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#### From the Associate Editor

The October financial blowout that *EIR* told you was coming, is here. It's all over the news—even your hometown newspaper is talking about a "meltdown" in Thailand, and a "typhoon" in Hongkong. They tell you "not to panic." These troubles are happening far away, don't you see? It won't happen here. And if it does, the circuit breakers will flip. Everything will be all right.

It's like stewards on board the *Titanic*, who walk around offering Martinis to all the passengers, while reassuring them that "we're just passing through some momentary turbulence."

Everything will *not* be all right, unless we act. And governments will not act, unless Lyndon LaRouche is in the policymaking role required, at this dangerous moment of history. Your support is needed to make that happen.

How do you know that what I say is right, and what your hometown newspaper says is wrong? Look at *EIR*'s record, and look at reality. In the feature package which introduces this week's *Economics* section, we spell it out for you. In the nearly 25 years of its existence, *EIR* has been telling the world that this moment was coming. Most people did not want to hear it; they preferred to hold onto their illusions, and make a few bucks on the stock market, if they could. Now, you can see that what we have been saying all this time, is true. That means, if you want to know what to do, you'd better listen to LaRouche.

At an *EIR* seminar in Washington, D.C. on Oct. 22, LaRouche gave a speech, published in this issue as our *Strategic Studies* feature, in which he laid out exactly what the present conjuncture is, and what must be done. The summit between U.S. President Bill Clinton and Chinese President Jiang Zemin provides a unique opportunity, to pull together an international combination that can beat the British oligarchical system. That opportunity must be seized; if we fail, and the China-bashers succeed in their effort to destroy the summit, it is not likely that we will have a second chance.

Susan Welsh

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### **E**REconomics

### Black Monday, 1997 happened on schedule

by Marcia Merry Baker and John Hoefle

There's no denying it now. On Oct. 20, 1997, "Black Monday" occurred, centered on Hongkong and Asian markets, then wheeling back around, showed up within 72 hours, throughout the Western Hemisphere. On Oct. 23, a global meltdown of share markets took place, with the grand total of share values wiped out in one day worth billions of dollars. In Hongkong alone, \$325 billion (in Hongkong dollars) is the loss estimate for Oct. 23, during the biggest one-day drop ever in the Hang Seng index.

The collapse is on. And in case anyone needed verification, you could read about it in your local newspaper anywhere in the world, even in the United States, where previous months of "virtual reality" had all but blacked out the subject of financial dangers. On Oct. 24, even the *Washington Post* ran, "Hong Kong Free Fall, Worldwide Ripple Effect Follows Months of Instability." On the other side of the world, the *South China Morning Post* headlined, "HK Triggers Global Sell-Off."

In this issue, we provide a chronology of some of the events over the past 15 weeks, leading up to the global markets' plunge of mid-October. Even before the October fireworks hit, losses in hyper-inflated stock markets over the year-to-date already amounted to an estimated \$1.2 trillion.

The detonator date was the 10th anniversary of Black Monday, Oct. 19, 1987—the day when the New York Stock Exchange saw a 20% drop of the Dow Jones Industrial Average; but the specific day is of no significance. What counts is that Black Monday and subsequent market shocks hit *on schedule* in October, because they are the result of the impossibility of the international financial bubble (of speculation in stocks, currency trades, futures, derivatives, etc.) to continue

in any way, shape, or form for much longer. Mid-October was a likely time for "Black Monday" for many reasons (e.g., Sept. 30 is the fiscal year end, or mid-point, for many governments and corporations), and it came to pass.

The timing, and nature of this unfolding financial breakdown, throw attention on the person who most accurately forecast these events: Lyndon LaRouche—the person with the demonstrated expertise to deal with the crisis. Over the past three decades, LaRouche has called it right repeatedly, on "market" episodes and behavior, because he has has been accurate about the state of the underlying economic and financial processes, including what emergency remedies are in order in this epic breakdown period.

Last spring, LaRouche singled out the likelihood of October for a fall in global share markets. In February, he advised no sane person to have any holdings in the stock market. In June he warned in a radio interview that, "sometime very soon, between now and the end of the year, possibly in the month of August—more probably, no later than October, but certainly, by around the end of the year—this world is going through one or two of the greatest shocks, financial shocks of the century." For those who are lured to stay in today's "sucker's market," LaRouche had this advice: "Get out, while the getting is good. Don't stay in for that extra buck you just might make. You might lose almost everything. That's what the story of the soaring stock market means."

Then, as events unfolded, LaRouche said in an Oct. 21 radio interview: "What is in process now, is an ongoing collapse, of various kinds of things, but a collapse which is *driven* by the impending collapse of a hundred-trillion-dollar-equivalent world derivatives bubble, which represents

entirely current obligations—the same year—an amount which exceeds the total value of the product, the annual product, of all world nations combined; which means—the United States carries about 30% of that risk; and that's not the limit of short-term obligations—which means, that every banking system in the world, with the exception of China's, is presently bankrupt."

#### 'LaRouche' is the financial news

Because of his reputation for calling the shots, and possessing the knowledge to deal with the crisis, LaRouche is now appearing in the news columns of many nations (with the exception of the United States).

What has become a hallmark of LaRouche's claim to fame, is his "Triple Curve" schematic representation, of how the *disassociation* of the direction of world financial and monetary valuations (hyperbolically upward), away from the physical economy (downward), would inevitably reach the unsustainable phase of financial crash and breakdown. LaRouche issued this "Triple Curve" image and analysis in 1995, during a tour of Italy and Germany.

Look at coverage of LaRouche during the week of 1997's Black Monday. On Oct. 22, the Brazilian business daily, *Gazeta Mercantil*, published a column by Vitor Grunewald, citing EIR News Service as its source, reporting that "the world financial system is heading toward a disintegration crisis in the short-term"; the article reports that U.S. economist Lyndon LaRouche, since February, has been circulating an "Appeal to President Clinton to Convoke a New Bretton Woods Conference," the which has received the support of thousands of key personalities from more than 20 countries, among them, three former heads of state—João Baptista Figueiredo of Brazil, José López Portillo of Mexico, and Godfrey Binaisa of Uganda.

In Nigeria, the magazine *Conscience International* (dual French-English edition, issued the week of Oct. 20) carries LaRouche's photograph on the front page, with the headline, "Exclusive Interview with Lyndon LaRouche, American Presidential Aspirant and World's Strongest Critic of IMF and World Bank." (See article, p. 12.)

#### The Black week

As the chronology below shows, over this summer, currencies, stocks, and assets in the four principal Southeast Asian nations of Thailand, Malaysia, Indonesia, and the Philippines lost 20-40% in value, in speculative runs initiated by mega-financial operators—most prominently, George Soros—in the context of International Monetary Fund-enforced "global finance."

The week of Black Monday opened with a bang. The Southeast Asian currencies and markets all dropped—Hongkong (Hang Seng stock market index fell 5%), Thailand (stock market fell 3.1%), Malaysia (down 3.4%), Singapore (down nearly 2%), Taiwan (down 4%); and currencies like-

wise down, with the Taiwan dollar at the lowest level since October 1987.

On Tuesday, the Hongkong Hang Seng stock market index fell another 4%, and turmoil continued. In New York, however, commentators gloated that Asia's pain was Wall Street's gain; the Dow index rose by 139 points, with attribution to outflows from Asia going into U.S. stocks. But scarcely had night fallen on this fantasy, when, on Wednesday in Asia, the Hang Seng fell another 6% (down a total of 14% in three days); and on Thursday, Oct. 23, markets fell in a swoop internationally—New York, throughout Europe, Mexico and South America, as well as Asia. So much for the idea that financial crises can be kept "separate."

On Oct. 23, the following declines occurred (in percent change):

**Europe:** Britain (-3.06), France (-3.42), Germany (-3.6), Belgium (-2.66), the Netherlands (-3.61), Switzerland (-2.61).

