

# EIR

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## From the Associate Editor

**F**riedrich Schiller, the great German poet and playwright (1759-1805), worked out dramatically, in his plays, the concept of the *punctum saliens*—the point of decision, or turning-point. Will the hero summon the fortitude to solve the problems that confront him, and his nation? Or, will he be overcome by infantilism, and go down to tragic defeat, as Shakespeare's Hamlet did?

If ever there was a *punctum saliens* in history, we are at one now. In this magazine, you will find one example after another, of how nations are nearing the point of no return—and yet, the solution to the crises confronting them is more widely recognized than ever:

*The worldwide financial crisis.* We go to press on the tenth anniversary of “Black Monday,” Oct. 19, 1987, when Wall Street stocks crashed more than 500 points. Lyndon LaRouche, in a statement on May 27, 1987, had forecast that financial blowout—but the speculators and pundits didn't listen to him. Today, we face a much more serious threat, due in part to the explosion in financial derivatives that has occurred in the intervening years. As William Engdahl reports, leading spokesmen in Europe are sounding the alarm about the “no-longer-tolerable systemic risks.”

*The Clinton-Jiang summit.* Our *Feature* analyzes the foreign policy directions of the Clinton Presidency, on the eve of the strategic summit meeting with China's President Jiang Zemin. The package is introduced by Lyndon LaRouche, and includes two reports by his wife, Helga Zepp LaRouche, on her recent visit to China and India, where her message was received with utmost seriousness.

*Ibero-America.* LaRouche's opposition to British-led operations against the sovereignty of nations, has taken on new institutional form and potency, as shown in our *Strategic Studies* report on a conference of military figures in Argentina.

Will our leaders and fellow citizens respond appropriately to the *punctum saliens*? The alternative is summed up in the epigram with which Schiller described the era of the French Revolution:

“A momentous epoch hath the cent'ry engender'd,  
Yet the moment so great findeth a people so small.”



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## Swiss central banker warns of threat to ‘whole system’

by William Engdahl

On Oct. 14, Prof. Bruno Gehrig, a member of the Switzerland National Bank directorate, became the first central banker to publicly warn that, if the speculative activities of the international foreign exchange markets continue in the present mode, a huge catastrophe is immediately ahead. In remarks to the Swiss Bankers Association which were publicized in the Swiss financial daily *Neue Zürcher Zeitung* on Oct. 15, Gehrig focussed on worldwide daily foreign exchange trading of some \$1.2 trillion, and the danger of a breakdown in the global payments system from a collapse of one or more large banks, the so-called Herstatt Risk, named after a small German bank which went bust in 1974 and triggered a global crisis.

Gehrig bluntly stated, “The settlement risk behind this volume [over \$1 trillion] has been long ignored in the market. The risk, however, could threaten the stability of the entire financial system and endanger the international financial markets.” Gehrig concluded by castigating the private banks for tolerating “these no-longer-tolerable systemic risks.”

This warning, which echoes what leading economist Lyndon LaRouche has been addressing for years, is not unique within the financial world, especially among high-level European bankers. But, its prominent coverage, which occurs within the context of the ongoing instability in the Asian markets and growing terror about the uncontrolled derivatives bubble, signals a phase shift in the financial crisis.

At the same time, leading financial commentators in London, including former London *Times* editor Lord William Rees-Mogg, and British fund manager Tony Dye, have again gone on record, saying that the unbridled speculative binge on the international markets means the *doom* of the international financial system. As LaRouche has continually stressed, no

one can say *when* the system will collapse, but the process of buying time, which has been proceeding since 1994-95, actually worsens the crisis, and will make the inevitable crash even bigger.

### A chain reaction

What Swiss banker Gehrig’s speech highlighted was the danger of a “chain reaction” resulting from the inability of banks to handle the “settlement risks” of the huge volume of daily foreign exchange trading. He maintained the common position of international central bankers in favor of “self-regulation” to limit risks, but warned that “otherwise, regulatory steps by the authorities will have to follow.”

Gehrig harkened to the 1974 collapse of the German Herstatt bank, which, due to its big foreign exchange positions, was causing a chain reaction of problems for its overseas counter-parties. These banks lost the full nominal value of their foreign exchange transactions, when Herstatt bank suddenly was shut down by German authorities on July 26, 1974, at 10:30 a.m. New York time.

Even though the Herstatt case was 20 years ago, Gehrig said, “the core of the problem is still the same,” while the volumes have by far increased. The payments by the two parties in a foreign exchange transaction can have a time difference of many hours or even several days. Therefore, any foreign exchange transaction “definitely involves a credit risk for the bank amounting to the full value of its payments.” While waiting for the payment of the counter-party, the bank has to look for an intermediate refinancing, adding “also a liquidity risk.” Gehrig emphasizes, “These already worrisome risks, as seen from the perspective of a single bank, in



*Federal Reserve Board Chairman Alan “Dracula” Greenspan, who is determined to protect the international speculative bubble—down to the last American. In Congressional testimony on Oct. 8, Greenspan called for privatizing and slashing Social Security, cutting Medicare, holding down wages, and allowing no new spending on infrastructure.*

the meantime pose a systemic risk and therefore a danger for the functioning of the financial markets.”

Gehrig also referenced the “severe clearing problems” which had been created by the collapse of Barings Brothers bank in 1995, and noted that many banks are blithely ignoring the dramatic risks. He said, “Many banks are completely unaware, that they are routinely being exposed to risks in foreign exchange trading, which are bigger in value than their transactions of several days. The amount of risk, even with respect to only one counter-party, can therefore surpass the stock capital of the bank.” The efforts “to effectively contain the systemic risks are . . . not sufficient.” And, as he notes, some banks are even sticking to “the erroneous belief” that they, or their counter-parties, are “too big to fail.”

### **Liquidation of the system**

Economist LaRouche, who correctly forecast the 1987 stock market collapse, the collapse of the Soviet Union, and several other crucial developments, has been warning, especially since 1994, that the global financial system would inevitably *disintegrate*, unless there were a “politically improbable decision by leading governments to put the relevant financial and monetary institutions into bankruptcy reorganization.”

In a radio interview with “EIR Talks” on Oct. 14, LaRouche reiterated the warning. “There are over *one hundred trillion U.S. dollars equivalent* of financial short-term

obligations sitting out there. The United States is carrying *thirty*—about one-third of them—thirty-odd trillion of these obligations, plus other obligations. This is *several times greater than the entire GNP of all the world’s nations combined!* Therefore all banking systems, since their current obligations vastly exceed all possible assets—*they’re all bankrupt!* And this thing is coming down. The ability to postpone it, gets shorter and shorter. In other words, every time you try a time-buying deal, the time that you can postpone it to the next time, gets shorter and shorter and shorter. It’s a boundary layer. It’s going to *go!*

“Now, it’s gotten to the point, that even some of the dumbest people in the markets are beginning to catch on to this. People like Warren Buffett, for example—and there are people in England, and so forth, doing the same thing—have been taking their money, since the beginning of 1995, beginning to move their money o-u-t of these high-risk financial markets: Let the *suckers* come into the derivatives market. Let the *suckers* buy into the stock market. Let the *suckers* keep in the mutual funds market. They’re all going to go bankrupt!

“These guys sneak out, invest in raw materials, control of raw materials, vital raw materials, or they buy gold, and hold it; they may take a loss on it, a financial loss, but that’s not dumb, that’s smart, if you can afford to do it. And they will buy U.S. Treasury bonds. Buffett bought zero-coupon bonds,

that's bonds that have no-interest yield, but are sold at a discount, and you hold them—they're the most secure thing you can get, in terms of paper. And he's talking about the order of magnitude of \$10 billion of personal assets going into zero-coupon bonds of this type. That's the smart thing to do, for people who have the money to do it with. And they're all doing it. They're saying: Get out! Get out! Get out! The party is over.

"Now, what the Brits, and what Rees-Mogg, and what these guys will do about it, is directly opposite to what I would do about it. But at least they recognize the problem, which the deluded, self-deluded optimist out there refuses to face, or the person too scared to face the truth."

LaRouche was parroted on Oct. 13, by Rees-Mogg's commentary in the London *Times*. Rees-Mogg argues that conditions are ripe, in terms of standard measures of value, dividend yield, earnings yield, and ratio of the share price to the book value of the underlying assets, for a new crash. He then points his finger at the U.S. Baby-Boomer flood into mutual funds as creating conditions for a panic.

Rees-Mogg concludes that a Black Monday could occur at any time—today, next week, or next year. He says: "The likelihood is that stock markets will not have a soft landing; if the mutual fund investors of the U.S. stop buying, Wall Street will have to fall a long way, to get them started again. The risk of a stock market crash is a threat to world prosperity. . . . There is much more than the fortunes of speculators riding on Wall Street indices."

### The derivatives time-bomb

It is widely recognized that the proportion of the speculative bubble made up of derivatives is among the most likely detonators of a blowout.

A feature article in the London *Sunday Times* of Oct. 12 stressed this point again. British fund manager Tony Dye, who had made screaming headlines several months ago warning of a "\$55 trillion horror show" of derivatives, was once again quoted predicting a United Kingdom and U.S. market crash. Author Paul Durman put it this way:

"One reason the market has taken leave of its senses, Dye believes, is the growing use of derivatives. The market has become a commodity, driven by the purchase of options on the future level of the FTSE [London's Financial Times Stock Exchange index] whose movements are increasingly unrelated to the trading performance of its constituent companies." Dye says the total of such stock options and other derivatives runs into the trillions. "Yet the information is so sketchy it is impossible to tell where the exposure lies. The scale of derivatives trading hints at the extent of leverage in financial markets—large economic interests underpinned by only small down payments. When markets turn, many over-leveraged investors will have to raise cash quickly in order to meet their commitments. The wave of enforced selling that ensues

is the classic way in which financial markets become unstable and crash."

### The Asian currency crisis

The official line being spread by Western banks and governments to date, has been that the currency, financial market, banking, and now economic crisis sweeping Asian economies over the past five months has reached bottom, and that, as one Western corporate executive had been told by his government, "anyway, the rest of the world is fine, and this part of Asia, minus Japan, only accounts for 3% of global GDP."

Such official and private-sector nonchalance about Asian developments ignores the dynamic potential for the spreading East Asian crisis to interact with the Group of Seven (G-7) industrial nations' worst-case economy, Japan, as well as the United States and Europe, in a manner which would imminently bring down the entire global financial edifice. The Asian crisis is a *symptom* of the global crisis.

Far from calming, East Asian problems have continued to spread. On Oct. 14, Thailand unveiled its World Bank/International Monetary Fund-approved "financial restructuring" program, in hopes of getting the promised \$17.2 billion loans promised in August. Part of the plan calls for government guarantee of all domestic creditors of still-operating banks and finance companies. In August, the government put 58 financial institutions, most with huge speculative real estate bad loans, into state receivership. Some 15 banks and 33 finance companies are still allowed to operate. All their credits will be guaranteed by the Thai taxpayer, essentially. As well, Thailand will create a Financial Restructuring Authority, similar to the U.S. Resolution Trust Corp., which dealt with the U.S. savings and loans crisis in the early 1990s, to liquidate the assets of the 58 defunct finance companies. And, in a desperate bid to attract foreign capital to stabilize the economy and currency, it will allow foreign takeover of domestic banks and finance companies for 10 years. But, as the London *Financial Times* noted on Oct. 15, "In the short term none of this is likely to help the baht" (the Thai currency).

Indonesia, which has been struck by raging forest fires and drought, and faces huge food import bills later this year, on top of a panic flight of foreign investors leading to collapse of the rupiah and the Jakarta Stock Exchange, the government has been forced to admit it has no accurate estimate of the size of bank bad loans. Reports of large foreign debt payments due in coming weeks lend a note of urgency to the situation and are fuelling foreign investor panic selling. With the rupiah down over 30% since June, and debts due in dollars or yen, the crunch is immense. One well-informed Jakarta source told *EIR*, "The government is in a panic, with not any idea how to deal with this shock."

As well, the flight of capital and collapse of markets and currencies continues to savage the economies of the Philippines, South Korea, and most recently, Asia's largest financial

market outside Tokyo, namely, Hongkong. The critical Hang-Seng stock index in Hongkong in mid-October fell well below the 13,500 level, and as of this writing continued to drop by 2-4% per day. Recent land auctions of the new government have reportedly been disastrous. Real estate is the prop for the entire economic and financial structure of Hongkong.

"The problem is that the banking systems and regulation in most of these countries is so lax or primitive that no one knows exactly what the size of the problem is in East Asia," noted a London-based senior economist of a conservative U.S. investment bank. "Best guess I have seen puts the present level of bad debt of the banks in these countries, minus Japan, at more than \$660 billion. And it grows every day that the present crisis continues to force interest rates to remain so high."

### 'Tokyo gloom'

Yet, all this is small beer in comparison with the situation in Japan, where after seven gruelling years of economic depression, falling stock prices, and banking distress, the problems there appear to be on the verge of a new deflation crisis worse than that in 1995, which led to a joint U.S.-Japanese stabilization agreement. The bad debt of all Japanese banks is still well-hidden from public view by the banks, which are permitted to conceal much of their troubles by lax Ministry of Finance accounting rules. Private estimates place the scale of worthless non-performing loans on the books of Japanese banks after seven years of crisis at "well over \$1 trillion." This despite several years of draconian bad loan write-offs by major banks.

But despite 0.5% interest rates by the Bank of Japan for two years, the domestic economy refuses to grow out of the crisis. The government just announced a catastrophic 11% drop in Gross Domestic Product from April to July. The problem is, banks are paralyzed from taking on new loan risks by the overhang of their bad debts. The government, as well, feels paralyzed to undertake the traditional kind of state "pump-priming" spending for public works, because, with state debt dangerously large and a current budget deficit an alarming 7% of GDP unofficially, Japan's Hashimoto government is committed to a de facto deflationary policy of fiscal austerity for the coming period, a Japanese repeat of Germany's catastrophic 1930-32 deflation policies, beginning with the government of Heinrich Brüning.

The result of the manifest political paralysis inside Japan has led in recent days to a full-scale foreign investor flight out of the Tokyo stock market. The Nikkei Index dropped briefly below the 17,000 level in mid-October. Only behind-the-scenes government buying managed to bring it above that. But, with domestic investors reportedly rushing for higher returns overseas in U.S. or European markets, some analysts predict the Nikkei could soon go below the April 1995 low of 14,485. At that point, many of Japan's largest banks would

become technically insolvent, based on the market value of their core stock holdings in other companies.

The ultimate horror scenario is that under such pressures, desperate to raise cash, Japanese banks would be forced to liquidate their holdings of U.S. Treasury securities. While exact data are not made public, market estimates place Japanese bank holdings of U.S. Treasury paper at well above \$200 billion. Were anywhere near that sum suddenly dumped on the market, the dollar would go into free fall and the U.S. financial system with it, to say nothing of the rest of the G-7.

### The Fed defends global deregulation

Given this backdrop, it is more than ironic that the guardian of the world's most powerful monetary institution, Federal Reserve Board Chairman Alan Greenspan, in an Oct. 14 speech to the radical free-market Cato Institute in Washington, defended the recent globalization and deregulation of financial markets, only weeks after he had come out attacking a proposal to force banks to put derivatives exposures on their books.

"If we can resist protectionist pressures in our societies in the financial arena," Greenspan stated, "we can look forward to the benefits of the international division of labor on a much larger scale." The Fed chairman noted, "The recent financial turmoil in some Asian markets . . . confirm that in a world of increasing capital mobility there is a premium on governments maintaining sound macroeconomic policies. . . . The resort to capital controls to deal with financial market disturbances of the sort a number of emerging market economies have experienced would be a step backward from the trend toward financial market liberalization." The statements were a direct attack on recent proposals by the Malaysian government of Mahathir Mohamad, and those of LaRouche.

In fact, Greenspan's actions demonstrate that he is more than a bit alarmed at the potential, not only of an Asian crisis spreading, but also of the danger of a full-scale U.S. banking and financial crisis in the wake of a collapse of the bloated speculative stock market bubble of the past two years, largely fed by cheap credit from Japan. Greenspan appears to be jumping hoops in recent months to prevent any market panic from erupting into a systemic collapse of global dimension. The reason the Fed has hesitated to raise interest rates since March despite strong signs of inflation, according to informed market observers, is reportedly fear that such an action would trigger an out-of-control market collapse.

Notably, on Oct. 13, America's second-largest mutual fund, Vanguard Group, announced that it will no longer release data about cash inflows or outflows into any of its funds. The *Wall Street Journal* of Oct. 15 reported that Vanguard, "which specializes in so-called index funds that mirror the market, is bracing for a downturn in the U.S. stock market. In the event of a market plunge, these people said, Vanguard wouldn't want data showing big outflows causing a shareholder panic."

## Mergers and deregulation derailed U.S. transport

by Marcia Merry Baker

Freight movements are currently stalled, slowed, or cancelled at many locations on the vast rail system owned by Union Pacific Corp., headquartered in Omaha, Nebraska, whose 36,000 track-miles cover the greater southwestern United States. From this strategic location on the continent, the ripple effects are reaching far north into Canada, to the East Coast, and deep into Mexico.

The most dramatic example of the breakdown process, is that grain in the cornbelt, which should be moving smoothly at this time of year, from field, to elevator, to rail car, to end point (port or processor), is piling up on the ground in the Midwest. The U.S. rail system is so decrepit, it cannot even bring home the harvest. Yet Union Pacific Corp., the largest rail system in the nation, is considered a financial success. In September 1996, Union Pacific acquired Southern Pacific in a \$3.9 billion mega-merger; in July 1997, Union Pacific reported a second quarter 1997 earnings rise of 33%. Now, it can't move the goods. September saw a 9% drop in carload traffic on Union Pacific. What gives?

First, the Union Pacific crisis is no *natural* disaster. Unlike most infrastructure disasters, which are often mis-attributed to Mother Nature (floods, earthquakes, hurricanes), there is no way that this continental-scale rail disruption can be blamed on "natural" causes. The Union Pacific mess is the inevitable result of years of deregulation, downsizing, track shrinkage, and staff elimination. During the same period, vast profit-taking was done through mergers and acquisitions among rail companies. In 1980, there were more than 25 major Class I carrier rail lines in the United States; now there are four.

With the breakdown of Union Pacific, this downsizing and looting process has literally reached the end of the line. The current cargo chaos, plus the fact that the international financial-speculation bubble is at the bursting point, are the conditions for forcing attention to the kind of emergency mea-

sures needed in the rail grid: Restore track; build mass urban transit; create high-speed routes, including magnetically levitated lines; eliminate grade-level crossings, and so forth.

**Figure 1** traces the corridor trunk lines that could and should be up and running on all continents — with transcontinental connecting links, such as the Bering Strait connection, joining North America and Asia via Alaska. This is no futuristic, pie-in-the-sky picture; this is the realistic alternative to the fact that now, in North America, the broken-down rail system *cannot move the goods*.

### Vast backlogs and stall-outs

As of October, there are gridlock spots at key points and corridors throughout the Union Pacific system, and beyond. The immediate cause is the lack of locomotives and railway workers. Because of the congestion, trains are being held up, or shunted onto sidings, where they wait for days. There are an estimated 340,000 rail cars in the Union Pacific system, when proper flow should keep that number down to 300,000.

Here are some of the worst gridlock points:

**Houston:** On Oct. 2, there were 96 trains stored on sidings in various rail yards, because they couldn't be moved. The main cargoes held up were grain, chemicals, and automobiles.

**Chicago:** The clog-up affects all kinds of mixed freight, plus paper and other basics.

**North Platte, Nebraska:** Disruption of cargo transit includes agricultural products, coal, and metal goods.

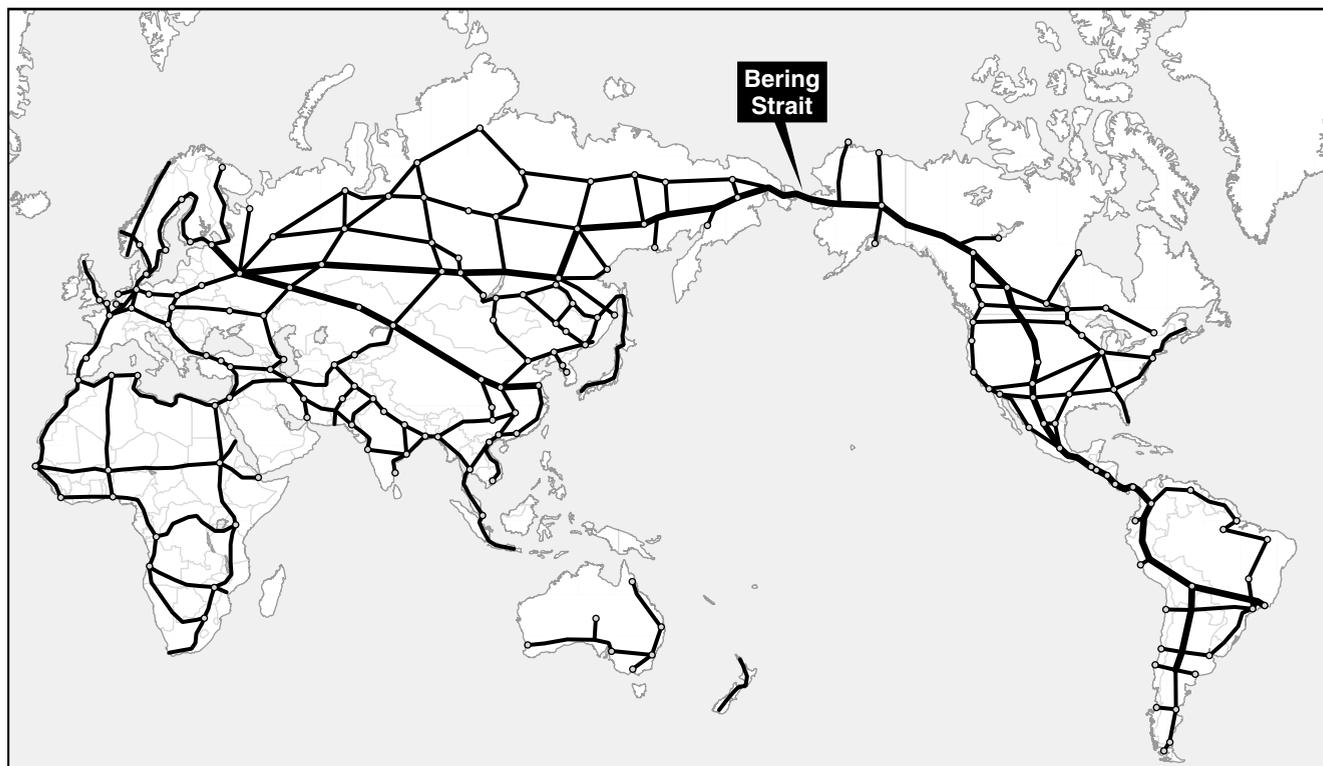
**Fort Worth, Texas:** Movements of coal, mixed freight, and lumber are especially affected.

**Los Angeles/Long Beach:** This Pacific port center has some of the most dramatic tie-ups on the continent, apart from Houston — the gateway center on the U.S.-Mexico freight corridor. Several kinds of goods are affected:

Coal for export has been held up in reaching the port from

FIGURE 1

**Main lines of a worldwide rail network, as sketched by H.A. Cooper**



Wyoming (Powder Basin fields), because Union Pacific had to put a go-slow, or hold, on the coal unit-trains, in order to tell the grain elevators in the farm states, that locomotives would be diverted out of coal, into hauling unit grain-trains during harvest. However, this has not materialized.

Also, as of September, some 3,000 shipping containers piled up in port, destined for the East Coast, but with no prospect of rail capability to handle them. Normally, the current rail lines would haul the containers cross-country (from Los Angeles to Savannah, Georgia, for example, in about five days). On Sept. 26, Union Pacific announced that it would lease space in an ocean vessel (APL Ltd.) to move the stranded 3,000 containers to the East Coast through the Panama Canal! This decision was later rescinded, after drawing much attention in the shipping world. The fate of the stalled containers has not been made public. In Mexico, traffic has been paralyzed on both sides of the border.

Here is the scene in southern Minnesota, part of the U.S. cornbelt, as reported by Andy Olson, Heron Lake farmer and Schiller Institute leader, on Oct. 13:

“We have grain that should be going into the fast grain-loading elevators, and then loaded onto 100-car shuttles. One power unit (of more than one engine) then takes the unit train to the export elevators, to the West Coast, or to the Gulf [of Mexico]. But they’re not showing up. The trains are ordered;

but they’re not coming. Union Pacific cannot fulfill their contracts. So the result is, the elevators are piling the grain on the ground. It’s going right on the ground.

“It’s exposed to spoilage from rain and the elements. It’s extremely costly for these elevators to put it on the ground, then pick it up again. It’s basically their profit margin, and the extra cost will come out of the farmers.

“This is the biggest rail crisis in the rail network in the 20th century. It’s gridlock; it’s chaos. It’s blowing way back into here. The Worthington Co-Op, in southern Minnesota, had a train at Galveston, Texas; they can’t get it back. It has to come back through the Houston gateway, and nothing is moving. . . . Union Pacific has told grain elevators that they will divert locomotives to grain hauling, away from coal, during the critical harvest shipping period . . . but my local co-op has not received one train that they’ve ordered during harvest. They are probably three weeks behind on delivery of shuttle trains during harvest; and they’ve filled up their facilities, and everything else is going on the ground.

“Cargill, on the same main line, got a shuttle train in, three days ago. It was loaded and gone. Farmers and co-op managers were upset.

“The policy is *to control* the disintegration. But this is out of control. There could be a real backlash. This is a real dangerous time for the elites.”

# 'Global warming' fraud aimed at U.S. economy

by Elijah C. Boyd

On Oct. 7, one day after President Clinton's much advertised "teach-in" on climate change at Georgetown University, the U.S. House of Representatives Subcommittee on Energy and the Environment, of the Committee on Science, held hearings featuring the testimony of prominent climate scientists who argue that the scientific evidence shows that there is no global warming crisis. The President's stated position is that "although we do not know everything, what we know is more than enough to warrant responsible action," and that "most scientists say this process [global warming] has already begun."

The introductory remarks of Subcommittee Chairman Rep. Ken Calvert (R-Calif.) stressed that the science is far from settled. Because of the administration's position going into the Dec. 5 climate conference in Kyoto, Japan, he said, "none of the scientists who have different views on this issue from the administration participated in the conference. . . . For an administration which prides itself on diversity, this conference was evidence that diversity of scientific thought is not included in the mix."

Democratic Presidential candidate Lyndon LaRouche posed the issue more sharply, in a radio interview with "EIR Talks" on Oct. 14. LaRouche said that Clinton was "really waffling dangerously by capitulating to the so-called Kyoto emissions conference issue, pushed by [British Prime Minister Tony] Blair and European henchmen of Blair *against* the United States." Clinton has been "badly advised" into "situating endorsement of the so-called carbon tax, or the carbon emissions lid, on the world. And this, of course, is Al Gore's policy, or the policy of Al Gore's cohorts, like Tim Wirth at the State Department. But it's not a sane policy for Clinton."

## Blair's attack on the United States

Blair and the European Union have pressed Clinton, since the Denver summit of the G-8 in June, to back a 15% reduction in carbon-dioxide emissions below the 1990 level, by the year 2010, which would cripple the U.S. energy supply, and household incomes. Meanwhile, as White House Council on Environmental Quality head Kathy McGinty noted at a press briefing on June 26 after President Clinton's speech to the United Nations anniversary meeting for the Rio summit climate conference in 1992, the European Community's own reports indicate that their emissions will "actually increase by 8% by the year 2010!"

At that same UN press briefing, Daniel Tarullo, Assistant to the President for International Economic Policy, stated that none of the proposals on the table will solve the problem of global warming, that they are just first steps "in creating a framework within which policies will be developed over the course of the next five, six, seven, or eight decades to combat the problem of global warming."

The U.S. position for the Kyoto summit is still being battled-out within the administration. The hard-line greens, such as McGinty and Wirth, are reportedly pushing for drastic cuts in automobile, power plant, and industrial emissions, while others, such as Treasury Secretary Robert E. Rubin, argue, rightly, that such cuts would cripple the economy.

Under administration discussion is a "carbon tax" to cut emissions, and various "emissions trading" schemes, where high-emission nations could "trade" with low-emission nations in order to meet an emissions quota without cutting back on its energy production. Entwined with this issue, is the question of whether the proposed cuts should apply equally to industrialized and developing nations. So far, the U.S. official position—minus any numbers—has been there should be binding targets applied to all countries, with maximum flexibility given to each country to meet those targets.

As for other proposals on the table: The Japanese have proposed a 5% reduction in emissions, which has come under heavy attack from the various shades of green groups, who want a return to stone-age energy technologies.

In the midst of this, the industry coalition fighting the global warming hoax has stupidly focussed its opposition not on the fact that the science is all wrong, but on the fact that it will "force Americans to severely restrict their energy use—while letting countries like China, India, and Mexico off the hook," as the coalition's newspaper ad stated on Oct. 6. In other words, the green-imposed poverty should be equally shared.

*EIR* will review the specific emissions-control proposals, and their economic consequences, in an upcoming issue. Here, we focus on the lack of a scientific basis for the global warming hoax. In fact, as was accepted until the mid-1970s, all the evidence points to the world being on the verge of a new ice age.<sup>1</sup> Hence, the mooted options for emission cuts constitute not a debate topic, but a warplan, to destroy the economic power of the United States and curb the industrialization of the developing sector.

## The scientific evidence

The Congressional hearings on Oct. 7 provided much of the evidence that global warming is a non-problem, and that

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1. For historical documentation on the present ice age, see Laurence Hecht, "The Coming (or Present) Ice Age," *21st Century Science & Technology*, Winter 1993-1994; and "Orbital Cycles, Not CO<sub>2</sub>, Determine the Earth's Climate," *EIR*, May 16, 1997.

computer models are not reality. Here are some samples from the testimony.

Dr. Roy W. Spencer, Senior Scientist for Climate Studies, NASA Marshall Space Flight Center, in his prepared testimony, directly attacked the weaknesses in the computer models, the Ozymandius-like pseudo-deities used to back up the hoax: "I contend that the physics contained in current general circulation models (GCMs) are still insufficient to have much confidence in their predicted magnitude of global warming," he said.

"There are several reasons for this uncertainty, some of which include: 1) the radiative perturbation due to anthropogenic doubling of carbon dioxide is small, about 1% of the Earth's natural cooling rate; 2) naturally occurring water vapor is a far more important greenhouse gas than is carbon dioxide, and it varies considerably in space and time; 3) the feedback effects of clouds and water vapor are still poorly understood; and 4) while the Earth as a whole is in radiative balance (incoming sunlight equaling outgoing infrared radiation, thus maintaining a fairly constant temperature) the surface is far out of radiative balance.

"This latter fact," Dr. Spencer continued, "is due to evaporation and convection processes, which absorb excess heat from the surface and transport it to the upper troposphere.

This upper tropospheric heat can be more efficiently radiated out to space since it is above most of the heat-trapping vapor. Thus, convective overturning of the atmosphere, and *not* radiation balance, largely determines the surface and upper tropospheric temperature distribution."

Dr. Ari Patrinos, Associate Director for Biological and Environmental Research, U.S. Department of Energy, stated:

"Both the Forum [on Global Change Modeling] and the IPCC [Intergovernmental Panel on Climate Change, the UN group providing the "science" for the climate treaty] agree that climate models are improving. However, both reports also agree that there are still significant uncertainties in GCM predictions and therefore model results can only be couched in probabilistic terms. These uncertainties include:

- "1. Incomplete representation of important physical processes in the present models, particularly cloud and aerosol feedback effects and oceanic heat transport;
- "2. Insufficient computer power to conduct multiple, independent simulations of climate change to thoroughly test the models and produce a statistically significant number of predictions;
- "3. Lack of regional resolution; and
- "4. Theoretical limitations on the predictability of the climate system. . . ."

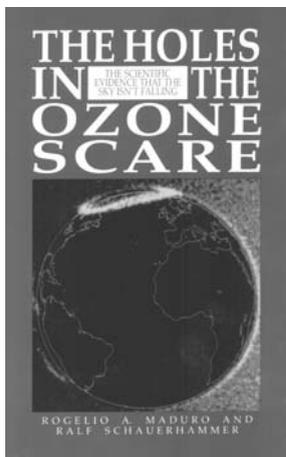
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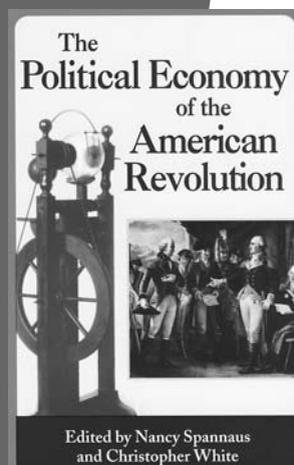
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# The 'LaRouche factor' fuels pro-nuclear turn

by Michael Ericson and  
Lotta-Stina Thronell

Sweden is being turned upside down around the fight over its nuclear power plants. The small but politically significant European Labor Party (EAP), affiliated with Lyndon LaRouche, is at the center of this turmoil, a fact which has been vehemently and repeatedly recognized by Olof Johansson, the leader of the shrinking, non-socialist Center Party. At the beginning of the year, Johansson and Prime Minister Goeran Persson struck a deal, in the false hope that they would increase their popularity before the national elections in autumn 1998, and secure a coalition government. At the center of the deal is the policy of closing two nuclear power plants — one before the elections, and the other after.

The EAP attacked Johansson (also known as “Tok-Olle,” or “Weird Olle”), under the slogan “Build More Nuclear Power Plants—Dismantle Weird Olle,” and the campaign indeed had an amazingly big effect. Johansson, who also came under pressure from within his own party for his “collaboration” with the “socialists,” started whining: “They [the EAP] called me Weird Olle already back in the 1970s.” A campaign sticker with the same title has become the common denominator among people who are putting up a fight for Sweden as an industrial society.

## ‘I am not allowed to say’

The EAP’s role in the nuclear debate was demonstrated most vividly in a national TV broadcast on Oct. 12. A TV program had organized a debate among Johansson, some regional Center Party leaders, and the usual gaggle of journalist commentators. One journalist, from *Svenska Dagbladet*, commented that it was a bad excuse to blame the low poll results for his party on “conspiracies.” “Weird Olle” exclaimed, “But it is these damned EAPers.” He then hesitated and continued in lower voice, turning a little to the side, “But that, I am not allowed to say.”

“Why are you not allowed to say that?” the program host asked.

Johansson continued: “I have been told over and over again not to do that, because then the EAPers will get a golden star in the book or be praised to heaven. Wherever I am, they

are there like a tail. Then you see Ny Demokrati [a small populist party] demonstrating outside the Parliament, with the same stickers and T-shirts.”

“But the worst is,” Johansson stated with a dramatic pause, “when you see Moderate [Conservative Party] parliamentarians inside the parliament with the same stickers.”

His statement created total shock and silence in the studio, until everyone started to babble at once. For whatever reason, Johansson had publicly admitted the existence of a heavy information blackout against the EAP and what it is affiliated with: the LaRouche movement internationally.

