincipled killers, hitting targets if and when their employer ordered, turning to Vice-President George Bush's Special Situation Group, or other hiring-halls for mercenaries, whenever they might be retired from regular military services.

Modern European civilization (which is to say, not including its Babylonian, Roman, Byzantine, and feudal relics), during the Fifteenth-Century, Golden Renaissance, created the highest form of civilization yet to exist, the replacement of the imperial model of law, which had ruled in the Europe of the landed aristocracy and financier oligarachies until that time, by the first approximation of a modern sovereign nationstate, that of re-created France's Louis XI. The case of the Classical Greek culture of Solon, Aeschylus, and Plato, is the prime example of the fact, that much of earlier human culture flowed into this great achievement of western European Christian civilization. The influence of the great Baghdad caliphate of Al-Ma'mun and Harun al-Rashid, is another indebtedness of modern Europe. The essential distinction, however, was the Augustinian form of Platonic Christian conception of the essential nature of the human individual, inclusive of that individual's capacity and obligation for dominion over nature.

The essence of man, for Christianity, as for Moses, is that men and women are each created in the living image of God, this by virtue of those sovereign cognitive powers of the individual mind, by means of whose creation of valid, original discoveries of principle, mankind's per-capita power over nature is increased. Thus, to provide a society in which the education of each individual in the accumulation of these valid discoveries, is transmitted from generation to generation, and to provide a society in which that individual, so educated, can express his or her own creative contribution to mankind to the relatively fullest degree, mankind must be free from thralldom to the whims of an emperor, and of a class of landed or financier oligarchies. This can be done only by an institution more powerful than any emperor, any oligarchy: the sovereign nation-state republic which acts to secure these natural rights, to such education and to such fruitful expression of the cognitive powers of the individual, against any other authority.

The modern nation-state, for which the intent of the Pre-

amble of the original Federal Constitution of the U.S.A. is the highest expression to date, has that, thus-acquired sacred authority over all who oppose the existence of that modern institution. That, is the ultimate inner dedication of belief, of every true patriot, military or other, of these United States. This is a treasure, which we defend not only for the individual citizens of our republic, but as a right which it is the vital interest of the U.S.A. to defend as a right for all mankind.

That is true premise for our republic's strategy.

#### Case in point: 'dual-use technology'

During the recent three decades, more and more, the mind-set of a neo-feudal type of *condottieri* has taken over

The lunatic obsession with the delusion, that "eliminating weapons of mass destruction," and also "eliminating the nation-state," will save man from warfare, will do nothing but ensure homicide and related horrors throughout this planet, beyond anything known in history. The road to peace lies in a directly opposite policy, the promotion of high rates of realized technological progress...

the military and related policy-planning of the U.S. Department of Defense and associated agencies. Two aspects of current Defense Department policy, show the hideous state of neo-feudalist decadence, to which policy-planning has fallen there. The first, is the proposal to create internationally supervised zones of extra-territoriality on or near the borders of existing nation-states, thus destroying the sovereignty of those nations, our virtual rape-victims, which our hypocrites continue to refer to as "friends" or even "allies." That hideous perversion by the DoD was addressed in my October 11, 1995 Presidential-campaign statement, *The Blunder in U.S.* National Security Policy. The second, is the abundance, even among military professionals, of illiterates, who mouth unctuously the nonsense mantra "dual-use technology." I conclude this report, with a summary of the case on the second issue.

As ploughshares may be transformed back, again, into swords, there is no physical principle which is not, in some way, a potential weapon of warfare. There is no technology, which is not the basis for a means of conducting warfare.

The very concept of "dual-use technology," is a fraud. On this, one must add the complementary point, that respecting "weapons of mass destruction," famine, epidemic disease, and elimination of chemicals, such as DDT,<sup>28</sup> essential for control of insect and insect-borne diseases, have outstanding "cost-benefit" performance in killing people in great numbers. The most deadly weapon lately deployed for systematic homicide on a grand scale, is the combination of "IMF conditionalities" and prohibitions against use of technologies, including so-called "dual-use technologies" which are actuarily indispensable for sustaining life.

Since the fraudulent character of the doctrine of "dualuse technology" is so obvious to sane literate people, why is it being put forward and enforced? Simply. Under pre-Fifteenth-Century feudal conditions, the highest level of the world's potential population was in the order of several hundred millions persons, where it had remained since the early times of the Roman Empire. It was the development of infrastructure and promotion of the benefits of scientific and technological progress, as made possible by the modern nation-state form, which enabled the planet's population to rise to present levels. If we continue the present anti-science, anti-technology, and anti-nation-state trends, the world's population will collapse, at accelerating rates, back toward medieval levels, or perhaps much below that.

From the expressed standpoint of representatives of the Malthusian Club of Rome, and allied agencies, the desirable level of the planet's human population should be set perhaps significantly below one billions individuals. In other words, the ideologues of neo-feudalism have an expressed, conscious concern for the fact that choosing a mode of culture, such as a change from modern nation-state society to a globalist's neo-feudal model, means a catastrophic drop in "carrying capacity." Thus, the utopian sees, that to realize his neo-feudalist utopia, he must bring about regulations which drop potential relative population-densities far, and rapidly below present ones. "Environmentalism" is a byproduct of such neo-feudalist concerns. Hence, the destruction, on any pretext, of the means required to sustain population-levels at anything resembling modern technological levels.

If the U.S.A. elects to make itself a participating enforcer

<sup>28.</sup> No competent scientific case was ever presented, showing that DDT represented any of the dangers alleged by the hoaxster Rachel Carson. Indeed, in the relevant Federal proceedings in the DDT case, the ban on DDT was imposed by Ruckelshaus on what he stated to be purely political considerations, not scientific evidence. The same is true for the ban on chlorofluorocarbons. The argument that the latter have caused an ozone depletion, is pure fraud; the scientific evidence is directly to the contrary; the ozone hole existed with its present statistical robustness before CFCs were deployed. The ban on CFCs, however, will kill many millions of people, especially in the poorer nations, through collapsing essential support for the refrigerated food-distribution chain. As for "global warming," we are presently locked within the cooling phase of an intraglacial period.

of such techniques for producing genocidal rates of reduction in populations, targetted populations of intended victims will react accordingly, more probably sooner than later. The kind of planetary irregular warfare which the attempted enforcement of such worse-than-Nazi population-control will incite, will surpass, in its direct and secondary effects, almost any imaginable expression of generalized regular warfare.

The lunatic obsession with the delusion, that "eliminating weapons of mass destruction," and also "eliminating the nation-state," will save man from warfare, will do nothing but ensure homicide and related horrors throughout this planet, beyond anything known in history. The road to peace lies in a directly opposite policy, the promotion of high rates of realized technological progress, as the challenge of development of the interior of China illustrates the relevant necessities.

In any case, as any competent military professional knows, it was never the modern nation-state which supplied the impetus for the warfare of the recent five centuries; warfare was unleashed by those reactionary, feudalist interests which sought to turn back the clock to feudal, or even more primitive conditions. If we wish peace, we must simply eradicate the continued existence of oligarchical institutions. That, indeed, is the effective core of a sane strategy.

The purpose of the modern state was not to provide an

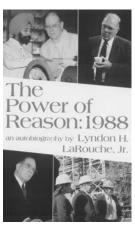
instrument for supremacy of one state over others, but, rather, to provide the kind of institution which is indispensable if the entire human species were to escape the thralldom of feudal and even more bestial, so-called "traditional" forms, that all might enjoy the blessings of citizenship and participation in self-government. To have that institution, and to encourage its spread throughout our planet, we must be prepared to defend it against all evils, including the feudal power of the U.S.A.'s traditional adversary, the feudal, financier-oligarchical, monetarist tradition represented chiefly, during this century, by the British monarchy.

The revolution to be made, during the course of the ongoing global crisis, is to free the modern nation-state institution from its overlong cohabitation with the deadly succubus of monetarist usury. The form of society to be established in the immediate future, is not altogether new. It is the kind of nation-state which the composers of the U.S. Federal Constitution envisaged, a kind of political-economy which came to be known world-wide as "The American System of political-economy," as of Hamilton, the Careys, and List. What is new, is the existence of that model of nation-state economy freed, at last, of cohabitation with the monetarist succubus. Our safe arrival on that shore, is the matter which must be of leading concern to our strategists. Any contrary view of strategy, is decidely unpatriotic, or worse.

# Books by Lyndon H. LaRouche, Jr.

The LaRouche case "represented a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the federal government than any other prosecution by the U.S. Government in my time or to my knowledge."

—Former U.S. Attorney General Ramsey Clark



#### READ LAROUCHE'S

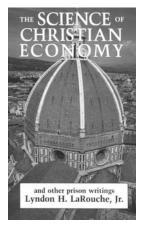
**BOOKS** and find out why the Establishment is so determined to silence his voice.

The Power of Reason: 1988. An autobiography by Lyndon H. LaRouche, Jr. \$10.00

So, You Wish to Learn
All About Economics \$10.00

The Science of Christian Economy and Other Prison Writings \$15.00





Send checks or money orders to:

#### Ben Franklin Booksellers, Inc.

107 South King St. Leesburg, VA 22075 phone 1-800-453-4108 (toll free) or 1-703-777-3661

Shipping and handling charges: Add \$4 for the first book and \$.50 for each additional book. Virginia residents add 4.5% sales tax.

We accept MasterCard, Visa, American Express, and Discover.