**Asia-Pacific:** Japan (-3.03), Hongkong (-10.41), Singapore (-4.72), Malaysia (-24.72), Philippines (-5), Australia (-2.53)

**Americas:** United States (-2.33 Dow; -2.16 Nasdaq; -1.84 S&P 500), Mexico (-4.54), Brazil (-8.15 São Paulo).

#### The big one: derivatives

While these share declines are spectacular in scope and implications, they are as nothing compared to what is in store from the financial blowout threat posed by derivatives—a threat in the process of being activated because of the current, inevitable fall in share markets, real estate, and all the other hyper-inflated venues of speculation. Internationally, the face value of derivatives contracts outstanding (hedges, options and futures of all kinds) is in the range of \$100 trillion. In the United States alone, the top ten banks account for over \$22 trillion of these contracts. The point is, that the highly leveraged nature of derivatives deals, means that once something goes awry, the *reverse-leverage* effect kicks in, to blow out nominal assets all the way through the financial bubble system. Think of simultaneous "Orange County" derivatives crises hitting all over, all at once.

"This all is a horror story beyond imagination," was the view expressed to *EIR*, by one financial insider in Europe, in the wake of the Oct. 23 world stock markets' drop. He was referring specifically to derivatives, to market interconnections, and global contingencies.

This European veteran broker explained, "What we are now going through worldwide is the greatest test of the \$100 trillion derivatives market since the October 1987 crash. I just spoke today with a good friend who is a major derivatives broker on the Chicago Board of Trade. I asked him to explain to a naive ignorant trader of only 30 years market experience the theory of derivatives, so I can grasp it. He said, 'Mark, it's simple really. It's called the theory of the spread. You spread your risk over many markets, so when one goes down, another

rises, and you stay ahead.' I asked him, 'John, tell me then, what if all markets go down at the same time?' 'Mark, that never happens!' I replied, 'John, have you bothered to look at your Reuters financial screen today? It's not just Hongkong. It's New York, Tokyo, London, Frankfurt—every market is falling at once."

Thus, the reality of the financial breakdown is apparent, to at least sane people, even wicked ones. However, you will still hear commentary that, "the economic fundamentals are sound," and that, "the age of 'new era economics' means that no inflation and no crash need ever occur."

The debate between the "old" and "new" era economists, as Richard Freeman demonstrates in an accompanying article, is as phony as the talk about the "growth" of the economy and the "soundness of economic fundamentals." It's all a sideshow. The question on the table, is whether the governments of the world will exercise their sovereign powers to put the international bankers and their bankrupt financial system through the equivalent of bankruptcy proceedings, and launch an emergency campaign to rebuild the world's tattered productivity. The question is: Will the governments exercise their powers to save their populations from the looming horrors, or will they capitulate to the bankers and allow the world to sink into a new Dark Age?

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#### Chronology

### The countdown to Black October, 1997

#### July 2

**Thailand:** After repeated speculative hits on the currency, the government de facto devalues the baht by instituting a managed "market float." There had been a strict exchange rate policy, since 1984. Within hours of the announcement, the currency sinks to 27-28 baht to the U.S. dollar, down from 24.25. Within 24 hours, the baht drops still further, by 20%. In May 1997, the Bank of Thailand lost an estimated \$4 billion, trying to defend the baht against speculative runs.

#### July 11

**Philippines:** After repeated speculative runs against the currency, the government de facto devalues. Central Bank Governor Gabriel Singson, of the Bangko Sentral ng Pilipinas, releases a statement, mandating "the peso-dollar rate to move within a new wide range consistent with significantly changed market conditions." During the week of July 6-11, the Philippines spends \$1.5 billion of their \$11.5 billion foreign reserves attempting to defend the peso. The peso immediately collapses from an already low 26.4 to the dollar, down to 29.45. International Monetary Fund (IMF) Managing Director Michel Camdessus states that he "strongly commends the Philippine authorities for their timely and decisive action."

#### Aug. 15

**New York:** Dow Jones Industrial Average drops 247 points, one of the now-typical wide swings marking the unstable end-phase of the financial system.

#### Aug. 27

Philippines: Peso sinks to record low of 30.45 to the dollar.

#### **Aug. 28**

**Philippines:** Stock market sees largest one-day loss in 10 years, down 9.28% for the day, to 2,071.97 points.

Malaysia: Ringgit has fallen to its lowest rate since being floated in 1973, down to 2.872 to the dollar. It loses 4% during the week, under heavy sell-off driven by large international speculator funds. The Kuala Lumpur stock index falls 5.66% in the morning trading, breaking a four-year low of 799.56; it ends slightly higher, for a 4.51% daily decline.

**Hongkong:** The Hang Seng index posted its fifth biggest point drop, falling below 15,000, for the first time since July 11. It ended down 4.2%, or 657.8 points, at 14,876, in the largest drop since March 1996.

#### Sept. 1

**Southeast Asia:** The month of August saw virtual freefall in most Asian stocks. From their highs earlier this year, the stock markets of Thailand and the Philippines each lost 42% of their nominal value. Malaysia's market lost 37%. Indonesia's market, 33%. Singapore's, 21%.

**Japan:** During August, the Tokyo Nikkei 225, the world's second-largest stock market, lost 13% in value, an ominous sign, given Japan's role as the major lender to most East Asian economies.

**Western Europe:** The French stock market has fallen by 10% from its peak in late July. The German DAX has fallen by 12%. The Swiss stock index by 13%.

#### Sept. 2

**New York:** The Dow Jones posts the greatest single-day point gain in its history, with a rise of 257 points; nine of the ten greatest single-day point gains have occurred in 1997. During August, the Dow fell by more than 100 points on four separate occasions, after which it rose more than 100 points in three successive days.

The Dow began August at 8,222 and ended at 7,622, down 7.3%. While that does not compare with the 23% drop (508 points) that took place on Black Monday, Oct. 19, 1987 (or the 25% drop of Oct. 29-30, 1929), the August instability is a harbinger.

In August, some \$730 billion in nominal value of stocks traded on the New York Stock Exchange was wiped out, leaving the value of all stocks traded on the New York exchange at about \$10 trillion.

Worldwide, more than \$1.5 trillion in stock values were wiped out this summer.

#### Sept. 4

**Japan/Thailand:** Japanese firms have lost 1 trillion yen due to the baht currency devaluation, reports the Bangkok spokesman of the Japanese External Trade Organization (JETRO). Foreign exchange losses since the baht was floated on July 2 total between \$8.73 and \$9 billion. However, the JETRO spokesman says that Japan will still roll over foreign currency loans given to companies in Thailand, which Japanese loans account for about half of the total debt of the private sector. Private sector debt, in turn, equals 80%, or \$72 billion, of Thailand's total \$90 billion in foreign currency debt. In the next 12 months, \$37 billion of the private sector debt comes due. The spokesman says, however, that more conditions will be attached to any rollover.

#### Sept. 15

**Malaysia:** Value of ringgit has dropped 20% since early July; share prices are down by 30% since that time.

**Thailand:** Baht has lost 30% of its value since July 1. **Philippines:** Peso has lost 23% since it was devalued on July 11.

#### Oct. 1

**Malaysia:** The ringgit falls 4.5%, hitting 3.408 to the dollar, and then recovers to 3.36, a 3.5% drop. This represents a 25.5% decline in the value of the currency since early July; and, a 40% collapse in the value of the stock market since the beginning of the year.

**Indonesia:** The rupiah falls 6.5% to a low of 3,445 to the dollar, then recovers to 3,370 (5% down). The drop continues the pattern of hitting new lows every day of trading since Sept. 23; the rupiah is down 40% against the dollar, since the beginning of 1997.

**Philippines:** The peso drops 2.2%, to 35.61 against the dollar—a 25.8% decline since the July 11 devaluation.

#### Oct. 13-14

**Thailand:** New financial restructuring measures are released, which relax conditions imposed on the 58 financial companies whose operations were suspended earlier in the summer. The companies can take eight years, not three years, to repay loans to the Bank of Thailand (estimated at \$11.9 billion, or 430 million baht); majority foreign ownership in these companies can continue for ten years, not the previously stated five years; and other measures. The firms have until Oct. 30 to present restructuring plans.

Senior finance officials release the outline of their plan for restructuring the finance sector. Finance Minister Thanong Bidaya outlines five proposals, worked out jointly with the IMF and World Bank, which will be submitted to the cabinet for approval on Oct. 17.