## The real issues

What “Weird Olle” was referring to, was the orchestration of the fateful nuclear referendum in 1980. At that time, the population was brainwashed to choose among three possible time schedules, all stating that the nuclear energy plants should be closed down, the question was only at what pace. The EAP at that time exposed the referendum as a fraud, because there was no possibility to vote *for* the continued use of nuclear energy.

At this time, the EAP is stating that it was right in 1980 — that mankind needs development, that it needs LaRouche’s design for a new world economic order, and that the role of nuclear energy is key in modern industrial society — and, that it is right today: Mankind needs nuclear energy more than ever.

Currently, Sweden has 12 operating nuclear power plants at four different sites, which are delivering 50% of the electricity that the country needs. The Social Democrats, who are a minority government, cannot decide anything in the parliament without additional votes from members of other parties. Prime Minister Persson, a loudmouth and opportunist who at one point decided to back the policies of Prince Philip and the World Wide Fund for Nature (WWF), announced at the beginning of the year that Sweden must now become a model country internationally for an “ecological and sustainable economy for the future.” Sweden, he said, must produce “100,000 new green jobs” (by such means as returning to the use of firewood as a fuel, and replacing all the toilets in the country with new ones that will separate urine from feces, in order to reduce the amount of nitrates released into the sewer system) and must close at least two nuclear power plants in 1998.

National elections are scheduled to take place in autumn 1998. As this policy was announced, Persson and his advisers hoped to win new support from green-leaning young voters, as Center Party leader Johansson did. In retrospect, their calculation seems to have been based on completely false assumptions. Maybe some young voters have been fooled, not knowing better. The Social Democrats remain at around 32% in the polls, but they are continuing to disintegrate, even though at a less dramatic rate than the Center Party. The Center Party, which was weakened even before the decision to

support the Social Democrats, has lost massively, falling below the 4% threshold—meaning that they would not get any seats in the future parliament. On top of this, the party leadership is plagued by scandals. There are two leading figures who could possibly replace Johansson. The first, Andreas Carlgren, two years ago confessed to being a homosexual (and anthroposoph). The other, Lennart Daleus, recently was exposed as being an ardent nudist. The Center Party clearly has its problems.

### Bill to close plants losing support

At the center of the heated fight is a government bill, for which the Social Democrats got the support of the Center Party at the beginning of the year. The bill stipulates that the government can, any time it wishes, withdraw the right of the owners of a nuclear power plant to run it, if the owners are reimbursed for their losses. Before the parliament was to have voted on this bill, it was sent out to various institutions for consideration, including the universities. Members of the parties which were not part of the deal could also submit their own motions. Something unheard of has happened: Stockholm University sent back the bill, commenting that it has to be seen as an attempt to settle a dispute between two parties, the state being one of the parties. Such a procedure is unlawful, the university stated.

As if this were not enough, the Moderate Party, led by Carl Bildt, finally ended its refusal to take a stand in this conflict. At the beginning of October, the party, which six months ago became the largest national party and is steadily growing, stated that if it were to win the election next year, it would turn the Barsebaeck nuclear power plant back on, should the combined forces of the Social Democrats and the Center Party close it down next summer, before the elections. Two other non-socialist parties have announced that they are going to turn the government bill down, thereby supporting the moderates in a flanking maneuver.

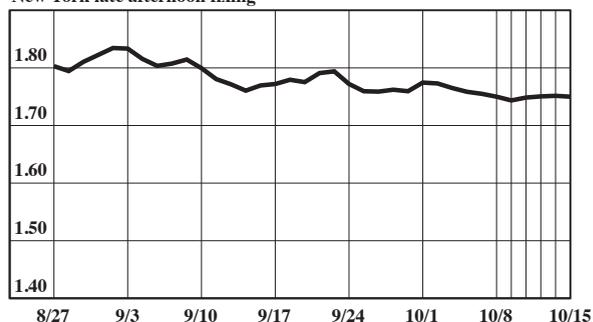
That 70% to 80% of the population, in poll after poll, is showing some sense of reality, by stating that the nuclear power plants should not be closed down prematurely, has not had any visible impact on the prime minister. That a combination of trade unions and industrialists, mainly those connected to the export sector, have repeatedly pointed to the national interests involved in keeping Sweden's electricity prices low, has not had any impact on the prime minister, who seems to have pushed the self-destruct button without even being able to realize it.

The most outspoken support for nuclear energy is coming from southern Sweden, from the greater Malmö area. The region has been bubbling with enthusiasm and hope since early spring, when the first foundations of the 15-kilometer-long bridge between Malmö and Copenhagen were put in place. The bridge, which will give a significant economic boost to the region, is scheduled to be ready for operation in the year 2000.

## Currency Rates

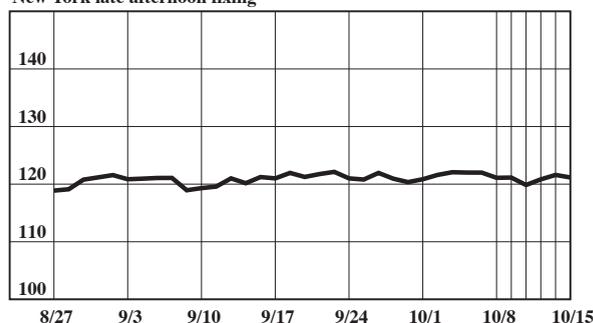
### The dollar in deutschemarks

New York late afternoon fixing



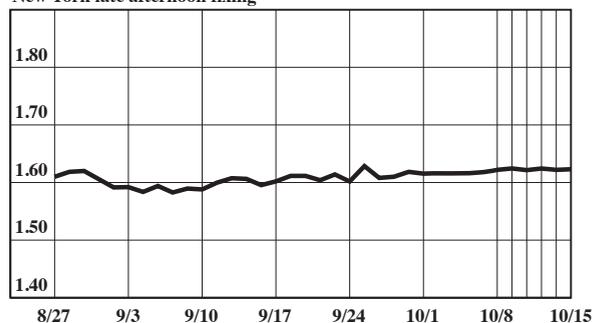
### The dollar in yen

New York late afternoon fixing



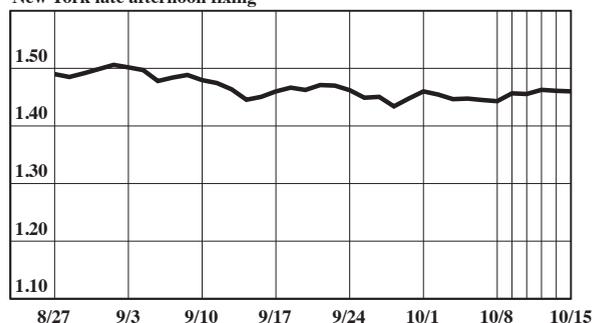
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Russians look to Asia with both alarm, and hope

by Rachel Douglas

Chinese leaders are mindful of the precipitous collapse of industry and society in the huge area of the former Soviet Union, to China's north, and this awareness has been one of the spurs to finding an effective real growth policy, and to be on guard against the ravages of financial speculation. In Russia, in turn, attention is being paid to economic events and policies in Asia, in two respects.

Among the intelligentsia and political circles, who are concerned with how Russia may yet survive, there is growing interest in a "Chinese model" of development, and in the benefits of direct involvement in the Eurasian Land-Bridge projects. What's new, is a dawning realization about the financial collapse under way in other parts of Asia, and the world—that the currency and markets turmoil, centered in Southeast Asia, is relevant to Russia's situation.

## Lessons of the 'tigers'

Malaysian Prime Minister Dr. Mahathir Mohamad's denunciation of currency speculation caught the attention of Russian media, because George Soros was one of its main targets; Soros has not only financed dozens of projects in the former Soviet Union, gaining him enormous leverage in the areas of science, education, and communications, but, more recently, he has begun to invest there on a large scale. When Mahathir applied the words "rogue speculator" to Soros, he was talking about the owner of 25% of Russia's national telephone grid. The wider implications of the Southeast Asian financial crisis, driven by the same sort of "emerging markets" brew of speculative investment and short-changing of productive industry that First Deputy Premier Anatoli Chubais and his team have concocted for Russia, escape many Russians. Southeast Asia is seen as a matter of little concern, one Moscow intelligence expert with a concentration on national security questions told *EIR*, because Russians have not invested there, and "there is no immediate threat to the ruble."

In Kazakhstan, where news of the magnitude of the Southeast Asia debacle, evidently, was slow to reach, President Nursultan Nazarbayev even told parliament, in an Oct. 10 presentation reported by Moscow's *Nezavisimaya Gazeta*, that their country should take the "little tigers" of Southeast

Asia as the model for its development through the year 2030, and aim to become "Central Asia's mountain lion."

Some Russian commentators, who did cover Dr. Mahathir's attacks on Soros, obscured the strategic importance of the global derivatives bubble, the rampant speculative practices Mahathir went after, by reducing everything to a geopolitical subversion ploy by an undifferentiated "Washington," against targets ranging from Italy and Britain (allegedly as punishment for the Maastricht accords!), to Southeast Asia, to Russia. The author of one such article, in *Pravda-Pyat* of Oct. 7, was Anton Surikov, an analyst who has collaborated with both the Ministry of Defense and Foreign Office staff in Britain, and who habitually puts that kind of spin on his scenarios of a global "U.S." drive for hegemony. "Officials of the European Community have often noted," claimed Surikov, "that Soros was speculating on direct orders from the U.S. government."

A far more competent analysis of the turmoil in Southeast Asia appeared at the beginning of October in the weekly *Ekonomicheskaya Gazeta*, which gave readers a good dose of what really happened at the Hongkong IMF-World Bank meeting. Author Dr. Taras Muranivsky reported on "the blow, initiated at Hongkong by the Asian 'tigers,' against the looting policy of the International Monetary Fund." The title of his article was "Milton Friedman, Theoretician of Monetarism: The IMF Should Have Been Liquidated Back in 1971; But, Now Is Not Too Late." The irony of the title becomes clear, as Muranivsky contrasts the recent "anti-IMF" antics of free-marketeer Friedman, who is interested in maximizing the looting capabilities of the private interests behind the IMF, to the genuine attack on the IMF by Lyndon LaRouche.

Addressing Russian readers, who are generally in the dark about what happened in Hongkong, Muranivsky began: "The annual meeting of the International Monetary Fund and World Bank (IMF-WB), which took place in Hongkong in September, is known in Russia mainly for the fact that Anatoli Chubais took part in it, and there was crowned [by *Euromoney* magazine] 'best minister of finances.' But, it will more likely go down in history, for extremely harsh criticism of the international financial organizations' looting policy, which has

widened the gap between the industrially developed and the developing countries. Especially acute, in Hongkong, was the question of the IMF's and WB's destructive activity, in the countries known as the 'Asian tigers.'

"The Russian press sometimes reports on the financial crisis that has broken out in Thailand and, subsequently, in Malaysia and other countries of Southeast Asia. But the information provided is sparse, and biased. Under pressure of the strongly promoted myth about the 'prosperity' of these countries, some authors have treated the crisis as if with irony, saying that—ah, yes, the 'Asian economic tigers,' it turns out, sometimes get the slightest bit under the weather, too. In reality, the processes going on there are quite serious. And, they are indicative for the entire world economy."

Muranivsky quoted the strongest passages from Dr. Mahathir's speech in Hongkong, where he called for banning currency speculation as "unproductive and immoral," and his words about unseen foreign traders, who are prepared to throw a target country into the garbage can.

That this attitude has been the IMF's from its inception, Muranivsky showed as he unmasked Milton Friedman's phony criticism of the IMF, noting that Friedman has no objection to IMF conditionalities, imposed on nations, only to the slightest interference by *anybody*, in "the functioning of the market." To understand the IMF, Muranivsky urged, better to look at the speech given by "another American economist, Lyndon LaRouche," at the Russian State Duma (parliament) in June 1995. There, LaRouche established the nature of central banks, like the Federal Reserve in the United States, as "in effect, joint-stock companies of the leading financial groups." By the same token, Muranivsky explained, "the IMF is under control of a financial mafia, which represents the interests of a group of family banks."

The middle section of the article analyzed "why the 'tigers' are mangy," by presenting the concept of a "full-set economy," developed from the American System of Political Economy, and put into practice in post-war Japan, and in South Korea—but, not in the "tigers," where low-technology agricultural employment, and child labor in industry, are typical. The operative concept, expressed by Zbigniew Brzezinski in 1978, is, "No new Japans!" (For Russians, whom Chubais advises to welcome the "growth" of a stock market boom and an alleged imminent upswing in "GDP," while Russian industry rusts all to pieces, the point could not be missed.)

Malaysia, finally, has become "a casino economy," while the Philippines, having experienced "headlong privatization," is now into "Hongkongization," and rates the construction of casinos as one of its few booming "industries," wrote Muranivsky.

Under a concluding subhead, "Into the 21st Century Without the IMF," Muranivsky reported on the "summit of the 15" developing countries, scheduled for Nov. 3-5 in Kuala Lumpur. "The members of the Group of 15 (Malaysia, Argen-

tina, Brazil, Peru, Chile, Venezuela, Mexico, Jamaica, Zimbabwe, Senegal, Nigeria, Egypt, Algeria, Indonesia, and India) have begun to develop a program for the creation of a new economic order in the world. Malaysian Foreign Minister Abdullah Badawi announced this in an interview with the Malaysian *Star*, on Sept. 29, as President Mahathir Mohamad began his tour of Latin America. The decision to create an Asian Monetary Fund and the Group of 15, amplify the power of the blow, initiated in Hongkong by the Asian 'tigers,' against the looting policy of the IMF."

## Chinese model

The great promise of development along the Eurasian Land-Bridge, including the benefits for Russia, has been under scrutiny in Russian academic institutions. Academician Vladimir Myasnikov's presentation of the case for the Land-Bridge appeared in the Sept. 16, 1997 issue of *EIR*. As debate of the Chubais regime's latest austerity budget began in the State Duma, the "Chinese" alternative came into the Russian political arena, too.

Speaking in the Duma debate after head of government Viktor Chernomyrdin's report on Oct. 8, Communist Party of the Russian Federation leader Gennadi Zyuganov discussed the past ten years of "reform" in China and in Russia, respectively, as a relatively successful economic policy, and a disastrous one. He emphasized the consistency of China's successes with the principles of growth in key periods in the West.

"We began our reforms at the same time as China," said Zyuganov. "We had similar social and economic systems, and even similarities in the setting. In China, there had been 10 years of the so-called cultural revolution; we had come through 10 years of political sclerosis. The Chinese drew the appropriate lessons, and, in the subsequent years, during two five-year plans, they have doubled their national product, which took the Americans 47 years to accomplish, and 33 years for the Japanese. We, however, have experienced a collapse of production and our gross product, of 8 to 10% per annum. . . . The best companies in the world are investing \$35 to 40 billion in China today, whereas \$3 billion comes into our economy, and that is with political strings attached."

The collapse was unnecessary, said Zyuganov, because other models were available, among them "Roosevelt's New Deal, which turned a collapsed America into one of the leading powers, in 15 years time. There were the social reforms of Erhard, which transformed post-war Germany into a world competitor. There was the Japanese miracle, and then this modernization in China, with which both Mr. [Boris] Yeltsin and Mr. Chernomyrdin are familiar."

## Glazyev: Is Russia a colony?

In two articles, published as the Duma began debate on the 1998 draft budget, economist Sergei Glazyev wrote about

Russia's transformation into a colony of a "world oligarchy," defined as "a complex and rather diverse totality of major transnational banks and corporations, and comprador national banks and firms controlled by them, as well as the legal and consulting organizations that service them, the international financial organizations, the ideologues and theoreticians of a new world order, and various official and unofficial institutions of political influence and public opinion-shaping." His analysis, excerpted below, goes beyond the lessons of Asian events, but deals with the same economic essentials that arise in connection with them.

Glazyev quit the Russian government, where he was Minister of Foreign Economic Ties, in protest against President Yeltsin's abolition of the Constitution and the elected Supreme Soviet, in 1993. As a member of the Duma from the Democratic Party of Russia, he chaired its Economic Policy Committee for two years, then worked at the Security Council, and, for the last year, has headed an analytical center attached to the Federation Council, Russia's upper house of parliament. A strong advocate of state regulation of the economy, Glazyev here refutes the notion that President Yeltsin's recent advocacy of a stronger economic role for the state means anything other than policing a vicious looting policy:

*Pravda-Pyat*, Oct. 8, 1997: Entitled, "From a Five-Year Plan of Destruction, To a Five-Year Plan of Colonization."

"Today, the government proclaims the second stage of radical economic reform, the nature of which remains obscure for the population. In reality, the 'contents' of this second stage—reform of housing and utilities, education, science, and enterprises—simply boils down to a reduction of state spending to subsidize these sectors. Thus, the reform degenerates into a reduction of employment in the state sector, the liquidation of institutions, and a lowering of the quality of services in the non-productive sector.

"According to the government's draft Federal Budget for 1998 and its packet of so-called 'social' laws, what is planned for next year is the following: doubling of fees for housing and utilities (while the population's real income is to be practically unchanged); reduction of spending on education to 0.61% of GDP (as against the level of 10% of GDP, required by law); reduction of spending on science to 2.87% of Federal Budget spending (as against the level of 4%, set by law). On the backdrop of endless discussions about 'enterprise reform,' it is actually anticipated to subsidize only 80 firms during this reform, although about half of the 20,000 large and medium-sized firms in the productive sector are operating in the red. At the same time, the budget provides for a twofold reduction of investment, and a 1.7-fold reduction, in absolute terms, of investment for the line called 'Industry, electric power, construction.'

"Thus, if we drop the pseudo-scientific window-dressing, the main idea of the 'second stage of reform' is to dismantle

the state's responsibility for the condition of the economy and society. Contrary to the President's solemn declarations about the need to enhance the state's regulatory functions in a market economy, the government continues to push the line of the state's abandonment of its responsibilities to society, for the condition of the economy and the social sphere. . . .

"Judging by the actual priorities in the government's budget policy, its leaders locate the most important aspect of their activity, as servicing the state's loans, which were assumed at superhigh interest rates, and which, respecting the terms under which they are serviced, border on legalized embezzlement of state property. Against the backdrop of this year's total collapse of budget implementation, on both the revenue and the spending sides, the only area that was not cut, was spending to service the state debt; it even increased, attaining the level of over one-fourth of all Federal Budget spending. In the essence of the functions it actually performs, the Russian government is not an institution of a democratic country with a market economy. It is a colonial administration, chiefly occupied with extracting taxes and selling off state property in the interest of its creditors, for whose enrichment, by means of the highly exorbitant interest paid on state loans and the quasi-free appropriation of state property, the entire machinery of the state is working.

"This is the manner in which many pseudo-state systems are constructed in the underdeveloped countries of Africa; the local ruling oligarchy lives on foreign loans, which are serviced by the allocation of the national income for this purpose, and the transfer to foreign capital, of control over national resources. It is not difficult to see that, according to the basic parameters of the economic policy it actually carries out (contrary to the optimistic declarations of the President), the Russian government in no way differs from the puppet regimes in underdeveloped countries that are really colonial dependencies. Even in its way of life—the construction of family refuges and education of its children abroad, the keeping of funds in accounts in foreign banks, etc.—the Russian oligarchy scarcely differs from similar corrupt comprador regimes in underdeveloped countries.

"The situation today is changing qualitatively, which really does make it possible to talk about a second stage of the reforms—after the stage of disorganization of the economy, and appropriation of state property and national resources by a criminalized oligarchy, grouped around those in power, the stage of Russia's colonization is upon us: the transfer of control over the main elements of the national wealth to foreign capital, the transformation of the state budget into a tax-collection instrument for the extraction of taxes, in order to pay interest to foreign creditors, and the loss of the country's political independence and national cultural self-identification.

"If things go as 'successfully' for the 'reformers' as they did in the first stage, and the second stage also lasts five years,

then by 2003, the country will confront financial bankruptcy. . . . Other negative changes in the state will occur, at the same time: loss of the ability to maintain the Strategic Missile Forces, a steep deterioration of the condition of our cities and the standard of living in them, as a result of the mass obsolescence of their infrastructure, and a qualitative watershed in the state of our human potential, due to the steep decline of the level of education, training, and moral quality of the labor resources. This stage, according to the design of the foreign ‘mentors’ of the pilots of this pseudo-democratic Russian regime, will end with the final colonization and, most likely, dismemberment of Russia, and the cessation of its existence as an independent geopolitical entity.

“Fantastical as it may seem, that a great power, which had a dominant role in the world for centuries, could crash so rapidly, this scenario is already not only possible, or desirable from the standpoint of foreign secret services—it is becoming the most probable one, the one being brought to life. It may be that the only person who doesn’t understand this, while actively assisting its implementation, is the Russian President, who solemnly proclaims non-existent successes and sets tasks that the leaders of the government, laughing at their chief behind his back, have no intention of carrying out.

“Most likely, only boundless faith in the strength of Russia from time immemorial, prevents most public figures, including those in the opposition, from realizing where things are headed. In the face of overt signs of colossal, selfish treason on the part of the ruling comprador oligarchy, which is guiding the country to self-destruction, we have naive discussions about the need for ‘round tables,’ appeals for common sense, and for the introduction of good programs and correction of the catastrophic situation on the basis of a scientifically grounded policy—all of which would be appropriate if one were dealing with intelligent, law-abiding authorities, but are out of place for these ‘godfathers.’ . . .

“The new stage of the ‘reform’ fits into a well-constructed, transparent system for the destruction of the basic institutions of Russian society, those that define its viability and competitiveness. . . .

“1. Destruction of the financial system of the state, by means of an endless build-up of the state debt pyramid, shrinking of the tax base, deepening of the non-payments crisis, and disorganization of the monetary system. The reduction of the revenue and spending (not counting expenditures for debt service) in the consolidated budget of Russia to 25% of GDP, makes it impossible for the state to fulfill its functions with respect to development, social guarantees, and national security. The rapidly growing state debt pyramid, which already exceeds the money supply and cannot be serviced out of the Federal Budget (debt service is already double the tax revenues), has sucked up almost all liquid capital, blocking productive investments. . . .

“2. Destruction of the scientific and technological potential of the country, achieved by means of a many-fold reduction in state financing of science, the collapse of technological cooperation and scientific production integration, in the course of mass privatization, and the refusal of the government to have any rational scientific and technical, industrial, or structural policy at all. . . .

“3. Sale of controlling blocs of shares in the leading and most valuable Russian firms, in industry, electric power, and telecommunications, to foreign companies. . . .

“4. Transfer of the right to exploit the most valuable Russian raw materials deposits, to transnational corporations. . . .

“5. Transfer of the Russian information space to foreign control. This effectively occurred, already, with the privatization of Svyazinvest. . . .

“6. Establishment of foreign control over the Russian stock exchange . . . the establishment of which, from the start, was guided by foreign ‘experts.’ . . .

“7. Direct recruitment of highly placed officials, as well as simply influential persons, in the Russian government, by the relevant services and corporations from foreign countries. . . .

“8. Establishment of direct foreign control over the shaping of Russian domestic and foreign economic policy. It is no secret that, for some time, the formation of the Russian government’s economic policy takes place under the defining and ruling influence of the IMF. . . .

“9. Erosion of the national legal system, establishment of the primacy of international law, elimination of elements of national sovereignty. . . .

“10. Bald-faced defamation of Russia by many influential foreign structures, in order to create a negative image of Russia in Western public opinion, to justify discriminatory and punitive actions. . . .

“To put it crudely, Russia has ‘given blood’—for the past five years, it has been a lead donor for the economies of the U.S. and the other members of the Group of Seven. Hundreds of billions of dollars have been taken out of Russia, for their gain, as well as over half a million skilled personnel, whose intellectual capital is valued at hundreds of billions of dollars.”

*Nezavisimaya Gazeta*, Oct. 9, 1997: In a longer article, entitled “The New World Order and Us,” Glazyev looked at “the ideological grounding” for such policies, in “the theory of the ‘golden billion,’ according to which a decent existence on this planet can be guaranteed only for 1 billion people in the developed countries, while the rest of the human population has a sorry lot as providers of raw materials and suppliers of cheap human material, to service the interests of transnational capital.” He outlined a “resistance” and recovery strategy, based on Russia’s remaining scientific and industrial potential, which will work only “if state policy proceeds exclusively from the national interest.”

## Attacks on the European Monetary Union

*Opposition to the "Maastricht Union" project now includes state governors and the governor of the Bundesbank.*

**K**urt Biedenkopf, the Christian Democrat and state governor of Saxony, made national headlines with attacks on the Maastricht Treaty for European Monetary Union, which Chancellor Helmut Kohl has tied his political future to, in a July 28 interview with the weekly *Der Spiegel*. Biedenkopf's central point was that something has gone wrong with the EMU project, because neither France nor Germany will be able to meet the budget criteria set by Maastricht, and what is lacking is an "economic government" institution beside the monetary bodies, that would coordinate policies in the European Union (EU).

Because of that, "the risk is that in five years, we may stand there and it does not work," Biedenkopf said. Sticking to the EMU timetable, introducing the euro as the new EU-wide currency in January 1999, would pose immense risks, and provoke tensions in all 15 member states.

Moreover, the Constitutional Court of Germany could rule that the euro were incompatible with the German Constitution, Biedenkopf warned. He did not rule out that the upper house of parliament, the chamber of the 16 states (Bundesrat), might veto the EMU treaty. This warning enraged many in Kohl's inner circle (Kohl is also the Christian Democratic Union party chairman), and within a few days, they made sure that Biedenkopf was faced with a united front of prominent CDU party members.

Biedenkopf did get support, though, from two Christian Democrats: Edmund Stoiber, state governor of Bavaria, and Friedhelm Ost, chairman of the economic policy commis-

sion of the German parliament.

The same constellation has now re-emerged, while the CDU mid-October national party convention in Leipzig is designed to signal that all of the CDU allegedly is firmly behind Kohl. This time, Stoiber is leading the charge, with support from Biedenkopf and Ost, and also, from Hans Tietmeyer, governor of the Bundesbank (central bank). In its Oct. 13 issue, *Der Spiegel* portrayed a powerful alliance which is being built among these four leaders, and four senior economists and experts in public law, who met in Frankfurt to discuss a well-prepared legal action before the Constitutional Court against the EMU. One of the four economists is Wilhelm Noelling, a former member of the Bundesbank council.

While the four professors have threatened such legal action before, the hint that an active governor of the Bundesbank is supporting action against the EMU 1999 timetable, is new. *Der Spiegel* revealed, in an article headlined "The Stoiber System," that Tietmeyer's role is rather prominent. He is on the phone with, or meets with Stoiber rather often. And, in a speech to the traditional January strategy session of the Bavarian Christian Social Union (CSU) party executive in Bad Kreuth, Tietmeyer hinted that being a member of the council of the European Monetary Institute (EMI, the precursor to the planned European Central Bank), he has the right to vote against the 1999 timetable for full monetary union, if the stability criteria are not met.

In this context, *Der Spiegel* recalled that when Kohl asked Tietmeyer last year, to take part in a government-sponsored ad campaign for

the EMU, Tietmeyer flatly refused. This was shortly before Tietmeyer's appearance before CSU leaders in Bad Kreuth.

Now, scenarios are already being churned out that would imply such a vote by Tietmeyer at the EMI during the planned "grand review" session, in the spring of 1998, which would then be followed by his resignation as governor of the Bundesbank. That would expose Kohl and his government, at the beginning of a national election campaign which Kohl is not at all certain to win: Social turmoil caused by the government's desperate attempts to save the EMU timetable by manipulating the economic data, at the expense of social and economic stability in Germany, will ruin Kohl's chances among voters.

Now, Noelling and the three other professors who want to take the government to court—Wilhelm Hankel, Joachim Starbatty, and Karl Schachtschneider—may file their case before the spring of 1998, when the 15 EU governments want to give the final go-ahead for the EMU. The four plaintiffs see a good chance for a court ruling in favor of their argument, that the government's intent to sacrifice savings of millions of Germans for a weak euro, violates Article 14 of the German Constitution (protecting individual property) and Article 20 (protecting the principle of the social welfare state). The supranational bodies of the planned EMU would also violate Article 38, which protects democracy in Germany, they charge.

The only reasonable ruling which the court could make, would be against the EMU project, they argue. Then, simply renegotiating the monetary union treaties, would not suffice: The project would have to be negotiated from the start. A horrible prospect for politicians like Kohl, who have tied their fate to the EMU.

## Mont Pelerin health policy is murder

*Don't take a tourist trip to Australia or New Zealand and fall ill . . . for you might not come back.*

**B**ased on the idea of *imago viva Dei*, that man is created in the living image of God, the Council of Florence of 1439-41 gave rise to sovereign nation-states. Until then, human life under oligarchical rule had been tenuous, as when Roman emperors used to turn their “thumbs down” in the Colosseum. But, in recent years, as the “globalization” dogmas of the British Crown’s chief economic warfare unit, the Mont Pelerin Society, have taken over more and more governments, the oligarchy’s power to give “thumbs down,” has come back.

Nowhere in the Western world is this as stark as in Australia and New Zealand, whose governments have routinely started denying their citizens (and foreign visitors) medical care—and thus killing them—in order to save money. Take the New Zealand case of Rau Williams, 61, who died on Oct. 12 after his “health provider,” Northland Health, decided, based on a “point system,” that he would no longer receive dialysis. As a horrified nation followed the case in the media, his family fought heroically to get him treatment, but in vain. They appealed to Northland Health, which fought them in court; to New Zealand’s Human Rights Commission, which spurned them; and to New Zealand’s Court of Appeal, which turned them down in an emergency sitting. They even brought in a doctor from Australia, and secured a dialysis machine from private sources, but Northland Health refused to let the Australian doctor treat Williams. Williams had mild dementia and diabetes, so the New Zealand government pulled the plug on him as “not

worth saving,” a judgment emphasized by Associate Health Minister Tuariki Delamere, who said that “health rationing” is now a fact of life.

Meanwhile, in Australia, the Mont Pelerin-dominated Federal government has slashed health care over the past two years, and the death rate has started to skyrocket. This is most clear in the state of Victoria, whose premier, Jeff Kennett, was installed by members of Mont Pelerin think-tanks in 1992, and who immediately started closing down hospitals, which has led to the following, partial list of recent deaths in Victoria:

*Mrs. Bon Rodell*, who died after spending nearly 21 hours on a hospital trolley waiting for a bed, because of bed elimination.

*Edward Strehling*, 59, a heart attack victim who was sent home by doctors and placed on a waiting list for an operation. He died a week later, of multiple heart attacks.

*Claude Giles*, 78, a pneumonia patient who died on Aug. 14 after spending 30 hours on a trolley waiting for a bed at Frankston Hospital. A relative said that the death could have been avoided. “I blame the government” for his death, the relative said.

*Mrs. Kusuma Ekanayaka*, 54, who was visiting from Sri Lanka, and who fell ill on the evening of April 21, with vomiting and headaches. Her family took her to the hospital at 9:30 p.m., but the staff said she would have to wait, “because there were another 10 patients in front of her.” Mrs. Ekanayaka soon lapsed into unconsciousness, and died three hours later, shortly after she was finally admitted. Said a

relative, “If they had done something the first time, I think they could have saved her.”

*Nine intellectually disabled male patients* between 30 and 40 years of age, who died on April 8, 1996, when a fire destroyed their residential complex for disabled people, after Kennett cut staffing levels by 50%.

*Newborn babies.* According to a 1997 report by the Council of Obstetric and Pediatric Mortality and Morbidity, the mortality rate for newborn babies in Victoria increased 14% between 1993 and 1995, while it dropped in every other state.

These deaths tell only part of the story, particularly in New Zealand, which also boasts the highest youth suicide rate in the Western world and the highest waiting lists in the world for operations: 200,000 of its 3.25 million citizens are presently waiting for surgery, during which wait, numbers of them, particularly heart patients, die.

In both countries, the genocide can be traced directly to the Mont Pelerin Society, whose chief financier during its start-up period in the 1950s, was Queen Elizabeth II’s personal financier, City of London figure Harley Drayton. Kennett’s mass murder was scripted by the 1992 report, “Towards a Healthier State: The Restructuring of Victoria’s Public Health Services,” drafted for him by Mont Pelerin think-tanks, while every step of the infamous “New Zealand reforms” in health care were directed by New Zealand’s three members of the Mont Pelerin Society: businessman Alan Gibbs, who wrote the first “health reforms” report in 1989; Health Minister Simon Upton, who started implementing Gibbs’s report in 1990; and Roger Kerr, executive director of Mont Pelerin’s main New Zealand front, the Business Roundtable, which sponsored numerous papers promoting health reforms.

# Business Briefs

## Labor

### Australian court: right to strike 'irrelevant'

A three-member bench of the Victorian Court of Appeal has effectively eliminated the right to strike, by overturning an earlier decision by a Supreme Court judge on an industrial dispute, who had declared that the right to strike was a "fundamental right," the Oct. 7 *Australian Financial Review* reported. The Appeal Court declared this finding to be "irrelevant."

Instead, the Appeal Court found that, under the government's new industrial relations legislation, the Workplace Relations Act, it is now up to the discretion of courts, whether to allow strikes. This overturns earlier Australian decisions where civil courts, accepting the right to strike, had always deferred to industrial tribunals which adjudicated in labor disputes. Though unions may still strike under the new Workplace Relations Act, they may only do so under relatively onerous conditions, and are otherwise open to gigantic fines and other penalties.

Justice John Phillips delivered a unanimous judgment which said that the Workplace Relations Act "thrusts the parties towards the common law courts. Emphasis no longer is on resolution of disputes by tribunals, but by parties themselves, by means of direct action."

## India

### Infrastructure projects needed, says financier

India's sluggish economy needs a kick-start, K.N. Atmaramani, managing director of Tata Asset Management Ltd., said on Oct. 9, wire services reported. "The key factor is to clear the way for infrastructure projects," he said. The Tata fund is India's third-largest private fund, and is 20% owned by Dresdner Kleinwort Benson, the investment bank unit of Germany's Dresdner Bank AG.

Atmaramani said, "The RBI [Reserve Bank of India] can only provide the tool. It is the government which has to roll up its sleeves and get things moving."

The RBI is poised to loosen credit policy and lower interest rates on Oct. 21, when it announces the country's next six-month policy, Atmaramani said. But, he argued, simply lowering interest rates will not impel economic growth, because poor infrastructure is choking economic activity. He identified a number of critical bottlenecks: "militant environmentalists," "bureaucratic red-tape, and lengthy court duels" preventing the approval of projects.

Atmaramani identified "pension and insurance funds" as potential sources of funding for infrastructure projects. Under his proposal, India's laws would have to be changed to permit redirection of these funds. "Pension funds alone have more than 1,000 billion rupees [\$27.6 billion]," which are mostly invested in government securities, he said, which he labelled "non-productive." He also called for India to open its "insurance and financial sectors . . . to foreigners."

Overall, according to some analysts, India needs \$130-150 billion in the next five years just to ease bottlenecks in power, roads, ports, telecommunications, and airports.

## Infrastructure

### Iran, Russia, and India discuss ground transport

Iran's Ambassador to Moscow Mehdi Safari discussed cooperation in transportation with Russia's Transport Minister Nikolai Tsakh on Oct. 7, including the latest developments in the construction of the joint Iranian-Russian port on the Volga River, and Iran's request to set up a special terminal for Iranian vehicles in Moscow. Tsakh said he would meet Iran's Roads and Transportation Minister Mahmoud Hojjati in the near future, IRNA reported.