### **ERNational**

# 'Never again': the battle cry to halt African genocide

by Katherine R. Notley

"Those are my ancestors," a 30-year-old Jewish woman quietly told a LaRouche movement organizer in Leesburg, Virginia, as she stared at photos in the newspaper *New Federalist*, showing the Nazi box-cars sending Jews to Auschwitz in 1944, side-by-side with Laurent Kabila's box-cars deporting dying Hutu refugees to death camps in Rwanda in 1997. The headline over the photos read, "Then, As Now." On any Saturday, some 50 associates of Lyndon LaRouche fan out throughout the Northern Virginia suburbs of Washington, to mobilize the capital region to demand that the genocide in Africa be stopped. Nationwide, as internationally, the campaign to stop Africa's new Hitlers has recalled the outrage expressed by Gen. George Patton, when he liberated Buchenwald concentration camp: "Never again!"

On June 18, FDR-PAC, whose national advisory board is chaired by Lyndon LaRouche, issued a pamphlet, "Never Again! Stop London's Africa Holocaust," reminding Americans: "Fifty years after the Nazis herded their victims into box-cars bound for mass extermination camps, the so-called civilized world is tolerating yet another *Holocaust*, in Central Africa. Since the invasion of Zaire by Ugandan-backed forces in late 1996, it is estimated that more than 500,000 Rwandan, Burundian, and Zairean refugees have died, either by death marches or direct attacks, and more than 2.2 million since the RPF [Rwandan Patriotic Front] invasion of Rwandan from Uganda in 1994. This is a rate of genocide more intense than that under Hitler's Nazis."

#### 'If Africa dies, most of us die'

Also on June 18, *EIR* officially released its *Special Report*, "Never Again! London's Genocide Against Africans," at a Washington, D.C. seminar addressed by LaRouche, former Ugandan President Godfrey Binaisa, and *EIR*'s Linda de Hoyos.

Dr. Binaisa, who founded the African Civil Rights Movement in 1995, traced the history of Britain's blood-soaked recolonization, beginning with the Berlin Conference of 1878, when Africa was carved up under Otto von Bismarck, and Congo-Zaire itself was made a private estate for Belgian King Leopold. Since then, he noted with poignancy, Africa and Africans have been denied development as human beings, and subjected to looting. "I call upon your conscience," Binaisa said. "See the inequities. How long shall we continue to suffer?" The African elder statesman made his appeal especially direct to Americans. "The 'Never Again' has fallen on deaf ears," he said, but "Africa is looking at you, and waiting for you to act." I keep thinking about your Declaration of Independence, and its words about us all being created in the image of God, with the rights to pursue liberty and happiness, he said. But you who have that Declaration have not done anything, and the recolonizers are taking over.

LaRouche spoke next, telling the audience of over 100 people from 20 countries, that Africa today is a reflection of the fact that "the evil we have tolerated has caught up with us," he said. We must understand and reverse that moral decay, particularly that of the last 30 years, and learn the lessons of that process.

"The only hope is to turn this horror into a lesson," about how a great civilization can destroy itself if it proceeds on the wrong axioms, LaRouche asserted. We must let the old system of oligarchism die, and establish a new system based on the axiomatic rule that no policy not consonant with the fact that all human beings are sacred, and made in the image of the Creator, should be tolerated. Without changing the axiomatic basis of our own institutions—back to those of universal education, scientific and technological progress, and providing opportunity for development—we cannot fix Africa. If we're willing to do that, we can reverse the decay in the world. LaRouche

60 National **EIR** June 27, 1997

located the two aspects of the Africa crisis: first, that the Africa nsituation is something that affects us here—if Africa dies, most of us die; and second, what do we do about the Africa crisis. The very same evil that is destroying Africa, is destroying the U.S. economy, killing people with previously conquered diseases, causing the culture of violence in our cities, and the like. That evil is a "decaying civilization," which, over the past 30 years, has spread destruction.

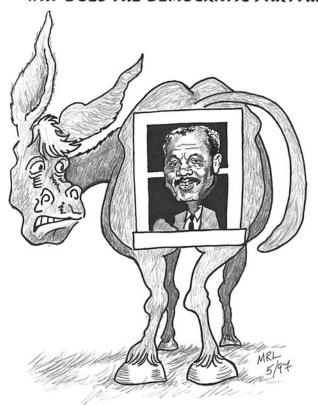
Think back over the process of change over the past 30 years, and how America, in particular, has changed its values and beliefs, he urged. Using a time-lapse of "psychological snapshots," LaRouche showed how a process of successive shocks administered to American society — the Cuban missile crisis, and the assassinations of President Kennedy and Martin Luther King, Jr. — sank the U.S. population into a deep cultural pessimism, making it susceptible to the degradation of the post-industrial society, and the rock-drug-sex counterculture.

LaRouche compared this process to that which was successfully imposed after the French Revolution (see LaRouche's feature, "How Cauchy Ruined France," in *EIR*, June 20). He then reviewed the cultural pessimism which followed World War I, a "war started by Britain and won by them," especially through the imposition of the Versailles Treaty. But there was also the creation of the philosophical degeneracy of Heidegger, Sartre, and Frantz Fanon. This fascist, existentialist outlook is directly responsible for the new generation of African butchers, through Dar Es Salaam University. Fanon wrote the *Mein Kampf* of Africa, he said, and his philosophy is widespread even here. As a result of this cultural pessimism, the American population is willing to tolerate things it never would have tolerated under JFK, and is generally indifferent to the horrors in Africa.

It's not a foreign matter, he said, it's "a symptom of the moral self-destruction of the entire civilization," and it can't be cured by simply dealing with Africa, although we must do that, too. We have to go back to the principles upon which the best of European civilization was built. From the time of the Golden Renaissance, the ideas of the sovereign nation-state, based on universal education, and a society that fosters scientific and technological progress, were put into practice. Under the influence of Christianity, there was a recognized need to create a form of society coherent with the idea of all people having been made in the image of God—an idea which can be tested by whether there is an increase in man's domination over nature.

The parasite of the financial oligarchy—which we never ejected from our civilization—has now fully taken over, LaRouche said. Over the recent period, it has become clear that there are no governments which do not know that the system is bankrupt, on a world basis. But governments, including our own, still don't have the nerve to say this out loud. Some people, like President Clinton, are beginning to talk about things like creating jobs in rebuilding Africa, and so forth. There's not much money behind this, so many people wrongly discount

#### WHY DOES THE DEMOCRATIC PARTY...



#### TOLERATE THIS PAYNE IN THE ...?

New Federalist's cartoon that so upset Rep. Donald Payne. LaRouche activists are making sure that his New Jersey constituents know that he supports the butcher of Zaire, Laurent Kabila.

its importance, LaRouche said. To prepare the population to support President Clinton in doing the right thing at the time of crisis, people have to start publicly talking about what needs to be done.

#### **Cornering the quislings**

The national flagship of the "Never Again" campaign is being piloted by Nancy Spannaus, who announced her intent to run for U.S. Congress against incumbent Frank Wolf (R) in Northern Virginia. Wolf, a gray yes-man for the area's Anglophile Hunt Country oligarchy, is a board member of Baroness Caroline Cox's Christian Solidarity International. In her announcement on June 4, Spannaus, who is also editorin-chief of the weekly newspaper *New Federalist*, demanded Wolf be held accountable for answering four questions:

- "1. Congressman Wolf, why are you silent on the holocaust, the worst genocide in decades, which is documented to be going on to this day in Zaire?
- "2. Is your silence related to your connections with Baroness Caroline Cox of Christian Solidarity International, an association which functions as an arm of British Intelligence,

**EIR** June 27, 1997 National 61

and backs Uganda's President Museveni?

"3. Are you aware that President Museveni has favorably compared his mission, and himself, to that of Adolf Hitler?

"4. Is your silence related to the support you've been given by the Loudoun County Hunt Country set, who support African genocide policies in the name of saving the gorillas, or reducing what they consider 'excess' population?"

Wolf's stony silence in response prompted her to lead a rally outside CSI's local headquarters in the backwater town of Front Royal in Wolf's district on June 12. Wolf's role in abetting Museveni's war against Sudan, while denying his holocaust in Zaire, was the focus of the picket line. A young African organizer briefed passersby from the bullhorn: "African women and babies are being buried alive, raped, and murdered. As you can tell, I'm not from your country, but from Africa. I've been fighting the genocide. Are you going to just sit back and eat apple pie, because it's not happening in your neighborhood? Believe me, if you let it happen there, they'll come for you next."

Two other leading agents in the "holocaust denial" crowd are Africanist Rep. Donald Payne (D-N.J.) and CSI member, Rep. Chris Smith (R-N.J.), who styles himself a "pro-life" congressman. Payne, former chairman of the Congressional

Black Caucus, has played an especially central role in silencing outrage among U.S. African-Americans against the Hitler-scale genocide in Africa. His cowardice, however, has not been without loud opposition. At least six ministers from his congressional district have signed an appeal to President Clinton for emergency action to stop the genocide that was drafted by Schiller Institute chairman Helga Zepp LaRouche and African Civil Rights Movement founder Dr. Godfrey Binaisa, former President of Uganda (see *EIR*, April 18, p. 28).

While Payne, who openly professed his backing for Kabila in the *Washington Post* April, 29, 1997, professes ignorance of the mass killings of Hutu refugees, the Schiller Institute has been demanding he meet with President Binaisa, to get a full strategic overview of the British plot to get Africa, once again, under its boot. (Actually, Payne has been fully aware of the atrocities committed by Kabila, as was Ross Perot's intelligence agent, Leonora Fulani.)