**Vietnam:** Measures are announced to de facto devalue the currency, the dong, by 4.55%; the government widens the trading band in the dong, to 10% in either direction, from the previous 5% variation. The IMF praises the adjustment, as reflecting "the new exchange rate alignment that has emerged in the region in the last few months." The government has foreign reserves equivalent to only 6-8 weeks of imports, so it is in no position to intervene to support the currency. A devalued dong means sharply higher costs for imports, especially petroleum products. The devaluations of other currencies in the region, especially the Thai baht, have adversely affected Vietnam's trade revenues, especially from rice.

#### Oct. 15

**New York:** Dow Jones index drops 38 points.

**Pakistan:** Government devalues the rupee by 8% against the dollar, prompted in part by the effects of currency devalua-

tions in Southeast Asia. The rupee is devalued to 44.05 to the dollar, from 40.52. Government spokesmen indicate, unofficially, that the devaluation was a condition for the IMF to grant Pakistan a loan (\$1.6 billion for three years). The Pakistani devaluation now puts pressure on the Indian rupee; a year ago, the two currencies were on a near par.

**Thailand:** Government increases the excise tax on gasoline and diesel fuel, raising pump prices 1.21 baht (\$0.034) per liter. Gasoline prices have risen nearly 50% since the July

2 de facto devaluation of the baht. Public utility rates have increased, as well as excise taxes on luxury goods. The consumer price index increased 7% in September, up from the average 5% increase per month since the beginning of the year.

#### Oct. 16

**New York:** Dow Jones index drops 119 points.

Thailand: Prime Minister Chavalit Yongchaiyudh re-

### New vs. old monetarism: a tale of two diseases

A fight is raging between the "New Age" and the "Old Age" schools of monetarism. The "New Agers" insist upon an "information society," a New Era economy of growth, where crises never occur and people are "wired" together by computers. The "Old Agers," whose most notable political force is Federal Reserve Board Chairman Alan Greenspan, aver that people and governments will have to suffer greatly in order to keep the world financial bubble afloat, although they concede that there may be some problems in the financial markets. The Oct. 11 Washington Post, in the lead article in its business section, "Debating Myth or Miracle Behind a 'New Economy,' " presents this as the leading economics debate of this century. In fact, this is a dispute between two diseases, sharing the same etiology. The informed person, seeking mental and physical health, will stay away from both schools.

The "New Agers," like Alvin and Heidi Toffler, hold that the ages of agriculture and of manufacturing represented the first and second waves of society, respectively, but that both agriculture and manufacturing have become obsolete. Now, society will embark on the "third wave," which will have hardly any factories and farms. This is the shimmering world of "the information age," bedecked with computers, audio head sets, and virtual reality machines.

#### **New Ager: Peter Schwartz**

Peter Schwartz is a leading "New Age" spokesman. In a Sept. 15 paper which he co-authored, entitled, "The Long Boom: A History of the Future, 1980-2020," which serves as a "New Age" economics manifesto, Schwartz stated that "we are watching the beginnings of a global economic boom on a scale never experienced before," which he said, is due to the employment of 60 million personal computers, computers in offices, and globalization.

By globalization, he means the removal of financial and other regulations; unrestricted free trade; zero population growth; and every variety of financial perversity. Schwartz writes: "Right around 1980, Margaret Thatcher ... begins putting together the formula that eventually leads toward the new economy. At times it looks brutal: busting unions, selling off state-owned industries and dismantling the welfare state. [But] ... the pain pays off." Schwartz claims that the pain led to an economy of unending growth, which will not experience financial breakdown. Creative thought or hard work have no place in this techno-topia, where problems are solved as if by waving a magic wand, or swallowing peyote.

Schwartz comes from a nest of "futurologists," which explains where the New Age economics came from. During 1982-86, he headed scenario planning for the Royal Dutch/Shell company in London. In 1988, the Global Business Network (GBN) was founded, to push the New Age economics. Schwartz is a leader of GBN. Two of the network's cofounders, Napier Collyns and Steward Brand, were also leaders of the Royal Dutch/Shell planning department. Royal Dutch/Shell, jointly controlled by the Dutch and British monarchies, is a key part of the British Commonwealth's current plan for top-down control of the world's energy and raw materials supplies. RD/Shell has had a 25-year project to rework the general corporation into a New Age entity, which Schwartz helped design.

Schwartz also served as a top official of the Stanford Research Institute (SRI), as did other leaders of the GBN. The SRI is the mother institution of the New Age. In 1966, the SRI's Willis Harmon released his book *The Changing Image of Man*, which argued for what he called a "paradigm shift" away from optimism, science, and culture, toward the fascist gutter world of the counterculture. Other leading forces in the GBN include the *Whole Earth Catalogue*, the Club of Rome, and members of 1960s and 1970s counterculture rock bands. The economics "New Agers" have a broad array of support in the business and financial community, including among its proponents Ed Yardeni, chief economist at Deutsche Morgan Grenfell;

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vokes the IMF-mandated oil price increase.

#### Oct. 17

**New York:** Dow Jones index ends 91.85 points down, closing at 7,847, giving it a drop of 3.1% in total value over three trading days, and a drop for the week of 198.18 points. Leading the fall were technology stocks (which had high price-earnings ratios, were favored for speculation, and had helped pump up the overall stock market bubble).

Bill Joy, co-founder of Sun Microsystems; and top persons in the editorial offices of *BusinessWeek* and the *Wall Street Journal*.

#### Old Ager: Alan Greenspan

On the other side of the debate are the "Old Age" monetarists, led by Fed Chairman Greenspan. For a long while, Greenspan identified with the gobbledygook of the "New Agers." He still professes some of their core premises. In an Oct. 14 address to the libertarian Cato Institute, Greenspan said that physical economic production plays a much less important role "in the creation of wealth," than the combined weight of processing of information and financial services.

But Greenspan parts company with the New Agers' flower-power view that the economy can continue on blithely without experiencing a crisis. In his clearer moments, Greenspan acknowledges that a crisis is just around the corner, which, in actuality, could end the current financial system. Greenspan believes that no level of austerity is too severe, gouging wealth out of the living standards of the population and out of manufacturing companies and farms, to transfer to the account of his banker friends, in order to save the system. Moreover, this austerity must be implemented now.

In testimony on Oct. 8 to the House Budget Committee, Greenspan made this point transparent. He called for cutting Social Security benefit payments to the elderly; adjusting downward the Consumer Price Index to further reduce Social Security benefits; making people work to an older age before they can retire and receive benefits; and privatizing Social Security, to put the money into propping up the bloated stock market. He also called for severe cuts in Medicare. These combined cuts will increase the elderly death rate. He also called for holding wages down, and no new spending for infrastructure.

Should someone try to convince you, dear reader, to choose sides between "New Age" and "Old Age" monetarists, tell him, "No thanks, but I think I can find you good psychiatric treatment."—*Richard Freeman* 

Malaysia: Government announces austerity measures.

#### Oct. 19

**Thailand:** The entire 48-man cabinet resigns.

#### Oct. 20

**Hongkong:** Hang Seng stock market index falls 5%.

**Thailand:** The baht falls to a record low of 38.65 to the dollar offshore, equal to a 33% fall in the currency since July 1. The stock market falls 3.1%.

**Indonesia:** The rupiah closes at 3,640, which is a 33.2% collapse since July 1.

**Taiwan:** Stock market falls 4%. Taiwan dollar hits the lowest level since October 1987.

Malaysia: Stock market falls 3.4%.

**Singapore:** Stock market falls nearly 2%.

**London:** The FTSE 100 index falls 2.3% on "Brown Monday," as Gordon Brown, Chancellor of the Exchequer, inaugurates a new computerized trading system; the FTSE ends down 1.1% for the day, which wipes out over £10 billion of share values.

#### Oct. 21

**Hongkong:** Hang Seng stock market index falls 4%.

**Malaysia:** The ringgit hit a low of 3.335 to the dollar this week, which amounts to a drop of 24.3% since July 1.

**New York:** Dow up 139 points; commentators gloat that Wall Street benefits by outflows from Asian stock markets.

#### Oct. 22

**Hongkong:** Hang Seng stock market index falls 6%. Governor of Hongkong, speaking in London, releases a statement of commitment to defend the Hongkong dollar.