Indian ambassador to Teheran Rajendra Singh Rathore met Hojjati on Oct. 7. Rathore said that his government is keen to cooperate with Iran on rail projects. He said road and transport cooperation between the two countries is at a good level, and that exchange visits by Iranian and Indian experts in the field have been a good example of South-South cooperation. Hojjati agreed that cooperation

would be mutually beneficial, and said that the Islamic Republic would welcome joint investment by the two countries on rail projects in Iran. He added that details of the procedures for concluding maritime and rail agreements between the two countries would have to be closely studied.

## Africa

### Egypt marks new stage in Sinai irrigation project

Egypt's President Hosni Mubarak flew to the Kantara district in the Sinai peninsula on Oct. 6, to ceremonially mark the advance of an ambitious construction project, which will divert water from the Nile delta to the Sinai peninsula.

At a construction site there, the President opened the gates to four new tunnels constructed under the Suez Canal, which will channel fresh water from a 40-mile canal from the Nile River delta, into another canal on the Sinai peninsula. About half of the new irrigation canal's 110-mile length has been completed. By the time it is scheduled to be finished in 2003, a network of channels will branch off from the main canal to irrigate 400,000 acres of currently barren desert. The government hopes to eventually move 750,000 people to the Sinai peninsula.

## Economic Policy

### Iran's President charts development course

The guidelines for economic policy laid out by Iran's President Mohammad Khatami reflect the broad policy debate in the country, and throughout the developing sector, on the need to make development coherent with social justice. In a conference with economists and managers on Oct. 8, President Khatami stressed that development should be carried out, and efforts made to lower inflation, to protect purchasing power, IRNA reported. He emphasized the key role of industrial pro-

duction, for a healthy, dynamic, and developed society.

"An important task for the government in the industrial sector is the reform of economic, financial, social, and institutional infrastructures in order to pave the way for growth in production," he said. This includes reform in investment laws and regulations in the production sector. Among the important measures that should be taken, Khatami referred to establishing investment security, making the private sector active in production affairs, upgrading manpower, and creating a security umbrella for the workforce and consumers. He also called for tax reform, noting that taxes account for only 25% of Iran's revenue, compared to 90% for other states.

Khatami said that while the government is primarily investing in infrastructure, the private sector is investing in non-productive endeavors, with consequent inflation and shortages of goods. He stressed that investments of the private sector should be channelled toward productive activities.

## *The Philippines*

### **Supreme Court blocks oil price increase**

The Philippines Supreme Court locked horns with deregulators again on Oct. 7, this time blocking an oil price increase for 30 days while it reviews a petition filed by legislators, challenging the legality of a law deregulating the oil industry passed earlier this year. Previously, the Supreme Court had invoked a nationalist statute of the Constitution to prevent foreign interests from taking over the industry, which the court declared part of the national heritage.

Oil price increases habitually are the trigger for political and social unrest; militant unions, led by public transport ("jeepney") drivers, took to the streets on Oct. 7, demanding a legislated wage hike and reduction in oil prices, both of which were eliminated under President Fidel Ramos's IMF-dictated deregulation measures earlier this year.

Pilapinas Shell, a subsidiary of Royal Dutch Shell, has hiked oil prices twice since the peso was devalued on July 11, and now

is complaining that it has lost 550 million pesos from the devaluation alone.

Meanwhile, Albert Reyes, deputy governor of the Bangko Sentral ng Pilipinas (the Philippines central bank), said that Manila will not commit itself to allowing 60% foreign ownership of local banks, as proposed by the World Trade Organization, the *Journal of Commerce* reported on Oct. 7. Rather, Reyes said that a ceiling of 49% foreign ownership will be imposed for local financial institutions, including banks, investment houses, and finance companies. He said that the Bangko Sentral cannot agree to a higher ceiling, while the Congress is debating the issue.

## *Australia*

### **Southeast Asia crisis bringing worst recession**

Australia is heading into the worst recession since World War II, brought on by the Asian currency crisis, according to a report by the National Institute for Economic and Industry Research, Australia's largest independent economic forecaster, the *Bulletin* reported on Oct. 14. In releasing the report, the institute's executive director, Peter Brain, said, "The crisis is coming and it will not be going away for many years. It will affect Australia's major export industries including all of the agricultural sector (wheat, wool, and beef), as well as iron ore, gas, and steel industries." The report predicts a two-year recession in the next 3-5 years, accompanied by 11% unemployment, a household debt crisis, and record bankruptcies.

Brain sees "ironic" benefits from the crisis for Australia, "because it will level the playing field in Asia to some degree and some of the Asian economies will realize they cannot carry on in the way they have been." While the report ignores the global financial collapse, it is the first official acknowledgment in Australia of the crisis, and flies in the face of Treasurer Peter Costello's recent claim that Australia is immune from the crisis in Southeast Asia. Collectively, the nations of China, Japan, Korea, and the members of the Association of Southeast Asian Nations comprise 63% of Australia's export markets.

**HONGKONG'S** Chief Executive Tung Chee-hwa called for improved air, rail, and road links with Guangdong Province on the mainland, in a speech to Parliament on Oct. 8. He also called for building 85,000 new homes per year; last year, 30,000 units were built. "Hongkong's stability and prosperity are linked to the mainland," he said.

**JAPAN** pledged \$8 billion in trade and investment insurance to Thailand, in a meeting on Oct. 9 between Prime Minister Ryutaro Hashimoto and Thailand's Chavalit Yongchaiyudh. Japan will also send 1,000 experts to assist in Thailand's economic restructuring program and will consider more government loans to small businesses.

**NIGERIA** exported its first liquefied natural gas on Sept. 29, as a result of the joint venture of the Nigerian National Petroleum Corp. and Chevron Oil. Some 30,000 tons of LNG were produced from the Escravos Gas project.

**THAILAND** plans to scrap the contract with Hopewell to build the \$3.2 billion Bangkok elevated rail mass transit project, because of repeated project delays and losses due to the financial collapse. On Oct. 9, Bangkok papers reported that Thai officials have made an offer for China to take over the project.

**AMERICANS** are being cheated by Morgan Stanley in derivatives investments, according to Frank Partnoy, a former employee of the firm and author of a new book, *F.I.A.S.C.O. Blood in the Water on Wall Street*, the London *Guardian* reported on Oct. 9. "He has accused his former employers of milking unsophisticated clients," the paper said.

**THE PRIVATIZATION** plans of Australia's New South Wales state Premier Bob Carr, the leader of the N.S.W. Labor Party, to sell off the state's electricity industry, were rejected by the N.S.W. Labor Party, at its annual conference in October.

## Where is U.S. foreign policy going!

by Lyndon H. LaRouche, Jr.

*October 16, 1997*

Any person who claims, that the United States government has a specific policy toward any part of the world, including the U.S. domestic economy, doesn't know what he is talking about. In most leading areas of foreign policy, for example, the Clinton Administration has at least two, mutually contradictory policies at the same time.

Take the case of Joe Doaks. Joe Doaks comes in to inform us that he has proof that the Clinton Administration has such-and-such a policy toward this or that part of the world. Joe says, that he has the newspaper clippings to prove it. In comes Frank Smith, who insists that the Clinton Administration has a different policy toward the same part of the world. He, too, has the clippings to prove that. Both of them are wrong. Even without taking into account the factor of factitious lunacy introduced from the Republican opposition in the Congress, the U.S. has many, mutually contradictory policies toward most parts of the world, as well as toward sending representatives into outer space.

Of course, it is partly President Clinton's fault. It is his watch, and what happens, or what he should do, but does not, falls to his responsibility. However, it is wrong to say that the President has failed the constituency which elected him; the source of his tendency for unworkable compromises between mutually contradictory policies, is the character of the overwhelming majority of that generation — both Democrats and others — which he typifies on this account.

Unless that generation is willing to begin criticizing itself, it should have the honesty not to criticize President Clinton for the inconsistency of his policies. In his worst moments, President Clinton behaves all too much as a faithful representative of his generation.

The function of this week's *Feature* on U.S. foreign policy, is to focus upon the importance of solving the devastating contradictions which have become char-



*Clockwise, from top left: President Clinton with Chinese President Jiang Zemin in Manila; a White House event to promote NAFTA, November 1993 (left to right: Henry Kissinger, James Baker III, Clinton, Jimmy Carter); Clinton signs the welfare reform bill, August 1996; Clinton and Mexican President Ernesto Zedillo, May 1997.*

acteristic of current trends in the Clinton Administration's formulation of foreign policy. For this purpose, we note certain similarities in these kinds of contradictory thrusts as they appear in the urgent matters of U.S. China policy, on the eve of the China-U.S.A. summit, with a similar pattern of contradictoriness in policy toward Central and South America.

In fact, the U.S. currently has no policy toward China, or toward Central and South America. In both cases, it has at least three, mutually contradictory policy-thrusts.

In the case of China policy, there is the Clinton Administration's commendable thrust toward partnership with China, and, yet, there are also "globalist" elements, such as the hoax of "global warming," within the Clinton Administration's China policy, which threaten to undermine, and even ruin the effort toward partnership. In addition to this contradiction within the Clinton Administration's own policy, the general public and the Congress are victims of an insane, Josef-Goebbels-like, anti-China propaganda barrage, from British agents in Hollywood, and inside the Congress.

A similar pattern exists respecting U.S. policy toward Central and South America. President Clinton's emphasis on partnership with the neighbors to our South, is correct; the notion of an economic partnership, to defend the Western Hemisphere against the present strategic economic threat from western Europe, a threat to both the U.S.A. and our neighbors to the South, is an excellent approach. However, the attempt to impose a "Super-NAFTA" on those prospective

allies, will victimize and alienate our friends to the South, while enraging such much needed political allies of the President as organized labor and other U.S. victims of the ill-conceived NAFTA policy.

Presently, it is virtually impossible to say that the United States has any one foreign policy toward any part of the world. The Clinton Administration's impulse for negotiating compromises with two or more mutually irreconcilable policies, simultaneously, has locked the U.S.A., for the moment, into a "yes . . . but" policy toward almost every corner of the globe. On the virtually Hollinger Corporation-controlled, Republican side of the aisle, and in the London-directed U.S. mass media,<sup>1</sup> the proposed foreign policies are not merely reckless factitiousness by intent; the opposition to President Clinton borders on the insane.

1. No responsible critic could accuse *EIR* of exaggerating in pointing to London control over the U.S. major news media. Our investigation of the operation against LaRouche et al. run under the provisions of Executive Order 12333, back during the 1983-1989 interval, documented the way in which leading news media of the U.S. are controlled, top-down. Begin the list with the Hollinger Corporation and Murdoch chains. Add in the *New York Times*, the *Washington Post*, and their syndicates. Include the *Wall Street Journal*, the the Moonie-controlled *Washington Times*, and an Associated Press which, together with NBC-TV News and the *Wall Street Journal*, was an integral part of a fraudulent prosecution of LaRouche et al. back during the mid-1980s. In the TV network medium, NBC-TV and CNN are among the most flagrant instances. A true patriot would consider shipping the whole pack of them off to London, as the precondition for building up an honest U.S. daily news media from scratch.

Meanwhile, to the South, the pro-drug financier interest of the British Commonwealth, helped by influential lobbies such as the touchy-feely Inter-American Dialogue, has already grabbed financial control inside every one of these nations to our south. London has openly stated its intent, to use that top-down financial control in its effort to turn these nations against the United States, while capturing the entire region for assimilation into the British Commonwealth.

To our South, U.S. support for “Super-NAFTA” is walking into a strategic trap. Similarly, pushing the “Global Warming” hoax, dooms any possibility of durable partnership for the U.S.A. in East and South Asia.

Of official Washington’s foreign, and domestic policy-making, these days, it is said, “Those whom the pagan gods would destroy, they first make mad.” While compulsive waffling over policy often appears to be the style of the Executive branch, outright madness reigns over the Congress. The combined effect, reminds us of Rembrandt’s famous painting of “Belshazzar’s Feast.” “Mene, mene, tekel, upharsin”: Unless government stops behaving in the way it has in recent years, this nation, and this present civilization, will not survive much past the year 2000, if that far.

### **Why labor is saner than Wall Street**

Usually, when Wall Street and organized labor get into a squabble over U.S. domestic economic policy, labor is usually right by instinct. The reasons ought to be obvious. Essentially, the reason is, that working people, especially farmers, industrial operatives, and skilled craftsmen, perform. Wall Street financier circles are intrinsically non-productive.

Take the case of the recent, well-planned UPS strike.

There were three relevant outstanding features of UPS’ operations. One of those features, massive chiselling on wages to labor through replacing full-time employees with part-time employees, was the central issue of the strike. The second feature, UPS’ role in the widespread practice of “just-in-time” inventory management, was the vulnerable flank which the unions’ leadership exploited to defeat the UPS management. The third feature, was the looting of the productive process in order to provide an increased cash-flow for generating the speculative capital-gains loot obtained through upward financial leveraging of stock-prices. This third feature is key to the other two issues; this illustrates the lunacy of allowing Wall Street to shape the economic and related policies of the United States.

Go back approximately thirty years.

Between 1956 and 1971, approximately 70% of the annual foreign-exchange turnover of the U.S. represented import-export turnover. Under the floating-exchange monetary system put into effect during 1971-1972, this percentile collapsed rapidly, falling from 70% to about 5% by 1982, to about 2% under President George Bush, and to less than one-half a percent more recently. The percentile of the labor-force employed in productive occupations has collapsed, and the

real purchasing power of wage-earners has collapsed, in terms of physical purchasing power per capita, by approximately half, during the same twenty-five to thirty year period.

Until the mid-1960s, the U.S.A. was, by policy, a nation committed to fostering essential improvements in basic economic infrastructure, and to fostering investment in those forms of scientific and technological progress which resulted in improved designs of products and increases in both the productive powers of labor and the per-capita physical purchasing power of households. Under those conditions, approximately 60% of the labor-force was employed in occupations which were highly performance-oriented, as performance is defined in physical terms.

Beginning the mid-1960s, within the simultaneous spread of the “rock-drug-sex” youth-counterculture, and the cults of “information society” and “post-industrial” utopianism, the percentile of the labor-force which was performance-oriented, contracted; the rate of that contraction accelerated, especially under the impact of the 1979-1983 “shock-effect” phase of implementation of what Federal Reserve Chairman Paul A. Volcker had defined as his policy of “controlled disintegration of the economy.”

In pre-1966 policy-shaping, performance-orientation predominated. The economic imperative of the Federal government, was to foster that increase in the growth of the per-capita tax-revenue base which enabled employers and government to provide not only for national defense, but also for an improved standard of living for the nation’s households, and better technological opportunities for entrepreneurs. The physical-economic performance of government’s policies’ impact upon the economy, was a leading concern of the relevant offices of the Executive branch and the corresponding Permanent Committees of the Congress. Over the period 1967-1977, this policy was largely abandoned, replaced by the kinds of “ideological agendas” which predominate in the thinking of so-called “middle class” Baby Boomers today.

In the performance-thinking-oriented, pre-1966 period, it was a scandal against the relevant political figure, if it could be shown that a political figure’s policies were mutually contradictory by integrated performance standards. In today’s “new era” of ideological agendas, performance-orientation is considered “reactionary” if it conflicts with any item on the list of “politically correct,” ideological agendas. Instead of performance-oriented policy-shaping, today’s “mainstream” orientation, is an echo of the 1968 meetings of those who were self-designated as Ford-Foundation-funded “SDS Crazies” on the Columbia University campus, or the “encounter group”-shaped Rainbow Coalition sessions of the early 1970s: to satisfy a relative maximum variety of single-issues on the list of politically-correct ideological agendas, with no consideration of integrated performance results.

Consider the cases of “NAFTA” and “Global Warming” as examples of this.

It is a fact, that the physical-economic conditions of the economy of Mexico collapsed after October 1982, and that that collapse has continued, unbroken, during the fifteen years since. The idea that “NAFTA” has been good either for the U.S.A. or Mexico, is a sheer delusion. Pushing a “Super-NAFTA” onto all of Central and South America, means the disintegration of every nation below our Rio Grande borders, and turning over the entire region, from the Rio Grande to the Strait of Magellan, to the burgeoning drug-trafficking and other terrorist gangs presently rallied under Fidel Castro’s São Paulo Forum.

Unless one is willing to greatly and rapidly expand the gigawattage of nuclear power production in every part of the world, any effort to reduce carbon-dioxide and related “emissions” must collapse the economy, as the economy of the eastern part of a presently united Germany has fallen catastrophically far below the pre-1989 miserable standard under the Communist regime there. Additionally, there is no scientific basis for the “Global Warming” thesis; bringing the so-called “scientists” in for counsel on that subject, is like turning marriage-counselling over to prostitutes.

Let us use an alternate term for “performance orientation;” that term is “truthfulness.” Present “mainstream thinking” has rejected the principle of truthfulness, for the sake of a different yardstick of policy-making: “sensitivity.” This change represents the abandonment of truthfulness to Bernard de Mandeville’s “principles of the market-place,” to pure and simple, irrationalist hedonism. This is the policy-stuff of which ill-fated Sodom and Gomorrah—and nasty Queen Elizabeth II’s self-doomed London—are made.

Science and truth have become the leading victims of “information society.” Everyone likes “information;” few are interested in truth. “Truth?” The response is: “Please: don’t go there!”

President Clinton did not invent this. This is the “mainstream thinking” of most of those among you who entered universities during the middle to late 1960s. If you belong to that category, President Clinton is not your problem; you are his problem.

## **Tibet, or not Tibet**

U.S. Representative Frank Wolf (R-Va.) is a shameless agent of a British intelligence front-organization, known as Christian Solidarity International, a man who voiced no objections to introduction of Nazi-like prison-labor programs in the currently Republican Party-controlled Commonwealth of Virginia, and a man who has walked in the footsteps of Nazi Deputy Führer Rudolf Hess, all the way to that Valhalla of Nazism known as the Dalai Lama’s Tibet.

What attracted Hess and other Nazi ideologues to the Dalai Lama’s Tibet, was not only the kind of mysticism they sought in the monasteries there. The oppression of the sparse population of Tibet by the hesychastic tyranny which ruled over them as virtual human cattle, was one of the most disgust-

ing abominations against human rights continued into the Twentieth Century. On his record, Frank Wolf is a man who is singularly indifferent to human rights in the Commonwealth of Virginia, and in Holocaust-ridden Africa. He is by no stretch of the imagination a candidate for the part of a Good Samaritan.

Can one be deluded into believing that Representative Frank Wolf cares for Christians? Look at Africa, where millions of Christians have been killed in the genocide directed by those whom Frank Wolf supports, the circles of the satanic puppet-President of civil-war-torn Uganda, Yoweri Muse-

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*We must recognize the shocking contradictions within the current policies of the United States, as symptoms of a time when all that has been recently considered “mainstream thinking” is hopelessly unworkable, in which the only hope of survival, is to abandon such “mainstream thinking,” for a return to the reality of performance-orientation.*

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eni, circles which include the common criminal, Laurent Kabila of Congo, Paul Kagame of Rwanda, John Garang, and the current dictators of Eritrea and Ethiopia.

Is there an issue of rights of Christians under the present government of China? There is the well-known case of the legal status of the Catholic Church in China. Otherwise, China is a country of Asia, and of Asian culture, which, like nearly all of the population of East, Southeast, and South Asia, is still very much an underdeveloped region, still suffering the lingering effects of British, Dutch, French, and other imperialisms. By any reasonable standard we must set for rights of human individuals and family households, most of the population of that region of the world—the majority of the human population, in fact, suffers a degree of economic deprivation which constitutes not only a deprivation of human rights in its own terms, but correlates with oppressive social conditions.

Furthermore, there is no form of violation of human rights, by that standard, which occurs in Asia, which is not already on the increase inside the United States itself. Worse, it is those factions in the Congress who shriek the loudest about the issue of human rights in Asia, who are in the lead in promoting Nazi-like measures which strip away the human rights of one constituency after another, here in the

U.S.A. itself.

Since we have addressed the crucial issues of U.S.-China partnership in earlier editions of *EIR*, we can sum up this present discussion with the following remarks.

The death of President Franklin Roosevelt brought to an end the United States' war-time commitment to use the close of World War II as the occasion to eliminate from this planet all expressions of imperialism, including what President Roosevelt had denounced as "British Eighteenth-Century methods" in economy, to replace those British methods with the American method in political-economy. As a result of the failure to carry out that Roosevelt mandate, the world today is still predominately one great mass of economic and other injustice, especially against the peoples south of our Rio Grande border, of Africa, and of most of Asia. Complementing that, we have had an increase of virtual "Third World" condition of economic and related oppressiveness even inside the United States itself.

Now, after thirty-odd years of wrong-headed directions in policy-shaping, the present world-wide monetary and financial system has reached a boundary layer, at which its collapse is ongoing, and its disintegration inevitable. To survive, we must replace the present so-called "IMF system," with a new system, incorporating all the best features of the pre-1959 Bretton Woods agreements and institutions. To

bring this new system, and its benefits into being, we require a powerful combination of partners. To establish the quality of partnership which can succeed, we must establish a keystone partnership with China, as well as with our friends below our Rio Grande border.

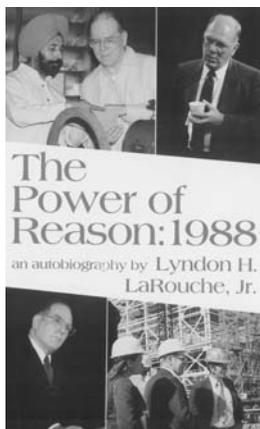
For purposes of developing a strategic doctrine to cover that requirement, we must return to a physical-performance standard in national policy-shaping. We must use the needed new financial-economic policies of a New Bretton Woods agreement, as the instrument by means of which we shall effectively address those other objectives which partnership in global economic growth will enable us to solve.

During the 1960s, the terrors of the age of thermonuclear conflict, drove the majority of the young people entering universities — and others — into what has been a prolonged flight from reality into fantasy worlds of virtual reality. That flight from reality has come to a limit, a point at which that generation must finally abandon fantasy, and return to reality, or this civilization will not outlive this century. We must recognize the shocking contradictions within the current policies of the United States, as symptoms of a time when all that has been recently considered "mainstream thinking" is hopelessly unworkable, in which the only hope of survival, is to abandon such "mainstream thinking," for a return to the reality of performance-orientation.

## Books by Lyndon H. LaRouche, Jr.

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—**Former U.S. Attorney General Ramsey Clark**

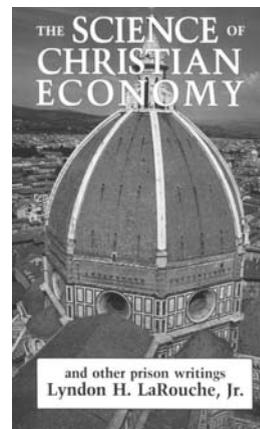
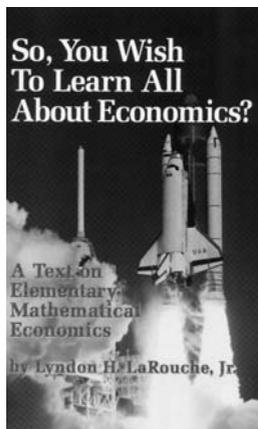


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# High-level visits pave way for China summit

by William Jones

Even while President Bill Clinton was conducting a week-long visit to Ibero-America, the attention of most of the Executive branch has been riveted on the summit with China's President Jiang Zemin, which begins on Oct. 28. As President Clinton himself has emphasized on numerous occasions, the U.S.-China relationship will be absolutely decisive in determining how the twenty-first century will unfold.

A crescendo of high-level visits has been building up to the summit. Following the visit of Vice President Al Gore to Beijing in March, Treasury Secretary Robert Rubin went to Beijing in September, after attending the International Monetary Fund (IMF) and World Bank annual meeting in Hongkong, where he backed a Japanese proposal for the creation of an Asian Monetary Fund. The Fund was proposed by the Japanese as a means of supporting Asian currencies, presently under attack by rogue financial operatives such as the British Queen's favorite speculator, the Hungarian-born George Soros. The Japanese were picking up on proposals stemming from discussions that Lyndon LaRouche had had with leading Japanese figures on his visit to Japan in 1995.

Shortly after Rubin's trip, a large U.S. government delegation, headed up by Commerce Secretary William Daley, arrived in China on Oct. 6. Knowing that the promise of increased trade with China will help rally support from American business for Clinton's China policy, the Daley delegation was intended to pave the way for greater U.S. investment in China. Although it will probably not be officially announced until the summit, there is a deal in the works in which China would purchase airplanes and equipment from Boeing.

## Nuclear energy

Another element of the summit, which both parties would like to highlight in their meeting, is the long-awaited implementation of the U.S.-China Nuclear Cooperation Agreement of 1985. In order to implement that agreement, however, President Clinton must certify that China does not engage in any activity which would assist a so-called "non-nuclear state" to become a nuclear power. Such certification was tacked onto the agreement that was negotiated by the Reagan administration, by Congress.

The steady drum-beat by anti-China Republicans against the Clinton policy of "constructive engagement" with China

has, however, raised the stakes considerably on the non-proliferation issue. The administration is working to get as many commitments from China as possible before taking up the inevitable fight with the China-bashing Republicans, who are eager to derail the President's policy. In particular, the United States has been demanding that China cease all nuclear trade with Iran despite the fact that Iran, a signator of the Nuclear Proliferation Treaty, has all of its nuclear facilities subject to International Atomic Energy Agency monitoring. The United States claims that despite Iran's official position, Iran is in the process of constructing nuclear weapons. From all indications, it appears that China will try to work out some formulation acceptable to the United States, but without poisoning its relations with Iran—which it considers a key player in building the New Silk Road development corridors from China through Central Asia to Europe.

Two days of meetings were held in Washington on Oct. 9 and 10 between National Security Adviser Sandy Berger and his Chinese counterpart Liu Huaqi, the national security adviser to President Jiang Zemin, at which all the issues that were to be dealt with at the summit were discussed, including some consideration of how to reach closure on the nuclear agreement.

Chief of Naval Operations Adm. Jay Johnson also visited China at the beginning of October, at the invitation of his Chinese counterpart. The military-to-military exchanges have become an ongoing part of the U.S.-China relationship. Johnson held meetings with the head of China's Navy and with the Chinese minister of defense. This was the first time since 1988 that a CNO has paid a visit to China.

More important than any of the individual agreements that may be reached during the summit will be the stabilization of the relationship itself. China is developing into a great power. Given its size and its population, this is only natural. Wisely, the Clinton administration has not placed itself in the way of such a development, but has shown that it is prepared to help China in the process of emerging as a major economic power in the course of the twenty-first century, and by so engaging China, intends to establish a rapport that would be vital in resolving any conflicts that may occur. More importantly, as China develops, it will thus see the United States more as an ally than an enemy.

## The global financial crisis

On the basis of the relationship that President Clinton establishes with his Chinese counterpart, will depend his ability to deal with the overriding question of his second term—the ongoing global financial collapse.

China has already expressed strong reticence at opening up its financial system to a "free market" obviously gone haywire. The recent problems in Thailand and Indonesia, a reflection of the severe crisis in the world banking system, have given Chinese leaders pause.

The Japanese calls for the creation of an Asian Monetary

Fund, however, have given considerable momentum toward the only real solution to the ongoing collapse—scrapping the bankrupt IMF system and establishing a New Bretton Woods system as outlined by LaRouche. Only President Clinton could call together the necessary forces, including China and Russia, which could carry out such a policy.

In explaining his China policy at a Democratic National Committee dinner on Oct. 9, President Clinton attempted, however, to place his China policy in the context of the phony-baloney “global warming” debate. “The President of China is about to come visit me,” the President said, “and we once had an interesting conversation in New York, when he said, sometimes I think the United States is trying to contain us and we don’t want to be a threat to you and we don’t want you to think we are. And I said, the only threat you propose to us right now is I’m afraid you want to get rich the same way we did, because if you do it in exactly the same way we did, all your cities will be clogged with pollution and will be heating up the atmosphere so fast that nothing I do will turn it around. And I could tell he’d never thought about it in those terms.”

If the President, however, tries to couch the terms of the U.S.-China relationship in some “global warming” rhetoric in order to force China into “environmental” policies that will undermine U.S. and China economic development, such a policy will only lead to disaster.

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## Documentation

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*From a press conference by U.S. Commerce Secretary William Daley, in Washington, D.C., on Oct. 2, on the eve of his visit to China.*

“The evolution of China as a global power in the next century will have an enormous impact on the security and prosperity of the American people. That is why engaging the Chinese and advancing our commercial relations with China and Hongkong is a top priority for President Clinton and this administration.”

Daley stated that he saw the most important purpose of his trip as being “to continue to build the relationships with China that will last forever. My visit should send a message that the United States is committed to being involved and also being active in the Chinese market for the long term, not the short term. We are not here for quick fixes or big money deals but, rather, for the tremendous long-term opportunities that exist in the market that will bring economic prosperity to China and create jobs in the United States.”

*From remarks by Commerce Secretary William Daley to the American Chamber of Commerce in Beijing, on Oct. 9.*

“China has had a historic role in global economic integration that dates to the Silk Route in 200 B.C.,” Daley said. “In the fourteenth century, the voyages of Admiral Zeng Ho to Southeast Asia, India, and East Africa, where he brought giraffes back to the emperor’s court, were closely followed by Chinese traders.

“One of the administration’s top goals is to encourage China’s integration, as a fully responsible member, into the global system,” Daley said. “That is why China has been visited this year by Vice President Gore, Secretary of State Albright, Treasury Secretary Rubin, and National Security Adviser Berger. That is why I am here today, and why we look forward soon to welcoming China’s President Jiang Zemin in the United States. We are focussed on building a constructive relationship across the full range of issues. China will choose its own destiny, of course. But, in President Clinton’s words, ‘We want a China that works with us to build a secure and prosperous future.’ ”

*From remarks by U.S. Assistant Secretary of State Stanley Roth, delivered at the World Economic Forum, in Hongkong, on Oct. 13.*

The United States “will oppose any efforts to contain and isolate China,” said Roth; such efforts “would be misguided and in the end unsuccessful.”

Roth said that change will continue in China’s economic, political, and social life, “and our challenge is to exert a positive influence on that change.”

“We cannot do that if we isolate ourselves from China or cut off our relationship in pique over their behavior,” he said. “Indeed, if we fail to engage China, we risk reinforcing inward-looking, nationalistic forces that will move China’s policy in a negative direction.”

Roth described a number of areas in which China’s foreign policy has changed considerably over recent years, noting that China used to see itself as the enemy of the United States and supported Communist insurgencies in Southeast Asia, but that China now is part of the four-party talks on North Korea, and is a “dialogue partner” along with the United States with the Association of Southeast Asian Nations.

Roth cited “human rights” as one area where there are serious differences between the United States and China. “We have a long way to go on human rights, but that is precisely why we need to continue engagement on this sensitive topic.”

“U.S. policymakers recognize that China will determine its own course in international affairs,” Roth said. “We know, however, that the policy choices the United States makes—and the kind of relationship America seeks to develop with China—can influence Chinese decisions and the outcomes they produce. We see comprehensive engagement as key to the future of the U.S.-China relationship, and hope that the upcoming summit will lead to friendly, cooperative and fruitful relations in the twenty-first century.”

# Facts and myths concerning China

by Helga Zepp LaRouche

The fact that the U.S.A. is being currently bombarded, on the eve of the summit between President Clinton and President Jiang Zemin, with an unprecedented anti-Chinese campaign in the media; the fact that five pieces of anti-Chinese legislation have been presented in Congress all at once; that, in particular, the Tibet lobby, well-equipped with T-shirts and propaganda material, is storming the university campuses, and, on top of it all, that three films about Tibet are appearing in one flush from Hollywood—all of this ought to be enough to arouse suspicion in the population that someone is pulling off an operation here, in order to poison this summit meeting, which is so vitally important for the future of all humanity.

The *cui bono*—the question “who benefits?”—leads to the doorsteps of the same geopolitics which induced the British Empire, toward the end of the last century, to manipulate the political landscape into World War I, in order to prevent the ongoing efforts to integrate the Eurasian continent with infrastructure, from bearing fruit. Since the government of China has taken up the initiative for developing the Eurasian Land-Bridge for some time now, the British Empire in its current form—the City of London, the Commonwealth, and its Anglophile hangers-on to power—have all thrust themselves forward to declare China public enemy number one, and to propagate the theory that China is a major threat. That, and nothing else, is the background of the anti-China campaign.

The Anglophile strategists of this campaign are exploiting the circumstance, that the U.S.A., as the sole superpower following the collapse of the Soviet Union, has no opponent any longer, and so a vacuum developed in the minds of the American population, accustomed to think for decades in the categories of the Cold War. And so, the British-dominated international oligarchy decided to build up China into the new enemy image, not least at such conferences as “The Prague Initiative” in May 1996.<sup>1</sup>

## The military reality

Does China represent a threat? At the current time, there is only one course of conceivable developments in which

1. The Prague Initiative for a “new Atlantic Alliance” was launched on May 10-12, 1996, at a conference in Prague, Czech Republic, under the patronage of former British Prime Minister Margaret Thatcher, Sir Henry Kissinger, former (West) German Chancellor Helmut Schmidt, former U.S. Secretary of State George Shultz, and former Polish “shock therapy” czar Leszek Balcerowicz.

China could become a threat, and those developments would ensue in the context of a collapse of the international financial system, which could well throw China itself into chaos. Of course, if China, which is in the relatively best position, were to collapse into chaos, then the situation in Russia, Africa, and the rest of the world, would be orders of magnitude worse. Otherwise, China is a regional power with a comparatively moderate military strength. On condition that the sole remaining superpower, the U.S.A., does not commit suicide, then China will not be even approximately capable, over the next 25 years, to rival U.S. military superiority.

Even relying upon the statistics of *The Military Balance, 1995-1996* (put out by the International Institute of Strategic Studies in London, an institution whose policy aims at partitioning China into 11 pieces), statistics which represent Chinese military forces to be four times greater than the Chinese government itself reports, we have the picture shown in **Figures 1-3**.

The numbers in Figure 1 ought to be considered in relationship to the fact that the population of China is four times that of the United States, and the number of armed forces reported by the IISS is only twice as large.

FIGURE 1

### Soldiers in the armed forces

	1985	1994	Reservists
U.S.A.	2,151,600	1,650,500	2,048,000
Japan	243,000	237,700	47,00
Taiwan	55,000	54,000	262,000
China	3,900,000	2,930,000	1,200,000

Source: IISS.

FIGURE 2

### Total defense expenditures

(1993 dollars, constant prices)

	1985	1993	1994
U.S.A.	\$339,229,000	\$297,300,000	\$278,730,000
Japan	28,240,000	41,732,000	44,600,000
Taiwan	8,461,000	11,939,000	11,065,000
China	26,083,000	27,390,000	27,680,000

Source: IISS.

FIGURE 3

**Defense expenditures per capita**

(dollars)

	1985	1993	1994
U.S.A.	\$1,418	\$1,156	\$1,074
Japan	234	334	356
Taiwan	463	572	524
China	25	23	23

Source: IISS.