Unlike his Virginia colleague Wolf, who was handed his Congressional seat by the "Lords of Loudoun," such as Sir Paul Mellon and Arthur "Nicky" Arundel, Payne's usefulness to his masters relies on popular perception that he is a "black activist" and "Africa expert." And, unlike the dead-pan Wolf, Payne reacted heatedly, when *New Federalist* accompanied

#### 'Hero' Kabila saves the white rhino

Holly Dublin, spokesman for Prince Philip's World Wide Fund for Nature, heaped praised on Laurent Kabila for his efforts to help WWF save the northern white rhino, in her report to the early June Convention on International Trade in Endangered Species (CITES), in Harare, Zimbabwe. Dublin reported that Kabila's forces had "taken the initiative to contact the WWF, by radio in Goma," and officials of the WWF had been allowed to enter Garamba national park in the war zone, to check the state of the park. As a result, reported the London *Times* on June 11, "despite fears, only one out of 31 may have fallen victim to the conflict. The reported death had not been confirmed."

#### The case of the black rhino

In our *Special Report*, "The Coming Fall of the House of Windsor" (*EIR*, Oct. 28, 1994), we exposed how Prince Philip's WWF (then the World Wildlife Fund) got its start in 1961 with a campaign to tug at the heart (and purse) strings to save Africa's black rhinos. After raising some \$110 million, by 1980 WWF had spent a grand total of 118,553 Swiss francs to save the black rhino, 95.5% of whose population had disappeared. WWF Director Gen-

eral Charles de Haes was notorious for expostulating to his staff: "I don't give a continental f\*\*\*" about the rhinoceros.

In 1987, the WWF put up 1 million Swiss francs for Operation Stronghold, ostensibly to enable the Zimbabwe Department of National Parks and Wildlife Management to save the 700 black rhinos left in the Zambezi Valley, the largest wild herd remaining in Africa. By 1991, it came to light that some 145 "poachers" had been killed, 84 of them in the Zambezi Valley. Most of those were shot by WWF contract employees from a helicopter.

From the moment that the project was agreed to in February 1987, the WWF's aim had been "to translocate rhinos captured in the valley to safer areas elsewhere." Drugged and immobilized, the rhinos were shipped off to privately owned game farms in Zimbabwe, elsewhere in Africa, and to the United States and Australia. Why relocate this endangered herd from its natural habitat? It so happens that the International Monetary Fund, then dictating a "restructuring" of Zimbabwe's economy, had mandated that a beef-raising business be set up in the Zambezi Valley, to export beef to the European Community. After the rhinos had been "relocated," squads of animal exterminators moved into the valley and killed scores of elephants and 5,000 buffalo to make way for the IMF-mandated beef ranch, which soon collapsed into bankruptcy, leaving large debts and no rhinos.

62 National EIR June 27, 1997

its article on his activities with a cartoon, asking "Why Does the Democratic Party Tolerate This Payne In The...?"

When a Schiller Institute organizer finally reached him on the phone on June 12, to again request he set up a meeting with Dr. Binaisa, Payne repeated his denial that there was a holocaust, complained that Kabila couldn't be blamed for it, and claimed to have never heard of Dr. Binaisa - a man who had fought for African independence before the independence movements as such had begun. The organizer tried to dislodge Payne from his stance — reminding Payne that, to his credit, he had picked a fight with George Bush lackey Michael Ledeen during hearings called to smear Nation of Islam Minister Louis Farrakhan—but Payne stuck to his public persona, shouting: "I've been out in front, defending what's right, and you people come into my area and attack me. You put my face in an ass! Did you see that cartoon?!" He continued, "You're trying to tell people what policy should be on Africa. We're not going to let an old white man [referring to Lyndon LaRouche] dictate policy to us."

A few days later, Payne asked an African Schiller Institute member, who was organizing outside a post office in his district: "Why are you letting these white people use you?" The organizer retorted: "Why are you letting George Bush use *you* for his mining interests?"

#### Stop the 'new Hitlers'

On June 23, the *New Federalist* published the African Civil Rights Movement's internationally circulated appeal to President Clinton to "end the cover-up portrayal" of Kabila and to "urge you to use the power of your office to investigate the war criminals, particularly the aggressors who started it all, like Museveni, Kagame, and Buyoya. These are the new Hitlers of Africa, who must be stopped before it is too late. Their backers, the big American and British corporations, such as Barrick Gold and Anglo American, must also be exposed and stopped now."

Signers from the United States included former U.S. Congressmen John Dow (N.Y.), Walter Fauntroy (Washington, D.C.), James Mann (S.C.), Howard Pollock (Alaska). Other U.S. signers represented a broad array of Americans, including sitting and former state legislators (Alabama's Thomas Jackson and Massachusetts' Ben Swan, among others, had joined Representative Mann on Schiller Institute fact-finding tours to Sudan); labor leaders, Catholic, Protestant, and Muslim religious leaders; civil rights veterans, including Amelia Boynton Robinson, Rev. James Bevel, Rev. Wade Watts, Rev. Fred Shuttlesworth; and publishers, community organizers, local Democratic Party committeemen, and radio broadcasters.

International signers included many former elected and appointed officials from Africa's Great Lakes regions, who have been living in exile, as well as other Africans living overseas. Their names are side by side with Australian rabbis, priests, and ministers, former Mexican state legislators and city mayors, several Venezuelan nuns, and a Zairean priest.

### FBI used dirty tricks vs. LaRouche movement

by Mary Jane Freeman

In preparation for a June 3, 1997 hearing in the long-standing civil rights case filed against the FBI by Lyndon LaRouche and members of the National Caucus of Labor Committees (NCLC), attorneys for LaRouche and the NCLC filed a legal brief, supplemented by three volumes of documentation. The occasion of the brief was to show the enduring relevance of discovery requests, made back in 1985 by LaRouche and the NCLC. The requested discovery goes to the heart of the case: the FBI's continuous illegal operations designed to eliminate LaRouche, and discredit and destroy the NCLC as a political organization. The hearing was held before Federal magistrate Sharon E. Grubin in New York, who said she would review the brief and decide by the end of August, whether this discovery is relevant.

The lawsuit, *LaRouche*, *et al.* v. *Webster*, *et al.*, filed in New York in 1975 and amended in 1982, seeks to enjoin the FBI's illegal acts directed against LaRouche et al., and enjoin the release of thousands of FBI files on LaRouche and the NCLC which contain false and highly inflammatory disinformation. The discovery requests seek to obtain still-secret FBI files, including at least 25,000 pages of informant files, and to take depositions from former FBI Director William Webster, his former assistant Oliver "Buck" Revell, and other FBI officials, supervisors, and case agents.

If discovery is permitted, the areas of inquiry will include the FBI's collusion with the Communist Party to "eliminate" LaRouche, Henry Kissinger's successful efforts to instigate an FBI investigation of LaRouche and his associates, FBI defamation of LaRouche, and many instances of unlawful conduct by informants who were deployed into the NCLC by the FBI.

Numerous examples of FBI dirty tricks are detailed in the brief. Although the earliest documented politically motivated FBI "Cointelpro" (counterintelligence program) action against LaRouche et al. dates from 1968-69, the character of the FBI's dirty operations is apparent in a document from November 1973, showing the FBI's use of the leadership of the Communist Party U.S.A. (CPUSA) to bring about what the FBI document describes as the "elimination" of LaRouche. Looking to halt the NCLC's political campaigns, the FBI determined that "if LaRouche was no longer in control of NCLC [it] would fall apart." The document further notes that the CPUSA is hoping to eliminate LaRouche,

**EIR** June 27, 1997 National 63

and thus the FBI proposes to "help facilitate" the CPUSA efforts.

The FBI's Cointelpro domestic program was exposed as a political witch-hunt against American citizens, rivaling the activities of the Soviet KGB or East German Stasi, during Congressional hearings in the 1970s. In it, FBI agents and/or their informants were used to cause maximum disruption within targetted political groups deemed dangerous by the FBI; civil rights and student groups were prime targets.

#### The activities of six known informants

In an effort to silence LaRouche and the NCLC, the FBI used hundreds of informants to sow dissension, provoke violence, gather personal data, and plant false news stories against LaRouche and the NCLC. The just-filed legal brief details the activities of six known informants. Those acts include: theft of membership and supporter lists; an attempt to implicate NCLC members in espionage; and, running an informant for public office to discredit NCLC policies. While the FBI has adamantly denied any use of "black bag" jobs or electronic surveillance in its investigation of LaRouche et al., the brief indicates otherwise.

The FBI claims, in the lawsuit, that it ended its "domestic security" investigation against LaRouche et al. in the 1970s. But, after Cointelpro was exposed, the FBI reinvigorated its use of surrogates, or, as "Buck" Revell put it, "non-governmental entities," to do their dirty work such as surveillance, financial interference, and petty harassment. One such non-governmental surrogate utilized by the FBI has been the Anti-Defamation League of B'nai B'rith.

To show the unabated efforts of the FBI against LaRouche—an important claim in the case—the brief details that in the 1980s, after operations to eliminate LaRouche failed, the FBI, at the instigation of former Secretary of State Henry Kissinger, a crony of then-FBI Director William Webster, launched an investigation based on bogus allegations of "foreign funding" of NCLC activities.