#### Oct. 23

#### **Asia-Pacific:**

Hongkong: Hang Seng stock market index falls 10.41%.

**Japan:** Nikkei index falls 3.03%. **Singapore:** Stock index down 4.72%.

Indonesia: Stock index down 2.2%.

Malaysia: Stock index down 3.38%. Philippines: Stock index down 5%. Australia: Stock index down 2.53%.

New Zealand: Stock index down 1%.

**Europe:** 

London: Stock index down 3.06%. Germany: Stock index down 3.6%. France: Stock index down 3.42%.

**Americas:** 

**New York:** Stock indices down—Dow, 2.33%; NASDAQ, 2.16%; S&P 500, 1.84%.

**Mexico:** Stock index down 4.54%.

Brazil: Stock index down 8.15% (São Paulo); 7% (Rio).

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## Soros's financial warfare is under increasing investigation

by Gail G. Billington and Cynthia Rush

George Soros is facing new, possibly criminal investigations into his hostile hedge-fund-centered speculation against Asian currencies and stock markets. Despite the best efforts of the mouthpieces of Wall Street and London to spiff up his public image, as the contagion of Soros-style financial hit-and-run attacks spreads to Taiwan and Hongkong, and continues to devastate the weakened nations of Southeast Asia, these nations are aggressively organizing, bilaterally, regionally, and internationally, to put this looting on the agenda of every major international meeting through the end of 1997.

Nor are Soros's problems limited to Asia. His name dogged President Clinton throughout his tour of three Ibero-American nations on Oct. 12-18; and, thanks to *EIR*, public debate on Soros's sordid activities erupted in Argentina, during a press conference with U.S. White House drug policy adviser, Gen. Barry McCaffrey (ret.). The President didn't mention Soros's name in public, but Argentine figures who met with Clinton privately, said he expressed concern that Asian-style monetary instability might erupt in Argentina and throughout Ibero-America.

The attacks on Soros, launched by Malaysian Prime Minister Dr. Mahathir Bin Mohamad at the Association of Southeast Asian Nations (ASEAN) summit in late July, and, again, with renewed pungency, at the International Monetary Fund and World Bank Annual Meeting in Hongkong in September, have served as a rallying cry that is now being echoed among "emerging market" nations worldwide. The intensity of this momentum increases in tandem with the spread of the financial hemorrhaging, and the view that the crisis is spinning out of the control of the IMF.

Following the Oct. 20-23 hedge-fund assault that sank the Hongkong exchange 23%, and parallel attacks which forced Taiwanese authorities to float their currency on Oct. 17, Denmark's *Jyllands-Posten* headlined its report on Oct. 22, "The Taiwanese Financial Oversight Board Is Opening Up Investigations Against George Soros." The lead article in the paper's two-page coverage reported, "Taiwan and South Korea have become victims of the unpredictable market forces which to a large extent are controlled by the computers of secret funds, hunting paper-thin exchange margins and, again, the American multi-speculator and political philanthropist George Soros is in the focus. . . . The Futures and Securities Commission (FSC) of Taiwan has now opened up an investigation

into the transactions of George Soros's multibillion-dollar fund on the Taiwanese futures exchange and on the Singapore Monetary Exchange, SIMEX. The FSC thinks that the speculations of Soros's fund was one of the primary reasons for the panic sellings which Friday last week and Monday this week, cost almost 15% on the stock exchange index." An FSC spokesman says, "Mr. Soros has put our markets under extraordinary pressure through his speculative trading on the SIMEX. Our investigations have not been completed yet, and we have not yet decided what actions to take."

The paper reported that on Dec. 2, the finance and economics ministers of the Asian nations will meet in Japan to draft the charter of the Asian Monetary Fund (AMF), the \$100 billion fund proposed by Japan at the IMF meeting in September, with the support of China, South Korea, Taiwan, ASEAN, and with a positive nod from U.S. Treasury Secretary Robert Rubin. During bilateral talks in Tokyo between Thai officials and their Japanese allies and creditors in early October, Thai Finance Minister Thanong Bidaya told reporters, "The purpose of the Asia fund is to round up the funding requirements and the contributions of Asian countries in case of a crisis, and it is a good idea. But somehow it has been delayed. Why not put it in the APEC forum? Why just keep it in Asia? The IMF will not have enough to deal with any crisis by itself, and [the AMF] is an effort to prepare something solid."

Japan's Deputy Finance Minister Eisuke Sakakibara toured Asian capitals during Oct. 14-22 to discuss the AMF idea, which several leaders have said could be used to blunt the effect of crises caused "by accident." As Thanong Bidaya's comments suggest, the AMF, which was the subject of discussions in 1995 between influential Japanese circles and *EIR*'s Founding Editor Lyndon LaRouche, will not solve the crises hitting these countries today. It would, however, blunt the worst effects of IMF "conditionalities" in the transition to complete overhaul of global monetary arrangements.

#### Soros on the hot seat

There has been no letup in organizing on this theme since the IMF Annual Meeting. Malaysia's Dr. Mahathir continues to act as a spokesman in this effort, taking up the subject during his Sept. 25-Oct. 5 tour of four Ibero-American nations (see *EIR*, Oct. 10 and 17, 1997), where, despite a delayed

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reaction of the press and institutions, his message re-emerged in headline stories in Venezuela and Brazil, which greeted President Clinton upon his arrival in those nations. The stories linked Dr. Mahathir's call for reining in the speculators, to the AMF, and to LaRouche's Urgent Appeal for a New Bretton Woods Monetary agreement.

While Dr. Mahathir was in Argentina on Oct. 2-5, the media there, with the complicity of the Menem government, initially refused to cover Mahathir's attacks on Soros, or to say anything about his visit. *EIR* finally broke this blackout, forcing several dailies to report on his statements, and setting the stage for public discussion of Soros on Oct. 17, at a press conference with General McCaffrey, who accompanied President Clinton on his trip.

Several months of *EIR*'s organizing to expose Soros, paid off. When *EIR*'s correspondent Gerardo Terán arrived at the seminar on anti-drug policy which preceded the press conference, he found that all of the reporters present had in their hands a copy of the box published in *EIR*'s Spanish-language supplement, *Resumen Ejecutivo*, entitled "McCaffrey Attacks the Drug Legalization Campaign," referring to Soros's financing of pro-drug referenda in two U.S. states. The press corps was abuzz with comments and questions, as to what Soros might be doing in Argentina in this regard. Terán was questioned at length by several reporters who wanted to know more.

When the press conference began, the first question was from TV Channel 13 reporter Enrique Sdrech, who asked whether Soros's role in financing drug legalization campaigns in the United States were under investigation, and whether he might be involved in similar pro-drug activities in Ibero-America. Terán then followed by noting that Dr. Mahathir had just been in the country, and had accused Soros of laundering drug money, "to purchase land and speculate in the international markets. What is U.S. policy regarding this new modality of drug-money laundering which has developed with globalization?"

Despite the Menem government's assertion that the country is in fine financial shape, developments in Southeast Asia, and Soros's name, seemed to be on everyone's mind. At an Oct. 17 luncheon of U.S. and Argentine businessmen, Finance Minister Roque Fernández told his audience not to worry about an Asian-style monetary crisis in Argentina, although he admitted that "some tension" existed in the international banking community over Argentina's anticipated \$9 billion balance-of-payments deficit this year. His deputy, Carlos Rodríguez, quickly piped up that the deficit isn't due to increased public expenditures, but to more "private sector imports," which shouldn't be a cause for alarm. He then cited Soros as a positive example of one of these private sector "businessmen"!

Peru's ambassador to Vietnam and Thailand, Oscar Maurtua de Romana, drove the point home to his countrymen in two articles in Lima's business daily *Gestión*, on Oct. 5 and

12, praising Mahathir, whose leadership, he said, "goes beyond the bounds of the borders of his country," and urging Peruvians to support the concept of the AMF.