Figure 2 compares total defense expenditures. In view of the fact that U.S. defense expenditures are ten times what China's are, it can hardly be expected that the gap between this country and China will turn to China's advantage. The nation which has really undertaken a significant increase in military expenditures, is Japan.

Japan's expenditures per capita (Figure 3) are also relatively high since the collapse of the Soviet Union, and this, although Japan allegedly has only a "Self-Defense Force."

**China's view of the U.S.-Japanese Treaty**

It is no wonder, then, that the "new guidelines" of the U.S.-Japanese Defense Treaty, signed by President Clinton and Japanese Prime Minister Ryutaro Hashimoto in April 1996, more than irritate China. China considers this military alliance unacceptable, and equivalent in its implications to the situation that would exist if China had a defense alliance with Alaska, and the Chinese fleet were cruising along the American coasts.

In fact, Seiroku Kajiyama, general secretary of the Japanese cabinet and government spokesman, during a TV discussion on the Japanese state television station NHK on Aug. 17, said that the U.S.-Japanese Security Treaty also included Taiwan. The formulations on this point, he said, had been left deliberately vague, but terms such as "Far East" and "events on the periphery" included Korea, Taiwan, and the Spratley Islands within the defense area covered by this treaty.

Chinese press commentaries judged that the ambiguity of the treaty revealed the intentions behind it. The Japanese newspaper *Mainichi Shimbun* noted that Japan's concept of defense had shifted from a defensive one to an offensive one, with these new guidelines. The old guidelines took account only of countermeasures in case of an invasion, whereas the new ones defined the role to be played by Japanese Armed Forces in the adjacent areas, including Taiwan.

When the Japanese prime minister made a visit to China, President Jiang Zemin and Prime Minister Li Peng made it clear that the Japanese declaration was unacceptable, to the effect that the formulation "situations in surrounding areas" was not a geographical concept, but rather one which would be judged according to the nature of the incidents which might occur.

The claim that, in case of support of the U.S. military by Japan's Self-Defense Forces, there would be a "line" drawn between the Japanese Armed Forces and the battle zone, was characterized in Beijing press commentaries as "fools' talk," since the battle zones constantly shift in military conflicts. And, who was supposed to draw such a line of demarcation in the middle of an intensive conflict?

Furthermore, the formulation that this defense pact would come into force in the case of "incidents that have an important effect on Japan's peace and security," is attended by the problem of what criteria for such incidents would be applied, and who would decide that they should apply. Even the Japanese media wrote that this formulation permitted the government to interpret these "incidents" according to its own whims.

And, if the Japan Defense Agency emphasized that the criterion for judging "situations in surrounding areas" was explicitly *not supposed to be* clearly and legally defined, in order not to impinge upon the "flexibility" of Japan, then it was quite clear that this ambiguity was not the result of a mistake, but rather was supposed to conceal the true military intentions.

If we consider that the last war between Japan and China began with the "incident of the 18th of September," in 1931, and then turned into a full-scale war with the "incident at the Marco Polo Bridge," instigated by Japanese troops, and that this war lasted up to 1945, it is no wonder that Chinese nerves are rather raw on account of the new guidelines and the increased Japanese defense expenditures. It is, indeed, an inconsistency of U.S. foreign policy, on the one hand, to pursue a policy of "One China," and then not to accept China's view of Taiwan as a province.

That China does not now represent a threat, nor will it represent such a threat in the foreseeable future, as U.S. Adm. Richard Macke correctly noted, is not only apparent from the analysis of the military situation of China; it is even more obvious in view of the priorities of Chinese policy.

*To be continued.*

**China-U.S.A. summit:  
a crossroad in history**

by Helga Zepp LaRouche

*The following are edited excerpts from a strategic briefing given by Helga Zepp LaRouche on Oct. 11, to EIR staff in Leesburg, Virginia. The briefing was videotaped, and is being circulated widely.*

*In last week's EIR, Mrs. LaRouche wrote a preliminary report on her recent visit to China and India, titled "Shaping*



Helga Zepp LaRouche addresses a university audience in Beijing, during a visit to China in May 1996.

*the 21st Century for the Betterment of Mankind.” In that article, she emphasized that the United States and China share a twofold threat to their national security: first, the imminent danger of collapse of the worldwide financial and monetary system; and second, the possibility that Russia will disintegrate, with incalculable consequences. The world financial crisis was also a prominent theme of the briefing excerpted here, although the selections we have chosen deal primarily with the situation in China and India.*

I want to talk about what you are all curious about, namely, my three-week trip to China and India. Now, as you know, I was in China for the third time. The first time was in 1971, in the middle of the Cultural Revolution; then, again, last year, after 25 years. . . . And, I told you at the time, that one of the biggest shocks was to see how China had changed in this period, and how it completely transformed from a pretty poor, normal, Third World country, into the fastest-growing economy in the world, right now. . . .

Let me focus on the summit, which will take place in less than three weeks from now, when the President of China, Jiang Zemin, will come on an official state visit to the United States, and have a summit with President Clinton. For Americans, it is very, very important to understand fully what is at stake, with this visit, because, it is *not* only the question of what will happen to the future of the U.S.-Chinese relations, even though that is a very important centerpiece; but, this

meeting, which will take place between the President of presently the only superpower in the world, after the collapse of the Soviet Union, and the presently largest country in the world, in terms of population, which, very soon, *will be* a superpower, obviously marks a crossroad for where mankind will go in the future.

Now, the people who are right now gearing up this anti-Chinese campaign, have to realize that the choices which are at stake here, are really: Will the world plunge in a very short period of time, into worldwide chaos, regional wars, new epidemics, a world which soon may only be dominated by mafias, armed gangs, private armies, and otherwise, a collapsing population, and a fall into barbarism? Or, will that summit be the crossroad in which a new road is chosen, which then, very quickly, can lead to a new world economic order, the biggest historical boom, in terms of economic development, in all of the history of mankind, and the emergence of new renaissances, not only of western Christian culture and civilization, but also of other beautiful cultures, around the world? And, that, maybe, if the second road is chosen, the old dream of the Founding Fathers, and especially John Quincy Adams, that a community of principle can be the way that the world is organized, is very, very close.

Now, the good thing is that both President Clinton and the Chinese government have an absolute interest that this relation should function. Both want a positive outcome for the summit, because both, for different reasons, have understood

that peace in this world, and especially going into the twenty-first century, without a good U.S.-Chinese relationship, is totally impossible.

So far, so good. The only immediate danger—and this is not a little one—is that the absolutely hysterical, British-guided, anti-Chinese campaigns, which are quite many-fold, could poison the atmosphere in such a way that the necessary accord between President Clinton and President Jiang Zemin would not quite be accomplished. Now, you know the components of this barrage of anti-Chinese campaigns. You have five different bills introduced in the House and in the Senate, all basically, completely ridiculous, and coming from the kind of geopolitical thinking which already has caused two world wars in this century.

Then, you have three Hollywood movies on Tibet emerging at the movie theaters just in time, obviously all reflecting the old Hollywood affinity with Tibet. When we published *The Hitler Book* many years ago, we pointed out the hard-core mythology of the Nazis, was this strange fascination with Tibet—the so-called “Roof of the World”—the whole Aryan mythology; and, if you know the history of Hollywood, their entanglement with the Ku Klux Klan, and many of their key actors having been fanatical friends of the Nazis, one should not be surprised that they’re now sponsoring a movie in which the hero is an Aryan-looking SS Stormtrooper from Austria, who ended up in Tibet at the end of the Second World War, and became the mentor of the Dalai Lama. This is portrayed, but they don’t even mention, with one word, that the hero is a Nazi! So, you have the funny coincidence, that China protested against this movie, and so did the American Jewish Committee! . . .

## **Straight facts about China**

Let me just give you a couple of straight facts, which I think are important to take away the mythology, to take away the whole campaign, and just look at China as it is.

First of all, China is *not* a Yellow Peril. It is not an enemy of the United States; it does not *think* about itself as an enemy of the United States. From a military standpoint, China does not have an aggressive posture against its neighbors or the rest of the world. China does not have a plan to take over the world, quite contrary to the strategic planning of the Soviet Union, at the time.

And, on the other side, China is right now the only country, or practically the only country (maybe with the exception of Iran, and one or two other countries) in the world, which is economically progressing, and therefore, is doing, by far, more to remedy the human rights situation of its population, than almost any other country in the world, by simply bringing an ever-larger percentile of its people out of oppressive poverty. If you want to know what is a real human rights violation, then it is starvation; it is seeing your children die. So, when China, right now, has embarked on a course to bring improvement in living standards into the inner regions, into Tibet, into

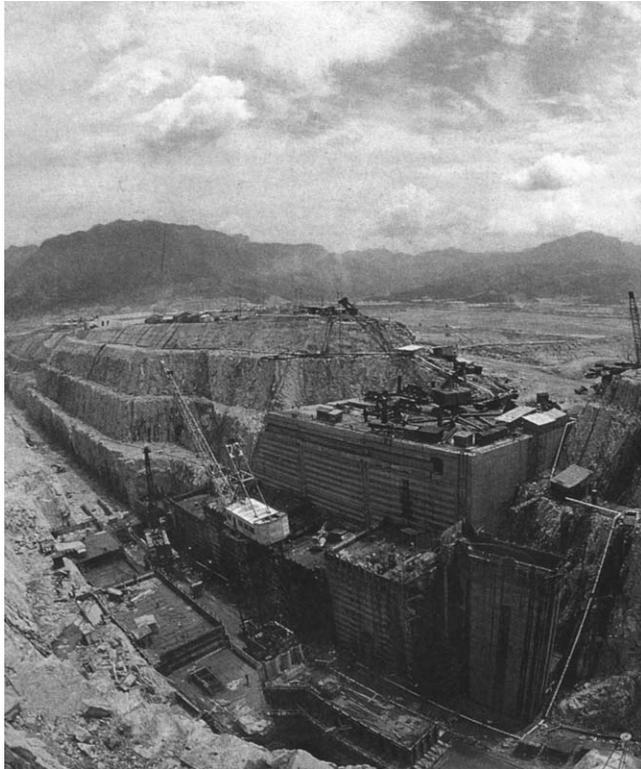
Xinjiang, into almost any part of China, *that* is an effective human rights improvement. . . .

Now, let’s look at the facts, concerning the military. Is China a military threat? It’s a complete absurdity, because it is the estimate of top-level military experts in Europe, that, even if China proceeds with a massive military buildup, it is impossible that, 25 years from now, they would be able to take Taiwan, with an amphibious takeover. Now, obviously, they have nuclear weapons, but, it is absolutely excluded that China would use nuclear weapons against what it rightly regards as a province of its own country. In order to have an amphibious takeover of Taiwan, they would have to have total air and sea control, because, when you land amphibious troops, you have to make sure that you don’t have exposure to air attacks, and so on. Their modernization of the Air Force has just begun. They recently put out a promotional article about their own military capability, in which they demonstrated the entire Navy, and it was absolutely not impressive. It is not a modern Navy. And, Taiwan, on the other side, had a massive military buildup, not least to say that the big friend of the Mainland, Sir George Bush, cleared the sale of 150 F-16 and 12 antisubmarine helicopters, which then was followed by France selling 60 Mirage-2000s to Taiwan. . . .

However, one has to also note the fact—and I think this is very important for Americans, that they get this clearly—that China has right now, probably 1.2 billion people—I think that’s about four times more than Americans right now—and it is very clear that, provided we can avoid a complete catastrophe in the world, that in the year 2010, or maybe 2020, but around that time, China will be a new superpower, comparable to what the Soviet Union used to be.

That is quite normal, and nobody should get upset about it, because the largest population concentration happens to be in West Asia, in South Asia, and in Southeast Asia. Therefore, nobody *should* deny or even *think* they should deny a sovereign country, or *any* sovereign country, for that matter, the right to develop the military capability which is in correspondence to the size of their population, and their legitimate defense needs. If you have any other ideas in your head, you have to investigate the axioms of your thinking, and you may have been afflicted by one-world thinking, and somehow, the idea that the U.S. should be the hegemonic force in this. So, I hope you don’t have this in your head.

So, the idea that China *will* be a superpower is something you have to get used to. And, there’s nothing wrong with that, because China is not an aggressive nation. Let’s look, from that standpoint, at the bills which have been introduced in the Senate and in the House. Now, there is one bill, introduced by Congressman Gilman, which makes a big fuss, and says, “Oh, the fact that China is selling Silkworm cruise missile systems to Iran really should be punished, with sanctions and so forth.” Now, if you look at that, it’s a complete piece of insanity, because, why should it be not legal? There is no basis in international law, why China cannot do that. Because



*Infrastructure development in China: excavation of temporary water-way locks at the enormous Three Gorges Dam project.*

these are not weapons of mass destruction; I mean, in that case, one could say that international law would put it under scrutiny. But, if you are talking about tactical weapon systems, like the Silkworm cruise missile, it's a question of a deal between two sovereign countries — namely, Iran and China — and therefore, is only basically affected by the jurisdiction of these two countries. . . .

### **The financial crisis, and what must be done**

The biggest, common security threat to China and the United States is the danger of a financial blowout. . . .

You have the Southeast Asian crisis, the Japanese banking crisis. You have new “Mexico” crises in eastern Europe. The model case, the Czech Republic; Slovenia: They're now going the way of Thailand and Mexico. And you have similar crises in Latin America. You have the derivatives bubble—the most dangerous aspect of all. *And*—and I want to make this a special category—you have the crisis in Russia. Because all Russian banks are bankrupt; the Russian government is bankrupt; and the biggest danger right now, is that Russia will *fall apart*. That the state can no longer maintain its functions. After all, as a result of the IMF reforms, Russia today, has 20% of its industrial capacities left of what it had in '91; and of *those* industrial capacities, only 40% pay their taxes! So, the government has no more money to pay wages of the Army, or the civil servants, or the bureaucracy, or whatever.

So, given the combination of these different elements, almost anything could trigger a collapse. And Lyn [Lyndon LaRouche] points to the fact that, if that were to happen, you would have a crisis much worse than what happened in the fourteenth century, when the Lombard [banking] system in Italy collapsed, and you had similar collapses in all other countries—that created a situation in which the Black Death, and hunger, and other epidemics, could wipe out *half* the population, from India to Ireland. If this would happen today, it would be much, much, much worse, because it would be global, and the world would go to pieces.

Now, as I pointed out in many seminars I gave in China, and also in India, there is *only one way out of this crisis*, and that is that the President of the United States—and it has to be Bill Clinton, not because of Bill Clinton, but because he is the man in charge, when this crisis is hitting—he has to use the power of the U.S. Constitution, and do exactly what Franklin D. Roosevelt did when he put the U.S. economy on a war mobilization: By declaring the American financial system, the Federal Reserve System bankrupt; by establishing a National Bank; by giving the sovereign power of credit generation back to the Congress; by issuing long-term, low-interest loans for infrastructure investment and other high-technology investments; and, by getting the United States into a productive mobilization.

Now, this alone does not resolve the problem, but we are calling for President Clinton to conduct a New Bretton Woods Conference, to which he would invite the Chinese government, the Indian government—and I want to emphasize, these two countries have the largest populations, and therefore, they must be key in *any* kind of reorganization worth fighting for—but also other countries, then, should group around that. And, after an emergency meeting, these heads of state must come out with a declaration that the old system is bankrupt, and will be replaced by a new system, which will define a whole set of new trade and tariff agreements; and use some of the positive factors of the old Bretton Woods conference, but, obviously, bring in more justice, especially concerning the relationship to the developing countries. The concrete focus of such a New Bretton Woods conference has to be the Eurasian Land-Bridge, and the Eurasian Land-Bridge as the cornerstone of a global reconstruction program, reaching all the way through the Middle East, into Africa, through the Bering Strait to North America, into South America. And realizing a complete reconstruction of the world economy.

Obviously, this is not, right now, on the agenda for the summit. And, I think it is very important that we, ourselves, are clear about that. I'm not saying that this is a realistic idea to be the result of the summit, starting on Oct. 28. But, it, soon after that, has to be the issue of discussion.

If you look at what is on the agenda for this coming summit, the bilateral agenda is already fixed. You have, from the U.S. side, human rights, religious freedom, arms sales of China to other countries, trade questions. Then, from the

Chinese side, you have the U.S.-Japanese defense treaty, which China regards as absolutely *unacceptable*; Taiwan; trade issues, and so forth and so on. But, it is very clear that, if you leave this discussion on the level of bilateral questions, it would not address the most fundamental issue of all of mankind, right now, which is the danger of a financial collapse.

It is not to be expected that the full package I was just talking about, the New Bretton Woods and the Eurasian Land-Bridge, will be the outcome of the summit, because it's the first meeting between Clinton and Jiang Zemin; and, the political environment is not such that you can expect it. But, what *has* to occur at this summit, is that a positive relationship *must* be established between President Clinton and Jiang Zemin, or, more fundamentally, between President Clinton and the Chinese government. There will be other meetings: There will be the APEC meeting in Canada in November; there will be other international meetings; there will be another summit, next year; and, very importantly, a "hot line" telephone will be established between the two Presidents. What *has* to occur, is a principled agreement between these two nations to work together in the future, to solve problems facing all of mankind. And, I think if we accomplish that, then the absolutely necessary stepping-stone will have been accomplished. . . .

### **Returning to India after 14 years**

Let me just contrast this, very briefly, with the situation in India; because China is one thing, and, in a certain sense, everybody travels to China, and business goes on, and everybody is now, somehow, sensitive to the question that China is economically booming. But I went immediately from Beijing to New Delhi, and . . . I must say, I was completely stunned and shocked about India, visiting again after 14 years.

Certain parts of India have progressed — no question. You have now, 250 million urban middle-class people, who are doing economically much better. That is an important factor, but it's not in high technology; it's not really that India used the potential it had, from the standpoint of the high proportion of skilled labor. But, it is a middle class. For example, since I'm a technical genius, I couldn't figure out how you use the remote control for the TV, so, the first day, I only alternated among nine Indian TV channels, and they all had the equivalent of MTV. But, not as Satanic, but all video clips — and the girl goes like that, and then the man goes like that. And, it's very graceful, but it looks like an Indian version of the tango. It's the most banal, silly thing, and people are looking at it all over the country, watching this for hours and hours; it is a complete disaster.

And, as I said, 250 million people have a relatively good living standard, but 55% live below the poverty line. We went one evening to a restaurant. The car stopped nearby, and we rushed in, so I really didn't look around much. Then, when we came out of the restaurant, well-fed and happy, all of a sudden, we had to go a longer distance, because the car was

parked further away. I saw an old woman, lying on the street, and she was begging. Totally thin, horrible looking. And, then, she had two newborn babies, literally like little worms, lying there — and she said, pointing, that these babies have to eat. People were walking by, nobody bothered. And, it took me 20 seconds or so, to catch my breath. This put such pressure on me, that I naturally looked in my pocket, and the little boy who came, I gave some money (which you're not supposed to do), and, lo and behold, I was immediately surrounded by 10, 15 people all looking the same, all dying, all waving like the Night of the Living Dead. People walk by this; it has become normal. The people who are living in New Delhi, they ignore it. I couldn't live in New Delhi, because I would go crazy. Half of the Indian people are more or less living like that.

Children go to school for maybe one year, average. Then, they're pulled out for economic reasons. There is only 30% functional literacy in India.

So, in these 14 years, India has fallen apart. There is no question that they have some better roads in New Delhi; in China, you go for 10 miles, 20 miles, in each direction, and you have new buildings, even better and more than last year; and on and on. Here you have, maybe, one new building, and lo and behold, it is Citibank! But, you have no real change.

The psychological climate has changed for the worse, in a very incredible way. When we visited India in 1982 and '83, Mrs. Gandhi was alive — we met her each time; she liked very much our 40-year development proposal for India, which was the idea that, in the first generation, you would put infrastructure into the whole country, and then, in the next generation, every child would have access to universal education; and after two generations, India could make the jump to become a fully modern nation. She liked that, and it was completely realistic. *Nothing* of that has happened; absolutely nothing. No infrastructure. No high-technology development. Okay, a little bit — for example, just when I was there, India put the first satellite with its own rocket into orbit. So, they still have this capability, but it has not at all affected the living standard of the population at large.

Even more important, I think, is the fact that, in a very short time, Indira Gandhi was assassinated, and the murderers have not been found. Rajiv Gandhi was killed, and the murderers — sure, it was the Tamil Tigers, but what triggered them? What caused them to do that? You know, the *cui bono* is so obvious. And, I can only say, that if you think of what the psychological effect was, of the assassination of John F. Kennedy, Martin Luther King, Malcolm X, Bobby Kennedy — it is absolutely comparable. As a matter of fact, in India, it has somehow taken the soul out of the country, because the political process has been completely smashed; the Congress Party is in shambles; the other parties are not representing the same kind of leadership, which existed during India Gandhi's time. So, you have this destabilization of the ruling class.

And, I would say that there is no country in the world, which was more affected by the collapse of the Soviet Union, than India, because India was the closest ally of the Soviet Union, and practically the entire Indira Gandhi apparatus was very much pro-Soviet. India was one of the places where the Soviets had a relatively decent foreign policy. So, when the Soviet Union collapsed, I think that added an additional complete collapse of any kind of axiomatic certainty in the thinking of the Indian population. . . .

### America's responsibility

So, we are coming now to a point, where we have to mobilize so that the first step of [the reorganization of the world financial system] succeeds, which is the Clinton-Jiang Zemin summit. People just have to understand that we are at the point of history, and the outcome of what the next century will be, is in the hands of everybody we are talking to—each citizen of this country. Because the solution has been coming from the United States. It's so clear, that, when you travel through the world, as much ferment as you may have, and as much social explosion, rebellion, you may have, I do not see how any country other than the United States could make a change for the better, for the rest of the world.

So, this puts a gigantic burden of responsibility for you, and I think you have to get out of your system, *any* kind of neo-isolationist thinking, any kind of thinking that it's only the United States which counts, and the rest of the world is not so important. Because, the world may end up in a *terrible, terrible* crisis, and it may also end up ending all of these miseries, like oligarchism, which, in my view, is only a childhood disease, like measles. Eventually, you get old enough that you don't get measles anymore. I see mankind, when people grow up, when everybody has access to universal education, then who wants oligarchism? We are in an incredibly exciting period, but it means that we have to keep our nerve; we have to influence the political situation in the United States, and make sure that, on the one side, the anti-China lobby is ridiculed and defeated; and that, the first step, which, as I said, you cannot expect the big solution to come at this summit. I think this would be completely wrong. But, what *has* to occur, is a positive, *personal* relationship between President Clinton and President Jiang Zemin. And, then, we have to escalate our campaign, so that, when the crisis comes, we *do* have the combination of forces to win.

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## From the question period

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**Q:** We share here in the United States and western Europe, in a funny way, a cultural problem with India, which is that the present generation doesn't know the excitement of industrial progress, conquering poverty by "Great Projects," and so forth. If you speak to some older people in the United States, they remember what it means to develop a country. China is

doing some of that, and they can see some of it, but we, our culture, and western Europe, are in the same boat as in India.

**Zepp LaRouche:** . . . In India, in a lot of the older generation, you could really see the absolute difference in axioms. For example, I gave one presentation to a very prestigious industrial association, which had invited 30 or 40 top industrialists. I made a speech and several people liked it very much, and commented about railroads, this and that. But in the audience was a German economist, of undefined nature, and this guy freaked out. He said, "This is outrageous! What I just heard, such a dose of macro- and microeconomics, all mixed together with Keynes!" I was able to demonstrate, in a heated dialogue with the guy, that we represented two completely different schools of economic thinking. I represented the physical economy, high technology, science and technological progress, and he, neo-liberalism, free-market reform. He got so mad, that he escalated, "This is fascistic, what you are saying, proto-fascistic, pseudo-fascistic!" The good thing was, that the ex-president of this industrial association, in his closing speech, praised me and completely backed me up; he said that what I said was absolutely true, upholding industrial development and at the same time preserving cultural values of Classical periods. So, the guy was shrinking when he walked out the door; he had nearly disappeared.

There are a lot of old people, who were part of the industrialization, the steel industry, and they are now being pressured to open India more [to the free market], because the rupee is not yet convertible; but they have not yet completely given up.

I think the key question is really to, on the one side, pull them more into Southeast Asia, which they are not! You would be surprised, how isolated India is. Just imagine, every fifth person in the world is an Indian! What do you know about India? Do you know of more cities than New Delhi and Calcutta? Have you heard about the internal development of Hyderabad in the last week? Obviously not!

It really hit me, because here you have a country which is gigantic in terms of people, but it is completely isolated. It has the Himalayas in the north, then it has the sea in the south, then it has Pakistan and Bangladesh, two not-so-friendly countries, as neighbors, and otherwise, it is totally isolated. And there is practically no interaction, worth speaking of, with the rest of the world, which is a completely unnatural condition. That will change through the Land-Bridge. If you have a functioning Eurasian Land-Bridge connecting China, Myanmar, India, Bangladesh, Pakistan, Iran, Afghanistan, Central Asia, then it would be tied to Europe, and the whole climate would completely change.

So, I think my visit in New Delhi has probably had a very powerful shock-wave effect, because first of all, the crisis makes people think. This also was the case in China, where last year, people would think that I was talking theory, very interesting ideas, whereas this time it is a life and death struggle! I think that this was a very important intervention, because the time was ripe.

# Clinton 'in footsteps of JFK, FDR,' but stumbles into British 'fast trap'

by Dennis Small

President Bill Clinton's first words on Ibero-American soil, as he began his week-long tour of Venezuela, Brazil, and Argentina, established his clear intent of forging a partnership for prosperity with America's neighbors south of the border. In a brief speech upon arrival at Caracas's La Carlota Airport on Oct. 12, the U.S. President evoked the best features of American foreign policy in this century, and promised to build on them:

"Thirty-six years ago, John Kennedy became the first American President to visit Venezuela. And speaking to the people here, he cited his predecessor, Franklin D. Roosevelt, and his earlier efforts to promote friendship between the nations of this hemisphere — and I quote — 'united by nature and united in their common aspirations.' Today, I proudly follow in the footsteps of both men, committed to sustain their impulse to reach across borders and learn from our friends and neighbors, for our mutual benefit."

In subsequent speeches and remarks to the press in all three countries, Clinton underscored that "there is an enormous amount of economic potential down here, and it's a great market for America's goods and services." By working together, the nations of the Western Hemisphere can become a "stronghold for security and prosperity" of each and every nation of the region. "I want America to lead the process of economic integration and rising living standards here in our hemisphere and around the world," he explained.

Clinton also took note of the fact that Great Britain, and allied European nations, have recently moved into Ibero-America in a big way, and that the United States had to take steps to reverse this trend.

But *how* to achieve these stated policy goals? This is the field on which a battle is currently raging in Washington — and within Clinton's own mind as well.

## Clamor against British free trade

In stop after stop on his Ibero-American itinerary, President Clinton was reminded by different political forces that his stated goals could only be achieved by building a New Bretton Woods global financial system, along the lines speci-

fied by U.S. statesman Lyndon LaRouche; by putting a halt to International Monetary Fund (IMF) looting and speculative financial assaults of the sort which recently shook the nations of Southeast Asia; and by banning, once and for all, the British doctrine of free trade and globalization which is destroying the physical economy of every nation which has been forced to submit to it.

• Venezuela: The day before Clinton arrived here, the mass-circulation Caracas daily *El Mundo* carried a prominent article reporting on an open letter to Clinton calling for him to convoke a New Bretton Woods conference, "to replace the current bankrupt monetary system with a new one." The article noted that the call had been initiated by Helga Zepp LaRouche and Ukrainian parliamentarian Natalya Vitrenko, and that it had been signed by ex-Presidents José López Portillo of Mexico, João Baptista Figueiredo of Brazil, and Godfrey Binaisa of Uganda, as well as by prominent Venezuelan congressmen, politicians, trade union leaders, and others. *El Mundo* added polemically that "Venezuelan ex-President Carlos Andrés Pérez expressed his total disagreement with the initiative, noting that 'President Clinton can't do anything.'"

Pérez is a close friend and ally of the Anglophile Sir George Bush, and was thrown out of office in May 1993 and then jailed for crimes of corruption while President. His outburst against Clinton will only improve the U.S. President's standing among Venezuelans, who despise Pérez for what he did to the country.

The news of the open letter to Clinton was also reported on a number of radio and television stations during Clinton's brief stay in the country.

• Brazil: On Monday, Oct. 13, as Clinton was arriving in the country, an article appeared in an important regional paper, *Jornal do Commercio*, of Porto Alegre, written by LaRouche associate Vitor Grunewald, which reported at length on Malaysian Prime Minister Mahathir Mohamad's recent attacks on international speculation, and explained Lyndon LaRouche's initiatives to establish a replacement for the bankrupt IMF system.

- Argentina: A delegation of the opposition “Alliance for Work, Justice and Education,” including former Argentine President Raúl Alfonsín, met with President Clinton on Oct. 16, and urged him to work for “the modernization of Bretton Woods,” and to help devise strategies to counter the risks of globalization, including the “notable increase in the movement of speculative capital,” which led to the recent financial crisis in Southeast Asia.

A far sharper formulation came from former Col. Mohamed Alí Seineldín, a hero of Argentina’s 1982 Malvinas War against Great Britain, who is currently a political prisoner for life, at London’s behest. In an open letter to President Clinton, which was prominently covered in the Argentine media, Seineldín called for the United States and Argentina to ally against their common historical enemy, “the British Empire, which was defeated by the Founding Fathers of your country in the battle for independence led by Washington.” Seineldín added a very personal appeal to Clinton to fulfill President Kennedy’s commitment to help lift the nations of Ibero-America out of poverty: “Divine Providence has placed the fulfillment of that commitment in your hands, after John F. Kennedy’s tragic fate. Only in that way can we defeat the tyranny exercised by international usury, the drug trade, and corruption.”

### Free trade’s death toll

Clinton, however, is hearing not only the voice of Ibero-American patriots, but also that of the menacing British Empire.

Throughout his trip, Clinton combined his call for economic cooperation with Ibero-America, with a reiteration of his support for deadly British free trade and globalization. “Globalization is irreversible,” he told a business gathering in São Paulo, Brazil on Oct. 15. “Protectionism will only make things worse.”

At each stop, Clinton made a particular point of defending the North American Free Trade Agreement (NAFTA), initiated by his predecessor Sir George Bush, and of pressuring the U.S. Congress to grant him “fast track” authority with which to negotiate NAFTA’s extension to all of Ibero-America, and establish a so-called Free Trade Area of the Americas (FTAA) by 2005.

“Fast track” should actually be called “*fast trap*,” since the doctrine of free trade is a classical British policy ruse. The application of free trade in Mexico, through NAFTA, led over the first half of the 1990s to the decimation of that country’s physical economy, and the bankruptcy of its banking system. Then, the British moved in on the heels of the collapse, in an ongoing takeover raid of that country’s financial system. As of this writing, 59% of the assets of the country’s entire banking system are controlled by foreign banks — the vast majority of which are either directly British (such as the drug-running Hongkong and Shanghai Banking Corp.), or controlled by London (such as Spain’s Banco Santander).

The same tale of piracy can be told for nearly every country in South America. In Chile, 48% of the assets of the country’s Top 10 banks are now controlled by London; in Argentina, it is 54%; in Venezuela, 48%.

The British are also moving in to grab the continent’s prodigious raw materials wealth. British Commonwealth mining giants — such as Anglo American, Rio Tinto, and Barrick Gold (of which Sir George Bush is an international advisory board member) — have taken up dominant positions in nearly every nation of Ibero-America. Here the way has been paved by IMF-imposed liberalization of national mining legislation, and by the forced privatization of state-sector mining giants like Brazil’s Companhia Vale do Rio Doce (CVRD), recently sold for a song to a financial group headed by George Soros, Queen Elizabeth’s own surrogate speculator.

### London makes its move

On the political front as well, London is on a roll. On the eve of President Clinton’s visit to Argentina, a 40-person Argentine delegation, led by rabid Anglophile Foreign Minister Guido di Tella, Finance Minister Roque Fernández, and Mining Minister Alieto Guadagni, lunched at London’s Carlton Club with 40 British businessmen, and attended a conference arranged for them at the British Confederation of Industry on Oct. 7. At a press conference following the CBI appearance, Di Tella squealed that “relations between Argentina and Great Britain are 98% perfect.” British Minister of State of the Treasury Alistair Darling explained: “I urge those who haven’t yet invested in Argentina to do so immediately, because the advantage will be for those who get there first, not for those who look for what’s left later on.” Argentina’s Guadagni slavishly concurred: “I advise British investors to take advantage of the excellent prices” of Argentine property. “These won’t last long. . . . With what you spend on a piece of land in Europe, you can get five or six times as much in Argentina.”

As for London’s ties with Brazil, these will be greatly fortified by President Fernando Henrique Cardoso’s upcoming trip to Great Britain. In early December, the Anglophile Cardoso will be formally knighted by Queen Elizabeth II, thereby becoming the first sitting (or perhaps kneeling is a more apt description) President in the Americas ever to be so “honored.”

This will undoubtedly do damage to the positive U.S.-Brazilian relationship President Clinton just worked so hard to establish. Clinton told his Brazilian hosts, with evident sincerity: “The United States would never knowingly make any suggestion that would undermine the growth of Brazil or any other country. It is not in our interest.”

But if Clinton doesn’t want to see the economy of Brazil and of other nations crumble, nor watch as the British Commonwealth sharks move in to snatch up control of everything south of the Rio Grande, he will have to stop pushing London’s free trade policy.

# Spectre of LaRouche haunts Britain's anti-military plot

by Gerardo Terán and Dennis Small

“Unprecedented” and “unbelievable” were the adjectives used by members of the Argentine audience, to characterize the presentation given by Brazilian Admiral Sérgio Tasso Vasquez de Aquino (ret.), on Sept. 19 at a well-attended conference in Buenos Aires. Admiral Tasso was officially invited by the Argentine Naval Center to speak on the subject “Mercosur and the Armed Forces,” and he shared the podium with Argentine Admiral Juan Carlos Martínez (ret.).

Before a select audience of 120 people, including active duty and retired officers of all the branches of the Argentine Armed Forces, diplomats, congressmen, university professors, students, and others, Admiral Tasso began his speech by warning: “We are experiencing in Brazil, in Latin America, and in many other parts of the world, a situation which is a threat to the nation-state and to the Armed Forces.” He urged his audience to “forget any prejudice or preconception or disputes of the past and, with an open heart and with all possible loyalty, Brazil and Argentina—and all the peoples of Latin America—must join forces so that we can be strong in God’s world, because the unity of the countries of Ibero-America will give us exceptional strength in the international arena” (see text below).

Tasso’s remarks struck a responsive chord in his Argentine audience. The British have historically played manipulative geopolitical games to keep neighboring Argentina and Brazil at each others’ throats, and this open call for unity of the two nations—coming, as it did, from a high-ranking Brazilian officer—cut through the British manipulation.