The case has been stalled time and again by FBI stone-walling. In 1984, Judge Mary Johnson-Lowe directed that the case be tried by the fall of 1985. Magistrate Grubin ordered all discovery to be completed by May 1985. But the FBI delayed the release of documents, and refused to grant any depositions, until the plaintiffs sought the court's intervention. This delay put the LaRouche plaintiffs up against the cut-off date for discovery without having obtained necessary evidence from the FBI. The FBI then moved to have the case dismissed, while the plaintiffs sought to extend the cut-off time, in order to complete discovery. There the case sat, from June 1985 until May 1990.

After the plaintiffs made numerous filings in 1989 to resuscitate the case, Grubin was forced to act. She granted limited discovery on the 1989 matters, and then, in 1995, issued a recommendation to Judge Lowe to grant the FBI's

motion to dismiss the case. But, in July 1996, Judge Lowe found that Grubin had erroneously denied the 1985 discovery requests, and remanded these matters for consideration. Now, Grubin will have to determine relevance, based on Lowe's directions.

While the brief and the three volumes of accompanying exhibits are filed under seal with the court, there are some aspects of the filing which are already in the public record. The following are excerpts from the filing which fall into that public-record category. Subheads are in the original.

#### Constitutional violations at issue

The Second Amended Complaint in this action alleges that the FBI was politically opposed to the [NCLC] and anyone associated with it and, beginning in 1968, undertook a systematic course of conduct designed to discredit and destroy the NCLC as a political organization because of its ideas and views.

The FBI engaged in a disruption program against the NCLC which included incitement of violence by political opponents, encouragement and support of lawsuits against the NCLC by opponents, and multiple forms of harassment. The FBI's disruption program was designed to generate opposition to the NCLC in the general public and to discredit the NCLC among potential supporters. The FBI sought to intimidate and terrorize individuals who were associated with the NCLC by extensive monitoring of their personal affairs, visits designed to promote fear and hysteria, and by providing false and derogatory information to landlords, employers, and families about NCLC activities. The FBI acted to disrupt the individual and organizational finances of the political movement, in addition to disrupting the NCLC's efforts to disseminate its message to the general public through a campaign of nuisance arrests conducted by local law enforcement.

The FBI also engaged in an extensive public and intragovernmental media campaign, dispensing false and derogatory information in order to disrupt and defeat the exercise of protected rights, among them the right to associate freely, to petition the government, to campaign for political office, and to publish and disseminate political views free from governmental interference. In this campaign, the FBI wished to accomplish something far different from injury to reputation. They wished to demoralize individuals associating with the NCLC, and incite persons and groups outside the NCLC to take actions against the NCLC, or to dissuade individuals from associating with the NCLC.

The FBI's use of informants was central to all aspects of this campaign. Informants engaged in provocations and sought to influence the political actions of the NCLC. Informants gathered all kinds of information, including personal,

64 National EIR June 27, 1997

private, and political information, about the NCLC and individuals associated with it, and forwarded it to the FBI. Informants engaged in violations of the Fourth Amendment in their information-gathering activities. Informants created false allegations against the NCLC for purposes of continuing the FBI's illegal actions against the NCLC.... The FBI was using informants, not to obtain any information necessary for the prosecution of crimes or for the protection of national security, but to obtain private information about political meetings, demonstrations, and other lawful events and their participants.

... The FBI files were gathered in contravention of plaintiffs' constitutional rights. The FBI files at issue are the fruits of a course of conduct implicating multiple violations of those rights, primarily their First and Fourth Amendment rights, and their rights to associational and individual privacy....

#### 6. Informant Gregory Rose

FBI Director Clarence Kelley acknowledged in a letter to Gregory Rose dated October 1, 1976, that Rose was an FBI informant, paid by the FBI, from May 17, 1975 "continuing until the first part of October 1975."...

Rose was listed in a March 12, 1975 New York FBI report as a member of the NCLC's governing body, the National Executive Committee ("NEC") and had been placed on FBI New York's Administrative Detention Index ("ADEX").

Rose provided information to the FBI concerning NCLC members, its finances, and organizational structure, which the FBI used for purposes of harassment of the NCLC and its members, and interference in its financial affairs.

In September 1975, the Communist Party newspaper the Daily World published two articles attacking the NCLC, entitled "Phony 'Labor Party' Exposed as CIA Front," and "A School For Spies Against Labor Unions." The articles were based upon information provided to the CP by Rose, at the time he was an FBI informant; Rose himself testified that he was paid by the FBI from May through September 1975. The Daily World articles encouraged its readers to label the NCLC as CIA agents and falsely described alleged plans for violent attacks by the NCLC upon the CPUSA. The FBI was necessarily aware of the inflammatory effect the false information provided by FBI informant Rose would have upon readers of the Daily World. . . .

Rose worked with the United Auto Workers (UAW) against the NCLC and was planned to be the UAW's star witness in its trademark lawsuit against the NCLC until the discovery of this fact led to the disqualification of UAW attorneys. In a deposition taken in [another case], Rose testified to the fact that he was to be a witness for the UAW, and that he provided NCLC documents to UAW General Counsel Stephen Schlossberg. In a telephone call with an investigator, Schlossberg admitted he had seen FBI debriefing notes on Rose.

Information provided by Rose was used as a pretext by the FBI to conduct a foreign counterintelligence investigation, code named KWARTERBAK, outside the realm of the ongoing NCLC domestic security investigation. The FBI used Rose's false allegations of espionage activity by NCLC members as a pretext to open a wide-ranging, international espionage investigation of certain NCLC members. The FBI had sufficient reason to doubt the veracity of Rose's allegations since one of the first memos in the KWARTERBAK file refers to the "apparent discrepancies and lack of corroboration" of Rose's story. Even though the FBI could not verify the Rose allegations, they circulated and disseminated material they knew or should have known to be false. When the FBI finally admitted that Rose's allegations were unfounded, the FBI took no steps to retract the false material which had been previously disseminated. In the March 30, 1979 issue of National Review magazine, there appeared an article authored by Greg Rose which repeated the false espionage allegations against the NCLC. Editors of the magazine talked to the FBI's NCLC case officer, while the article was in preparation, and the article indicated that the FBI had verified Rose's credibility.

The FBI disseminated the KWARTERBAK allegations to other agencies including the Defense Department, foreign governments, and then to the general public through Rose's *National Review* article.

#### **B.** Need for informant files and materials

To the extent informants engaged in disruption and similar activities, such activities were "patently unconstitutional and violated . . . First Amendment rights of free speech and assembly. Moreover there was no statutory or regulatory authority for the FBI to disrupt . . . lawful political activities." (citation omitted) Similarly, [here] the evidence indicates that the FBI was "using informants not to obtain any information necessary for the prosecution of crimes or for the protection of national security, but to obtain private information about political meetings, demonstrations and other lawful events and their participants." This is "wholly incompatible with the ... First Amendment right to freely assemble and freely speak on political matters." Moreover, "there was no statutory or regulatory authorization for the FBI's informant operations under the circumstances described." (citation omitted)

In the NCLC case, the materials available to date, also indicate that informants frequently reported false information such as acquisition of weapons, which became the pretext for further investigation. Like the physical altercations between the CPUSA and the NCLC, the FBI in such instances was a party to creating the very accusations which it then utilized to justify its investigative and disruption activities, and used in its publicity campaign to discredit LaRouche, the NCLC, and its members.

**EIR** June 27, 1997 National 65

# Iranian-American arms dealer fears death in London

#### by Edward Spannaus

An international arms dealer, who played a significant role in the 1980 "October Surprise" events, and then later in the Iran-Contra arms deals, is back in the news again. Mohammed Hashemi has been the subject of recent articles in the *Sunday Times* of London, in which Hashemi has described how he sold sophisticated weaponry to Iran during the Iran-Iraq War, in violation of the arms embargo—and that this was done with the complicity and assistance of the British Intelligence agency MI6.

And now, Hashemi, a naturalized U.S. citizen who is in urgent need of heart surgery, says that there is a concerted effort emanating from both U.S. and British authorities to prevent him from returning to the United States, where he could tell what he knows about these events—including how Contra-related drug money was used to finance arms deals in the 1980s. In fact, Hashemi says that he fears for his life, should he be forced to undergo surgery in England, since both his brother and his father died in London under mysterious circumstances.

#### **Kissinger and Bush**

Mohammad (Jamshid) Hashemi was one of the most credible sources of information about the circumstances under which Republican-linked intelligence circles had attempted to delay the release of the American hostages being held in Iran until after the November 1980 elections. In 1982 and 1983, before there was any major controversy about the "October Surprise," Hashemi had told EIR that his brother Cyrus had played a key role in obtaining the release of the hostages, and that he himself had travelled to Madrid and Paris in this connection. But, Hashemi also told EIR that Henry Kissinger and people in the Reagan-Bush camp were trying to delay the release of the hostages during 1980. When this reporter pressed him about Kissinger's role back in 1983, Jamshid said: "You are treading on very dangerous ground," and he explained that "there are things I can't talk about."

During 1991, the "October Surprise" story resurfaced, initially through the efforts of former National Security Council official Gary Sick. Sick interviewed Hashemi, as did other news sources, at which time Hashemi described meetings he

had had with the late William Casey and Iranian representatives in Madrid in the summer of 1980. However, the Congressional investigations conducted in 1992, especially that carried out by a special task force in the House of Representatives, amounted to a major cover-up and suppression of evidence. These probes focussed most of their attention on discrediting allegations that George Bush had been in Paris in the summer of 1980; and, in fact, those stories were surrounded by so much confetti and deliberate disinformation that they were easily discredited. Nevertheless, the Senate's "October Surprise" report cited Hashemi as a "very effective witness," even though it found that his testimony was contradicted by other evidence before the committee.