Prime Minister Mahathir addressed the meeting of ASEAN economic ministers in Kuala Lumpur on Oct. 16, which focussed on the currency crisis. Afterward, Philippines Trade Secretary Cesar Bautista told press that the next step is for heads of state to take up the AMF at the mid-November Asia-Pacific Economic Cooperation (APEC) summit in Vancouver, Canada, which will bring together 18 countries, including China and the United States. Bautista's statement, reported in the German daily *Frankfurter Allgemeine Zeitung* on Oct. 18, is particularly interesting as a signal that some circles are finding new courage to speak out. Following the July 11 attack on the Filipino peso, which sank it a record 10% in one day, Bautista adamantly refused to name Soros's likely role, admitting only that "foreign funds" were involved.

#### 'Emerging markets' act in self-defense

Prime Minister Mahathir will take the subject next to the Commonwealth Heads of Government Meeting in Edinburgh, Scotland on Oct. 24-27, where he will find allies among the Group of 15 developing nations, which has already issued a statement supporting Mahathir during its meeting at the UN General Assembly session in New York in September. The G-15 includes some of the most important "emerging markets" on all five continents, and some of the most influential former colonies of the British Empire, making it absolutely clear that this is not an "Asian" issue. The G-15 includes Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, and Zimbabwe.

On Oct. 20, the Peruvian daily *El Sol* reported that Peru's President Alberto Fujimori will attend the Seventh Presidential Summit of the G-15 in Kuala Lumpur on Nov. 3-5, accompanied by his foreign and industry ministers. There, *El Sol* says, "one of the principal subjects . . . will be the problem of 'hot money' flows in the developing sector, and the creation of a fund to counter the damages caued by the flight of such capital."

Also on Oct. 20, Singapore Prime Minister Goh Chok Tong flew to Jakarta for 24 hours of talks with Indonesian President Suharto "on the regional currency problem, the upcoming APEC leaders' meeting in Vancouver, and the informal ASEAN summit in Kuala Lumpur in December," according to a statement from Goh's office. On Oct. 8, due to the currency and stock market collapse in Southeast Asia, Indonesia turned to the IMF for an as-yet-undisclosed assistance package. Following a 75-minute meeting between the two heads of state on Oct. 21, Singapore announced it will help Indonesia with its current financial difficulties, "separate from any package drawn up by the IMF." Clearly, the "emerging markets" are reading the handwriting on the wall: The end of the IMF is near.

## LaRouche's forecasts in Nigerian press

Lyndon LaRouche's forecasts of an imminent disintegration of the global financial system, and his solutions to the crisis, received prominent coverage in the dual English- and Frenchlanguage African magazine *Conscience International*, which hit the newsstands in Nigeria and throughout West Africa in the third week in October. The issue, which circulates throughout all the ministries of Nigeria, was released at the point that stock markets around the world were shaken by new major falls.

The cover headline of the magazine, which contained a 12-page interview with LaRouche in both English and French, read, "Exclusive Interview with Lyndon LaRouche, American Presidential Aspirant and World's Strongest Critic of IMF and World Bank." The glossy four-color cover features a picture of LaRouche; other, smaller pictures on the front are Princess Diana, Gen. Sani Abacha of Nigeria, and British Prime Minister Tony Blair. Inside, the lead editorial prefacing the LaRouche interview calls for a summit on LaRouche's "revelations," and to put forward a comprehen-

For previews and information on LaRouche publications:

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sive development plan for Africa.

The lead story in this issue of *Conscience International*, headlined "Malaysian Prime Minister Attacks Speculation and Free Trade Policy," also reflects LaRouche's leadership in putting forward a plan for a just, new world monetary system. The article says that LaRouche's forecast is coming to pass, and reports on Malaysian Prime Minister Mahathir's intervention at the International Monetary Fund and World Bank Annual Meeting in Hongkong in September, and notes the *Wall Street Journal Europe* article on LaRouche's influence on Mahathir. The article states: "Dr. Mahathir has thus revived the sentiment of the Non-Aligned Movement of the 1970s and gives hope to other developing countries, especially in Africa, that someone is standing up to the blackmail pressure of the old imperialist powers behind the IMF."

The interview with LaRouche is prefaced by an editorial, entitled "Africa Must Rise Against the Imperialists' Bad Dream." The editorial says: "Walter Rodney prophesized perpetual doom of Africa under European rule." Rodney was tagged a radical Marxist for this, and paid the price for exposing the evil designs of the British—Rodney was assassinated. The editorial also cites the anti-imperialism of Frantz Fanon, but says:

"Lyndon LaRouche, renowned economist and the United States' number-one opposition leader, is playing the same tune, and *Conscience International* cannot afford not to bring this message to the hearing of African leaders and African people at home and in the diaspora."

#### A summit on LaRouche's ideas

The editorial continues: "In the past 20 years, all predictions of LaRouche on the world economy and politics have come to pass. What about his revelations concerning the World Bank and the International Monetary Fund? He has sounded the alarm about how the Bretton Woods system and its imperial sponsors would not permit the development of Nigeria." He has sounded the alarm on how the so-called development programs of the imperialist countries are great gifts to cripple the African countries.

"Conscience International believes it is high time Africa recognize the unchanged bad dream of imperialism—reduction of the population by fanning the embers of intolerance, resulting in the fratricidal wars we have seen in Nigeria, Burundi, Somalia, Sierra Leone, Algeria, Congo, Liberia, Gabon, Angola, and Chad in the recent years.

"It is our belief that Africa should regard LaRouche's apocalyptic revelations as a godsend. We strongly hold that Africa and Africa's leaders should never allow Britain's bad dream for the African continent to come to pass."

The editorial calls upon African leaders to call a summit on LaRouche's ideas. "We believe African leaders should hold a summit on LaRouche's great revelations and come out with a sincere blueprint for a rapid techno-economic advancement into the 21st century."

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## Australia resists U.K. 'greenhouse gas' agenda

by Robert Barwick

The scene is set for an all-out brawl at the Commonwealth Heads of Government (CHOGM) in Edinburgh, Scotland, on Oct. 24-27, over British Prime Minister Tony Blair's plan to force all nations to sign onto greenhouse emission reduction targets. On the one side, backing Blair, is a grouping of nations called the Pacific Island States, which have been told that the global warming which is allegedly being created by "greenhouse gases," will cause their countries to disappear beneath the waves; on the other side, standing almost alone in the Commonwealth, is Australia, whose government has consistently rejected the Blair agenda.

For Blair, success at CHOGM is crucial: The 52-member Commonwealth of Nations, the modern incarnation of the British Empire, is the largest single voting bloc at world forums such as the UN General Assembly, and a unified Commonwealth stance will assist him in forcing the rest of the world to agree to the cuts at the climate conference in Kyoto, Japan, on Dec. 5. Despite the Australian government's efforts to keep the topic of the greenhouse emissions cuts off the CHOGM agenda, the Commonwealth secretary general nominated climate change and sea-level rises as crucial issues for the Commonwealth in his bi-annual statement that precedes each CHOGM—a clear sign that the British Crown is determined to achieve its objective.

Although the Australian government of Prime Minister John Howard has publicly accepted the fraudulent science behind the global warming hoax, as have seemingly all other governments, it has vigorously disputed the need for set targets. A Department of Foreign Affairs and Trade report calculated that Blair's emissions reduction targets, of 15% below 1990 levels, would cost Australia \$70 billion in new investment, and 90,000 jobs—a huge impact on a country of only 18 million people.

Howard laid out Australia's position in an address to the Australian Chamber of Manufactures on Oct. 6. "Australia cannot sign up to proposals that would lead to the export of jobs and our energy-efficient minerals- and metals-processing industries," Howard said. "There is a call that Australia's growing economy be burdened with a new, unrealistic, and unfair speed limit upon growth."

Meg McDonald, the Australian Ambassador to the Environment who was appointed by Howard to head up the Australian team at Kyoto, has rejected the Blair push for "legally binding" targets, on the grounds of "national sovereignty."

Australia has proposed a plan whereby nations can negotiate their own targets. The Australian plan, according to Howard, "promotes the national interest by offering the prospect of genuine improvements to the world environment without imposing speed limits on Australian industry and Australian economic growth."

#### **British attacks**

Because of its position, Australia has come under attack from the highest level of the British oligarchy. At a meeting of the Royal Institute for International Affairs (RIIA) at Chatham House in London, the venue where Sir Henry Kissinger in 1983 admitted to operating for the British while he was U.S. secretary of state, Britain's Minister for Foreign and Commonwealth Affairs Derek Fatchett snarled, on Oct. 14, "It would be a mistake for Australia to find itself outside of a world of consensus, to appear to be enjoying the wealth and the riches of development whilst at the same time probably preventing other people having that in a world that is safer. Whether that can be described as selfish is another question, but certainly, I think there is a need for a change of Australia's position."