Just a few weeks before Tasso’s visit to Argentina, the September 1997 edition of *Ombro a Ombro*, the most prominent military publication in Brazil, had similarly called for an end to the 19th-century “intrigues and divisions [sown] by British geopolitics” among the nations of Ibero-America, and it urged patriots of all nations to ally to instead bring about a “continental integration which respects the peculiarities of each nation-state, and offers true perspectives for common development, including with the participation of the Armed Forces.” *Ombro a Ombro* specified that the strengthening of Argentina’s Armed Forces was in the na-

tional interest of *Brazil*, which must support “the reconstruction of the valued Argentine Armed Forces, whose strengthening, as understood by Brazilian patriots, offers a greater guarantee of collective security, than its current deplorable state.”

The ongoing dismantling of the Argentine Armed Forces referenced by the *Ombro a Ombro* editorial, is a continental scandal. Under British policy guidance, the once-proud Argentine military has been transformed into a shadow of their former selves, and is constantly cited by the British and their Anglophile followers in Washington as the model they wish to impose on all of Ibero-America.

## **Tasso: You must read LaRouche’s ‘Complot’**

Admiral Tasso blamed the current crisis, including the dismantling of the Argentine military, on “international interests” which promote “financial speculation” under the rubric of “globalization.” This force, he asserted, “does not have a nation; indeed, it often imposes itself upon the interests of the most powerful nations. Many times, it works against the United States itself.” He explained that this “globalizing, neo-liberal threat” is as dangerous, or more so, than “the Nazi-Fascist threat and the communist threat” of earlier decades.

The Brazilian admiral said that “it is necessary to unite all well-meaning people,” noting that he himself was travelling throughout Brazil and now other countries of Ibero-America, to present the book *The Plot to Annihilate the Armed Forces and the Nations of Ibero-America*, which he urged all present to read carefully.

The book Tasso was referring to was published by *EIR* in 1993, with an introduction by U.S. statesman Lyndon LaRouche, and a preface by former Argentine Colonel Mohamed Alí Seineldín, the hero of the Malvinas War and today a political prisoner in Argentina, because of his staunch resistance to the British demilitarization policies noted above. In 1994, the Mexican Defense Ministry published its own edition of the same book, as part of its series “Library of the Mexican Officer,” which is handed out to 5,000 top



Speakers at a conference in Buenos Aires, sponsored by the Argentine Naval Center. Left to right: Capt. Miguel García, Adm. Sérgio Tasso Vasquez de Aquino (ret.), Vice Adm. Carlos Carlos Martínez (ret.). Leading military figures in Ibero-America are conducting a dialogue with Lyndon LaRouche, on the issue of defending national sovereignty against the British.

military officers in that country.

In 1994, *EIR* published the English-language version of the same book, for circulation in the United States, Europe, Asia, and Africa. In 1997, a Portuguese-language edition, *O Complot*, was issued in Brazil, and has been received enthusiastically in that country, in part due to Admiral Tasso's national tours. And, a new, Colombian edition of *El Complot* is about to be published in Bogotá, containing an essay recently written especially for that edition by Lyndon LaRouche, entitled "Why the Military Is Being Destroyed" (see text in this package).

The backdrop to this publishing activity, is an intense process of dialogue and deliberation—albeit indirect—between LaRouche and nationalist layers within the armed forces and other institutions of Ibero-America, on the nature of the current global crisis, and what has to be done to solve it. There is unusual ferment in these layers, which a nervous oligarchy has not been able to stamp out, around LaRouche's ideas.

For example, in an open letter dated Sept. 17, Seineldín warned that there is "a profound debate in the heart of Ibero-America's armed forces, to define a nationally authentic role to play." In that same letter (see text in this package), Seineldín underscored the importance of the statements of Admiral Tasso in Brazil, as well as those of the nationalist general, and current Presidential candidate, Harold Bedoya, in Colombia—where the new edition of the *Complot* is about to appear.

LaRouche has meanwhile been emphasizing, as he does in his new essay for the Colombian edition of *El Complot*, that the *facts* of the plot to annihilate the armed forces are clear and irrefutable, but that it is indispensable that the continent's patriots further recognize that "the forces behind these moves are chiefly British, but also include some U.S. figures, such as Sir George Bush and Sir Henry Kissinger." LaRouche also emphasizes that it is necessary to fully understand the strategic motives behind the plot, which is a subject that he addresses historically at some length in the essay.

The reception given to Admiral Tasso in Argentina reflects the lively interest that these ideas are provoking across the continent. For example, Argentine Admiral Martínez, who spoke after Tasso, agreed that "sovereignties are trampled upon and restricted . . . [and] financial power subordinates nations and national economies, erases borders, and razes everything that opposes these plans." Successful resistance to these plans, he asserted, "demands from us much daring and much strength. It is not for those with a tendency toward servility."

After nearly an hour of questions and answers, Admiral Tasso concluded the conference stating that, today, we are being persecuted and are suffering. But "after Good Friday, with all certainty we will have Resurrection Sunday in our countries. It all depends on us."

The entire auditorium gave him a lengthy, rousing, standing ovation.

# Toward unity of the Fatherlands

by Vice Adm. Sérgio Tasso Vasquez de Aquino (ret.)

*The following are excerpts from a presentation given on Sept. 19, 1997 by Brazilian Vice Adm. Sérgio Tasso Vasquez de Aquino (ret.), to a select audience of retired military personnel and others, at the Naval Center in Buenos Aires, Argentina.*

I have been travelling throughout Brazil to tell people the truth as I see it, which is a commitment I have with my country and, therefore, I believe it would be interesting to give a presentation explaining the motivations which lead me to do this: In the first place, I am a Christian, a Catholic, and my concern is for justice, justice for the people. In the second place, I am Brazilian, and my concern is for the sovereignty and dignity of my country. In the third place, despite my retirement, I am a military man and remain loyal to the pledge that I took on my flag.

We are experiencing in Brazil, in Latin America, and in many other parts of the world, a situation which is a threat to the nation-state and to the Armed Forces. . . . I would like to give you two messages this evening: The first is that it is necessary to forget any prejudice or preconception or disputes of the past and, with an open heart and with all possible loyalty, Brazil and Argentina—and all the peoples of Latin America—must join forces so that we can be strong in God's world, because the unity of the countries of Ibero-America will give us exceptional strength in the international arena.

From Mexico to Tierra del Fuego, we have everything necessary to make our nations strong and our people happy, but this union must respect the sovereignties of each country, and must protect the well-being of our peoples. This is the Christian concept of true democracy, in which the government exists, or should exist, for the common good of the people. . . .

## The role of the Armed Forces

The Armed Forces of each nation has an historic, important and unique role to play: in foreign affairs, the defense of the sovereignty, independence, and integrity of the national patrimony; and domestically, intervention as a last resort, when all other police capabilities of the state have failed to maintain order.

Thus, the Armed Forces is the armed branch of the Fatherland, and its very existence coincides with that of the Fatherland. You can see, in the process before Independence, that when a nation decides to seek its own path, without the imposition of a foreign will, it forms national militias to fight for independence. This was the history of all of our countries. When, finally, the nation becomes independent, these militias become the national Armed Forces.

When one nation defeats another in war, the first step it takes is to demobilize the military of the defeated nation, because the Armed Forces are the Nation; the Armed Forces guarantee the existence of the Nation.

In the case of our Latin American countries, there has been a phenomenon which people from other continents have a certain difficulty in understanding: the participation of the military in national politics. For example, in the United States of America, the Continental Army and the Continental Navy were born subordinate to the U.S. Congress, which provided the finances to create them. Therefore, it was always natural there for the military expression to be subordinate to national power, to the political expression. In our cases, the majority of the liberators were military men, and they won our independence as military men. So, the most natural consequence was for them to continue participating in the political life of their countries.

In the case of Brazil, we had an experience which was only shared by Mexico, and that but for a short period of time and through imposition from abroad. We had an empire in Brazil for 67 years, and under that empire, there were two political parties: the liberal and the conservative, and there was a political struggle between those parties and their followers. On top of this, there was always the figure of the emperor, who acted as the conciliator of these political brawls, to affirm the peace and harmony of the Brazilian citizenry.

When Army men, influenced by ideas imported from France, proclaimed the Republic of '89, the role of the emperor as moderator ended, and the role of the Armed Forces as moderator began.

So, throughout the period of the Brazilian republic, the military—primarily the Army and Ministry of War, which is today the Ministry of the Army—exercised the role of constable of the republic. The Presidents heard what the military had to say, and what's more, they took great care not to commit many errors against the people, for fear of the military reaction. So, as with the emperor, the military became a moderating power, and this continued until 1990, with the election of President Collor de Mello.

Collor de Mello began the neo-liberal process in Brazil which continues to this day, and he introduced a new phenomenon into the republican history of Brazil: He put the Armed Forces into a secondary role in public life, and we have paid a very heavy price, because, unfortunately, the politicians have not measured up to the nation. . . .

During the fight for independence, we all fought to establish pathways free of any kind of foreign tutelage. We also fought against communism, which sought to impose upon our people a dominance contrary to our democratic vocation, in terms of intrinsic dignity, human dignity, and fear of God, which are the basic characteristics of so-called Western Christian civilization, and we have been successful in this fight. Communism did not conquer our countries, because the Armed Forces did not allow it, because the people did not want it.

In the case of Brazil, we also participated in two world wars against Nazism-Fascism. So, in this world, we have suffered in recent centuries the threat of the centers of power, the Nazi-Fascist threat, and the communist threat. Now, we have the globalizing neo-liberal threat, and it is about this I propose to speak. . . .

### **Globalization and CVRD**

When I was second in command of the Armed Forces Joint Chiefs of Staff, I participated in a strategic studies seminar at the Superior War College. There, I had the opportunity to analyze the period at the time—it was 1992—and, primarily, what was going on in Brazil since 1990, with the Collor government. I said then that the world, after having suffered the consequences of the four Communist Internationals, at the service of Moscow, Beijing, Cuba, and the Trotskyists—was now living through a period of the Fifth International.

In Brazilian military slang—I don't know if you say the same thing here in Argentina—we are accustomed to dubbing all of these variations of Communism as the International Communist Movement (ICM), and so I said then: "Gentlemen, we are now facing a new ICM, the Fifth International, the International Capitalist Movement."

It does not have a nation; indeed, it often imposes itself upon the interests of the most powerful nations. Many times, it works against the United States itself, and also tries to impose its control over the world. Its orientation is to freeze world power, which is something that good Brazilian diplomacy has always fought, throughout its history. This freeze would take the following form: The powerful, rich, developed countries, would continue *secula seculorum*, and countries like ours, the developing, peripheral ones, would serve as raw materials providers, and nothing more. Our countries would have no opportunity to realize their destinies and their national aspirations.

Along with this, came the so-called phenomenon of globalization. It is clear that globalization exists. The communications media instantaneously bring what happens in Asia or in Africa to every part of the world. At night, through television, we become aware of what has happened in the world. So, there is a phenomenon of globalization. However, this is not just gaining instant knowledge of events throughout the world, with all its consequences. It is domination, it is plundering the capital of countries which have not yet found their

destinies. Neo-liberalism becomes one and the same with neo-colonialism.

Even now, in Brazil, we had the sad development that, despite the reaction of aware portions of the population, of the leaders who went out to the streets to protest, who wrote all the protests they could, the company Vale do Rio Doce was sold.

Selling Vale do Rio Doce was a crime, not only because its reserves were valued between \$1.3 and \$1.5 trillion, but also because it had railroads, it had ports, it had warehouses, all this. But even more than this, it had the "know how" and the "know why" of mineral exploration that we Brazilians have developed for ourselves. To sell it was criminal, but to sell it at the price at which it was sold—a bit more than \$3 billion . . . !

It was sold to certain international interests which are already owners of the major mining companies of the world. So, we are today living in a state of financial speculation. The most common and most fragile assets are paper. It is money without a foundation. The real wealth is in the minerals, in the productive land, in the water, which will become very rare in the next century, and it is in the Sun itself, as a source of energy. These gentlemen of the great international oligarchy know this, and that is why they are buying up all our wealth, to guarantee their own futures. . . .

I may be referring to the Brazilian problem, but when one meets a Latin American brother and begins to speak, we come to the conclusion that we face the same thing. We are, as the Navy well knows, in the same boat. We must fight for our boat, because if this Latin America sinks, we all sink together.

### **Democracy and demagoguery**

Everyone in Brazil, including the military, yearns for democracy: We want democracy to once again preside over the destinies of our country, but we want democracy based on virtue and on concern for the common good.

They say that the definition of good government is very easy: It is that which makes the people more happy, or less unhappy, especially the least affluent and most abandoned portion of the population. We want a democracy with this spirit. Since 1985, we have had democracy, but it is a formal democracy, the same as in the majority of our countries. It is a democracy in which there are free elections, in which there is freedom to make political propaganda, in which many parties contest in the elections, in which individuals alternate in power, but despite all of these formal mechanisms of democracy, the fruit we have reaped is oligarchy—the worst form of the oligarchy, nepotism, favoring friends, relatives, colleagues and friends of those who are in power. It is a plutocracy, based on money and on an assault on the public treasury; it is demagogic, because it lies.

In every election, these gentlemen appeal to the people, they make promises, make commitments, they are elected and

they forget. Four years later, they return with the same lies and are elected again. This oligarchy is tyrannical, because it goes against the rights and needs of the people.

All of this occurs because there is manipulation of the elections, they are won with money . . . Money and television elect persons. Today, for example, our President is a sympathetic figure. When he speaks, he is very convincing, but we have today an institutionalized lie. It seems that the practices of Goebbels and of George Orwell's *1984* are in full force, because it seems that it is sufficient to tell a lie many times on television, for the people to believe it is true.

We are living a virtual truth that has nothing to do with reality, and the great objective of these people, of every follower of neo-liberalism, is to keep themselves in power. There is no longer a concern for meeting the common good, there is no national program. For example, we are limited to controlling inflation, to the stability of money, and that's it. That is very little, for a country as vast as ours, with the problems that we have.

Programs of education, of housing, of jobs, are necessary. Unemployment is growing, because the markets are being opened, so highly recommended by the liberals, and because so many foreign products are arriving that are so much cheaper than ours. . . .

What has happened, is an attack on our national patrimony with this process of privatizations and, also, international greed for the Amazon which so concerns us. There are world leaders, such as France's [former] President François Mitterrand, for example, who insisted that the Amazon should not belong to Brazil, but should be the common patrimony of humanity, with all of its wealth.

These neo-liberals have no scruples, and say exactly what they want. We have to defend ourselves, and to defend ourselves we need strong Armed Forces with a deterrent capability. That is, any adversary or enemy which seeks to impose its will upon our peoples should have to think twice before undertaking such an adventure, out of fear for the consequences. This is why the Armed Forces have been made the main target for destruction, because everyone knows that while there are strong and powerful Armed Forces, no one can impose a will damaging to our national interest.

We must strengthen the Armed Forces, to guarantee our independence, our sovereignty, the integrity of our national patrimony which is so threatened.

### Solutions

Solutions are possible, When I was in Rio Grande do Sul, they said to me: "Look, Admiral, you sound like a prophet

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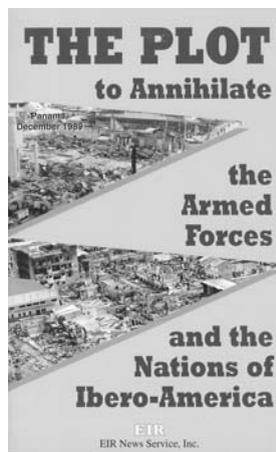
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of the Old Testament, telling us of the errors. But what are the solutions?"

So, the solutions. I am going to use the methodology of the Superior War College: political solutions, psychosocial solutions, economic solutions, and military solutions. There are solutions. In our case, the unity of all the people. . . . The strengthening of the Armed Forces is the first step, because they are the bulwark of nationality. . . .

I would like to return to my two opening points, and to make a profession of faith: that we forget all the misunderstandings of the past, the disputes and the rivalries, and that we together build a future and that we work toward the unity of all Latin America, so that we will have force. That we commit ourselves to justice and peace in our societies. A deep commitment to the Fatherland and to its greatness. . . .

Many may say, this admiral is a false prophet. It is comfortable for him, now that he is retired, to say all these things. But I spoke like this while in active service. When I had my three stars, I sent a document to my chiefs, to the ministers of the three forces, to the heads of the Joint Chiefs of Staff, and I also issued a public declaration before all the Navy admirals, on Dec. 29, 1992.

Perhaps it was a coincidence that, three months later, they put on the list of promotions an admiral who was my junior and, despite the fact that I still had one year and eight months of active duty left, I was obliged by law to retire.

Therefore, I am not saying these things out of vanity, which, thank God, I do not have. It is merely to say to you that I am not a new Christian and that I have no electoral interest in this, but a love of my people and of my country. I would like to bring to you these convictions, asking almighty God to give us the power, talent, and strength to continue the good fight, fighting for the greatness of each one of our Fatherlands, and for the integration of the nations of Latin America, with respect for the characteristics of each one, with respect for national sovereignties, and seeking the peace and happiness of all our peoples.

Today, many are dying of hunger. Now, the truth cannot be hidden for much longer, and we are seeing in Brazil, which is the phenomenon which I know — although I admit that the same is happening in Argentina, in Mexico, in Peru, and elsewhere — that people are beginning to recognize the treason, the lies, and the impositions to which we are being subjected. And, God willing, I am certain that this is going to change. But it is necessary to unite all well-meaning people, the patriots, the military, the Christians, the men of good will of all religious orientations. That is why we are no longer preaching only in the desert, because people are listening. We are suffering, but we are being faithful to our greater commitments, as you are, with your grave suffering because of your commitment to your Fatherland, Argentina. And after Good Friday, with all certainty we will have Resurrection Sunday in our countries. It all depends on us.

## Martínez: the basis for collective security

*The following are excerpts from a presentation given by Argentine Vice Adm. Carlos Martínez (ret.), who shared the panel with Brazilian Admiral Tasso (ret.), at the Naval Center in Buenos Aires on Sept. 19.*

These policies [of collective security] in our country have produced damaging effects upon the defense budget and the development of industries and technologies themselves. On the other hand, in Brazil, with much more personality, I believe, a certain distance has been kept from those kinds of policies, and none of its technological development has been abandoned. . . .

The joint strategic project to which we must aspire should include the clear necessity of protecting the vast geographic spaces which are of common interest, such as, for example, the South Atlantic, and which should be, for us, zones of peace and cooperation and are, further, the purer half of the planet, above all when we spend so much time talking about contaminated areas. . . .

We have, for example, the concern of European countries over the Amazon, just as there could be for our lands of the Pampas, which are, as I said, the purest that exist in the world. Without adequate deterrent capability and without adequate political determination, these vast areas could be greatly coveted by international interests. . . .

A strategic project is required which includes, as Admiral Tasso Vasquez stated, an adequate deterrent capability coordinated among countries, and a political will grounded in our historic, cultural, and Christian roots. . . .

Globalization is nothing more than an ideology which, with the argument of optimizing economic processes, business, finances, etc., is simply bringing about a new distribution of labor on an international scale, as occurred in the past century, and appears to be the developed countries' present means for trying to rule us. . . .

Sovereignties are trampled upon and restricted. Publicly, there has been much talk about how sovereignties and borders should disappear. Financial power subordinates nations and national economies, erases borders, and razes everything that opposes these plans. . . .

A great policy, with noble objectives and with sufficient deterrent military power, based on our roots, on our style of life, on our Christian sentiments, as I said earlier, demands

from us much daring and much strength. It is not for those with a tendency toward servility. . . .

The forum known as the Inter-American Dialogue, with headquarters in the United States and made up of known leftist figures from Ibero-America, has proposed since 1982, these kinds of policies . . . of indiscriminate reduction of the Armed Forces of Ibero-America, and drastic reductions of defense budgets. . . .

To conclude, I believe it is necessary to emphasize that this integration of Ibero-America should not be interpreted as a confrontation with the United States, but as an instrument for defending our legitimate interests under the best conditions, just as the European Community does, for example.

## Seineldín: Repudiate the New World Order

*We excerpt here the open letter which imprisoned former colonel Mohamed Ali Seineldín addressed to Lt. Gen. Martín Antonio Balza, Chief of Staff of the Argentine Army. The letter is dated Sept. 17, 1997.*

Sir:

In compliance with my unrenounceable duty as an Argentine, a former colonel in the Army, and former combatant of the Malvinas War—the latter title one which no court can take away from me—I write to express my concerns regarding the current status of our, and Ibero-America's, Armed Forces, as it relates to our national situation, and their future role in building sovereign nations.



Take note of the following:

1. Recently an Argentine Army publication reported on a military restructuring plan, whose purported goal is to increase efficiency. As its priority, the plan indicated “rewarding quality, excellence and new technology, *support for national policy*, ethical values and the Constitution.”

In the absence of any clarification as to the meaning of “support for national policy,” I can only interpret this as total support for the socio-economic policy implemented by President Menem, dictated from abroad, in the context of which a [specific] role was assigned to the Armed Forces. . . .

2. To facilitate an accurate understanding of what I intend to develop, I find it useful to refer to, as something which has enriched my convictions, the statement made by General Juan E. Gugliamelli on December 11, 1964: “. . . socio-economic development is not only an essential element of solidarity in creating jobs and well-being. It is an unpostponable requirement of National Security.” And let me add General Charles de Gaulle’s warning: “. . . a State which, sooner or later, fails to base its legitimacy on the defense of the nation, is condemned to disappear. . . .”

3. You are aware of the fact that Henry Kissinger’s and Oliver North’s “Project Democracy” was one of the points of departure for the dismantling of the continent’s Armed Forces. Its ultimate goal was to remove [the Armed Forces] from any central role in national decision-making, and to thus subordinate them to transnational forces. [Project Democracy] knows perfectly well, and therefore fears, the Armed Forces as a pillar of the self-determination of nations.

The trap was to skillfully use the terms “democracy” and “human rights” to undermine the [military’s] prestige, and compromise the institution as such, because of the mistakes or illegal actions of some of its members. In this operation, all objectivity was tossed aside, in measuring the degrees of disintegration and chaos which threatened society. Even today, we continue to witness the permanent and calculated attempts to provoke confrontation between civilians and the military carried out by various media, to the grave detriment of our national integration. . . .

Without further delay, the Armed Forces should proceed to undo the damage done to the nation by neo-liberalism, imposed by the de facto military government of 1976, after its resounding victory over subversion. This is why we are now in the “first world” of misery, unemployment, dependence, defenselessness, and with the growth of a foreign debt which is today close to \$150 billion. Recall that when I was on active duty, I opposed the [1976] military coup. . . .

4. The campaign to destroy Ibero-America’s Armed Forces was denounced with the greatest clarity by Brazilian General Jones Correa Neto, when he resigned from his post as Chief of Staff. He blamed then-President Fernando Collor de Mello, whose ignominious fate is well known, for launching the plot against his country’s Army. We should also take note of the exemplary action of Colombian General Harold Bedoya Pizarro, commander of the Armed Forces recently fired by President Samper, [the latter] suspect because of his close ties to the drug trade. General Bedoya refused to obey orders from the United Nations, the British Empire, and the U.S. State Department, intended to de facto eliminate the military’s legal jurisdiction over its own members.

5. The Inter-American Dialogue (IAD), a non-governmental organization to which [former President] Raúl Alfonsín and [former governor of Mendoza, José] Octavio Bordón, still belong, also demands elimination of military

jurisdiction. Former defense minister Oscar Camilión, a former UN official and presumed participant in arms trafficking, is also found among the IAD's members.

In a speech to his comrades, General Bedoya emphatically stated that "the Armed Forces are not the military branch of whoever is in office, but the guarantor of sovereignty, national territorial integrity, and the Constitution, and that when orders oppose these principles, they should not be obeyed." And these words of the Colombian general, "one must not coexist either with crime, immorality, or the drug trade," give us cause for reflection.

6. What I have developed thus far, is reinforced by recent statements from Brazilian Gen. Tasso Villar de Aquino (ret.), and Adm. Sérgio Tasso Vasquez de Aquino (ret.), to the effect that "Brazil's Armed Forces accept no restrictions of any kind on national sovereignty or the technological development required for self-sufficiency in the area of defense. . . ." Without doubt, these words point to the existence of a *profound debate* in the heart of Ibero-America's Armed Forces, to define a nationally authentic role to play. It is proven that the continent's Armed Forces are victims of the decisions of the Pentagon and the U.S. State Department, entities whose security doctrine is geared toward establishing that power's global leadership. . . .

8. To the end of my days, I shall repeat that peoples who live on this earth in misery, in the midst of immense wealth, are prevented from attaining the national identity and self-determination they demand, by the fact that the majority of their political leadership has submitted to foreign directives. These have thereby inserted the Ibero-American nations into the genocidal "new world order," which an Egyptian newspaper has described as "qualified international piracy."

As a colonel in the Argentine Army, my loyalty to the legacy of [founding father Gen. José de] San Martín, has, in the solitude of my jail cell, allowed me to measure with total objectivity and precision, the magnitude of the cruelty of an international regime which abandons man to his fate, destroys the family, denies justice, tramples on solidarity, and forgets "God and the demands of His law." The Armed Forces of Ibero-America shall surely resist being accomplices of something so harmful to human dignity. Hence the increasingly intense internal deliberation among the ranks.

As my country knows, because I and other comrades opposed these plans, the Anglo-American establishment demanded, first my execution; and then, unable to attain that due to the intervention of former President Dr. Arturo Frondizi, with the complicity of local cohorts, it demanded a sentence of life imprisonment. . . .

9. The same origin which all Ibero-American nations share, imposes on their leaders an unrenounceable duty, to reject any continental policy which isolates them, or compromises the solidarity and peaceful balance of their fraternal relations, whether in the cultural, economic or military do-

main. Today, more than ever, we must defend and affirm our inalienable rights to sovereignty, for which, we need an Armed Forces dedicated, as a priority, to the national mission of freedom and greatness, the *raison d'être* of its creation and permanent existence.

The people of Argentina, and those of Ibero-America, must unite around a tough and indestructible conception of nationhood, rejecting globalization and international compromises which destroy that conception. This doesn't mean encouraging irrational isolation. To meet this objective, we need an Armed Forces linked, spiritually and materially, to the "national interest. . . ."

10. The Armed Forces shouldn't allow themselves to be defeated by savage capitalism, whose tentacles move in the world of usury and financial speculation. Diabolical planning presented us with the false options of "dictatorship or democracy," thus signalling the end of the professional autonomy of the continent's Armed Forces, and denying them the ability to participate in the setting of national priorities.

As for the future of the national Armed Forces, the only thing the New World Order seeks, is to insert their "remains" in the globalization of defense, for which, all national hypotheses of conflict are ruled out, and replaced by the hypotheses of international conflicts.

This was the route chosen to eliminate the possibility of launching the great debate, by which we would decide to be a nation or a colony; to choose to bow down to free-trade agreements, savage [economic] adjustments, and the "magic of the marketplace," or guarantee a process of development which would create opportunities for the future of our youth; between defending the honor and dignity of the nation, and, in the strictest definition of the word, [understanding that] there is no democracy in any nation which has accepted the conditionalities of the International Monetary Fund or the World Bank. . . .

11. Without question, the Armed Forces and all Argentines have much to complain about to the President. Not so, the Pentagon, the State Department, the International Monetary Fund, the World Bank, and the [British] Empire which seized the Malvinas — they have satisfied all their ambitions and desire to dominate.

Lt. General Balza: reiterating what I said on August 7, 1991 before the Federal Court which tried me for the military events of December 3, 1990, "I only owe obedience and subordination to the permanent values of the Nation." Driven by this principle, I write to say that, with all the means at my disposal, I shall continue to fight so that our Armed Forces may again become the military branch of the Fatherland, instead of the military branch of the New World Order.

We owe this to our founding fathers, to the martyrs of the Malvinas, and to all nations which demand justice.

I remain yours sincerely, For God and Fatherland,  
M. Alí Seineldín.

# Why the military is being destroyed

*Lyndon H. LaRouche, Jr.'s introduction to the Colombian edition of El Complot, scheduled to be released in November in Bogotá.*

Sept. 7, 1997—The facts, as reported in this book, are clear. Since 1989-1992, there has been a concerted, accelerating effort to liquidate the sovereign military institutions of the states of Central and South America. Similarly, the facts are clear, that this move to liquidate those military forces, is linked directly to plans to carve up existing nations, such as Peru, Colombia, and Venezuela, through supranational takeover of large portions of existing states, through declaring those regions as “extra-territorial,” and placing those territories under the supervision of supranational “environmental” and other agencies.

Since the forces behind these moves are chiefly British, but also include some U.S. figures, such as Sir George Bush and Sir Henry Kissinger, we must not be surprised if we discover that there are wicked motives behind these policies. The question is: precisely what are those motives?

The reader will find an important part of the answer in a Special Feature, “Britain’s ‘Invisible’ Empire Unleashes the Dogs of War,” published in the August 22, 1997 edition of *Executive Intelligence Review*. That documentation shows, that the forces targetting Central and South America’s nations for destruction and looting, are exactly the same, London-coordinated agencies of the British monarchy and its British Commonwealth-based financial oligarchy which are currently conducting their genocidal holocaust against the nations and populations of Central Africa.

The looting should not surprise us, nor the mass-murder. Simón Bolívar exposed the role of the head of the British Foreign Service, Jeremy Bentham, in his time. We may recall the “Latin America” operations of Lord Palmerston’s Paris puppet, Napoleon III. We may recall, from 1982, how Lord Peter Carrington, helped by the U.S. Defense Secretary now called Sir Caspar Weinberger, set up the government of Argentina for what became the Malvinas war. Why do the British not simply loot these continents, as they have done repeatedly in the past? Why go so far as to liquidate the very existence of these nations—in both Africa and the Americas?

The facts are clear. Since the disintegration of the former Warsaw Pact and Comecon, over the 1989-1991 interval, the British monarchy has led a world-wide campaign to replace

national economy through globalization, and to eliminate the political existence of the sovereign nation-state in every part of the world. The continent of Africa was the leading target. The assault on the second target, Central and South America, is already under way. The question is: what is the motive for eliminating the nation-state?

Experience shows, that many people are misled by the misguided belief, that the financial-capital interests centered in such places as the British monarchy, the International Monetary Fund, or the New York Federal Reserve District, are politically “right wing.” Too many accept V.I. Lenin’s self-delusion, that “finance capital” represents the “advanced stage of industrial capital.” Exactly the contrary is true. Queen Elizabeth II is fairly described as a “leftist,” much closer to the British Labour Party of Prime Minister Tony Blair, than to the Conservative (“Tory”) Party of John Major.

For several recent decades, Elizabeth II’s leading asset in France, was nominal Socialist Party figure François Mitterrand, reminding us of the way in which opium-pushing Lord Palmerston brought Napoleon III to power in Paris in 1848. One should recall, that the British monarchy has been “leftist” since the days British Foreign Service chief Jeremy Bentham deployed his London-trained Jacobins George Danton and Jean-Paul Marat into Paris to destroy Britain’s mortal enemy, the Marquis de Lafayette’s France, through the Terror. In South America, one should recall Simón Bolívar’s warnings against Bentham’s operations. Nor, should it be forgotten that it was Bentham’s protégé, Lord Palmerston, who deployed Giuseppe Mazzini and Mazzini’s anarchist and socialist revolutionaries, and also, following 1814, the filibustering family of defeated Napoleon Bonaparte, throughout continental Europe, and, also, the Americas.

## **Empire vs. Republic**

The fact is: although the British monarchy has sometimes used industrial power to serve its purpose, it has always hated the patriotic political institutions of a modern, technologically progressive form of agro-industrial national economy. That fact is well known to anyone who has studied the characteristics of British domestic and foreign policy since the 1688-1716 takeover of the United Kingdom by the british dictator

William of Orange and William's cronies, the Duke of Marlborough (Churchill) and George I. Unfortunately, few among those familiar with those facts, fully understand the underlying motives behind this British imperial hatred of the nation-state institution.

Too few recognize the fact, that, in all known history and pre-history, until the emergence of the modern sovereign nation-state during the late Fifteenth Century in western Europe, in all parts of the world, ninety-five percent, or more of the people of every culture lived in the conditions of serfs, slaves, or worse. In the course of the wars of the Classical Greeks against the Achaemenid dynasty of ancient Babylon, the forms of government, such as Mesopotamia or Sparta, which imposed serfdom, slavery, and worse conditions for the overwhelming majority of the population, were known as "the oligarchical model" of society. It was the modern nation-state which has freed mankind from hopeless submission to those bestial, oligarchical traditions of pre-Fifteenth-Century history.

The struggle for the European nation-state, in both Europe and the Americas, has been a continuing, mortal struggle against the preexisting oligarchy of feudal Europe. During the Fifteenth and following centuries, this oligarchy had two components: the landed aristocracies—the serf-owners, and the financier aristocracies, the latter centered in the financial oligarchy of Byzantium and, then, Venice. Beginning Venice's takeover of England's King Henry VIII, the Venetian oligarchy concentrated on developing England and the Netherlands as centers of the maritime and financial power of what came to be known as "the Venetian Party" of England and the Netherlands. The financier oligarchy associated with William of Orange and his protégés, Churchill and George I, was commonly known, and described as the "Venetian Party" during that time, and into the later Eighteenth Century.

Although the feudalistic "Venetian Party" was often allied with the feudal landed aristocracy, it was also committed to taking power away from that landed aristocracy, as in England's wars against Austria-Hungary, from the time of Prussia's Frederick "The Great," through Lord Palmerston's 1848 deployment of the Mazzini-led "Young Europe" organization to bring down London's sometime ally, Clement Prince Metternich.

Over the centuries between the time of Venice's Paolo Sarpi and the 1962 "missiles crisis," the "Venetian Party" of Britain was always committed to weakening the power of the nation-state's republican partisans. However, since technological progress was a key factor in military power, London could not simply eliminate the factor of economic superiority within any modern national economy which the financier oligarchy controlled, as long as there existed the possibility of wars between that state and other powerful modern nation-states. So, the policies of the Anglo-Dutch financier oligarchy remained a strategic game of "divide and conquer," until such

time as preconditions existed for establishing world-government under the control of the world's financier-oligarchical interest.

That was always the policy of the British Fabian Society and its partners of the Church of England and World Federalist movement. The attempt of the British and their continental and U.S. co-thinkers, to set up the League of Nations, at the end of World War II, expressed this. U.S. refusal to support the League of Nations doomed that wicked League of Nations effort then. On this issue, President Franklin Roosevelt's U.S.A. and Churchill's Britain were at cross-purposes in the original plans for a permanent United Nations Organization. Roosevelt intended to liquidate the British, Dutch, French, and Portuguese empires at the end of the war. Churchill hated Roosevelt and Roosevelt's policies, but Churchill's Britain found Harriman-controlled U.S. President Harry Truman a useful asset for London's policies.

The virtual elimination of the danger of a new world war, through Russell's role in 1962-1963 negotiations between the U.S.A. and Khrushchev's Moscow, brought onto the horizon, the establishment of a world government under the British Commonwealth-dominated UNO. The 1989-1991 disintegration of the Soviet system, at a time that London's asset George Bush was President of the U.S.A., enabled the cabal

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of Margaret Thatcher, François Mitterrand, and George Bush, to introduce policies, such as the continental European “Maastricht agreements,” which made the doom of the existence of the sovereign nation-state almost inevitable, throughout Europe, Africa, and the Americas.