EIR published a Special Report called Treason in Washington in early 1992, which documented, using FBI documents, that Cyrus Hashemi was a central figure in the delay of the hostage release, along with former Justice Department official J. Stanley Pottinger—a self-described close friend of George Bush who was, in late 1980, reportedly in line to become Attorney General in the new Reagan-Bush administration. Pottinger was Cyrus's lawyer, business partner, and, some say, controller; both were deeply involved in illegally shipping arms and military equipment to Iran in the early 1980s. Subsequently, they were protected by the Reagan-Bush Justice Department, even though Federal prosecutors in New York wanted to indict them; Cyrus Hashemi was tipped off and fled the country in 1984—as did Jamshid. Pottinger managed to evade indictment altogether.

Cyrus and Jamshid continued their arms deals from London to many countries. Cyrus tried to broker some of the Iranian arms-for-hostages deals in 1985, during the events that became known as "Iran-Contra," and then he acted as a "sting man" for U.S. Customs officials to set up the April 1986 "Merchants of Death" arrests of 17 arms dealers, including retired Israeli Gen. Abraham Bar-Am, and attorney Sam Evans (a business partner of Iran-Contra figure Adnan Khashoggi). Less then three months later, Cyrus Hashemi was dead, having succumbed in two days to what Scotland Yard called "acute leukemia." (See EIR's Special Report, George Bush and the 12333 Serial Murder Ring, for more details, including the evidence that Bush was personally

66 National **EIR** June 27, 1997

involved in approving the arms deals involved in the Bar-Am/Evans case.)

#### 'The Silkworm Spy'

Jamshid Hashemi emerged back in the news early this year, when the Feb. 7 issue of the *Sunday Times* of London featured allegations that he had made large contributions to the Conservative Party in Britain, while the government of Margaret Thatcher and MI6 permitted him to broker arms sales, including the sale of Silkworm missiles, to Iran. The *Sunday Times* quoted Hashemi as saying that he had reported directly to MI6 on his arms dealings, which included Iran, China, and Germany. The newspaper also quoted him as saying that he was encouraging the Thatcher government to take a more relaxed approach toward the government of Iran.

Under the headline, "Secrets of the Silkworm Spy," the June 15 *Sunday Times* launched a new series of articles elaborating on Hashemi's British-protected arms deals. The story, by reporter Marie Colvin, goes back to 1984, when an MI6 officer asked Hashemi to buy a Silkworm missile from the Chinese, for the British to analyze. But after this scheme fell apart, according to Colvin, "Hashemi succeeded in organizing the sale of huge quantities of Silkworms to Iran in breach of a United Nations arms embargo. It was all done with the complicity of MI6."

According to Colvin's account, Hashemi began his contact with MI6 following his departure from the United States in 1984. "Since his escape had been arranged by the Central Intelligence Agency," Colvin wrote, "Hashemi welcomed an approach from British agents and was only too ready to help the country that had given him refuge."

Hashemi worked with MI6 until 1993, the story says, when he became angry at the British government's refusal to issue him a British passport.

However, the *Sunday Times* account only told part of the story.

EIR has previously reported, in coverage of the Matrix-Churchill case and related matters, that top British officials have admitted that their actual purpose in arranging and approving such arms deals was to keep the Iran-Iraq War going, so that Iranians and Iraqis would keep killing each other. During testimony in the Matrix-Churchill case, involving arms sales to Iraq, British Trade Minister Alan Clark declared that "the interests of the West are well served by Iran and Iraq fighting each other, the longer the better."

Reached in London on June 15, Jamshid Hashemi told *EIR* that it is "absolutely correct" that the real British objective was to keep the Iran-Iraq War going. "I knew that," Hashemi elaborated, saying that he could tell this from the kinds of questions he was asked and the goods he was asked to ship.

"They were in control of everything, which went from the U.K. or any other country," he said, explaining that if he proposed to sell enough armaments or ammunition which would have made a difference in the balance of military force,

the British would object. This happened with 155 mm ammunition, and also with Exocet missiles, he said. Hashemi confirmed that, "without any doubt," the British objective was to keep the war going. "I would swear to that," he declared.

#### **U.S.** Justice Department in London

Now, Hashemi is virtually confined to his home with severe heart disease, and is unable to go to the United States for a second coronary bypass operation, because of pending fraud charges which have been pressed against him in Britain. His bail conditions do not allow him to leave his home, even to undergo medical treatment abroad.

Hashemi told *EIR* that because both his brother Cyrus and his father had died suddenly in London under mysterious circumstances, he refuses to undergo coronary bypass surgery in Britain. Jamshid, along with others, is convinced that his brother Cyrus was murdered. (An American lawyer who had worked closely with Cyrus in the early 1980s, agreed, telling this reporter a number of years ago that he believed that "someone hastened Cyrus's departure from this Earth.")

Jamshid said that his father, who had left Iran in 1980, was hospitalized in London six years ago, with what was called a heart attack. When Jamshid called the hospital, he was told that his father was resting and would be released that afternoon. In the afternoon, he was told that his father had died in his sleep.

The *Sunday Times* reported that Hashemi is unable to come to the United States for the surgery because of the pending charges in London. He "appears to be fading rapidly," the *Times* reported.

One of the stranger features of his case, is that it is being run by an official from the U.S. Justice Department. The official is Bruce Swartz, of the Justice Department's Criminal Division; the Justice Department in Washington, D.C., has confirmed that Swartz is indeed presently detailed to London.

Hashemi says that the Scotland Yard Serious Fraud Office (SFO) is questioning everyone who has ever known or worked with Hashemi—yet when anyone is questioned by SFO, it is the American Swartz who conducts the interrogation! In court hearings, Swartz also appears to be giving orders to the SFO attorneys.

Hashemi was first arrested in August 1996 on what is called a "holding charge," in anticipation of other charges to be brought. Yet, Hashemi states—and his lawyers have confirmed—that no evidence has yet been presented against him, in almost one year.

Not the least of the bizarre features of this case is that it was initiated by a U.S. company (Octagon, Inc.), and is being run by the U.S. Justice Department. Yet, despite applications which have already been made to the British courts, Hashemi is not being allowed to travel to the United States.

The U.S. Justice Department has not yet responded to a request from *EIR* for a fuller explanation of what Swartz is doing in London.

**EIR** June 27, 1997 National 67

#### Congressional Closeup by Carl Osgood

# Disaster relief bill a disaster for GOP

Republicans, chastened by the Democratic campaign that followed President Clinton's June 9 veto of the disaster relief bill which would have aided flood-stricken areas in the Plains states especially, agreed on June 12 to pass the bill without two of their provisions—the permanent continuing resolution, and a stipulation that sampling methods not be used in the year 2000 census.

The Democratic offensive began before Clinton's veto was official. During a noon press conference on June 9, Senate Minority Leader Tom Daschle (D-S.D.) vowed, "We're not going to allow our Republican colleagues to take the focus off this disaster legislation. It's very important for us to stay on the ball, to stay with this piece of legislation until we get it done. So we're not going to be in agreement on moving to other pieces of legislation until we get this legislation done."

Key in the Democratic offensive was an all-night vigil during the evening of June 10-11. Twenty-four senators and 16 members of the House conducted 75 radio and TV interviews throughout the night all over the country. Daschle called it a "successful evening," in which the goal was "to draw attention to this issue and to make it clear that we're determined to put as high a priority on the passage of this disaster bill . . . in a way the President can sign it, as we possibly can."

By Wednesday morning, June 11, Senate Majority Leader Trent Lott (R-Miss.) signalled willingness to compromise on the census issue, and the House GOP leadership indicated the same on the continuing resolution. On June 12, the supplemental appropriation was voted up in both Houses, with significant Republican support; funding levels were unchanged, the census

provision was watered down to a "study," and the continuing resolution was dropped. The only concession made by the Democrats was to allow votes on separate bills on the census and continuing resolution issues.

The Republican defeat led to recriminations within the party, especially in the House. By June 13, a revolt appeared to be brewing in the Republican Conference Speaker Newt Gingrich (R-Ga.), over the way he had brokered the deal that brought the revised bill to the floor. Almost the entire top House Republican leadership were among the 74 votes against the bill, including Majority Leader Dick Armey (R-Tex.), Majority Whip Tom Delay (R-Tex.), Conference Chairman John Boehner (R-Ohio), and Policy Committee Chairman Christopher Cox (R-Calif.). An aide to one of the Republican leaders told Roll Call, "This was a repudiation of Newt's leadership."

# Tax-cut plan offered by House Democrats

On June 12, House Minority Leader Richard Gephardt (D-Mo.) released the Democratic alternative to the Republican tax-cut plan released by Ways and Means Committee Chairman Bill Archer (R-Tex.) earlier in the week. Gephardt said that the Democrats' plan is "better for America's families, it is better for education, and it is better for the long-run deficit outcome because it doesn't explode the deficit in the out years."

According to the Democratic summary, the plan will target 69% of the tax relief to families with incomes under \$57,500. The plan includes \$42 billion in education tax credits (\$7 billion more than in the budget agreement), and a capital gains tax rate of

7.5% for taxpayers in the 15% bracket, or 18% otherwise. However, it would not apply to publicly traded stocks, a major departure from the Archer plan, which specifically encourages stock speculation.