The aptly named Michael Grubb, Energy and Environment head at the RIIA, said that CHOGM should be the deadline for determining "whether Australia is going to be inside

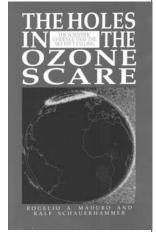
U.S. environmental groups were given millions of dollars in the past five years to spread scare stories about a man-made ozone hole that would cause cancer on Earth.

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this tent, or out of it," and that Australia was on "thin ice" and did not have "a tenable negotiating position."

The Australian head of Prince Philip's World Wide Fund for Nature, David Butcher, also attacked Howard's stance, saying that Australia would be completely alone if Howard continued with his campaign.

Perhaps coincidentally, but perhaps not, Howard's government has been rocked by scandal in recent weeks, that saw him forced to sack three key ministers in one week, over alleged excessive travel claims. It was the single-worst scandal ever endured by an Australian government, apart from the 1975 sacking of the government of Prime Minister Gough Whitlam by the Queen.

#### Revive nuclear energy

One of the scandal's victims is Science and Technology Minister Peter McGuaran. McGuaran had been the driving force behind a recent reinvigoration of Australia's nuclear industry, which, due to a political decision in 1967, is virtually nonexistent, save for one small nuclear reactor used to produce medical isotopes. Half of the so-called greenhouse gas emissions is carbon dioxide (CO<sub>2</sub>), one source of which is the burning of fossil fuels. As Australia's electricity production is largely reliant upon coal- and gas-fired power plants, any sane strategy to reduce greenhouse emissions, without crippling industry and development, would necessarily involve increasing use of nuclear power, which has zero emissions. Even the Japanese, the hosts of the Kyoto summit, admit that the strict greenhouse reduction targets they have set themselves are reliant upon them having 20 new nuclear power plants operational by 2010.

In the event of McGuaran's departure, it is not known whether any of his plans will survive in the government; however, a recent public statement by Resources Minister Warwick Parer, who pointed out that the best way to reduce emissions is to use nuclear power, indicates that they might.

#### Terrorists brought into play

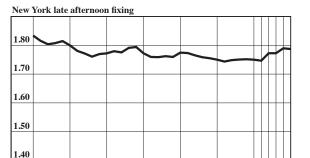
On Oct. 20, eleven activists from Greenpeace, which is linked to the terrorist group Earth First!, breached the security of Kirribilli House, the Australian prime minister's official residence in Sydney, and occupied the roof, while two of Howard's children were inside. The activists unfurled banners attacking Howard's position on the greenhouse emissions cuts, and tried to erect solar power panels, before finally coming down and being arrested for trespassing. Greenpeace is run by the British Lord Melchett, the heir to the ICI chemi-

The incident perhaps best illustrates what is at stake at the CHOGM meeting: the genocidal plans of the British oligarchy's empire, as opposed to the welfare of the nation-state. It remains to be seen whether Howard can successfully continue to stand up for the nation-state, in the face of immense pressure. If Tony Blair has his way, Howard won't.

#### **Currency Rates**



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9/24

10/1

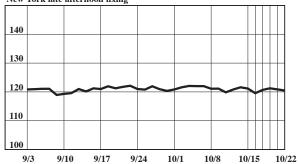
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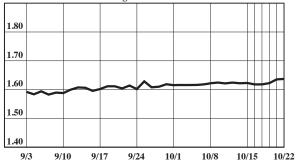
#### 9/10 The dollar in yen

New York late afternoon fixing



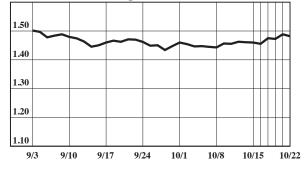
#### The British pound in dollars

New York late afternoon fixing



#### The dollar in Swiss francs

New York late afternoon fixing



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### Report from Bonn by Rainer Apel

#### Maglev is gaining ground

The government is promoting export options for the Transrapid maglev system, the transport technology of the future.

In a development without precedent in German politics over the last 20 years, President Roman Herzog has invited the entire foreign diplomatic corps to join him on Oct. 30 for a test ride, at 300 miles per hour, on the Transrapid train, to get a first-hand view of the maglev technology that is to revolutionize the world's transportation systems of the coming century. Up to 250 diplomats are expected to travel in the high-speed train from Bonn to the 34-kilometer experimental maglev track in Lathen.

Herzog will be accompanied by Transport Minister Matthias Wissmann; Dieter Vogel, the chairman of maglev technology producer Thyssen; and Johannes Ludewig, chairman of the German Railway Company.

One should not expect export contracts to automatically result from this giant promotional event, at least not in the near future. But it will lead to preparatory talks about future maglev projects in many parts of the world. Such talks are already being held with China, the United States, Taiwan, Thailand, Russia, Australia, Chile, Brazil, Ecuador, the Republic of South Africa, and Argentina, among others.

Herzog's initiative comes at a moment when new momentum for the German Transrapid can be noted, particularly in the United States and China. Receiving a senior German delegation led by Economic Cooperation Minister Carl-Dieter Spranger in Beijing on Oct. 20, Chinese Deputy Prime Minister Zhu Ronghi surprised his guests with an endorsement of the German maglev system. In the context of discussing national infrastructure

priorities, he said he thinks that the technological advantages of the maglev over conventional high-speed train systems such as the French TGV, the German ICE, and the Japanese Shinkanzen, make it an attractive option for the planned Beijing-Shanghai rail project. Zhu Ronghi has studied the report by Ye Quing, the deputy director of the State Planning Commission for Technology, who took a ride on the experimental Transrapid track in Germany, several months ago.

An influential role in the background to Zhu Ronghi's move, has also been played by Helga Zepp LaRouche, the international president of the Schiller Institute and wife of Lyndon H. LaRouche. In several visits to mainland China during recent years, she has told her discussion partners that maglev technology was best suited to solve the immense problems that China, with its 1.2 billion population, is facing in the public transportation sector.

Zhu Ronghi's endorsement of the Transrapid indicates significant changes in the infrastructural development plans of China. Maglev engineers in Germany have told this author that the official Chinese position was first to realize the projected conventional high-speed links of the national rail grid, to secure the mass transport of several 10 million Chinese daily. Only after the completion of that project, would China begin building a separate maglev grid, for second-generation transport between the biggest cities, sometime between the years 2005 and 2010. These evaluations were given before the recent Chinese Communist Party, however; something has changed, since then, and it is a positive change.

The situation in mainland China also radiates into Taiwan (Republic of China), where, until very recently, it seemed certain that the planned rail link across the island - from the capital of Taipei in the north, to the deep sea port of Kaohsiung in the south would use one of the three high-speedrail models that are on the world market today: the ICE, the TGV, or the Shinkanzen. When German Economics Minister Günter Rexrodt visited Taiwan at the end of September, the government in Taipei announced that it had granted GEC-Alsthom/Siemens (the Franco-German group which produces the ICE as well as the TGV) and its local partner, Taiwan High Speed Rail Consortium, "best applicant" status for the project. But it was leaked to the press that a final decision on the project would not be taken before the end of December, and that the German maglev train might be chosen.

Transrapid International, the German industrial group that produces the maglev train, has already made an offer to Taiwan.

Advances for the maglev train have also been made in the United States, where the Senate is debating a transportation bill drafted by Sen. Daniel Moynihan (D-N.Y.), which includes an option for maglev systems based on the German technology. Sen. John Chafee (R-R.I.), an endorser of the bill, took a ride on the Transrapid in Germany during February.

There are problems with political sabotage in the House of Representatives, according to a German maglev expert who has been in Washington, D.C. several times to promote the project. It was decided to delay any vote by six months. But in May, a big hightech exhibit in Chicago will help to promote the Transrapid on the American market.