The former editor-in-chief of the London *Times*, Lord William Rees-Mogg, recently summed the matter up. Rees-Mogg, is a leading figure in directing right-wing assassination threats, and political and legal operations against U.S. President Clinton, inside the United States itself. He has been an enthusiastic supporter of the lunatic “Third Wave” cult, of U.S. House Speaker Newt Gingrich and Alvin Toffler. Rees-Mogg has stated repeatedly, that the “Third Wave” cult’s anti-agro-industrial “information society” policies, mean the early takeover of the entire world by a new globalist order, in which the world’s political affairs and ideas are ruled by less than five percent of the world’s population, while ninety-five percent is degraded to the mental condition of Brazil’s MST cult, a poor pack of “deconstructed,” semi-mindless Yahoos, from the pages of Lemuel Gulliver’s fictional visit to early Eighteenth-Century Britain: Yahoos allowed no education at all. That is why the British Commonwealth has deployed its George Soros and the MST cult into an attempted early takeover of Brazil and the immediately adjoining nations of South America.

The issue is the choice between civilization and a London-coordinated neo-feudalist barbarism of a type visible in the ideology and actions of that MST.

### How it was done

The key to understanding the Twentieth-Century British monarchy is its close relationship to the ideologues of Fabian socialism, such as John Ruskin, Cecil Rhodes, Lord Alfred Milner, George Bernard Shaw, H.G. Wells, and Bertrand Russell.

To understand what is behind the attack on the military in Central and South America today, focus upon the Fabian figures of H.G. Wells, Bertrand Russell, Lord Lothian and his World Federalists, the leadership of the Church of England, that Church’s imperial Anglican Communion, and its World Council of Churches, over the course of this century, especially since the close of World War I. It was this left-wing combination of Fabians and the Church of England which pushed world federalism as the British East India Company had pushed opium, all to the purpose of destroying the existence of the sovereign nation-state republic throughout this planet.

Fact: it was H.G. Wells, basing himself on the scientific opinion of Lord Rutherford’s collaborator, Frederick Soddy, who, since about the time of World War I, presented the idea of promoting nuclear-weapons technology as a means for bringing about world government. This utopian use of nuclear weapons, Wells saw as terrifying enough to force nations to

submit to world government as a way of avoiding war. This utopian vision of nuclear weapons, became the policy of Bertrand Russell, the Huxley brothers, and Russell’s agents among scientists, such as Leo Szilard. Fact: Russell’s call to bring about world government, through preparing to launch a “preventive” nuclear war against the Soviet Union, was published in the September 1946 edition of Leo Szilard’s influential *Bulletin of the Atomic Scientists*. Russell’s “preventive nuclear war” initiative of 1946, is key for understanding the origins of the British monarchy’s presently ongoing efforts to liquidate the sovereign nation-states of Central and South America.

The first successful step in this Russell-led effort to liquidate the nation-state, in favor of a system of supranational agencies, occurred as 1955-1963 collaborations between Russell and Soviet General Secretary N.S. Khrushchev. Fact: this Russell-Khrushchev collaboration began, when Khrushchev sent four representatives to a 1955 London meeting of Russell’s World Parliamentarians for World Government. These representatives announced then and there, Khrushchev’s solidarity with Russell and Russell’s proposals. This agreement, between Russell and Khrushchev, was the basis for the establishment of the Pugwash Conference organization, the organization which supplied the context for the career, in U.S. public life, of the confessed British Foreign Service agent later known as Sir Henry A. Kissinger. The so-called “Dr. Strangelove” proposal, which Russell agent Leo Szilard presented to the 1958 Second Pugwash Conference, at Quebec, became the base for “nuclear détente” policies adopted in the “missile-crisis” negotiations of 1962-63, and the 1972 SALT and ABM agreements.

The period following those missile-crisis negotiations, until today, is divided into two general phases. The first of these two phases, is dated from the assassination of President John F. Kennedy until the crucial Autumn of 1989: call it “the détente phase.” The second, beginning 1989-1991, “the march toward liquidation of both national economy and nation-states.”

In the first of those two phases, the followers of Russell’s nuclear strategy, including such U.S. utopians as Defense Secretary Robert S. McNamara and National Security Adviser McGeorge Bundy, adopted the view that the post-1962 U.S.-Soviet agreement upon conducting a “détente process” ensured that no world war would occur, only “limited wars,” a Twentieth-Century version of Eighteenth-Century “cabinet warfare.” The kind of emphasis on scientific and technological progress which had dominated the period of World War II and the 1949-1962 nuclear-weapons build-up, would be necessary no longer. On the basis of this strategic assumption, the London-led utopians unleashed the youth-counterculture utopianism of what became known as “post-industrial society,” and, in 1970, launched a mass-movement in support of the World Wildlife cult of Britain’s

Prince Philip, as an outrightly neo-Malthusian population policy, the radical left-wing, anti-science, anti-technology "ecology movement."

The post-1965 shift of the world economy, from earlier emphasis on investment in scientific and technological progress by national economies, to pro-Malthusian "post-industrial" utopianism, brought about a thirty-year shift, away from improving the productive powers of labor, into building up a great bubble of financial speculation, while the productive basis of society was systematically looted into collapse. That is the general cause for the present waves of international financial and monetary crisis, around the world. At the same time, all of the essential institutions of national sovereignty and national economy, were being weakened, and even destroyed, step by step, around the world.

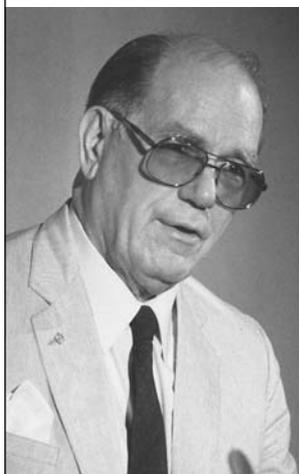
The second phase of this thirty-year process was unleashed in response to the 1989-1991 collapse of the Soviet system. To the degree the United States did not resist, the British monarchy's control over the British Commonwealth, and its increasing domination of world finance and raw-materials cartels, enabled it to destroy the institution of the national economy and of sovereignty of nation-states. This has succeeded thus far, and will continue to succeed, to the degree the one remaining, competing world-power, the

United States, did not act to support those nations which wished to resist the destruction of their national sovereignty by the British Commonwealth and such Commonwealth-controlled agencies as the UNO and the UNO's International Monetary Fund (IMF), World Bank, and locust-plague-like hordes of UNO Non-Governmental Organizations (NGOs).

Now, the situation in Central and South America has deteriorated to the point that continued submission to the London-directed processes of "privatization" and "globalization," means the irreversible doom of every nation within the region, unless the presently ongoing process is suddenly reversed, very soon.

If there is to be any future for any of the sovereign nations of Central and South America, the national military arm will be crucial. Those arms are the indispensable keystone institution, on which the patriotic forces of the nation will depend, to assemble themselves as an effective force, hopefully not for war, but simply to reassert the principles of national sovereignty and national economy. Stripped of the political strength which the existence of sovereign military institutions represents, none of these nations could take back the freedom which, at the present moment, they are losing to the foreign supranational agencies.

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## Journal charges, Netanyahu is preparing for war

by Joseph Brewda

*Israel and Palestine*, an English-language newsletter of Maxim Ghilan, has published a detailed report in its latest issue (no. 201), warning that Israeli Prime Minister Benjamin Netanyahu is intent on provoking a new Mideast war, possibly as early as the summer of 1998. According to the first installment of a series, entitled “The Next War: Self-Fulfilling Prophecies,” the success of Netanyahu’s plan entails a shakeup of the leadership of the Israeli military, to put together a new team ready to go to war at that time. The shakeup is required, Ghilan reports, because much of the top leadership of the military considers Netanyahu’s confrontationist policies to be a security threat to Israel.

According to Ghilan, current Chief of Staff Amnon Lipkin-Shahak and other top officers, are opposed to such a war, since they estimate it could easily become nuclear. Netanyahu, on the other hand, is prepared to take this risk for the sake of Greater Israel. Consequently, Netanyahu is seeking to promote officers who are ready to do his bidding, and plunge Israel into a war which serves no one’s interest.

Ghilan is a well-known figure on the Israeli scene, whose writings on such matters are often newsworthy, and need to be considered. Although his account has not been entirely confirmed, and some details are disputed by others in the region, his general assessment coheres with a broad range of evidence pointing to the likelihood that Netanyahu’s de-ranked state of mind could lead the region into war.

### **Netanyahu must go**

In fact, ever since he was installed in office in the aftermath of the Nov. 4, 1995 assassination of Prime Minister Yitzhak Rabin, Netanyahu has carried out a series of actions intended to destroy Rabin’s legacy, the Oslo Peace Accords, and to pave the way to war. These include building new Jewish settlements in the occupied territories, and efforts to discredit

Palestinian Authority President Yasser Arafat, through demands that he become a mere Israeli policeman. Netanyahu’s aggressive actions also include tunnelling under the Al Aqsa Mosque, and related sacrileges to Islam, designed to provoke generations-long religious conflict.

Most recently, his apparent effort to kill a Hamas official in Jordan in September, has caused some observers to believe, correctly or not, that Netanyahu is intent on triggering the popular reaction in Jordan needed to overthrow King Hussein. Such a plan, as much as it has been rejected by sane elements in Israel, has long been a favorite of Netanyahu’s crony, Gen. Ariel Sharon, now the strongman in his cabinet, who hopes to drive all Palestinians out of the West Bank into Jordan, and then claim that “Jordan is Palestine.” For such a plan to work, the King has to go. Others also think that Netanyahu is doing his best to promote and provoke the terrorist wing of Hamas, by means of such assassination attempts, creating a pretext to finish off the Palestinians once and for all.

Because of such a dynamic, statesman Lyndon LaRouche has called for sane elements in the Israeli establishment to dump Netanyahu. In a radio interview with “EIR Talks” on Sept. 16, LaRouche specified: “If Netanyahu does not go, then Israel is on a course toward war, a war, if it unfolds, Israel can not survive without use of nuclear weapons. . . . The Israelis must dump Netanyahu *now*, because as long as this bum remains in office, there’s no chance for peace in the Middle East—a new round of Hell is going to break out there, effecting we know not what!”

### **Two Israeli military camps**

According to Ghilan, there are currently two opposing camps inside Israel’s security forces, each with a strategic conception of its own.

One of them supports a hard line, “consisting of initiated action in Lebanon and other Arab States and direct, active and abundant intervention inside the Palestinian Autonomy, including activity against Arafat’s police and other services, accused of ‘not preventing’ fundamentalist Islamic terror.” This is the policy advocated by Netanyahu.

The other camp is somewhat more prudent, “defining Lebanon as a place that has, ultimately to be left alone — if proper guarantees are extended by Syria, and mostly by the United States.” This camp opposes direct intervention into the Palestinian Authority and “demands the Palestinians be given just enough economic and political breathing space to allow them to cooperate, at the top, with the Israeli Defense Establishment in its struggle for the liquidation of the Islamic welfare and political structures inside the West Bank and Gaza Strip.” This latter grouping, Ghilan says, is backed by the Clinton administration.

Netanyahu’s main problem, according to Ghilan, is that the Army brass, unlike the leadership of the civilian intelligence services, the Mossad and Shin Bet, are not ultimately subject to the prime minister. They oversee a vast establishment of their own, in fact they constitute *the* establishment of Israel, and their leadership cannot be readily hired and fired. As a result, it is not so easy for him to impose his war policies on the military.

Consequently, “Netanyahu has tried to reduce the Army’s influence, cohesion, and political power.” But, Netanyahu has not been very successful in this endeavor, and the best he has managed, is “to weaken the internal cohesion of the General Staff, and to undercut the Chief of Staff’s personal power.” This has been especially needed, according to Ghilan, because Chief of Staff Lipkin-Shahak, whose term does not end until the summer of 1998, is adamantly opposed to Netanyahu’s war policies.

To this end, Netanyahu chose Gen. Yitzhak Mordechai as defense minister, hoping he would oppose the current chief of staff, because of old personal grudges. But this tactic failed, since both Mordechai and Lipkin-Shahak “realized the danger of leaving defense matters in Netanyahu’s hands.” Other efforts by Netanyahu to oust Lipkin-Shahak have also failed.

Moreover, as a result, Netanyahu has increasingly been seen as a threat, because of such antics. “Netanyahu’s efforts to split, control, and emasculate the army’s political power is seen by the majority of top officers as both a personal and national danger. Netanyahu’s amock-running settlement, anti-Arafat and Lebanon policies have increased this awareness.”

There are those in the officer corps, however, who have a different view, especially among middle-echelon commanders who aspire to war-fighting experience, and who resent the discipline imposed on military action which leads them to be active either in covert anti-guerrilla action or defensive developments. “They would like a good new war, in which the

huge Israeli military juggernaut might be used in its entirety to steamroll over Arab — and Palestinian — forces, putting an end, once and for all, to terrorist and guerrilla activity.”

## War in the summer?

According to Ghilan, once it was determined that Lipkin-Shahak would not be forced out, and would remain until his term runs out next summer, the struggle over power and policy concentrated on who would become his heir. There are reportedly two main candidates: Gen. Matan Wilnai, whom Ghilan reports is a pupil of Lipkin-Shahak, and advocate of his policies; and Gen. Shaul Mofaz, whom Ghilan reports is a warhawk (an assessment disputed by other Israelis), and, hence, Netanyahu’s candidate.

Therefore, according to Ghilan, who succeeds Lipkin-Shahak is an issue of war and peace:

“Both the incumbent Chief of Staff and Defense Minister are openly opposed to a war, which Netanyahu is actively preparing through his political choices. Lipkin-Shahak, one of the most sane political individuals in Israel, is said to be anxious that the next war may extend to all of the Middle East, not just remain contained to the Palestinians and Syrians.

“Moreover, the Chief of Staff estimates such a conflict might easily degenerate into a nuclear, chemical, or even bacteriological one. Netanyahu, prepared as he is to take this risk for the sake of historical Eretz Israel [Biblical Land of Israel], needs an obedient, even enthusiastic war lover as Chief of Staff for the next war.

“To put it bluntly, Netanyahu has decided that only a major military victory can permit him to destroy the Syrian military potential; to unravel the Palestinian Autonomy such as it is; and to ensure his own popularity inside Israel. Not just in the three and some months left of his personal mandate, but also for a further four-years term.

“Victory over the Syrians and the liquidation of the Palestinian Autonomy would allow Netanyahu to consolidate his power either through popularity-after-victory or through the establishment of a National Unity Coalition with Labor.

“It would also establish on a large base the ‘Whole Eretz Israel’ to which most Israeli leaders aspire — on either a long-time or (as Netanyahu does) on a short-time schedule.”

“To do this,” Ghilan concludes, “Netanyahu has to force Washington to accept his plot and pleas; or, if we were to adopt another viewpoint, to convince Washington that such a war is positive for U.S. interests.”

Whatever the accuracy of Ghilan’s particular account, there is no question that the Middle East faces a catastrophe, with global strategic effects, unless Netanyahu and his crowd are quickly removed from office.

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# Intelligence wars over Diana's murder

by Roger Moore

Leading European security specialists have been punching holes in the Anglo-French cover-up of the murder of Princess Diana, this in the context of a growing popular perception that the truth about her death has not yet come out. The discrediting of the cover-up has led British intelligence circles close to the House of Windsor to launch a risky counter-attack on Mohammed Al Fayed, the father of Diana's companion Dodi.

Germany's mass-circulation daily *Bild Zeitung*, in its Oct. 15 edition, ran the banner headline, "Di's Bodyguard, What's Foul There? Fully Alert, But Without Memory? Forced to Keep Quiet?" The article merely points out the obvious: Since the fatal "accident" on Aug. 31, there has been a stream of government-managed leaks, describing the injuries to bodyguard Trevor Rees-Jones as guaranteeing that he would never be able to speak—first because he allegedly lost his tongue, and then, his memory. But, as *Bild* points out, his memory first becomes blank at the point that the car carrying him and Princess Diana entered the tunnel. Rees-Jones is currently freely moving around in England, but accompanied by guards watching his every move. Comments *Bild*, "And so, everything that happened in the tunnel, remains in the dark."

During a live Sept. 30 Italian TV broadcast, Gen. Gerardo Serravalle (ret.), former head of the covert NATO military unit called Gladio, was questioned: "General, you, who are an expert in such things—and maybe you have done them yourself in the past—is Diana and Dodi's death an accident?" He responded, "It is definitely no accident." The general went on to describe the apparently natural death by heart attack of a former British MI5 intelligence chief. Only during a third autopsy, was a small puncture point discovered, where poison had been administered.

A Belgian source, in frequent contact with that country's security services, told *EIR*, "All the specialists of the secret services here consider it a liquidation by the British intelligence service." The source stated that the judgment was only a "computation," but that, based on personal experience with dirty operations of the British monarchy, it would be a hypothesis meriting serious consideration.

Germany's *Die Neue Zeit* on Sept. 27 ran an interview with Glyn Jones, a former member of an elite military unit involved during 1985-89 in the covert monitoring of Princess

Diana, under direction of MI5. To the question whether MI5 would have been involved in the fatal accident, Jones answered: "Yes, I can imagine that. MI5 was repeatedly warned, Diana was bringing disgrace on England," with her relationship with Dodi Fayed. The Paris weekly *France Dimanche* picked up and ran the interview with Jones on Oct. 12. The London *Daily Mail* ran a short "signal" box in gossip column format, stating that "Mohamed Al Fayed's City friend Brian Basham—a public relations adviser to British Airways during its dispute with Richard Branson's Virgin Airlines—is accused of telling media contacts that the crash which killed Diana was a British Secret Service 'hit' organized to prevent the Harrods boss becoming step-grandfather to Princes William and Harry."

## Windsors strike back

On Oct. 14, the counterattack began. Disgraced former Tory Minister Neil Hamilton stated, with full immunity before a House of Commons committee, that Mohamed Al Fayed and his security chief at Harrods, John McNamara, had broken into a customer's safe deposit box at Harrods in December 1995—the customer being none other than Tiny Rowland, who had fought Al Fayed in a years-long dispute over control of Harrods.

The London *Guardian* on Oct. 15 stated that Rowland had confirmed material was missing, and Scotland Yard was investigating an alleged theft. Hamilton's source was a former security employee of Harrods. Not accidentally, McNamara, himself a former high-ranking Scotland Yard investigator, has been in Paris repeatedly in the aftermath of the death of Dodi and Diana, possibly coordinating Fayed's own investigation of the cover-up.

Rowland's orchestration of an attack on Fayed's top security adviser, is typical of his longtime service to the House of Windsor. His company Lonrho (London Rhodesia) was built up in the 1960s with money from Queen Elizabeth II, through her personal financier, Harley Drayton. Rowland has always been close to British intelligence's dirty operations. In January 1986, he negotiated in London with Dieter Uhlig, Communist East Germany's top weapons trafficker, the coordination of British and KGB/Stasi operations in southern Africa. At this time, Uhlig was under investigation by Swedish Customs for smuggling Swedish explosives into the Iran-Iraq War, an investigation authorized by Swedish Prime Minister Olof Palme. One month later, Palme was assassinated.

On Oct. 15, the London correspondent for Rupert Murdoch's *New York Post* added to the counterattack with a "new" leak from the French police investigators: "Di's Driver Gets Whole Blame: Report." This "report" is a rehash of the "reckless driver" line pumped out in the first days after the crash. Author Bill Hoffman also threatens that Al Fayed "now faces the possibility of lawsuits from Buckingham Palace, as well as the family of bodyguard Trevor Rees-Jones."

# Italian government bends to Wall Street marxists

by Claudio Celani

While the Italian nation has been hit by an anomalous earthquake, which started on Sept. 25 and has sent out major tremors every second day, the political fate of the country seems to be suffering from similar shocks, provoked by the insane Maastricht Treaty for the creation of a European single currency union. Like the physical earthquake, which, contrary to past experience did not scale down after its initial blast, the “fall and rise” of the government of Romano Prodi at the beginning of October represents the first of many “big shocks” to come.

The government crisis was triggered on Sept. 29, when a party belonging to the government coalition, the Party of Communist Refoundation (Partito della Rifondazione Comunista, PRC), announced that it would not vote in favor of the government’s proposed budget. The PRC has no cabinet members, but its support is indispensable (at least in one of the houses of Parliament) to the left-center government coalition known as the Olive Tree.

The PRC, a self-defined “working class party,” declared that it would not accept the cuts in pensions contained in the budget—one of the measures planned to adhere to the Maastricht “parameters.” The PRC then increased the price for its continued support of the government, demanding not only that the budget be withdrawn (virtually impossible), but that the government include further measures, such as 1) the creation of an agency for the development of Italy’s south, the Mezzogiorno; 2) reduction of the work week to 35 hours; 3) keeping state shares at 51% in strategic companies that are to be privatized.

Faced with the PRC’s ultimatum, the government tried to strike a deal, offering to negotiate a “correction” of the budget in Parliament, but the PRC delegation kept a hard line and broke off negotiations, announcing their decision to withdraw support from the coalition.

## British destabilizers vs. LaRouche

Behind the apparently pro-labor move by the PRC, there is, however, a different reality. The end result of its action, as it was afterwards realized, was to destabilize the potential for formation of a pro-national bloc of forces, including part of the government coalition, parts of the opposition, the Catholic Church, and the trade unions. This is not a formal parliamen-

tary bloc, but a convergence of forces on issues of national interest, catalyzed by the leadership provided by Lyndon LaRouche’s political movement.

Although *EIR*’s readers are familiar with the British destabilization of the Italian nation, let us briefly review its key features.

In 1992, the British “Invisible” Empire unleashed a frontal attack against the Italian nation, on three levels:

1. On the financial level, with George Soros’s speculative attack which pushed the Italian lira out of the European Monetary System and devalued the currency by 30%. The same strategy was repeated in March 1995. The shock, and the threat of its repetition, was instrumental in binding the country to the Maastricht budget-balancing “guidelines.”

2. On the political level, with the promotion of the secessionist Northern League (Lega Nord), a fascist, jacobin party, to become the first party in northern Italy, in terms of electoral strength.

3. On the judicial level, with the “Operation Clean Hands” political persecution of pro-national factions, put in place by Prince Philip’s Transparency International.

Since then, these three levels have been kept operational, in order to keep Italian political forces under constant blackmail and force them to help demolish their own institutions.

Thanks to the LaRouche movement, these three levels of destabilization have been exposed as a coherent picture, in the context of the worldwide financial collapse, and pro-national forces willing to fight have been provided with a focus and a war plan. Lyndon LaRouche himself paid two visits to Italy during 1997, meeting with representatives of Parliament, the Church, and the business community.

As a result, among other things, Soros was put under investigation in Rome and Naples, and *EIR* and LaRouche’s ideas have increasingly been supported by leading politicians and print media.

A *punctum saliens* was recently reached, when, in reaction to the Northern League separatist escalation, the trade unions, supported by the Catholic Church, decided to make a show of force, by calling for a national mobilization on Sept. 20. The demonstration was extremely successful, bringing 1 million persons into the streets of Milan and 100,000 in Venice. The Venice demonstration, although the smaller one, was

particularly important, because this city has been designated by the Northern League as the future “capital” of their rump state called “Padania.” This is no accident, since the historical (and oligarchical) Republic of Venice is a model for the League.

In the Sept. 20 demonstration, trade union leaders identified in their speeches the defense of the nation-state with the defense of the welfare state. Free-trade policies were put on the same level as separatist threats.

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*Thanks to the LaRouche movement, the levels of British destabilization of Italy have been exposed as a coherent picture, and pro-national forces willing to fight have been provided with a focus and a war plan.*

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Prior to the demonstration, Sergio Cofferati, leader of the largest trade union, the CGIL, had given an interview in which he denounced the political parties for their failure to defend the nation-state. Cofferati stated: “Only the trade unions and the Church, from the standpoint of an organized defense on the territory, are holding. And it is not by chance that the Church and the trade unions are the two main targets of [Northern League leader Umberto] Bossi’s frontal assaults.” Cofferati revealed that, just as during the rise of Fascism, many trade unionists and their families had received threats from Northern League circles, Mafia-style.

The unions’ decision to identify the fight for the nation-state with the fight for the welfare state enraged pro-British commentators like former diplomat Sergio Romano, who wrote the next day in the daily *La Stampa* that the trade unions had to be stopped at all costs, even if this means “giving a voice to the League.” Romano accused the unions of arrogating to themselves the traditional role of the Armed Forces in the ultimate protection of the nation, and spoke of the danger of a “regime,” because the government is “pro-labor.”

What Romano and others feared, is that, in the negotiations on welfare cuts, scheduled for the following week, the government would back down to the unions’ demands, impressed by their show of force in Milan and Venice. The unions were ready to accept some cuts, but they insisted upon deciding where and how the cuts were to be made. They made clear, however, that they would never accept a welfare “reform” dictated by the financial markets—i.e., the privatization of pensions and abolition of the national labor contract. On the table, was the government’s proposal to reduce checks offered for early retirement, from 6,000 billion lire to 5,000

billion. The negotiations with the unions were going on, when the PRC triggered the crisis, outflanking the unions.

The question is not whether the union line of “fewer cuts” is more pro-labor than the PRC position of “no cuts.” The real question to be considered, in view of the unions’ role in the defense of the nation-state, is what happens if the unions’ prestige is undermined.

### **What is the PRC?**

The PRC split off from the old Italian Communist Party (PCI), once the latter decided to change its name and become the half-social democratic and half-liberal Democratic Party of the Left (Partito Democratico della Sinistra, PDS). The PRC’s two most prominent leaders are Secretary General Fausto Bertinotti and Chairman Armando Cossutta. In the old PCI, Cossutta represented the leader of the pro-Moscow faction. Bertinotti comes from the trade unions. Both men are irredeemable “marxists.” After the disintegration of the Socialist Party (PSI) in 1993, socialist banker Nerio Nesi joined the PRC, and soon became its economic spokesman. Nesi has made interesting statements against derivatives and privatization. The party has a constituency of workers and pensioners.

Fausto Bertinotti, the PRC leader, is also called in the press “Subcommander Fausto” due to his sympathy for the leader of the Zapatista separatists in Mexico. Last year, Bertinotti made a trip to meet “Subcommander Marcos.” The meeting was filmed and the film was used in the electoral campaign. The PRC is the Italian terminal for the Zapatistas, and PRC members are part of European Zapatista-support organizations. Curiously, a Zapatista delegation participated in an “anti-separatist” demonstration organized by the PRC in Venice, one week before the national trade union demonstration. The PRC was joined in the demonstration by proto-terrorist Autonomist groups from throughout the country. Many confused Italians who are frightened by such “anti-separatists,” end up supporting the Northern League.

Between his meeting with Marcos and the demonstration with the Autonomists, Bertinotti enjoyed a visit to the City of London, where he lectured an audience of delighted bankers on his marxist views. Thus, it was no surprise that on Sept. 26, the *Wall Street Journal* signalled its support for the PRC in an editorial, entitled “When the Reds Are Right.” Such an article (published only in the European edition; it would have been difficult to explain for an American readership), was of course a green light for opening the crisis.

For two weeks thereafter, all possible scenarios were discussed for the outcome of the government crisis: early elections, a technocratic government, a grand coalition. The leading theme however, was that whatever the solution would be, it should guarantee that Italy would vote up the 1998 budget in time not to miss the Maastricht train and be therefore “punished” by the financial markets—a total brainwashing debate, in which all political forces seemed to behave as if on a ship of fools.

Then, suddenly, on Oct. 13, the PRC turned around and declared itself ready for a compromise. In less than 24 hours, the crisis was ended. The government announced that it has accepted two of the PRC's demands: the 35-hour week (to become a national law starting three years from now), and the exemption of a certain category of workers from cuts in early retirement pensions. Furthermore, the text of the agreement states that the PRC has agreed "to continue the action for reaching the target 'entrance in the European Single Currency.' "

The 35-hour measure is an anti-industrial policy. It will create no new jobs. Industrial firms will be forced to pay more money, in exchange for no increase in productivity whatsoever. The issue is opposed by both trade unions and business associations, which agree that the matter could be negotiated case by case.

On the pension cuts, Sergio D'Antoni, leader of the Catholic trade union CISL, stated in a radio interview that the new measures "divide the working class."

It is not yet clear how serious will be the repercussions of the deal on the unions, which have suddenly found themselves replaced by the PRC as "workers' representatives."

Another aspect of the PRC coup, is that it may have weakened the political collaboration between Massimo D'Alema, leader of the main coalition party PDS, and opposition leader Silvio Berlusconi, on the issue of defending Parliament from

the Operation Clean Hands jacobins, the Milan "anti-corruption" prosecutors under Francesco Saverio Borrelli. Two members of this team, Piercamillo Davigo and Gherardo Colombo, are members of Prince Philip's Transparency International.

The Berlusconi-D'Alema axis had been consolidated in the works of the Constitutional Reform Committee, also called "Bicamerale," chaired by D'Alema. Now, political commentators fear that the PRC has obtained from its coalition partners a secret promise to carry out an anti-Berlusconi shift in the Bicamerale. This strengthens the pro-Clean Hands faction in the PDS, which has so far opposed D'Alema's dialogue with the opposition.

In the context of a Clean Hands escalation against Berlusconi, against whom several prosecutions have been opened, the new situation could eliminate any room for a bipartisan policy and lead to a failure of the Bicamerale, in which case, pro-British forces have already put in place a chaos scenario: a Constitutional Congress. This would ensure political paralysis and the dissolution of the country.

But all the scenarios through which the British Invisibles manipulate Italian politics, will be worthless, if pro-national forces do not act according to profile. And the LaRouche movement will make sure to let nothing go untried, in order to organize exactly that.

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# The Kigali-Kampala bloody annexation of east Congo-Zaire

by Linda de Hoyos

The Clinton administration announced on Oct. 14 that it is sending a three-man team to the Democratic Republic of Congo in a new attempt to force President Laurent Kabila to open up his country to United Nations investigators, who are probing the murder of up to 200,000 refugees in Congo-Zaire during the Zaire war. Heading the team will be U.S. Ambassador to the United Nations Bill Richardson, who will be joined by Howard Wolpe, current U.S. special envoy to Burundi and former chairman of the House Subcommittee on Africa; and Rep. Donald Payne (D-N.J.). "A failure to allow that [UN] mission is the kind of behavior that only the most outcast kind of states have taken," State Department spokesman James Rubin emphasized, in announcing the U.S. mission.

But a report of the Physicians for Human Rights, issued in August 1997, gives evidence that Kabila *cannot* permit a UN probe into eastern Congo now, not only because his government wants to destroy evidence of the murders of refugees during the October 1996-May 1997 Zaire war, but because it wants to hide the fact that *massive killing continues to be carried out in the areas of North and South Kivu to this day*. The killings described in the report, "Investigations in Eastern Congo and Western Rwanda," were reportedly carried out by soldiers speaking English, Kinyarwanda, and/or Swahili with a Rwandan accent. The PHR findings corroborate continuing reports coming into *EIR* of atrocities and seizures of property and land in eastern Zaire by the Rwandan-Ugandan army.

## Partners of London

This violence represents well-planned military operations designed to pave the way for the full annexation of eastern Congo-Zaire by the nexus of Kampala-Kigali, under the aegis of the British Commonwealth.

The new British Minister of International Development Clare Short, honing to the policies of her predecessor Baroness Lynda Chalker, was in Kigali and Kampala in the first week of October to place London's imprimatur on the entire gameplan. Extolling Ugandan dictator Yoweri Museveni as a "very fine man," Short declared in Kampala on Oct. 8 that Britain will accept the dictatorship of Museveni's National Resistance Movement, and will not press for multiparty reforms in Uganda. "Our relationship with Uganda is precious," Short explained. "I do not think it is necessarily right for

Uganda to have the same kind of political system like Britain."

The day after Short left, Museveni complained bitterly to the United Nations that it must deal with *him* on the stalled UN investigation. "On the question of refugees in Rwanda and Congo, I would really like to advise our brother Kofi Annan, the UN secretary general, that it is good if he liaises closely with us. Because it is us who organized his election as UN secretary general to liaise with us. The problem of refugees in eastern Congo and Rwanda is a complicated one." Museveni's bid was rebuffed by the UN.

Meanwhile, in Kigali, Short announced that the British government will donate another \$10 million shortly to the Rwandan regime of Vice President Paul Kagame, and said: "Britain will continue to work in partnership with the Rwandan government to rebuild the country."

Then, hinting directly at Rwanda's takeover of eastern Congo, Short boldly said: "This will also benefit many beyond its borders—economic and political stability in East Africa go hand in hand."

This strenuous backing from the British is why there is little attempt on the part of the Rwandan Tutsis and their Ugandan allies to hide their aims. "These are the final spasms of a fatally wounded horse," is how Rwandan businessman George Rubagumya described the devastation of eastern Congo to Belgian correspondent Colette Braeckmann on Sept. 12. "They will not last, everything will be normal again." Confirming that North Kivu is in a state of war, he reported: "Every night you hear gunfire, the road to Sake is blocked. In July, Masisi was devastated and the last herds of cows were decimated and eaten. This time it is the end of the cattle farmers down there."

Rubagumya was in Goma, Congo, in order to set up the "National Development Bank." A Rwandan Tutsi, he was the editor of the Rwandan Tutsi diaspora magazine *Impruza*, from Texas, where he was based. In all this, Rubagumya noted in *Impruza*, his major supporter in the United States has been Roger Winter, of the U.S. Committee on Refugees, who remains Museveni's most fervent supporter in the United States. After the Tutsi Rwandan Patriotic Front came to power in Kigali in 1994, Rubagumya returned to the region—but to Uganda where he served as the head of the Ugandan Development Authority, until hints of scandal forced him to leave that post. Now, he is overseeing the financial annexation of eastern

Congo on behalf of both Kampala and Kigali. The project for a road between Goma and Kisangani into Uganda, he said, will open up the Great Lakes region: "Soon, we will be able to circulate freely in the entire Great Lakes region."

But, as the pattern of military assault on civilians demonstrates, this "free circulation" is not to be achieved by diplomacy, but by war and murder of native populations. "They are trying to seize our land," said one native of Kivu. It is already the case, he said, that Rwandan Tutsis have all the major administrative posts in eastern Congo-Zaire.

The Ugandan-Rwandan annexation of eastern Congo also extends southward into Shaba province—which the British have coveted since the colonial heydays of the 19th century. The Rwandan leadership of the so-called Congolese army in Shaba has turned on the Katangan Gendarmes, who had fought *with* the Rwandans and Ugandans during the Zaire war. The Rwandans have put Gen. Delphin Mulanda of the Katangan Gendarmes in prison, along with seven other generals of the Katangan force, five colonels, two lieutenants, one sub-lieutenant, seven majors, two captains, and 400 enlisted soldiers. The reason for the incarcerations is the protests coming from the Katangan Gendarmes that former Zairean dictator Mobutu has been replaced by a new dictatorship dominated by the foreign powers of Rwanda and Uganda.

The war on eastern Congo has provoked a counter-reaction by locally organized fighters, and alleged remnants of the former Rwandan government army (FAR). The Rwandan military has been moved into place along the entire Rwanda-Congo border.