House Budget Committee Chairman John Kasich (R-Ohio), on the ABC News program "This Week with David Brinkley" on June 15, complained that the Democrats were waging "class warfare.... I think it's outrageous that there are Democratic leaders who are trying to divide America." He did, of course, defend the Archer capital gains tax cut provision, arguing that the bulk of it goes to people making less than \$100,000, and that these people "now are capital gain wage earners."

# Foreign Relations bill passed in House

The House passed the Foreign Relations Authorization bill by voice vote on June 11. It includes provisions to reorganize and consolidate the State Department.

Among the amendments adopted was one offered by Bill Paxon (R-N.Y.), condemning the Palestinian Authority for allegedly allowing the retributive murder of Palestinian landowners who sell land to Israelis. Paxon accused the Palestinian Authority, including President Yasser Arafat, of complicity in this practice "that threatens the continued progress toward peace." Speaker Newt Gingrich (R-Ga.), in a rare floor appearance, said, "This is the kind of action we identify with Nazis."

The Paxon amendment is part of a series of British-instigated House actions designed to destroy Mideast peace prospects. No reservations were

68 National **EIR** June 27, 1997

expressed about the amendment, and there was no acknowledgment of the sabotage of the Oslo accords by the Netanyahu government in Israel. The attitude toward peace was summed up by Randy Cunningham (R-Calif.), who said, "I do not believe [we will have peace] in my lifetime."

Another amendment, sponsored by Donald Payne (D-N.J.), lifts restrictions on foreign aid to Laurent Kabila's Democratic Republic of Congo. Payne said, "I am not a pro- or anti-Kabila person, but I feel that we must start to assist the Congo in getting over the tremendous damage done by the Mobutu regime." International Relations Committee Chairman Ben Gilman (R-N.Y.) added that, with Mobutu gone, "the lives of the Congolese people can only improve." Unlike Payne, however, Gilman acknowledged reports of massacres of innocent civilians by Kabila's troops. He said, "We will be putting the Kabila government on notice to support democracy and human rights before aid can go forward."

# **B**ush-league Sessions defends Kenneth Starr

Sen. Jefferson Beauregard Sessions (R-Ala.) came to the defense of Whitewater special prosecutor Kenneth Starr, during the June 13 confirmation hearing on the nomination of Eric Holder to become Deputy Attorney General. Starr has come under increasing criticism for numerous conflicts of interest and running a partisan investigation. While Sessions was still a candidate for Senate, *EIR* had warned of his close relationship to the Bush networks in the Department of Justice (see *EIR*, Sept. 20, 1996, p. 61).

During the hearing, Judiciary

Committee Chairman Orrin Hatch (R-Utah) asked Holder if "the attempts to characterize Judge Starr's investigation as a 'witch-hunt' . . . serves to unfairly impugn the motives of prosecutors and to undermine our legal system, and should not go unanswered?" Holder avoided any direct reference to Starr or his critics, saying only that prosecutors learn to endure such attacks, and that, in specific cases, they have a right and a duty to respond appropriately.

Patrick Leahy (D-Vt.) was less circumspect. He said, "I would note for the record that Mr. Starr has no reluctance to speak to highly partisan audiences, to release confidential material on his investigation in interviews, to continue to represent groups that are on record as opposing President Clinton." Leahy suggested that Starr has done much to bring criticism on himself. "I think Mr. Starr's willingness to speak out in front of partisan audiences in the way that he has, does diminish... his independence and his evenhandedness," Leahy said.

Sessions jumped to Starr's defense. "It's difficult to be a prosecutor. You try to do your duty and everybody wants to criticize you," he said, describing Starr as "a man of integrity and ability" who makes speeches that are "real learned discourses on the role of the independent counsel. . . . It concerns me that members of this body would make less than respectful comments about the able work that he has done."

# Donor-gate' probe sparks brawl in Senate panel

A verbal slug-fest took place on June 12 during a four-hour meeting of the Senate Governmental Affairs Committee, which is conducting an investi-

gation of alleged campaign financing irregularities. Committee Chairman Fred Thompson (R-Tenn.) said that the committee will begin public hearings during the week of July 8. "This committee has a very serious and solemn responsibility, investigating whether people were placed in high levels in our government in exchange for campaign money, whether vital information important to this country was compromised, whether foreign governments sought to or did in fact infiltrate our political process," he said.

Thompson argued that the committee majority had been proceeding in a non-partisan manner, despite the accusations of Democrats. However, it quickly emerged that the committee has issued 160 subpoenas so far; of these, 142 are aimed at Democratic targets. The Democrats on the committee have asked for 53 subpoenas to be issued which go after GOP targets; the committee majority has only approved 18 of these.

John Glenn (D-Ohio), in pointing this out, noted that one of the subpoenas being denied involves the National Policy Forum and money channelled into the Republican National Committee. This, Glenn said, is the "one real track of foreign money that we know came in from abroad, and came into a political campaign and into Republican coffers....That's the only foreign money we know of so far."

The GOP members of the committee wanted to have the committee vote to grant immunity to 18 witnesses, 15 of whom are monks and nuns from the Buddhist temple in southern California which Al Gore attended last fall. Because granting immunity requires a two-thirds vote, Democrats blocked the immunity, and said they will continue to do so until they get all their subpoenas issued.

**EIR** June 27, 1997 National 69

### **National News**

#### Atlantic story echoes LaRouche's AIDS policy

Lyndon LaRouche's approach to fighting the AIDS epidemic is belatedly endorsed (although not by name) in the June issue of the *Atlantic Monthly*. The report by Chandler Burr attacks the policy of "granting 'civil rights' to HIV," and exposes the fraudulent refusal by the medical community to treat AIDS as a communicable disease.

Burr reviews the traditional public health measures used against typhoid, diphtheria, and tuberculosis. He comments, ironically, "It would be surprising if, out of all the viruses and bacteria that can do us significant harm, one was exempted from the scope of these measures. It would be even more surprising, if the one chosen pathogen was responsible for an epidemic that today constitutes the leading cause of death among all Americans aged 25 to 44."

Burr emphasizes that "knowing who is infected with AIDS and HIV is essential in helping to prevent new infections, even if the infected people themselves cannot be helped." Although he does not mention LaRouche's groundbreaking campaign to deal with AIDS under traditional guidelines for epidemic disease, almost every point made in his article echoes those raised by LaRouche in 1985, and published in EIR.

# IEEE warns against dereg of electrical industry

The deregulation and privatization of the U.S. electric power industry, poses a threat to "our economy, our standard of living, and our national security," the Institute of Electrical and Electronics Engineers (IEEE) warned at its June 11 conference in Washington, D.C. The IEEE, with 220,000 members, represents the professionals who have created the most reliable and one of the cheapest electricity generation and supply systems in the world.

One of the featured speakers at the conference also delivered a bombshell, by de-

nouncing the motives behind the privatization drives launched under Britain's Prime Minister Margaret Thatcher and U.S. President Ronald Reagan. Dr. Richard Schuler of the Cornell Institute of Public Affairs said that the first objective was to "break union power. . . . Big unions," they felt, "could hold the industry hostage" to labor demands. A representative from the British Embassy replied that it was merely a "coincidence," that the privatization and cuts in the workforce took place at the same time!

Another motive, Schuler declared, particularly for the privatization, was to "get the debt off the public books," not only in countries like Great Britain, but in rapidly developing countries. The capital investment for electrical systems is "enormous," he said; and many governments wanted to transfer that liability from the government to the private sector, through the IMF and World Bank. But, Schuler emphasized, "that doesn't eliminate the problem." He cited the case of Thailand, where "the public is exploited" by private companies which control the roads, and set high tolls, as a national monopoly.

The IEEE also released a position paper, declaring that the "U.S. electrical power equipment industry should be a significant worldwide supplier of both equipment and technology for exploiting economic opportunities. The rapid expansion of global electric power systems represents a market in excess of \$100 billion annually, a major opportunity for U.S. exports from utility and electric equipment supply industries."

#### N.Y. Times promotes Nazi euthanasia for U.S.

The New York Times has come forward once again, as it did in the 1930s, to promote the practice of euthanasia—this time in a major propaganda piece for "assisted suicide." In a front-page article on June 11, the Times focusses on a self-elected "ethics" network in San Francisco, which has issued a formal protocol for the practice of "hastened death."

In San Francisco, a city ravaged by the AIDS epidemic, "physician-assisted suicide," the *Times* says, "has become a famil-

iar thread in the complex tapestry of health care at the end of life." The article retails several polls purporting to show how many physicians in California, Oregon, and Michigan (all states where major euthanasia campaigns took place) are willing to participate in helping patients kill themselves. Now, for the first time, a group of ethicists and physicians have been able to form a "consensus" on formal rules for carrying out the killing.

Involved in drawing up the protocol for murder are hospice doctor Robert V. Brody, chairman of the ethics committee at San Francisco General Hospital; and Steve Heilig, executive director of an ethics network. Heilig, who formed the core group that drew up the "assisted-suicide" protocols, argues that whether the Supreme Court "legalizes it or not, it is going to happen, and there should be some guidance, some protocols out there for anybody who would consider it."

The rules, which will be published in the June issue of the *Western Journal of Medicine*, require a 48-hour waiting period, a patient consent form, and a physician checklist, supposedly to make sure there is no form of financial or family coercion involved in the suicide decision. The protocols ignore the fact that many patients, especially those with AIDS, cannot afford daily assistance, let alone basic life-sustaining and life-saving treatment.