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#### **Business Briefs**

#### Middle East

#### Jordan, Syria will build dam on Yarmouk River

Following a meeting of the joint Syrian-Jordanian Yarmouk River committee, an agreement was reached to construct the Al Wahdeh (Unity) Dam, the *Jordan Times* reported on Oct. 14. The project was first agreed upon in 1987, but was sabotaged. The dam, according to Jordan Valley Authority Secretary General Dureid Mahasneh, will be built on Syrian territory.

The project, which will cost up to \$400 million, will provide badly needed water for irrigation and domestic household use. This is the first major infrastructure project to be started in the region since the Oslo Accords of 1993. It has nothing to do with the accords directly, but demonstrates that if there is a political and financial commitment to implement such projects, they can be successful.

Dr. Mahasneh said that "Jordan's decision to build the joint dam reflects its national and pan-Arab commitment which His Majesty King Hussein has been seeking to enhance and promote."

#### Trade

### Iran plans to propose Islamic common market

Iranian Foreign Minister Kamal Kharrazi revealed that the "establishment of an 'Islamic Common Market' "is one of the issues to be discussed at the annual summit of the Organization of Islamic Conference, in an interview with the daily *Kayhan International* in Teheran. Also to be discussed at the OIC summit in December, is "an international Islamic satellite and communications network under the supervision of the OIC to counter the foreign, especially Western, cultural invasion."

This is the first public discussion of such a project, which dovetails with the Developing-8 initiative launched earlier by Turkey. The OIC is an umbrella organization which includes all Muslim countries which wish to be members.

Kharrazi said that the main political items on the agenda were the Palestinian issue and Bosnia-Hercegovina, and that Iran, the host country, had invited all OIC members, and expected most of them to attend at a high level. The summit will mark the beginning of Iran's rotating chairmanship.

Meanwhile, in an interview with the Japanese daily *Mainichi*, which was reported in *Iran News* on Oct. 14, the former President of Iran, Hojjatoleslam Akbar Hashemi Rafsanjani, put economics in the center of political relations. Rafsanjani stressed that it was in the economic interests of both the United States and Japan to improve relations with Teheran.

#### Central Asia

#### Iran, Turkmenistan sign deal on oil, gas

Following a visit by Iranian Foreign Minister Kamal Kharrazi to Ashkabad, Turkmenistan, the two nations signed a memorandum of understanding which calls for the creation of a standing committee, led by the foreign ministers, to deliberate on issues related to the Caspian Sea, including oil and gas. They agreed to lay pipelines to transfer Turkmen oil to the Persian Gulf through Iran, and to accelerate construction of a pipeline to transfer gas from Turkmenistan through Iran and Turkey to Europe.

In addition, an international consortium was formed for exploring and exploiting the Caspian Sea resources, and a gasoline refinery will be set up at a Turkmen refinery. The joint economic commission will meet in November. They also agreed to pursue threeway cooperation, with Ukraine. The agreement includes a Turkmen government guarantee for repayment of credit which Iran will allocate for the project.

The standing committee was a proposal of Turkmen President Saparmurat Niyazov. Kharrazi said at a press conference that the foreign ministers of Iran, Turkey, and Turkmenistan would meet in November to discuss the pipeline construction.

The natural gas from Turkmenistan to be

delivered to Iran should begin to be pumped in December, when the pipeline is completed. Turkmen Oil Minister Sardzhayev said that the 200-kilometer Korpedzhe-Kurd-Kui pipeline would carry up to 3 billion cubic meters of gas by 1998, and 8 billion, by the year 2006. Iran has promised to purchase Turkmen gas for 25 years.

#### Agriculture

### Food production in CIS drops dramatically

During 1991-96, food production in the Community of Independent States was cut almost in half, *Agra-Europe* reported, based on figures from the Committee for Statistics of the CIS in Minsk. On average, total production in all of the CIS in 1996 was 52% of what it was in 1991.

In Georgia, Kyrgyzstan, Tajikistan, and Azerbaijan, the collapse in production was the greatest, of 75% to 79%; production fell 24-27% per year. In Russia, Moldova, Ukraine, and Kazakhstan, food production decreased 11-13% per annum; total production was halved in five years. In Belarus and Turkmenistan, 70% of 1991 levels were reached. Only in Uzbekistan did food production exceed 1991 levels, by 11%.

Despite the fact that food processing capacities were cut massively in all states, such facilities are still operating at low levels. In 1996, milk- and meat-processing companies in Russia, Turkmenistan, and Belarus operated at 24-50% of capacity; in Kyrgyzstan and Tajikistan, it was 9-17%.

During 1991-96, meat production in the CIS collapsed 73%, and milk 74%—down to the level of the 1950s. Per capita per year, 26.5 kilograms (58.3 pounds) of milk equivalent and 10.3 kg of meat were produced in 1996. In Azerbaijan, Georgia, Kyrgyzstan, and Tajikistan, milk production was less than 2 kg per capita per year. The same is true for meat production in these countries, plus Uzbekistan; production of meat and sausages is below 1 kg, a fall of over 90% in five years. Only Armenia managed to increase milk production.

In the first half of 1997, total food pro-

duction in Russia was 5% below the level of one year before. The highest decrease, 10%, was in meat production; it is now down to 3.1 kg per capita. Milk production went down by another 4% and egg production by another 2%, the Russian State Committee for Statistics (Goskomstat) calculated. Similarly unbroken is the trend in reduction of numbers of farm animals. The number of cows fell 10.1%; hogs, 13.8%; and goats and sheep, 18.4%. Total land area under cultivation decreased by 4%, to 95.7 million hectares.

#### **Demographics**

### Depopulation a danger, researcher warns

Nicholas Eberstadt, from the American Enterprise Institute and the Harvard Center for Population and Development Studies, warns that if current trends in fertility decline continue, the world could see "a future whose social, political, and economic outlines promise to break sharply with anything in recorded experience." His remarks, in a commentary in the Oct. 16 Wall Street Journal, were adapted from an article in the autumn issue of the Public Interest.

While most of the news from the Twenty-Third General Population Conference, held in Beijing in October, focussed on the "threat" of overpopulation, Eberstadt states, "this danger may be a myth." He reviews the drops in fertility rates in the advanced sector, and reports that the UN Population Division now projects the decline in fertility to continue also in the developing sector.

This fall in fertility will have dramatic consequences for the age distribution of the population, Eberstadt states. In 1900, the median age of the world's population was about 20. By 1995, it had reached 25. If fertility continues to fall, by the year 2050 the median age worldwide could be 42, and in Japan, it could be 53, in Germany, 55, and Italy, 58. However, even these figures may be optimistic, because Eberstadt assumes that life expectancy will continue to rise, which is clearly impossible under the economic ca-

tastrophe that is befalling the world's population.

To give a flavor of what the world would look like under depopulation, Eberstadt states: "Consider the possibilities for Italy, currently the country with the world's lowest fertility level. If Italy's current regimen is extended for two generations, almost three-fifths of the nation's children will have no siblings, cousins, aunts, or uncles; they will have only parents, grandparents, and perhaps great-grandparents." The UN's projections, based on the trends today, Eberstadt states, "imagine a world in which the only biological relatives for many people will be their ancestors."

#### **Economic Policy**

### Nobel Economics Prize backs derivatives bubble

The Royal Swedish Academy of Sciences has awarded the 1997 Nobel Economics Prize to Harvard Prof. Robert C. Merton and Stanford Prof. Myron S. Scholes, for "a new method to determine the value of derivatives." Said the Academy: "Their method has contributed substantially to the rapid growth of markets for derivatives in the last two decades."

The award is the equivalent of giving an award to the creators of a disease rather than to the scientists fighting to cure it. Derivatives instruments are the main part of the speculative bubble threatening to disintegrate the global financial system.

Merton and Scholes are founding principals of Long-Term Capital Management, a three-year-old hedge fund based in Greenwich, Connecticut, and run by former Salomon Brothers trader John Meriwether. It takes "trading positions as big as \$100 billion" and leverages "its capital as much as 20-to-1, according to rival traders," the Oct. 15 Wall Street Journal reported. The partners of LTCM have shared more than \$1 billion in profits, but the ride may be coming to an end: "Recently, however, faced with falling returns, the firm decided to return nearly half its \$6 billion in capital to investors."