This war has also spread to northwestern Rwanda, where Rwandan Defense Minister Paul Kagame has had to personally take charge of military operations. Here too, a pattern of murders had sparked a counter-reaction among the population, the Physicians for Human Rights indicates, stating that even as of July, 2-3,000 civilians had been killed by the RPF in fighting in the area. When Kagame personally protested this number, in an interview with PHR, he stated: "The only thing we plan is to kill more of those who cause problems. They have arms and they use to kill our people. Sometimes it is easy to identify who is armed and who is not. Sometimes it is difficult."

The PHR report stated as its finding in July: "Pervasive insecurity and widespread atrocities and human rights abuses currently characterize the entire region of eastern Congo and western Rwanda."

## **PHR findings**

The PHR report gives a summary of precisely the situation that is being hidden from the UN investigating team. On eastern Congo, the report stated:

"PHR received reliable reports that Rwandan military have committed, and continue to commit, widespread atrocities against civilian populations in eastern Congo. Reports of robberies, rape, and attacks committed by English- and

Kinyarwanda-speaking soldiers are numerous within North and South Kivu. It is reported that the soldiers are exacting a bounty from the area before returning to Rwanda. Both local residents and international NGO [non-governmental organization] staff have been victims of these incidents. The UN has imposed a curfew of 9 p.m. for all UN staff in Goma town, and locals generally adhere to a self-imposed curfew as well. It is acknowledged that people living in homes on the eastern edge of Goma, closest to the Rwandan border, are most at risk of attack.

"The PHR team received reports and eyewitness accounts of killings of unarmed Rwandan Hutu refugees and local Congolese noncombatants throughout eastern Congo by soldiers identified as Rwandan military. These killings appear to be systematic attacks to eliminate the Interahamwe threat, to annihilate remaining refugees, and to punish villagers in eastern Congo alleged to have harbored or sheltered Rwandan Hutu refugees. PHR also learned that the Alliance and Rwandan forces are attacking civilian villagers in North Kivu who did harbor or assist Rwandan refugees. According to several testimonies, villagers in these instances were attacked merely because of their Hutu ethnicity. International humanitarian organizations, local human rights groups, and individuals have all supplied the international press and their European and North American headquarters with reports of these killings, termed 'massacres' by the local population.

"PHR interviewed staff from the international humanitarian agencies and from local human rights groups, many of who were first-hand witnesses to killings and saw signs of mass graves. PHR also interviewed individual villagers who were surviving victims of attacks. These reports came from diverse sources who were not likely to have communicated with each other, were marked by internal consistency regarding site and pattern of attack, description of perpetrators, and number of victims. They also withstood specific intrusive, and repetitive questioning from the three members of the PHR team.

"Attacks on refugee clusters apparently occur as refugees pass through the forest to designated and announced UNHCR [UN High Commission on Refugees—since expelled from Congo] collection points. Few survivors of these refugee attacks have been found; refugees either emerge unscathed as witnesses or die outright or slowly from their injuries before reaching medical attention. Attacks on villages occur without warning, as groups of armed soldiers invade (even at mid-day) and begin firing rifles at groups of men, women, and children. Houses may be burned, with occupants forced to remain in them; bodies are buried in mass graves or piled into latrine pits. Many surviving witnesses of these attacks on villages can be found.

"Credible reports now exist of attacks on refugees and villages numbering in the scores of hundreds; the numbers killed in each attack are difficult to validate, but are reported as ranging in the tens of hundreds in each instance."

# Queen's disastrous trip to Pakistan, India, threatens Commonwealth meet

by Mary Burdman and Ramtanu Maitra

As the Queen's ill-conceived two-week tour of Pakistan and India limps to a close, concern is mounting in Britain that the unabated tensions will spill over into the Commonwealth Heads of Government (CHOGM) conference in Edinburgh, Scotland, in the last week of October.

"Britain attaches immense importance to the Commonwealth, and its successive governments, whether headed by the Tories or Labour, have been conscious of the fact that India is at the heart of Commonwealth. . . . This is reflected in the fact that at CHOGM, slated to meet in the last week of this month in Edinburgh in what would be the biggest ever in Britain, Mr. I.K. Gujral will be the first prime minister to address the conference after the secretary general and Mr. Tony Blair," the *Hindustan Times* wrote on Oct. 14. But much could go wrong. Even as all the Queen's mis-steps were just beginning, the *Hindustan Times* was already noting that the ruling British Labour Party itself has a long-standing policy on Jammu and Kashmir unacceptable to either India or Pakistan. At the Labour Party conference in Brighton a month ago, Derek Fatchett, minister of state of the Commonwealth and Foreign Office, attended a meeting on "Justice for Jammu and Kashmir" and there endorsed the "principle of self-determination"—including possible independence—for the state.

"The war of words between Delhi and London is threatening to overshadow next week's Commonwealth conference in Edinburgh," the *London Times* wrote on Oct. 16. Blair is now scrambling to salvage the situation—and his role as the "savior" of the monarchy—and has ordered a "major effort of communication to explain more widely the thus-far unreported success stories of the visit." But he is doing uphill work.

A more sombre note was struck by the *London Guardian* the same day: It did not take this trip to India, to show that the Queen's role in the Commonwealth to be something of an anomaly. Formally, the Commonwealth was no longer "British" as of 1965, when the Secretariat was set up; in reality, this principle was established in 1949, when free India's first prime minister, Jawaharlal Nehru, agreed that the Republic of India would join the body, and still accept the Queen's headship, but only "as a symbol of the free association of member states." There will be heavy spinning to be done at Edinburgh, but India is not the only problem. There is Mahathir Mohamad of Malaysia, there is the question of Nigeria, and others. And, the *Guardian* wrote, there is no clear succes-

sor to the Queen at the Commonwealth. This institution may have to "think the unthinkable: . . . that it may face a very different—and much less certain—future."

In the wake of the British and worldwide reaction against the British monarchy after the killing of Princess Diana, the future of the monarchy's premier source of power could be in serious trouble.

## Blair's Labour blamed

Bickering is taking over the situation in Britain also. In what has become a succession of accusations, counter-accusations, and denials that anyone said, what everyone clearly just did say, a royal official has cast all the blame for the disasters of the India trip onto the Labour government. A senior official travelling with the Queen said on Oct 15: "The Queen is here on the advice of ministers in Britain. The Queen does not go out on a limb." Buckingham Palace then said that such comments should not be seen as criticism of the government!

To "mend" matters, both the palace and government pointed the finger at the Indian press, claiming that it was making a "mountain out of a non-existent molehill." The British High Commissioner in India, Sir David Gore-Booth, put his foot in deeper, saying: "I find some of the reaction more invented than real. The Indian press, like the British press, is always on the lookout for gaffes and bloopers."

The Indian government was not pleased. The *Times* on Oct. 16 quoted an Indian government source saying that the Labour Party had a "hidden agenda" to create an independent Kashmir, claiming that Labour Foreign Secretary Robin Cook had told Indian authorities that the Kashmir issue was an "article of faith" with Labour. "The hidden agenda was ultimately to obtain an independent state of Jammu and Kashmir," the sources were quoted. "Cook genuinely believes that there is an unfinished business of Partition," through which the British divided the subcontinent into India's and Pakistan in 1947.

The Queen should look to her CHOGM. Prime Minister Gujral was a prominent supporter of Mahatma Gandhi's all-out effort to oust the British Raj, the "Quit India" campaign, and was, along with most Indian political leaders, jailed by the British in their brutal attempts at repression in the early 1940s. It is also important to note that, despite the weaknesses of both India and Pakistan's governments, Gujral and Pakistan's Prime Minister Nawaz Sharif have re-started direct bilateral talks and installed a "hot-line" telephone—poten-

tially a critical breakthrough for the situation on the subcontinent.

Indian Civil Aviation Minister Jayanthi Natarajan said that the visit had been “successful from the Queen’s point of view,” but, he added, “I personally believe it was not necessary for Mr. Cook to talk about Kashmir on the eve of the Queen’s visit, because it certainly shadowed the trip, and it wouldn’t have taken long for us to start talking about Ireland.”

K.R. Malkani, senior spokesman for the opposition Bharatiya Janata Party, said, “Your High Commissioner, your foreign secretary, even the Queen kept on pestering us on the issue of Kashmir and we resent that. We do not advise you on Ireland and we don’t expect you to be advising us on Kashmir.”

## Deeper and deeper

The Queen’s “progress” was doomed from the start. Although her trip to Pakistan was, superficially, smoother than that in India, there were problems. Several Pakistani Muslim leaders lambasted the government for the “enthusiastic protocol” accorded to Elizabeth during her stay in Pakistan, and criticized the country’s top leadership for their “submissive” behavior before the Queen. At Friday prayers, leaders were bitterly criticized for their “un-Islamic gestures,” targetting in particular National Assembly Speaker Illahi Bakhsh Soomro. One cleric said that Soomro had “insulted” the whole nation, by telling the Queen when he welcomed her in parliament on Oct. 8 that the creation of Pakistan in 1947 was the outcome of the enlightened policies of Britain.

Then British Foreign Secretary Cook opened his mouth. According to accounts in the Pakistani and Indian press, Cook said in Islamabad on Oct. 9, “We are no more the British Empire to fix the direction of any state in the subcontinent,” but then, he immediately referred to the “new Empire”: Britain, India, and Pakistan share the platform of the Commonwealth, and London is always ready to help the South Asian neighbors in creating a conducive environment to settle their differences. The Pakistan Foreign Ministry reported that, during his meeting with Prime Minister Nawaz Sharif, Cook had “expressed his willingness to help achieve a negotiated and peaceful settlement of the Jammu and Kashmir dispute.”

Following Cook’s officiousness, came Elizabeth’s turn to meddle. Speaking to a joint session of the Pakistani parliament on Oct. 8, she called upon Pakistan and India to reconcile their differences and urged the two countries to “take stock and renew efforts to end historic disagreements.”

## The British agenda

The Queen arrived in New Delhi, the London *Times* wrote on Oct. 13, “to a hostile reception in much of the national press, reflecting suspicions—denied in London—that she is being used to promote a hidden political agenda in the West for a solution to the Kashmir crisis. It promises to be a tense week. . . . Some left-wing politicians have questioned why the head of the former imperial power should be invited to share in celebrations to mark 50 years of independence.”

The immediate trigger for the controversy, the paper reported, was the behavior of the royal entourage during the previous week in Pakistan. The Queen herself, as well as Foreign Secretary Cook, offered, if in somewhat subtly worded proposals, to “internationalize” the Kashmir conflict, suggesting that Britain could have a role in “mediating” between India and Pakistan.

According to the British Broadcasting Corp., this drew an angry response from Indian Prime Minister Gujral, while he was visiting Egypt. He denounced Britain as a “third-rate power,” that had no business “meddling,” in what was an internal Indian affair, and one that had to be settled with Pakistan bilaterally. A similar protest was made by the Indian Foreign Ministry.

An article in the Indian publication *Asian Age* commented that Blair’s Labour government “has decided to exert pressure on India, and the beginning is being made, with the supposedly non-political visit of the apolitical monarch. India is not falling over itself to receive the Queen, contrary to the expectations of the British government. The monarchy . . . cannot really hope to revive its sagging image, by conjuring up visions of the defeated Raj.” Obviously, the visit was not the “goodwill mission” it was being hyped up to be, or else, “the Queen would not have stuck her imperial nose into what is not her business, and Cook would have refrained from his totally uncalled-for remarks on Kashmir.”

Shekhar Gupta, editor-in-chief of the *Indian Express*, a leading Indian paper, stated, “I don’t know why this man [Cook] is doing all this as part of her entourage.” Gupta charged that the British royal family had already been tainted by Diana’s death. “If royalty comes to India with lectures to us about Kashmir, then that really is too much.”

On Oct. 10, an *Express* editorial, “The Empire Doctrine—The Natives Can Do Without English Wisdom,” described the Queen as a “walking poster of a tarnished monarchy, a one-woman pageant for a lost empire.”

The *Times of India*, carried a story, “India, U.K. Ties at Low Ebb as Queen Elizabeth’s Visit Nears.” The Oct. 13 masthead of the *Times* quoted British writer Malcolm Muggeridge on the Queen: “Frumphish and banal.”

The *Telegraph*, in Calcutta, noted that Prince Philip would not be offered a “fat, overfed tiger to shoot,” as he reportedly was in 1961, by the Maharajah of Jaipur.

The Queen’s reception soured steadily. The Indian government protested the British placing of the Queen’s name above that of the Indian President on an invitation, and on Oct. 13, refused to allow the British Royal Marines Band to play at the opening of a British exhibition at India’s National Museum. Then, every British diplomat, except the High Commissioner, was barred from the Indian state banquet to welcome the Queen.

On Oct. 12, as the Queen began her visit to India, the *Pioneer* quoted Prime Minister Gujral denouncing Britain. Gujral made his “vitriolic” attack on the British government in a discussion in Cairo on Oct. 11, describing Britain as a

“third-rate power,” nursing illusions of grandeur about its colonial past. He told Egyptian intellectuals that Britain created the problem in Kashmir when it divided India. “Now they are wanting to give us a solution,” he is said to have remarked, sarcastically.

On the prime minister’s return to Delhi, government sources explained the prime minister’s outburst as a reaction to a series of “uncalled for” remarks by British officials on the Kashmir issue. “Even the Queen was dragged into this by them. She said somewhere that she was ready to use her good offices to help resolve divergent positions,” one official said. “The prime minister was exasperated.”

The government is also upset with a recent remark by the British High Commissioner in New Delhi, who described as “preposterous” the demand by some Indian leaders for an apology for the massacre by British troops commanded by Gen. Reginald Dyer, of Indians gathered at a protest meeting in 1919, at the closed garden of Jallianwala Bagh in Amritsar. This, one of the worst offenses of the British Raj, had been widely condoned in Britain as having “saved India.” Government sources said that while India has never officially demanded an apology, it was most insensitive of High Commissioner Gore-Booth to use such provocative expressions which revealed his “arrogant and colonial mindset.”

Prof. Jagmohan Singh, nephew of Bhagat Singh, showed up at Rajghat on Oct. 8, to demand an apology from the Queen for the massacre during her visit to Amritsar. Professor Singh, along with family members of the victims of the massacre, reiterated the demand for an apology, following a special prayer meeting held at Rajghat.

Instead, they first got pabulum, and then insult. In her speech at a state banquet in New Delhi on Oct. 13, the Queen said: The Jallianwala Bagh incident was a “distressing example” of the “difficult episodes” in the history of Indo-British relations. But the two sides must learn to live with them. “History cannot be rewritten, however much we might sometimes wish otherwise. It has its moments of sadness as well as of gladness. We must learn from the sadness and build on the gladness,” she said.

Prince Philip added insult to injury. Entering the Jallianwala Bagh memorial park on Oct. 14, the sign at the entrance of which states, “This place is saturated with the blood of about 2,000 Hindu, Sikh, and Muslim patriots who were martyred in a non-violent struggle to free India from British domination,” he commented: “It wasn’t 2,000, was it? I was in the Navy with Dyer’s son.” The “official,” i.e., British, death toll was 379, with over 1,200 injured.

By Oct. 16, the situation had collapsed into a brawl. “Has one put one’s foot in it this time?” asked the *Guardian*, featuring the “diary of a debacle.” The latest in “the Queen’s blunder-strewn visit to the Indian subcontinent” is the abrupt cancellation by the Indian government, of a speech the Queen thought she was due to make in Madras that night. “British embarrassment” has grown, as the Indian government has

“retaliated” for Prince Philip’s remarks on Oct. 14, about the 1919 Jallianwala Bagh massacre, the Queen’s cold reaction at the memorial, and the Queen’s and Foreign Secretary Robin Cook’s meddling about Kashmir.

News of Philip’s comments spread rapidly in the city of Amritsar. Headlines included: “Prince Lights Another Fire,” and “Jallianwala Vastly Exaggerated: Philip.”

During the visit, the Queen behaved like a dead squid. She was requested by S.K. Mukherjee, the custodian of the memorial, “to write a few lines — just anything — in the visitors’ book. She did not smile; she did not say anything. She just signed the book” — as “Elizabeth R.”

The Queen’s welcome from Sikhs in Amritsar was not even covered in the New Delhi press. The “welcome” was also tempered. Demonstrators carried signs saying: “Killer Queen Go Back!” The newspapers were, instead, dedicated to complaints about the Queen’s failure to make a formal apology for the massacre, and comments about her absurd apparel, described as a “frilly tent.”

There was an even worse snub. The Queen had thought she was scheduled to give a speech in Madras, capital of the state of Tamil Nadu, at a reception given by the governor, and aides had prepared a three-page statement. However, New Delhi suddenly announced on Oct. 15 that Indian protocol decreed that anyone making a state visit to India, is only allowed to give speeches in New Delhi.

The British Foreign Office has tried to pass off the cancellation as a “misunderstanding” about a proposed “toast” she was to have made. Indian External Affairs spokesman Talmiz Ahmed said: “This is British ineptitude. I think they scheduled a speech for her in the program assuming they would be able to bully Indians into acceptance of something completely without precedence. When they did not succeed, they thought they could find a way out by blaming bungling Indian officials. . . . At no time stage did the British side ever suggest that the Queen would like to give a banquet speech in Madras, so the question of turning it down did not arise.”

“Relations between Britain and India are at a crossroads,” a Labour Member of Parliament close to India told the *Guardian*. “It is about a former colony making a stand. They are saying, ‘You may be the Queen of England, but here you are just like any other head of state.’ ”

It is also well-remembered in India, that several leaders of the Sikh separatist insurrection of the 1980s found refuge in Britain, the *Guardian* reported. “The Indian establishment has long suspected the British government of sympathy for the separatist cause.” Prime Minister Gujral had warned the Queen that visiting the Punjab would not be a good idea, but she did so anyway.

“Aside from the running diplomatic row which has accompanied this visit, what has been so striking has been the Queen’s mortality: for Indian papers, at least, she is ordinary flesh and blood, a woman whose demeanor and dress sense are up for dissection.”

## Britain once again eyes India for looting

*As Elizabeth II descends on India, China-basher Gerald Segal demands further opening up of Indian economy.*

**G**erald Segal, Chatham House director and a fervent promoter of the disintegration of China, has picked up the cudgel against India's apparent reluctance to fully open up its economy for looting. "No foreigner is going to save India from its own foolishness," says Segal, who is hoping that another "bout of bankruptcy" will bring Indians around to his demands. Segal's article appeared recently in the *International Herald Tribune*.

Segal cites an Indian political scientist to back up his claim that there are no constraints on reforms from the public, but rather that the problem lies with the "narrow-minded bureaucrats, elite factionalism, and the lack of bold leadership." It is evident that Segal has never spoken to an Indian on the street, but receives his "observations" from a faction of the Indian elite. In this, he has allies in P. Chidambaram, India's finance minister and a rabid free marketeer; Power Minister Y.K. Alagh, a wolf in sheep's clothing; and the top mandarins of the Finance Ministry who all belong to the exclusive World Bank-International Monetary Fund (IMF) fan club.

On the other hand, there exists strong opposition to reforms. Many recognize that what Chidambaram, Segal, and their ilk mean by reforms, is financial looting. India had 200 years of experience with free trade, during which time Segal's countrymen pauperized this nation. No economic gobbledygook can cover up this truth.

In his article, Segal, bereft of originality, echoed the IMF line and attacked New Delhi's continuation of

various subsidies. He has warned that foreign finance will not come to save India, and India will have to pay for its foolishness. He theorized that India's foolishness is similar to that of Russia's, and due to the fact that neither of these two countries "ever fell far or hard enough to know, like China, that it has no choice but to pick itself up by its own bootstraps. No one owes it a living."

Despite Segal's threatening tone, the pining for hot, short-term foreign portfolio investment into India has ebbed significantly. The role of foreign finance in the hands of speculators like George Soros has become too well known, because of the damage it did to Thailand and Malaysia. Moreover, in India, there is growing realization that the global currency market is unregulated, and years of hard-won economic gains can be wiped out in a few weeks' run on a nation's currency.

Among the pro-reforms business journalists, this little truth has been driven home by the continuing unravelling of the currency market in Southeast Asia. One such journalist, in his weekly column in the *Times of India*, the oldest major English-language daily, pointed out that the oft-repeated argument that currency attacks can be instruments for enforcing fiscal discipline on profligate governments, does not boil down to much, because often the cure is worse than the disease.

A more revealing weekly column in the *Business Standard* in early October, authored by Prem Shankar Jha, a serious economic journalist, pointed out that the volume of short-term capi-

tal sloshing around in the world market has become dangerously high, and that the money flows into and out of specific currency securities are too sharp for the economy to bear.

"Today 98% of all international capital flows consist of financial (as opposed to direct investment) flows, and of this, 80% is of short-term capital, controlled round the clock by computers and sent all over the globe in search of wafer-thin arbitrage margins. . . . As a result, the financial world is increasingly resembling a very large spinning top, balanced on a very fine point. With every year the top grows larger and larger and the puff of breeze needed to make it topple, ever lighter," Jha wrote.

Segal, who often sounds exactly like the shyster that he is, says that the East Asian currency collapse has opened up opportunities for India to snare the hot money into the Indian financial market. India can avail itself of this "window of opportunity," provided it cuts down on subsidies, opens up its financial market, and so on. He says that "time is short" and India must act quickly.

In other words, Segal is the partner in crime of Soros and other speculators. By bringing in a large amount of hot money and then making it vanish, the nation's currency is destroyed. At that point, the IMF moves in to provide "stability," which, of course, never comes, but is offered for a huge cost. The cost is to be paid in the form of financial reforms, elimination of subsidies, fiscal discipline (i.e., cutbacks on expenditures to strengthen the physical economy of the nation), making the currency fully convertible, and so on. This is the standard IMF prescription designed to destroy national economies. Their mouthpieces, such as Segal, with help from their native friends, try to influence the policy-makers.

# International Intelligence

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## ***British Tory congress erupts into racism***

Racist remarks by former British Conservative Party chairman Lord Tebbit on the sidelines of the party conference early this month, raised an outcry among Britain's large Muslim population. Tebbit apparently warned that Britain's large Muslim population could turn Britain into another Bosnia — i.e., continuing to cover for the fact that the Bosnian Serbs led by war criminal Radovan Karadzic were carrying out *British* geopolitical policy. Writer and broadcaster Yasmin Alibhai-Brown told the *Independent* that Tebbit was "basically talking about civil war, because he implies the people in Yugoslavia could not live alongside a Muslim population."

Lord Tebbit, noted the Iranian news service IRNA, "who has held several cabinet posts, is not unknown for his racist views, having previously suggested that immigrant descendants should have a 'cricket test' to show which country they are loyal to." The Tories new party leader, William Hague, has not condemned the inflammatory remarks.

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## ***Iranian daily: It's time to end British monarchy***

The Iranian daily *Jomhuri-Eslami*, which is the organ of the conservative clerics, carried an editorial on the British royal family, on the subject of their visit to Pakistan and India, marking the 50th anniversary of the two former British colonies' independence.

Headlined, "Decayed Monarchy Reveals Britain's Medieval Image," the editorial noted: "People witnessed how a newcomer to Buckingham Palace, who tried to disclose parts of the corruption of the royal family, was killed in a suspicious car accident in Paris. Thus, rationally, there is no option but to end the monarchical system. If that happens, it will be seen as the political maturation of Britain. . . . The Indian subcontinent has suffered from the dark ages of British colonialism for 150 years and tasted the bitterness of its crimes. . . . The corrup-

tion of the royal family is not something new that only Princess Diana had found. Rather, it has its roots in the history of Britain's ruling class. . . . Although London is no longer the symbol of a superpower, it will never abandon its domineering nature," the daily concluded.

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## ***Tuberculosis stalking famine-wracked N. Korea***

Famine-stricken North Korea could be facing the mass spread of tuberculosis, the UN World Health Organization (WHO) said on Oct. 2. A UN team which toured the country at the end of September reported that, due to the general economic breakdown from hunger, "the result is a decrease in immunization activities and an increase in child malnutrition. . . . There is a danger that tuberculosis is much more widespread than previously thought."

North Korean officials, however, strongly denied reports in the British-controlled *South China Morning Post* of Hongkong on Sept. 30, which said that over 1 million people have starved to death, that cases of cannibalism have been frequent, and that some people had even been executed for selling human flesh. "The recent false propaganda is designed to tarnish the image" of North Korea, the official Korean Central News Agency said.

The WHO reportedly detailed the economic breakdown resulting from widespread hunger, which in turn is allowing TB to spread: Power cuts due to the closure of coal mines whose workers are too weak to mine, have caused extensive shutdowns of refrigeration, which has weakened the effectiveness of what small amount of TB vaccine is available. Although replacement supplies had been brought into the country, they could not be transported to the provinces, because of fuel shortages.

The WHO team also reported an acute shortage of the most common medicines in hospitals and clinics. They concluded that disease surveillance and prevention and control systems were no longer functioning well enough to safeguard against the threat. Fur-

ther, the WHO said that long-term immunization projects would be needed to stop childhood diseases, which are spreading through North Korea's estimated 2.6 million children under six who are seriously malnourished.

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## ***Hundreds of thousands of Brazilians welcome Pope***

Unlike the garbage carried by the international media, many Brazilian papers have featured the happiness of the hundreds of thousands of Brazilians addressed by Pope John Paul II, who were inspired by his sense of humor and humanity, during the various events of the Second World Congress of the Pontifical Council on the Family which took place in Rio de Janeiro on Oct. 4-5.

Typical of his interventions were his impromptu remarks, in Portuguese, to the Theological Pastoral Congress: "The city of Rio de Janeiro is inspiring, because one continually sees divine architecture, and also human architecture. . . . Man is in the image of God. This inspiration of architecture is important for the family, because the family also is divine architecture. After all, the family needs divine and human architecture to live, to endure, to find its home." Addressing 114,000 people in the Maracana stadium on Oct. 4, the Pope contrasted the "growing secularization and reigning hedonism," to the "fundamental battle to give dignity to man." He stressed, "Poverty destroys the family. How can a young person think of building a family, if they do not have a job? . . . Marital fidelity and respect for life, in all phases of its existence, are being subverted by a culture which does not admit the transcendence of man created in the image and semblance of God."

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## ***Exposés of Piat murder rock rotten French elites***

Two new books on the 1994 murder of French Deputy Yann Piat, are stripping the patina of decency from the corrupt French

**RUPERT MURDOCH**, has been summonsed by a New Delhi magistrate for allowing his Star TV network to broadcast “obscene and vulgar” programming in India. This follows a complaint by a lawyer seeking the prosecution of Star TV under the Indecent Representation of Women (Prohibition) Act. This is the second time Murdoch has been summonsed before an Indian court over the content of programs on his TV network.

**TONY BLAIR**, Britain’s Labour prime minister, reportedly is against having the British crown skip over Prince Charles, and go directly to his eldest son William, according to Australia’s *Courier Mail*. Polls show that 60% of Britons, increasingly disgusted with the Windsors since Princess Diana’s murder, want her son, Prince William, to be the next king.

**YEVHENI MIKOLUTSKY**, a member of parliament and State Control Committee in Mohilyov region in Belarus, died on Oct. 6 after being hit by a bomb explosion in his apartment building. The explosive was reportedly a remote-controlled device. Radio Free Europe/Radio Liberty described Mikolutsky as a friend of President Alexander Lukashenko.

**ARCHBISHOP** Desmond Tutu blasted the International Monetary Fund at the All Africa Conference of Churches in Adis Abeba on Oct. 6. He called the structural adjustment programs “immoral, deserving condemnation, for they do not care about the suffering of people. Anything that imposes unnecessary sufferings on those for whom Christ died is wrong. SAPs do this and they must be condemned.” Tutu appealed to creditor nations to cancel some \$370 billion in debt owed by African nations.

**FORMER FRENCH** colonies will hold their first summit on Nov. 14-16, in Hanoi. Vietnamese Foreign Ministry official Luong Van Ly reports that 25 of 49 nations, representing 500 million people, belonging to *La Francophonie*, have responded to invitations to this first-ever summit.

establishment. *The Yann Piat Affair: Killers at the Heart of Power*, by André Rougeot and Jean Michael Verne, openly accuses Mitterrand Defense Minister François Léotard and Marseilles Mayor Jean Claude Gaudin of having ordered the Feb. 25, 1994 mafia-style hit. The second book, *They Killed Yann Piat*, by Claude Ardid, only obliquely identifies two officials, by their codenames “Encornet” and “Trottinette.”

Both books attribute their information to an anonymous retired general from Military Intelligence, who claims he intercepted the plot through his investigations, and that the two individuals who were arrested for being the motorcycle hit-team that did the killing, are not the ones who carried it out.

Piat herself was originally elected to the National Assembly on the slate of racist Jean Marie Le Pen. She became disgusted with Le Pen, and left his National Front. After her daughter became addicted to drugs, she vowed to wage a war on drugs. During her investigations she uncovered dirty real estate dealings in the southern department of Var, adjacent to the jet-set playground of the Côte d’Azur. Piat discovered that top political figures were selling land, owned by the military, near the airbase of Hyères and the military base at Fréjus, to the mafia.

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## **Munir Bashir, Classical oud master, dies**

The world’s greatest oud player, Munir Bashir, died at the age of 67 in Budapest, Hungary. Born in Mosul, Iraq, Bashir learned to play the oud, the Classical Arabian stringed instrument, from his father, continuing a centuries-long family tradition. He studied for six years at the Institute of Arabian Music in Baghdad, under Sharif-Muhyiddin, and later completed a doctorate in musicology at Budapest. Bashir, who was dedicated to maintaining the tradition of Arabian music, and developing it further, founded the Arab Music Academy in Baghdad. He was also artistic adviser in the Iraqi Culture Ministry, vice chairman of the International Music Council of Unesco, and sec-

retary general of the Arab League’s Arab Music Academy.

He had perhaps the deepest grasp of the history and development the *Maqam*, which he described in a 1996 interview with *EIR* as a “modal system,” at least 3,000 years old, whose sounds, rhythms, and melodies make wide use of “traditional improvisation.” Bashir had a unique capability of bringing the history of this music alive. In more recent years, he focussed on the art of improvisation, based on the *Maqam* and the musical laws of its development. Bashir established for the oud, which had traditionally accompanied song, its place as a solo instrument.

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## **Soros’s HRW attacks Palestinian Authority**

The George Soros-funded and -led Human Rights Watch has issued a new report this month, incredibly attacking the Palestinian Authority for alleged human rights abuses during its crackdown of Hamas, and demanding that the Israelis (and Americans) who ordered the PA to make the crackdown—which HRW approves—now lean on the Palestinians to “respect” human rights.

The aim of the report, titled “Repression and Intimidation in Self-Rule Areas,” is to continue the propaganda barrage against the Oslo peace accords and poison any potential for especially PA President Yasser Arafat to negotiate peace.

HRW’s press release alleges that the PA’s “mushrooming security agencies,” have carried out “Hundreds of arbitrary detentions. . . . The PA has also threatened and arrested journalists, human rights activists, and other critics, encouraging self-censorship and creating a climate of fear and intimidation.” HRW, which otherwise supports the most bloodthirsty London-based and -backed terrorist organizations, rants that “Washington’s failure to publicly urge respect for human rights when combatting anti-Israeli violence amounts to encouragement to resort, once again, to these abusive methods.”

## Clinton team targets British-backed terrorists

by Jeffrey Steinberg

In a move that is driving the British royals berserk, the Clinton administration, in compliance with the Anti-Terrorism Act of 1996, and a January 1995 Executive Order by the President, has released a list of 30 terrorist organizations that will be banned from fundraising or any other activities inside the United States. The list, and an accompanying fact sheet, were released to reporters at the State Department briefing on Oct. 8, and at a follow-up special briefing by “senior administration officials” later the same day.

Whereas the 1995 Executive Order was restricted to Middle East terrorist groups, including two Jewish terrorist groups linked to the late Rabbi Meir Kahane, the list released on Oct. 8 had some very significant additions—and one equally significant omission.

In addition to the dozen Mideast groups already identified as terrorist organizations, the expanded list included: the Kurdistan Workers Party (PKK), the Basque separatist ETA, the Abu Sayyaf Group from the Philippines, the Liberation Tigers of Tamil Eelam (LTTE) from Sri Lanka, the Mujahedin-e Khalq, and five Ibero-American narco-terrorist groups: the Colombian FARC and ELN, the Peruvian Shining Path and Tupac Amaru (MRTA), and the Chilean Manuel Rodríguez Patriotic Front Dissidents (FPMR/D).

### U.S.-Iran signals

The fact that the Clinton administration included the Mujahedin-e Khalq (MKO) on the list has been widely read as a signal that the United States is willing to begin the process of normalization of relations with Iran. The MKO, an Iraq-based Iranian Communist sect, which is heavily British-backed, has, in the past, enjoyed the support of many members of the U.S. Congress, who were often motivated more by hatred of the Teheran leadership than concern about the MKO’s record of terrorism.

The Iranian government promptly responded to the Clin-

ton administration action. The daily *Iran News* editorial on Oct. 13 said, “It is not every day the Islamic Republic can welcome a decision taken in Washington, but just for a change it should, in response to the U.S. State Department move declaring the self-styled Mujahedin-e Khalq organization a terrorist group. . . . The inclusion of the MKO on this arguably unsatisfactory list is a little victory for Iran on the all-important public relations fronts.”

The Paris daily *Le Figaro*, in an article on the ongoing Iranian naval maneuvers and the simultaneous visit of the *USS Nimitz* to the Persian Gulf, considered the State Department move as a “transparent” message: “In diplomatic terms: Washington has taken a small step toward the recognition of the Iranian regime, burning all bridges with a movement which is trying to overthrow it by force.”

The fact that the Clinton administration placed the FARC and the ELN on the terrorist list, at a point when there is growing international pressure from the British and from the United Nations world federalist crowd to “negotiate” a peaceful settlement with these narco-murderers, is especially significant—particularly because it took place on the eve of President Clinton’s week-long trip to Ibero-America. White House drug policy adviser Gen. Barry McCaffrey (ret.), travelling with the President in Venezuela, emphasized at a press conference in Caracas, that the FARC and ELN are an integral part of the narco-insurgency against Colombia.

### Her Majesty’s terrorists

Although the State Department fact sheet and the public remarks by senior administration officials made no mention of America’s so-called “ally,” Great Britain, the fact is that the vast majority of the 30 groups named by the Clinton administration have enjoyed the full backing of the British monarchy. Moreover, the leading person in the United States hammering away at London’s harboring of international ter-

rorism, has been Lyndon LaRouche. The role of LaRouche in identifying the groups now targetted for official censure is another facet of the Clinton administration action that is sure to send the British royals climbing the walls of Windsor Castle.

The Oct. 13, Nov. 10, and Nov. 17, 1995 issues of *EIR* featured a comprehensive report on what LaRouche labeled “the new international terrorism.” In his introduction to the series of in-depth dossiers, featuring all of the organizations subsequently named by the Clinton administration, LaRouche wrote, “A new wave of international terrorism is stalking the world. It is led by a horde of mujahideen mercenaries: human flotsam, like the 1920s ‘rootless’ veterans of World War I, cast upon the world in the wake of the 1980s Afghan war. This is the worst terrorism yet; it is much worse than that of the 1970s. It is coordinated from the capital of a former U.S. ally, London; worse yet, it was created with complicity of former U.S. Vice President (and, later, President), George Bush.”