# Eco-fascist Ira Einhorn nabbed for 1977 murder

On June 13, French police apprehended Ira Einhorn, the former New Age celebrity convicted of the grisly murder in 1977 of Holly Maddox—his longtime girlfriend, whose remains he kept stuffed in a steamer trunk in his Philadelphia apartment. He is being held pending an extradition hearing. Einhorn was prosecuted *in absentia* and convicted of murder in Philadelphia in 1993, and sentenced to life in prison without parole. He jumped bail in 1981, on the eve of his trial, and remained a fugitive for 16 years, until his capture in the Bordeaux region of France.

An account of Einhorn's anti-war and radical environmentalist activities, his murdering his girlfriend, and his subsequent

70 National EIR June 27, 1997

flight, was presented in a 1988 book by Steven Levy, titled *The Unicorn's Secret*. Einhorn's network of sponsors and associates, at the time of the murder, certainly qualifies him as an intimate of the rich and infamous.

According to Levy, "By the mid-1970s, Ira Einhorn's network was a certified phenomenon in and of itself. Names appearing on the cover letters of recipients of a given piece might include economist Hazel Henderson: Lehman Brothers managing director Shel Gordon; Seagram heir Charles Bronfman: futurist Alvin Toffler: science adviser to the British Commonwealth Christian de Lait; ... Whole Earth Catalog publisher Stewart Brand; physicists Freeman Dyson, David Bohm, Frijtof Capra, and Heinz Pagels; Esalen co-founder Mike Murphy." Charles Bronfman and his wife were key patrons of Einhorn, right up to the moment he fled the country.

# **Crop-switching reflects** 'free-market' insanity

As of the mid-June end of the planting season in North America, an unprecedented pattern of farmers' shifting from their traditional crops has occurred, in desperate gambles to produce whatever they can to stay in farming, in the new era of rigged markets. Since the cycles of crop seasons do not correspond to "business cycles," agricultural disaster looms.

Examples of the U.S. food-chain breakdown, under the globalism of the International Monetary Fund and the World Trade Organization (WTO), include a 24% reduction in rice plantings in Missouri's rice belt counties, with corn and other crops sown instead; and the near-tripling of corn plantings in Louisiana, replacing cotton plantings.

Following the imposition of the WTO's powers on Jan. 1, 1995, the U.S. government enacted the Federal Agriculture Improvement and Reform Act ("FAIR") in April 1996—which removed federal backing for national-interest farm supports. Farmers are supposed to "adjust" to the "free markets" rigged by the food cartels, by betting on what to plant, and hedging on the futures markets.

Fred Huenefeld, Schiller Institute leader in Louisiana, described the insane situation in his state, where 40% less cotton has been planted in northern Louisiana this spring, as farmers switched to corn. "This means a gross loss to this region's economy of \$1 billion—figuring in the 'trade turn' multipliers connected to revenues for farmer, elevator, suppliers, and so forth." he said.

Huenefeld said, "It takes \$500 an acre to produce a cotton crop (and only \$200 an acre to produce corn); and you get \$4,000 an acre for the cotton crop (meaning revenues connected to the full 'trade turn'), but for corn you might get \$1,600 an acre. So \$2,400 an acre is lost. We have land put into corn, that has never been in grains since the Civil War. Why did they switch? Many reasons. Some farmers got loans to plant cotton, then switched to corn, because they needed the money to live on."

# New FBI scandal may end case against top mobster

Alleged grand larceny by an FBI Special Agent may result in a case against a top Florida mobster being thrown out of court, according to the June 14 New York Times. Federal prosecution of Nicholas Corozzo, a leading figure in the John Gotti crime family and Gotti's purported successor, may be down the tubes, following allegations that the FBI agent in charge of the case stole \$100,000 in cash.

The FBI agent, Jerome Sullivan, allegedly took the money to pay off his own gambling debts to the mob, even though the cash was the crucial evidence in the case. Sullivan has already been charged with making false statements, and is expected to be indicted soon for theft as well.

Gerald Shargel, Corozzo's attorney, recently won another case in New York, on the basis of evidence that members of the Colombo family (his clients) had been targeted by the FBI, which fomented a Mafia war, using FBI informants inside a rival family. "This is another one of a series of disturbing acts of misconduct by FBI agents that impact upon the prosecution cases," Shargel told reporters.

# Briefly

THE BILDERBERG Group chose a site in the Old Confederacy for its recent annual meeting, and imminent Götterdämmerung. The secret society of the Anglo-Dutch oligarchy gathered on a little island in Lake Sidney Lanier, 60 miles northeast of Atlanta, Georgia, to discuss a global crisis beyond their control. The 120 invited luminaries, including Henry Kissinger, Paul Volcker, Colin Powell, Gianni Agnelli, and Queen Beatrice of Holland, concluded their rituals on June 15.

WALL STREET is worried that "we are setting up for something out of the blue soon. Something with the stunning violence of a punch in the mouth when you aren't expecting it. The dog days of summer have often been the time for brutal muggings of investors by markets." The comment is attributed to Morgan Stanley strategist Barton Biggs, in the June 15 New York Times.

GEORGE BUSH now says he will not write his memoirs, "but will let the historians find the weaknesses and find the strengths." His decision was hailed by the *Richmond Times-Dispatch* in a June 13 editorial, for "sparing the . . . reading public another dose of forgettable political prose," even though "certain readers would have relished an entire book written in incomplete sentences."

FED CHAIRMAN Alan Greenspan declared on June 10 that the "rapid growth of black markets" in the former Soviet bloc has "replicated some of what seemingly goes on in a market economy." In contrast to centrally planned economies, he added, "capitalist market economies are driven by what Joseph Schumpeter, a number of decades ago, called 'creative destruction.' By this he meant newer ways of doing things."

#### PERSONAL BANKRUPTCIES

in the United States rose by 27% during the first quarter of 1997, against a year ago, according to figures released by the American Bankruptcy Institute.

**EIR** June 27, 1997 National 71

#### **Editorial**

## Strange bedfellows, indeed

In the past month, individuals and organizations affiliated with Lyndon LaRouche have been the targets of a smear campaign, emanating from some very strange political bedfellows. The coincidence of these attacks has, naturally, raised the question of whether there is a degree of coordination among networks that would never, in the normal course of affairs, be considered "allies." It is precisely these kinds of paradoxical situations that often lead to the most useful counterintelligence discoveries, and so we decided to devote this week's editorial comments to a brief review of the situation. We encourage our readers to participate in this counterintelligence exercise.

In late May, several subscribers informed us that they had received personalized mailings from officials of the John Birch Society, attempting to harass them about their association with LaRouche. The letters were accompanied by several slanders against LaRouche, that were published in the 1980s in the Birch Society's magazine, *The New American*, absurdly accusing LaRouche of being a "Marxist."

In the same time frame, LaRouche was also the target of a series of nearly identically formulated published slanders by two "pseudo-black nationalists," syndicated columnist Manning Marable and Washington attorney Malik Zulu Shabazz. The Marable-Shabazz rantings also targetted Rev. James Bevel, Minister Louis Farrakhan, and Rev. Ben Chavis, for associating with LaRouche, and accusing them of abandoning the cause of black separatism/black racism.

Strange bedfellows, indeed! But is there some "common mother" tying together the simultaneous slanders? Were one to approach this question from the "sense certainty" standpoint of street-corner opinion about the John Birch Society and these militant pseudoblack nationalists, the answer would be, "No." But, let us take a different, top-down approach, and see where it leads.

From *EIR*'s archives, we learn some fascinating things about the always-confused John Birch Society. Beginning in the 1970s, the JBS began prominantly featuring the writings of an Englishman named John Rees in its publications, at various points listing Rees

as foreign affairs editor of *The New American*. Rees purports to be an "intelligence expert," specializing in radical political movements. Rees's own recent publications boast that he is bankrolled by the Anti-Defamation League (ADL) of B'nai B'rith and the Pittsburgh-based millionaire and arch-Clinton-basher, Richard Mellon Scaife. In fact, all of the Birch slanders of LaRouche were provided by Rees. Readers familiar with the criminal concert of action that resulted in the frame-up of LaRouche and associates back in the late 1980s, will immediately recognize Rees, Mellon-Scaife, and the ADL as key players in that Bush-Kissinger-led criminal effort. But Rees's story predates the "Get LaRouche" drive.

LaRouche associates first encountered John Rees in Newark, New Jersey in 1973, in the course of an investigation into the role of the Prudential Life Insurance Co. and the Ford Foundation, in sponsoring the transformation of a degenerate beatnik poet named Leroi Jones into "black militant" Imamu Baraka, following the 1967 Newark riots. Rees was part of the Ford-Prudential team of counterinsurgency specialists that installed Baraka and his "simbas" to terrorize and passify Newark's black ghetto, following the 1967 riots. They simultaneously created a parallel, rival gang of juveniles in the city's Italian-American neighborhood, led by Anthony Imperiale. Rees ran both pseudo-gangs, and Ford and Prudential put up the cash to arm and equip both sides, putting the city at the mercy of two rival hooligan squads. The methods used were those of the British Empire, which manipulates tribal and ethnic differences, provokes conflicts, and imposes brutal austerity - as we see today, in the case of the ongoing genocide in Congo-Zaire.