Since the publication of the *EIR* series, nine governments from around the world, including Egypt, Saudi Arabia, Pakistan, France, Israel, Turkey, and Germany, have filed formal protests with London over the British government’s harboring of international terrorists.

Britain’s response to these protests was to defeat an effort by a member of Parliament, Tory MP Nigel Waterson, to pass a bill that would have, for the first time in British history, banned the plotting and financing of foreign terrorism from British soil. As reported in *EIR* on April 4, 1997, Labour MP George Galloway, an ally of Prime Minister Tony Blair, led the drive to defeat the anti-terrorism bill, and defended his actions on the floor of Parliament in February 1997: “We are in all in favor of controlling terrorism in Britain. . . . Surely not a single honorable member has any truck with terrorism here, but we are talking about terrorism in other countries, and what is defined as terrorism by foreign dictatorships, where there is no democratic process.”

In another move that sent some British Lords into a rage, the list released by the State Department did *not* include the Irish Republican Army. This was a topic of heated discussion with several reporters at the Oct. 8 briefing. The administration representatives stated that, with the IRA cease-fire holding, and with the British government admitting that Sinn Fein deserved a seat at the peace negotiations, the United States decided to keep the IRA off the list, although the group can be added on at any time, should the cease-fire break down.

### **Mossad hit-squads**

State Department spokesman Jamie Rubin was asked by several reporters at the State Department briefing on Oct. 8, why the Israeli Mossad was not placed on the list of banned terrorist organizations, following the failed assassination attempt against a top Hamas official in Amman, Jordan on Sept. 25.

One reporter asked, “Some of the names that are not on the list are sort of curious. . . . What about Mossad, given the

events of last week?” Rubin replied, “Mossad is not a terrorist organization. . . .”

Q: “Why not? How do you define terrorist organizations . . . ?”

Here Rubin began to get flustered. “Well, certainly in the case of—let me make this generic. In our view, a terrorist organization targets innocent civilians to make their political point. That’s a very different situation than what we’ve been talking about. . . .”

A third questioner jumped in: “Just to follow up on Mossad, how would you characterize the attempted assassination?”

Rubin: “I would say this, is that the United States has long made it a practice of not second-guessing the Israeli government when it comes to the decisions in the fight against terror. We—however, we believe that Israel must take into account the repercussions and consequences of any actions it takes in its fight against terror. We consider the Israeli-Jordanian relationship to be one of the most important cornerstones of the peace process. Protecting this relationship should be of the highest priority, especially for Israel. So . . . our view is that the consequences of actions that are taken in the fight against terror have to be examined, whether they succeed or they fail those actions. And in this case we think the Israeli government could have better taken into account the repercussions and consequences of its actions.”

President Clinton, in his January 1995 Executive Order, identified two well-known Likud-linked Jewish “underground” groups, Kahane Chai and the Kach Movement, among the dozen Mideast terrorist groups banned from operating on U.S. soil. Both were outgrowths of Rabbi Meir Kahane’s Jewish Defense League, and, according to author Robert Friedman, all of the Kahane groups were backed by factions of the Mossad, including former Mossad executive and Israeli Prime Minister Yitzhak Shamir.

The furor over the Mossad’s bungled murder attempt in Jordan has been further fueled by another recent development, suggesting deeper Israeli involvement in the recent “Palestinian” suicide bombings in Israel. On Oct. 17, the London *Times* reported that ten Jewish residents of Jerusalem had been arrested for “allegedly supplying explosives to Palestinians for use in terrorist attacks against Jewish targets in Israel and the occupied territories.” According to the *Times*, “Israeli security sources said that the case was one of the biggest of its kind in which a ring of Jews had been found apparently supplying weaponry to Palestinian extremists to enable them to continue their terror campaign designed to sabotage the 1993 Israeli-Palestinian peace accords.”

The fact that factions within Israel are fueling the blind-terror campaign against the Jewish state to subvert the peace process, should come as no surprise. *EIR* has documented for over a decade the role of Netanyahu cabinet minister Ariel Sharon, and his allies in the Likud, in creating and deploying both the Jewish underground and “Islamic” terrorists in gang-counter-gang irregular war.

# LaRouche v. Fowler case is back in court

by Bruce Director and  
Mary Jane Freeman

Attorneys for Lyndon LaRouche, Jr. and nine Democratic voters argued the appeal in the voting rights case, *LaRouche et al. v. Fowler et al.*, before a three-judge panel of the D.C. Court of Appeals on Oct. 14. The outcome of this case is being watched around the country. At stake is whether rules of a national party must comply with the U.S. Constitution and the 1965 Voting Rights Act.

LaRouche et al. filed suit in August 1996 against the Democratic National Committee (DNC) and its former chairman, Donald Fowler, who colluded with state party officials to exclude LaRouche and his delegates from the Democratic Party Presidential nominating convention. The exclusion was based on a letter-directive from Fowler, which declared that “LaRouche is not a bona fide Democrat” and said that votes cast for him, or delegates pledged to him, were to be “disregarded.” Fowler claims his actions were merely an expression of the party’s right to say who is or is not a member of the Democratic Party. But, in this case, the actions by Fowler violated the constitutional right to vote of life-long African-American Democrats and others. Thus, Fowler et al.’s actions violated both the Constitution and the Voting Rights Act.

Despite Fowler’s letter, LaRouche gained enough votes in the Louisiana primary and in a Virginia caucus to be awarded one delegate from each state. But, local party officials, acting on orders from Fowler, disregarded the votes and denied LaRouche any delegates. Just weeks before the convention, the suit was filed in U.S. District Court in Washington, D.C. The case was heard by Judge Thomas Penfield Jackson, who dismissed the case without referring it to a special three-judge panel, as required by the Voting Rights Act.

The appeals panel which heard the case on Oct. 14 consists of three judges: David Sentelle, a conservative Republican who appointed Kenneth Starr as independent counsel; Lawrence Silberman, a neo-conservative who was involved with Oliver North’s operation; and Merrick Garland, a young Clinton appointee who served as Deputy Assistant Attorney General in the Criminal Division of the Justice Department. Arguing for Fowler et al. was John Keeney, Jr., son of the notorious career Justice Department official John Keeney, Sr.

At the oral argument, neither side had much chance to deliver their prepared statements, as all three judges conducted vigorous questioning. The questioning focussed on

whether 1) the case was moot, 2) District Court Judge Jackson was wrong to dismiss the case, 3) the DNC and Fowler’s actions were covered under the Voting Rights Act, and 4) LaRouche and his co-plaintiffs had sued in the proper Federal court.

At the outset, the judges stated that if this case is moot, they need not deal with any of the other issues. Fowler had argued that since the 1996 election is over, and LaRouche’s delegates weren’t seated, there is nothing left to litigate. James F. Schoener, arguing for LaRouche and his co-plaintiffs, said the case is not moot. “LaRouche is a candidate for the year 2000, these rules are still in place, and this could happen again,” he said. When asked the same question, Keeney answered, “There is no way to know if this will happen again. We don’t know what our new chairman will do.” Rather incredulous, Judge Silberman replied, “You don’t expect us to believe that this won’t happen again?”

The judges seemed concerned that Judge Jackson had exceeded his authority by dismissing the case without appointing a three-judge court, as required by the Voting Rights Act. Legally, such a dismissal is possible only if the case is frivolous. “This isn’t a frivolous case,” Judge Garland stated. Jumping into the fray, Judge Silberman asked Keeney, “If Fowler’s letter had been addressed to Jesse Jackson, do you think it would have been dismissed without referring it to a three-judge court?” Keeney said yes. “Do you think any district court in the nation would have given this treatment to the case if it had concerned Jesse Jackson?” Silberman later said, “I personally believe that the Democratic Party has the right to exclude someone whose views they don’t like. But no one has ever ruled on that yet. Shouldn’t that be referred to a three-judge court?” All three judges noted that this case presents novel issues.

Next, examining the DNC and Fowler’s claim that national party rules are not subject to the Voting Rights Act, Judge Sentelle asked Keeney, if his position were the law, “would not the [early 1960s] white primary cases” — the cases which began to curb racial discrimination in voting — “have to be reversed?” Keeney replied, “The outcome in those cases was correct.” Keeney had to admit that the national Democratic Party had sanctioned the white primaries, but he refused to acknowledge the similarity to Fowler’s actions in the LaRouche case.

Not allowing Keeney to have his cake and eat it too, Judge Sentelle fired back a question about the recent Supreme Court case of *Morse v. Republican Party of Virginia*, where the court found the Virginia GOP violated the Voting Rights Act because it required delegates to pay an entry fee to a nominating convention. “Isn’t excluding someone based on their views more serious than requiring them to pay a fee?” Keeney replied that exclusion because of views, was the only correct basis to exclude someone.

An opinion in the case is expected soon, although there is no set time by which the judges must issue it.

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

**“Never again!”**

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

“My mission is to see that Eritrea, Ethiopia, Sudan, Uganda, Kenya, Tanzania, Rwanda, Burundi, and Zaire become federal states under one nation. . . . As Hitler did to bring together Germany, we should also do it here. Hitler was a smart guy, but I think he went a bit too far by wanting to conquer the whole world.”



**Dachau, Germany, 1945**

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## Use of line-item veto raises Congress's ire

President Clinton's first major use of the line-item-veto authority given to him by Congress last year, has shattered the illusions of even its most vocal proponents. On Oct. 6, Clinton sent back the Military Construction Appropriations bill with 38 projects lined out, affecting districts of both Democrats and Republicans. In his veto message, Clinton said that cancelling those items "will reduce the Federal deficit, will not impair any essential government functions, and will not harm the national interest," a conclusion immediately disputed by members of Congress on both sides of the aisle.

In the House, Appropriations Committee Chairman Bob Livingston (R-La.), in an Oct. 8 letter to the President, wrote that the line-item veto was intended "to reduce the number of unnecessary, low-priority, unduly expensive programs," and not to be used "at random against miscellaneous but worthy projects not blessed by the White House," nor "as a raw exercise of power to threaten, intimidate, or exert revenge on wayward legislators." He warned that "if this authority continues to be handled so poorly, I will have no choice but to entertain the process for an override."

On the Senate side, Ted Stevens (R-Alaska) and Robert Byrd (D-W.V.), the chairman and ranking member, respectively, of the Senate Appropriations Committee, introduced a bill on Oct. 9 to overturn Clinton's vetoes. Stevens, who was a big booster of the line-item veto in 1996, echoed Livingston's formulations and added that Clinton's action "reneges on the budget agreement he reached with the Congress," because the 38 projects eliminated from the bill were "meritorious, sought by the Depart-

ment [of Defense], and were not wasteful or excessive spending." Stevens warned that if the same procedure were followed on the Defense Appropriations bill, action on which is expected to be completed soon, "I intend to introduce a bill to repeal the Line-Item Veto Act."

Byrd, on the other hand, based his statements on constitutional arguments. He called the line-item veto "one of the most shocking abdications of duty that members of this Congress have committed," and said, "I am here to say that this pernicious act should be repealed."

## Global warming treaty meets growing opposition

In separate actions, the House and Senate upped the pressure on the Clinton administration against the global climate change treaty, to be negotiated in Kyoto, Japan in December.

In the Senate, Chuck Hagel (R-Neb.) and Pat Roberts (R-Kan.), joined by a coalition of farm groups, held a press conference on Oct. 9 and warned against the potential economic effects of the treaty on agriculture. The senators pointed out the supranational aspect of the treaty's dictates on so-called greenhouse gas emissions. Hagel asked, "Are we really serious in this country about allowing an international body to dictate to our farmers, our ranchers, our business, our industries, on how much energy they can use and at what cost?"

On July 25, a resolution co-sponsored by Hagel and Robert Byrd (D-W.V.), which passed by a vote of 95-0, warned the administration against signing a treaty that exempted most of the developing world or

"would result in serious harm to the economy of the United States."

In the press conference, Roberts lauded the 1995 farm bill, claiming that with it, U.S. farm income and market share are better than at any time in the last ten years. "We did that so we can feed America and a troubled and hungry world," he said. He called it a "paradox of enormous irony" that at a time when America is successful in meeting that challenge, and when there's a famine in North Korea and the administration is involved in negotiations in an attempt to alleviate it, "that the administration would throw a monkey wrench into the greatest food and fiber machine that we've ever seen and seriously endanger the capability of American agriculture to meet our responsibilities." Roberts warned that the tax level required to achieve the 20% reduction in greenhouse gas emissions mandated by the treaty "would be five times greater than the [proposed] BTU tax in 1993." He called that a "nonstarter."

On the House side, Dana Rohrabacher (R-Calif.), at a House Science Committee hearing on Oct. 9, said that disagreeing with the global warming theory is "politically incorrect." He complained, "No one in the scientific community has been able to question the religious commitment to global warming and the global warming theory and expect to get any government grants."

## McCain-Feingold campaign finance reform bill dies

A series of cloture votes on Oct. 7, 8, and 9 failed to keep alive the McCain-Feingold campaign finance reform bill. Democratic attempts to invoke cloture and close debate on the bill re-

ceived 52 votes out of 60 required. Senate Majority Leader Trent Lott's (R-Miss.) amendment, the so-called "Paycheck Protection Act," which would restrict union political expenditures derived from mandatory dues, brought on a Democratic filibuster and contributed to the bill's death.

On Oct. 7, Senate Minority Leader Tom Daschle (D-S.D.) complained that Lott's amendment was a "poison pill" and his tactic of "filling up the amendment tree" prevented any meaningful debate on the bill. He said that Lott didn't accept Democratic offers to take up his amendment as a separate bill, because Lott wanted "to set up a situation that requires a Democratic filibuster." Lott didn't "want an up or down vote on his amendment," or "an up or down vote on campaign finance reform," he said.

Lott stated that the two cloture votes on Oct. 7 "put an end to campaign finance reform at this time. They end the drive for phony reform, the kind that rigs the law in favor of one side or the other. They end the partisan gameplan that treated the Constitution and the right of free speech guarantees as technicalities to be gotten around." He added, "Until we do something about the paycheck equity issue, allow people to have some say over how their dues are used, and make sure that all campaign contributions are voluntary, I don't see how we can ever resolve this issue."

## Senate chooses own path on transportation bill

On Oct. 8, the Senate began debate on its version of an authorization bill to continue the programs of the Intermodal Surface Transportation Effi-

ciency Act of 1991, which expired on Sept. 30. The new bill, dubbed ISTEA II, passed out of the Environment and Public Works Committee on Sept. 17 by a unanimous vote of 18-0, provides \$145 billion over six years for highway, mass transit, and safety programs, a 20% increase over the 1991 act.

Senate floor action on the bill, however, is clouded by a number of issues, including the fact that the House laid aside its major bill and passed a six-month extension. Senate Majority Leader Trent Lott (R-Miss.) said of the House bill, "We don't feel like that really addresses or cures anything." However, Lott suggested that the Senate was prepared to work with the House to get the bill through.

The major issue that will dominate the Senate debate centers on allocation formulas, a concern raised by Frank Lautenberg (D-N.J.) in a statement appended to the committee report on the bill. He wrote that despite the funding increase in the bill, many states get less funding under the bill's formulas. "A long-term transportation bill should allocate funding based on usage and should reflect the needs and costs of repair for each state. I am sorry to say that this bill does not do that." Lautenberg expressed hope that the bill would be revised to address this concern before it reaches President Clinton's desk.

## District Appropriations bill clears House

The House passed, by a vote of 203-202, the District of Columbia Appropriations bill on Oct. 9. The debate was marked by partisan clashes over ideological issues inserted into the bill by

the Republican majority, including school vouchers, re-opening Pennsylvania Avenue in front of the White House, and changes to the D.C. government.

James Moran (D-Va.), the ranking member on the D.C. Appropriations Subcommittee, tried to eliminate most of the ideological provisions with a substitute bill based largely on the Senate version written by Lauch Faircloth (R-N.C.). Moran argued that his substitute would "eliminate the need for this Congress to pass another continuing resolution and to further delay the necessary budget and management reforms being implemented in the District of Columbia."

Moran's substitute was defeated 212-197, but Democrats succeeded in stripping the waiver of the Davis-Bacon prevailing wage law for construction contracts on D.C. schools, with an amendment sponsored by Martin Sabo (D-Minn.). The Republicans, in typical union-bashing fashion, claimed that Davis-Bacon wastes money and supports special interests, i.e., labor unions. Majority Whip Tom Delay (R-Tex.) said, "We can vote to support schools and public education or we can vote to support corruption and Washington union bosses."

One exception to this GOP attack was Jack Quinn (R-N.Y.), who argued that this was not the way to look at the effects of the Davis-Bacon law. To do that, he said, "we should conduct hearings, we should have a fair and open debate, and then we should do it the right way and not legislate on appropriations." He said that "if the prevailing wage laws are repealed, it would in essence allow contractors to use the vast power of the Federal government to depress wages of construction workers and then cut those wages to win the Federal projects they desire."

# National News

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## LaRouche backer to run vs. China-basher Smith

LaRouche supporter Lewis du Pont Smith announced on Oct. 15 that he will run for Congress against New Jersey Republican Chris Smith of Trenton. In a statement, Smith denounced his opponent as “one of the leaders in Congress, of the British-inspired attempt to sabotage the upcoming U.S.-China summit,” and a stalking horse for the “British Intelligence front-organization” Christian Solidarity International (CSI), headed by a deputy speaker of the House of Lords, Baroness Caroline Cox.

Chris Smith, who prides himself on heading the Congressional Pro-Life Caucus, has also led the operations to depopulate Central Africa through “promoting civil wars, disease, and famine,” du Pont Smith said. He charged that CSI and Chris Smith led the cover-up for the mercenary forces of Hitler admirer Yoweri Museveni, which in the past year have killed one-half million Rwandan Hutu refugees, while grabbing the mineral wealth of Congo-Zaire on behalf of the British Empire mining cartel. Chris Smith, along with fellow China-basher Rep. Frank Wolf (R-Va.) is a board member the U.S. branch of CSI.

Du Pont Smith contrasted his opponent’s British-controlled wrecking operations against a U.S.-China partnership, to Lyndon LaRouche’s solution to the “global financial breakdown”: to construct development corridors along a Eurasian Land-Bridge.

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## Prison labor scandal brewing in Virginia

A criminal investigation is currently under way involving prison industries in Virginia; but the probe appears to be just skimming the surface of a much bigger scandal about the attempt by the Republican state administration to turn Virginia prisons into slave-labor plantations. Now, however, it seems that the Allen administration is sitting on a scandal which may result in indictments of state officials—but probably not until after

the November elections. The GOP gubernatorial candidate, James Gilmore, until recently Virginia’s Attorney General, has boasted of the state’s forming joint ventures between private businesses and Virginia Correctional Enterprises (VCE), the state-run prison labor program.

The investigation involves the sale of military flight suits which were being produced by VCE, to Thailand, Peru, Spain, and Italy. The wages paid to prisoners are a cruel mimicry of the infamous “company towns”: By law, inmates must receive the minimum wage for products manufactured for interstate commerce. However, out of that \$5.15 an hour, inmates are forced to kick back to the prison system their “room and board,” as well as taxes, fines, victim restitution, etc., leaving them slave-labor wages of 80-90¢ an hour.

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## CPUSA backers nabbed as Soviet spies

Three persons, members or supporters of the Communist Party USA, were arrested on Oct. 4 and arraigned on Oct. 6 in Federal court in Alexandria, Virginia, on charges of spying for East Germany and the Soviet Union during the 1970s and 1980s. The three are: Kurt Alan Stand, now a union representative; his wife, Theresa Squillacote, a senior staff attorney at the U.S. Defense Department; and James Clark, a linguist and private investigator.

All three were charged with conspiracy to commit espionage. Stand and Squillacote also were charged with attempted espionage and illegally obtaining national defense information. Stand, whose father recruited him as an East German Ministry of State Security (Stasi) agent in 1972, reportedly recruited Clark to espionage work in 1976, and Squillacote around the time he married her in 1980.

When Germany reunified in 1990, their East German handler tried to set them up to spy for the Soviet Union and then for the Russian Federation, according to the complaint filed in the case. An FBI agent posing as a Russian intelligence officer had five meetings with Clark, and another agent posing as a South African officer met Stand and

Squillacote. (Squillacote had written to an official of the South African Communist Party in 1995, offering to spy for them.)

The FBI’s affidavit described the three as CPUSA sympathizers who met at the University of Wisconsin in Milwaukee. Stand was campus chairman of the CP’s Young Workers Liberation League in 1973, and Clark became the YWLL chapter chairman in 1974. It was during that period, that the CPUSA/YWLL engaged in widespread violent attacks on associates of Lyndon LaRouche, and in late 1973, the CPUSA, with FBI complicity, was plotting to assassinate LaRouche.

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## Carville reads Riot Act to GOP scandal mongers

James Carville, the most plain-talking among President Clinton’s friends and associates, wrote a stinging letter to Rep. Dan Burton (Ind.), the Republican chairman of the House Government Reform and Oversight Committee, which is running a witch-hunt against President Bill Clinton. Carville sent a copy of his letter to the *American Spectator*.

“Dear Chairman Burton:

“I noticed this month’s *American Spectator* (a right-wing periodical with which I’m sure you are familiar) calls for an investigation into my Education and Information Project, an organization I set up to defend the President from partisan accusers like you and the *American Spectator*.

“Well, I would like to save you the time, energy and taxpayer money (Lord knows you’ve wasted enough of that already) involved in drafting up a subpoena for me. If you are not too busy shooting up watermelons in your back yard, I am ready, willing and able to testify before your Committee on any day and at any time.

“I’ll gladly answer any questions you might have about the tax-exempt status EIP does not have and will never apply for. . . .

“While I’m at it, maybe we could get into my knowledge of your attempts to shake down a lobbyist for Pakistan or the various examples of you putting America’s foreign policy regarding countries like Zaire and Turkey up for sale to the highest contribu-

**GEORGE BUSH**, the butcher of Panama, Iraq, and Bosnia, was awarded the Albert Schweitzer gold medal for humanitarianism on Oct. 9 at Johns Hopkins University. The award was to honor his ostensible work on the unification of Germany, which he and British Prime Minister Margaret Thatcher, in fact, did everything to undermine.

**JACK KEVORKIAN** and his attorney Jack Schwartz met with Macomb County, Michigan Prosecutor Carl Malinga on Oct. 6, to request his help in finding a "dignified way" of disposing of Kevorkian's victims' bodies. So far, Kevorkian has dumped the bodies in some visible place. The ploy is designed to get Malinga to back-handedly legalize Kevorkian's murder spree.

**JOHN SWEENEY**, president of the AFL-CIO, and House Minority Leader Dick Gephardt (Mo.) began a national tour on Oct. 14 to organize against the passage of fast-track authority for expansion of the North American Free Trade Agreement. Far from providing jobs and new industry, NAFTA has increased unemployment in all three member nations—the U.S., Mexico, and Canada.

**LAWRENCE WALSH**, who served for seven years as Iran-Contra independent prosecutor, told the Fox TV network on Oct. 12 that there are not sufficient grounds for Attorney General Janet Reno to ask for appointment of an independent counsel in the campaign fundraising investigation against President Clinton and Vice President Gore. "I have a feeling that the campaign finance law is not going to turn out to be sufficiently clear to support a criminal prosecution," Walsh said.

**JESSE JACKSON**, President Clinton's newly appointed envoy to Africa, told the Italian daily *La Stampa* on Oct. 12, that the United States would draft a priority list "where to encourage investments . . . for building infrastructure for economic development."

tors. Then maybe I could talk about the meeting you had back in 1995 with that Aruban banker who turned out to be the brother of an indicted drug money-launderer, or the contributions you have taken from Sikh temples.

"You see, for too long your right-wing media apparatus has bullied and intimidated Democrats. But I will not be cowed by any right-wing attempts to silence me. I told Chairman Henry Hyde the same thing when I offered to testify before his committee about right wing-nut Rep. Bob Barr's (R-Ga.) attempts to get me thrown in jail for obstruction of justice. I hope, unlike Mr. Hyde, you will see fit to allow me to clear the air. . . .

"All of this leads me to one conclusion: the purpose of your committee is not to get the truth, but to get the President. I feel that an appearance by me would conclusively demonstrate that to the American people.

"So hoss, just give me a call, stack up the bibles, and let's get it on."

## New Orleans honors Uganda's Dr. Binaisa

On Oct. 1, the New Orleans City Council unanimously honored Dr. Godfrey L. Binaisa, former President of Uganda, for his fight to bring bring economic and social justice to Africa. The resolution read:

"Whereas, Dr. Godfrey Binaisa, a patriot of Uganda, was Uganda's Attorney General and then President; and

"Whereas, Dr. Godfrey Binaisa has come to the United States to inaugurate the founding of the civil rights movement for all of Africa, which he believes is the 'last mile which all of us have to travel if we are to reach the goal of total liberation of Africa'; and

"Whereas, Dr. Binaisa continues his fight for the economic and industrial development of the many African nations, and admires the impetus of leaders like Martin Luther King, Jr., Robert Kennedy, Charles de Gaulle of France, and Franklin D. Roosevelt; and

"Whereas, Dr. Binaisa's goal is the creation of a New World Economic Order by way of a Civil Rights Movement which will

not discriminate because of color, religion, or tribe; now, therefore

"Be It Resolved By The Council Of The City Of New Orleans that this Council encourages the intent of his efforts and extends a welcome to Dr. Godfrey Binaisa to the City of New Orleans."

While in Louisiana, Dr. Binaisa spoke on "The Truth About Events in Africa: Stopping the Genocide against Africans," before 220 students at Southern University in Baton Rouge, one of the nation's leading black universities.

## Paula Jones case vs. Clinton is foundering

*U.S. News and World Report* says in a recent issue that President Bill Clinton refused to settle the Paula Jones sexual harassment suit against him, because he wants full exoneration from her charges in court. Jones's lawyers recently resigned from the case, saying that they wanted her to accept a settlement offer. Jones is now represented by the Dallas law firm of Rader, Campbell, Fisher and Pyke, and the tab is being picked up by the Rutherford Institute, advocates of "Christian Reconstructionism," and part of the British gang behind the Promise Keepers.

Meanwhile, Jones's trump card appears to be a joker: For years, newspapers and Internet websites have carried titillating rumors about Jones's sealed affidavit which was said to describe certain "distinguishing characteristics," by which Jones could prove that Clinton had exposed himself to her. Jones did not tell her first lawyer about the "distinguishing characteristics." The sealed affidavit only appeared when her second set of lawyers, who have now quit, came into the case.

However, on Oct. 7, Clinton's attorney Robert Bennett, having finally obtained the secret affidavit, said, "I can see why they waited so long in getting it to me. They didn't want me to have it, because they know I can easily rebut it." Appearing on CBS "Face the Nation" on Oct. 5, Bennett said that Clinton's recent physical examination "adamantly rebuts everything that is in that affidavit. . . . And when I depose Paula Jones, I'm going to lock her into that affidavit." Depositions in the case began on Oct. 13.

## Editorial

### *Behind the Promise Keepers cult*

Several hundred thousand clueless men, lured by talk of “family values,” came to Washington, D.C. on Oct. 4 for pseudo-religious exercises run by a cult of New Age fascists. Promise Keepers was created by intelligence operatives of the British and George Bush “globalist” circuit, working in Pentecostal and related paramilitary and separatist movements. The exposé on this subject in the Aug. 22, 1997 *EIR* has met with a grateful response from patriots who do not wish to be the victims of these brainwashers.

Promise Keepers founder Bill McCartney and several other PK leaders have been members of the Vineyard Christian Fellowship, an experiment to probe the limits of degradation in “worship.” Vineyard set up “churches,” in Florida, where people bark like dogs, jerk on the floor, and vomit in ecstasy.

Vineyard chief John Wimber is in the British-run leadership clique (with televangelists Oral Roberts, Pat Robertson, Ken Copeland, Benny Hinn, and Col. Jim Ammerman) now running the “charismatic renewal” of Pentecostalism. That global project, launched as part of New Age irrationalism in the 1960s, was supervised by British intelligence agent David du Plessis of South Africa, and sponsored by the Church of England and the Anglo-Dutch monarchies.

Campus Crusade for Christ boss Bill Bright leads the Promise Keepers’ penetration of the military. Last year, Britain’s Prince Philip awarded him the lucrative Templeton Prize for his service to British aims. Bright’s staff includes Special Forces Lt. Col. Chuck Stecker (ret.) and Special Forces Col. Jim Pack (ret.), a psychological warfare specialist.

Wellington Boone is an African-American cult guide for PK. He writes that Christians must learn to “think like worms.” Boone is a leader of the Coalition on Revival, part of the feudal sect called Christian Reconstructionism, to which many PK leaders subscribe. This sect was shaped in 1962-63 when founders Gary North and Rousas Rushdoony were employed by the William Volker Foundation, the U.S. funding arm of the Mont Pelerin Society.

The Protestant fundamentalist magazine *The Heritage* reported in its June 1995 issue, that the Promise Keepers were based on “encounter group” sessions led

by psychologists using Jungian sex psychology as a control mechanism. “At the 1993 Promise Keepers rally at Folsom Field on the campus of the University of Colorado,” the article reports, “the organizers distributed to each of the 50,000 men attending a book which stated that Jesus Christ was a ‘phallic’ male who struggled with homosexual temptation, and that in certain situations men should be ‘celebrating the experience of sin.’” The book is *Masculine Journey*, by psychologist Robert Hicks.

Hicks adopts the “archetypes” of the Satanic psychiatrist Carl Jung, and calls for Christians to create pagan-modelled “phallic initiation” rites to celebrate personal milestones, including pubic hair growth, wet dreams, and marriage consummation.

Promise Keepers reportedly uses a “study guide” which is based on Hicks’s book. The guide, according to Sarah Leslie, co-publisher of *The Christian Conscience* newsletter, includes an “‘ice-breaker’ game called ‘People Bingo.’ In it, men ask each other what kind of undershorts they are wearing (‘boxers or bikini shorts’), and similar personal, potentially embarrassing questions about their family, their past (abuse by parents), and private anatomy.” The undershorts question, according to Mrs. Leslie, “replaced a question in the first edition of the study guide which had men ask their group members whether they had had sex with their wife ‘within the last week.’”

Both Hicks’s *Masculine Journey* book and the PK study guide course based on it define the essence of a man as “phallic,” and conclude that a man may therefore authentically “worship with his phallus.” The book and PK guide reportedly argue that Jesus Christ’s “phallic” nature and lack of heterosexual sex meant he was tempted to have homosexual sex.

In sum, Promise Keepers uses the New Age psychological control techniques of the 1970s encounter groups, and is run at the top by fascists under British control—with the invocation of the name of Jesus Christ for window dressing. They play upon people’s desire to run away from the reality of a collapsing world economy, to find refuge in “personal family values” that ignore the rest of humanity. No real patriot will have anything to do with them.

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## CALIFORNIA

- CONCORD—Ch. 25  
Thursdays—9:30 p.m.
- GARDEN GROVE—Ch. 3  
Mondays—11 a.m. & 4 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  
Wednesdays—11 p.m.  
Thursdays—2 p.m.
- NEWTOWN/NEW MILFORD  
Charter—Ch. 21  
Thursdays—9:30 p.m.

## DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25  
Sundays—12 Noon

## ILLINOIS

- CHICAGO—CAN Ch. 21  
Mon., Oct. 27—10 p.m.
- SPRINGFIELD—Ch. 4  
Wednesdays—5:30 p.m.

## INDIANA

- SOUTH BEND—Ch. 31  
Thursdays—10 p.m.

## KANSAS

- SALINA—CATV Ch. 6\*

## LOUISIANA

- NEW ORLEANS—Cox Ch. 78  
Wednesdays—11 p.m.

## MARYLAND

- ANNE ARUNDEL—Ch. 20  
Fri. & Sat.—10 p.m.
- BALTIMORE—BCAC Ch. 42  
Wednesdays—8 p.m.
- BALTIMORE COUNTY—Ch. 2  
2nd Tues., monthly—9 p.m.
- MONTGOMERY—MCTV Ch. 49  
Fridays—7 p.m.
- P.G. COUNTY—Ch. 15  
Thursdays—9:30 p.m.
- W. HOWARD COUNTY—Ch. 6  
Daily—10:30 a.m. & 4:30 p.m.

## MASSACHUSETTS

- BOSTON—BNN Ch. 3  
Saturdays—12 Noon

## MICHIGAN

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

## MINNESOTA

- MINNEAPOLIS—MTN Ch. 32  
Fridays—7:30 p.m.
- ST. LOUIS PARK—Ch. 33  
Friday through Monday  
3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33  
Mondays—8 p.m.
- ST. PAUL (NE Suburbs)  
Suburban Community—Ch. 15  
Wednesdays—12 Midnight

## MISSOURI

- ST. LOUIS—Ch. 22  
Wednesdays—5 p.m.

## NEVADA

- RENO/SPARKS  
Continental—Ch. 30  
TCI—Ch. 16  
Wednesdays—5 p.m.

## NEW JERSEY

- STATEWIDE—CTN  
Saturdays—4 a.m.

## NEW YORK

- BROOKHAVEN (E. Suffolk)  
TCI—Ch. 1/99  
Wednesdays—9 p.m.

- BROOKLYN—BCAT  
Cablevision—Ch. 67 & 68  
T-W B/O—Ch. 34 & 35  
Fridays—12 Midnight
- BUFFALO—BCAM Ch. 18  
Saturdays—12 Noon
- 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  
Sun., Nov. 2, 16, 30—9 a.m.  
Mon., Dec. 14—9 a.m.
- MONTVALE/MAHWAH—Ch. 14  
Wednesdays—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.
- RIVERHEAD  
Peconic Bay TV—Ch. 27  
Thursdays—12 Midnight
- ROCHESTER—GRC Ch. 15  
Fri.—11 p.m.; Sun.—11 a.m.
- ROCKLAND—PA Ch. 27  
Wednesdays—5:30 p.m.
- SCHENECTADY—PA Ch. 16  
Wednesdays—10 p.m.
- STATEN ISL.—CTV Ch. 24  
Wednesdays—11 p.m.  
Saturdays—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.
- WEBSTER—GRC Ch. 12  
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)  
Mon.-Fri.—3 p.m. (Ch. 33)

## TEXAS

- EL PASO—Paragon Ch. 15  
Thursdays—10:30 p.m.
- HOUSTON—Access Houston  
Mondays—5 p.m.

## UTAH

- GLENWOOD, Etc.—SCAT-TV  
Channels 26, 29, 37, 38, 98  
Mon.-Fri.—various times

## VIRGINIA

- ARLINGTON—ACT Ch. 33  
Sun.—1 pm; Mon.—6:30 pm  
Tue.—12 Midnite; Wed.—12 Noon
- CHESTERFIELD COUNTY—  
Comcast—Ch. 6  
Tuesdays—5 p.m.
- FAIRFAX—FCAC Ch. 10  
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.
- PRINCE WILLIAM COUNTY—  
Jones Communications—Ch. 3  
Saturdays—6 p.m.
- ROANOKE—Cox Ch. 9  
Wednesdays—2 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

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Radiation experts Ted Rockwell and Jim Muckerheide argue that current U.S. policy of a "linear no-threshold" approach to radiation damage has no science behind it and is wasting billions of government dollars in clean-up that could be spent on real health benefits.

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