Today, Manning Marable, Malik Zulu Shabazz, and Rees's Imamu Baraka are parroting the British line that Laurent Kabila is a "liberator." They have endorsed the genocide, and in this sense, are firmly in bed with the Birch Society's John Rees, Prudential, and the Ford Foundation. Like their endorsement of this ongoing genocide, their hatred of LaRouche is lawful, coherent, and born of a common identity, regardless of their superficial political labels.

72 National EIR June 27, 1997

#### SEE LAROUCHE ON CABLE TV

All programs are The LaRouche Connection unless otherwise noted. (\*) Call station for times.

#### ALASKA ANCHORAGE—ACTV Ch. 40 Thursdays-10 p.m. ARIZONA PHOENIX—Dimension Ch. 22 Fridays-11 p.m. CALIFORNIA · CONCORD-Ch. 25 Thursdays-9:30 p.m · GARDEN GROVE-Ch. 3 Fridays—7:30 p.m. • MARIN COUNTY—Ch. 31 Tuesdays—5 p.m. • LANCASTER—Ch. 29 Sundays—9 p.m. MODESTO—Access Ch. 5 Mondays—2:30 p.m. SACRAMENTO—Ch. 18 2nd & 4th Weds.—10 p.m. SAN FRANCISCO—Ch. 53 2nd & 4th Tues.-5 p.m. SANTA ANA-Ch. 53 Tuesdays-6:30 p.m. COLORADO DENVER—DCTV Ch. 57 Saturdays—1 p.m. CONNECTICUT BRANFORD—TCI Ch. 21 Tuesdays-11 p.m. Wednesdays—8 a.m. NEWTOWN/NEW MILFORD Charter-Ch. 21 Thursdays-9:30 p.m. • WASHINGTON—DCTV Ch. 25 Sundays-12 Noon ILLINOIS CHICAGO—CAN Ch. 21 Mon., June 30-10 p.m. Schiller Hotline-21 Fridays—5 p.m. • SPRINGFIELD—Ch. 4 Wednesdays-5:30 p.m.

INDIANA

KANSAS

SOUTH BEND—Ch. 31

SALINA—CATV Ch. 6°

Thursdays-10 p.m.

· ALBANY-Ch. 18

Saturdays—6 p.m.

Tuesdays—5 p.m.

BRONX—BronxNet Ch. 70

LOUISIANA

MARYLAND

Mondays-11 p.m.

NEW ORLEANS—Cox Ch. 8

BALTIMORE—BCAC Ch. 42
Wednesdays—8 p.m.
 BALTIMORE COUNTY—Ch. 2

2nd Tues., monthly—9 p.m. • MONTGOMERY—MCTV Ch. 49

Thursdays—9:30 p.m. • W. HOWARD COUNTY—Ch. 6

Daily-10:30 a.m. & 4:30 p.m.

Fridays—7 p.m.
• P.G. COUNTY—Ch. 15

MASSACHUSETTS

**MICHIGAN** 

MINNESOTA

 BOSTON—BNN Ch. 3 Saturdays—12 Noon

TRENTON—TCI Ch. 44
 Wednesdays—2:30 p.m.

MINNEAPOLIS—MTN Ch. 32
 Fridays—7:30 p.m.
 ST. LOUIS PARK—Ch. 33

· BROOKHAVEN (E. Suffolk) TCI—Ch. 1 or Ch. 99 Wednesdays—5 p.m. BROOKLYN\* Cablevision (BCAT)-Ch. 67 Time-Warner B/Q—Ch. 34 • BUFFALO—BCAM Ch. 18 Tuesdays . HUDSON VALLEY-Ch. 6 2nd Sun. monthly—1:30 p.m. • ILION—T/W Ch. 10 Thursdays—10 a.m.

ITHACA—Pegasys—Ch. 57
Mon. & Weds.—8:05 p.m.
Saturdays—4:35 p.m.

JOHNSTOWN—Empire Ch. 7 Tuesdays—4 p.m.

MANHATTAN—MNN Ch. 34\*

MONTVALE/MAHWAH—Ch. 14 Wedsnesdays—5:30 p.m. • NASSAU—Ch. 25 Last Fri., monthly—4 p.m. OSSINING—Ch. 19-S Wednesdays—3 p.m.
 POUGHKEEPSIE—Ch. 28 1st & 2nd Fridays—4 p.m. • QUEENS—QPTV Ch. 57 Wednesdays -10 p.m. RIVERHÉAD Peconic Bay TV—Ch. 27 Thursdays—12 Midnight 1st & 2nd Fridays—4 p.m. • ROCHESTER—GRC Ch. 15 Fri.-11 p.m.; Sun.-11 a.m. \*\*NOCKLAND—PA Ch. 27 Wednesdays—5:30 p.m. \*\*SCHENECTADY—PA Ch. 16 Wednesdays—10 p.m. \*\*STATEN ISL.—CTV Ch. 24 Wed.—11 p.m.; Thu.—4:30 a.m. Sutrrdays—8 a.m.
SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.
SYRACUSE—Adelphia Ch. 3 Fridays—4 p.m.
• SYRACUSE (Suburbs) Time-Warner Cable—Ch. 12 Saturdays—9 p.m. • UTICA—Harron Ch. 3 Thursdays-6:30 p.m.

Wednesdays—9:30 p.m. • YONKERS—Ch. 37 Fridays—4 p.m. • YORKTOWN—Ch. 34 Thursdays-3 p.m. OREGON CORVALLIS/ALBANY Tuesdays—1 p.m.
• PORTLAND—Access Tuesdays—6 p.m. (Ch. 27) Thursdays—3 p.m. (Ch. 33) TEXAS EL PASO—Paragon Ch. 15
Thursdays—10:30 p.m.
 HOUSTON—Access Houston Mondays-5 p.m. VIRGINIA ARLINGTON—ACT Ch. 33 Sun.—1 pm; Mon.—6:30 pm Tue.—12 Midnite; Wed.—12 Noon • CHESTERFIELD COUNTY— Comcast—Ch. 6; Tues.—5 • FAIRFAX—FCAC Ch. 10 5 p.m. Tuesdays—12 Noon
Thurs—7 p.m.; Sat.—10 a.m.
• LOUDOUN COUNTY—Ch. 59
Thursdays—10:30 a.m.;
12:30 p.m.; 2:30 p.m.;
4:30 p.m.; 7:30 p.m.; 10:30 p.m. MANASSAS—Jones Ch. 64 Saiturdays—6 p.m.
• RICHMOND—Conti Ch. 38\*
• ROANOKE—Cox Ch. 9 Wednesdays--2 p.m. WOODBAIDGE—Ch. 3 Saturdays—6 p.m. • YORKTOWN—Cox Ch. 38 Mondays-4 p.m. WASHINGTON KING COUNTY—Ch. 29 Wednesdays—11 a.m. • SPOKANE—Cox Ch. 25 Tuesdays-6 p.m.
• TRI-CITIES-TCI Ch. 13 Mon.-12 Noon; Weds.-6 pm Thursdays-8:30 pm WISCONSIN · WAUSAU-Ch. 10"

· WEBSTER-GRC Ch. 12

If you would like to get The LaRouche Connection on your local cable TV station, please call Charles Notley at 703-777-9451, Ext. 322.

For more information, visit our Internet HomePage at http://www.axsamer.org/~larouche

## Executive Intelligence Review

#### U.S., Canada and Mexico only

1 year .							. \$396	
6 months								
3 months								

#### Foreign Rates

Torest .	***	-	20					
1 year								\$490
6 months								
3 months								

#### I would like to subscribe to Executive Intelligence Review for

	check or money order
Please charge m	ıy 🖵 MasterCard 📮 Visa
Card No	Exp. date
Signature	
Name	
Company	
Phone ( ) _	
Address	
City	State Zip



Journal of Poetry, Science, and Statecraft

#### Publisher of LaRouche's major theoretical writings

Feature articles in the Summer 1997 issue:

Behind the Notes

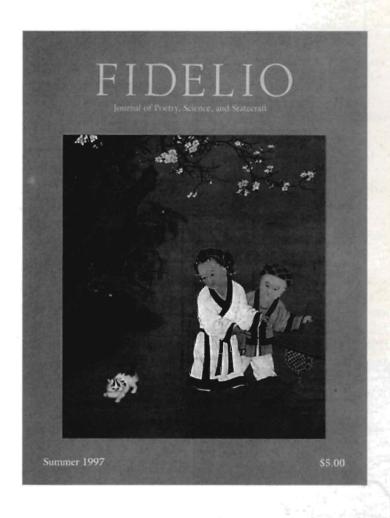
by Lyndon H. LaRouche, Jr.

'Is it not the case, that that long process of man's development of music, is nothing but the process of uncovering not only a less imperfect comprehension of the natural predisposition of the human singing voice, but also the way in which music might evoke that emotion of agape which is the innermost, underlying quality, expressing man's nature, as Plato, and the Apostle Paul understood this?'

Urgent Appeal to Convene A New Bretton Woods Conference

The Eurasian Land-Bridge: The Most Important Strategic Question of Today, by Helga Zepp LaRouche

On the 200th Birthday of Franz Schubert Interviews with Dietrich Fischer-Dieskau and Norbert Brainin



#### Sign me up for FIDELIO \$20 for 4 issues

NAME			
ADDRESS			
CITY	STATE	ZIP	
TEL (day)	(eve)		

Make checks or money orders payable to:

Schiller Institute, Inc.

Dept. E P.O. Box 20244 Washington, D.C. 20041-0244