### Briefly

A SECOND hunger belt, in addition to that in the Sahel region in Africa, has been developing from Sudan to Rwanda, the UN Food and Agriculture Organization says. Included are Ethiopia, Burundi, Eritrea, Kenya, Congo-Zaire, Somalia, Uganda, Tanzania, and Sudan. The region will need at least 2 million tons of food aid this year.

**IRAN, ARMENIA,** and Greece signed a telecommunications cooperation agreement in Yerevan on Oct. 12, which will make it possible to set up picture, voice, and computer data transmission among 100 countries of the world at the lowest cost and with higher quality, according to IRNA on Oct. 15.

**IRAN** plans to buy six vessels from China, each with a 20-25 thousand ton capacity for \$20-24 million each, *Iran News* reported on Oct. 15. "The fleet has transported...8% of the total cargo moved in the country, and hopefully it will increase that share to 15% by the year 2001," an official said.

**BRITAIN** is promoting the "Spotlight U.K." trade exhibition in Indonesia, with 70 firms, involved in oil and gas, water, health care, and fashion, participating. The Tony Blair government seems to be trying to patch up relations after nixing two defense-related contracts because of possible human rights abuses.

**THE PERSIAN** Gulf Arab states, due to financial pressures and growing unemployment, are expelling masses of foreign workers and replacing them with native personnel. Onethird of the 18 million workers in Saudi Arabia, for example, are foreigners.

AZERBAIJAN and Iran are stepping up economic cooperation. Iranian Minister for Roads and Transportation Mahmoud Hojjati recently called for building a road from Astara to Astarakhan, and said that a rail line should be built; he said aviation cooperation would be expanded.

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### **ERScience & Technology**

## Origins of the AIDS virus: accident or biowarfare?

by Dr. Ernest Schapiro

### Emerging Viruses: AIDS and Ebola. Nature, Accident, or Intentional?

by Dr. Leonard Horowitz

Rockport, Mass.: Tetrahedron Publishing Group,

1996

563 pages, hardbound, \$29.95

At last, a scientist has written a competent account of the origins of the AIDS virus. Dr. Horowitz demonstrates conclusively that AIDS was man-made. Whether this occurred by accident or intention, he does not know; but he does prove that all the necessary institutions, programs, and personnel were in place to spread the virus intentionally as a population control measure. The book is excellent, in that the author presents a phenomenological method of proof, as defined by Lyndon LaRouche in his book *Dialectical Economics*,<sup>1</sup> as opposed to an empirical method of proof. That is, he demonstrates a coherence among the policy dynamic in the period when AIDS first appeared, the institutions and programs that were created, and the attitudes and thinking of the people who carried out the policy. He elaborates a principle of cause and effect, and he is not satisfied unless it accounts for the actual events that transpired.

Most unusual, is that the book details what the population policy of the Malthusians was, starting with the Congressional hearings of July 29, 1969, organized by Rep. George Bush (R-Tex.). Bush arranged testimony by Gen. William Draper of the Population Crisis Committee, for example.

Draper, in a 1971 article, had likened the developing nations to an "animal reserve," where, when the animals become too numerous, the park rangers "arbitrarily reduce one or another species as necessary to preserve the balanced environment for all other animals. . . . But who will be the park ranger for the human race? . . . Who will cull out the surplus in this country or that country when the pressure of too many people and too few resources increases beyond endurance? Will the death-dealing Horsemen of the Apocalypse—war in its nuclear dress, hunger haunting half the human race, and disease—will the gaunt and forbidding Horsemen become Park Ranger for the two-legged animal called man?"

Following these hearings, Bush gained Congressional support for Third World population control programs backed by President Nixon and his national security adviser, Henry Kissinger. Horowitz quotes from National Security Study Memorandum (NSSM) 200, "Implications of World-Wide Population Growth for United States Security and Overseas Interests." This memorandum was completed on Dec. 10, 1974, under the direction of Kissinger. It became U.S. official policy on Nov. 26, 1975. The document cited the World Population Plan of Action drawn up by the First United Nations Population Conference in Bucharest, Romania, in the summer of 1974, and stressed that the plan would only succeed if it were enforced by United Nations agencies and using the power of countries like the United States. NSSM-200 concentrated on 13 developing countries, which it declared were responsible for 47% of the world's expected rate of population growth.

Not mentioned by Horowitz, is that at the Bucharest conference, Helga Zepp, the future wife of Lyndon LaRouche,

<sup>1.</sup> Lyn Marcus, *Dialectical Economics* (New York: D.C. Heath Co., 1975), pp. 242-253.

<sup>2.</sup> See "The Genocidal Roots of Bush's 'New World Order,' " *EIR Special Report*, May 1992.



Henry Kissinger (right) with Gerald Ford.
Author Dr. Leonard
Horowitz presents
evidence that
Kissinger's
Malthusianism and his
love of "covert
methods" of warfare,
may have led to the
laboratory creation of
the AIDS virus.

stood up and denounced John D. Rockefeller III, who was on the dais as a leader of the conference, charging him with crimes against humanity, and attacking the scientific fraud of Malthusianism. Her bold intervention sparked a protest against the policy of population control among many attending countries, and provoked the late Dame Margaret Mead, who was one of the conference organizers, who tried to strike Zepp with the witch's forked stick that she carried about with her!

Horowitz quotes NSSM-200 about the revolt that occurred at the Bucharest conference, and relates what followed. Thus, when he conducted a computer search on MEDLAR to find references to USAID-Population Control (USAID is the State Department's Agency for International Development), he found hundreds for 1975, but none thereafter. He quotes NSSM-200 on the importance of dissimulating the population-control policy under the guise of such things as maternal and child health.

#### Kissinger's role

Kissinger's role in the story is particularly important. Horowitz documents his preference for covert operations, as shown, for example, in his February 1976 testimony before the Senate subcommittee on African affairs of the Senate Foreign Relations Committee. "The Angola situation," Kissinger intoned, "is of a type where diplomacy without lever-

age is impotent, yet direct military confrontation would involve unnecessary risks. Thus it is precisely one of those gray areas where covert methods are crucial if we are to have any prospect of influencing certain events of potentially global importance." Horowitz presents evidence that such possible operations may very well have included biological warfare.

Horowitz delves at some length into Kissinger's oligarchical political philosophy, in which policy disagreements are settled by force, and there is no place for morality—only self-interest. Thus, in April 1955, Kissinger wrote that the United States should be prepared to conduct limited nuclear wars. Horowitz, reflecting on this, asks whether "the incredible proliferation of chemical and biological weapons during the late 1960s and early 1970s may have been the result of Kissinger's articulated need for nuclear alternatives, a broader weapons arsenal that might allow for a more 'graduated defense and flexible response?" "During Nixon's first term, Kissinger, as national security adviser, concentrated power into his own hands to an extraordinary degree, including the powers that ordinarily belonged to the secretary of defense. In 1969, he ordered a survey of chemical and biological weapons. He and Nixon signed a treaty to eliminate these weapons, but they secretly kept a supply.

Horowitz believes that Kissinger ordered the Defense Department to request an appropriation from Congress for an AIDS-like virus to be produced.

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Kissinger's policy, including the Malthusian policy of NSSM-200, was continued by the Carter administration, under the direction of Joseph Califano, the secretary of Health, Education, and Welfare. Califano had previously held high positions in the Defense Department, including that of deputy secretary of defense.

Another important figure was Dr. Donald Francis, who currently heads the Hepatitis Branch of the Centers for Disease Control (CDC); he had a background that included research into cat leukemia, hepatitis B, and epidemiological studies on infectious diseases. When the Ebola virus struck in Zaire in 1976, he was a medical officer on the scene, on loan to the World Health Organization from CDC.

#### Biowarfare capabilities

American and other scientists were operating biological research facilities and monkey colonies in Africa, the latter run by Litton Bionetics Company. Some of the laboratories were conducting research on the relationship of viruses to cancer, similar to research going on in the United States and other countries. Scientists also carried out large-scale epidemiological studies to get at a possible virus cancer relationship.

Horowitz provides evidence that virus research laboratories were set up in Zaire by Orbital Transport and Missiles, Ltd. (OTRAG), a West German company. The contractor for much of the work done by OTRAG in Africa was Litton, which produced aerospace equipment, satellites, and biomedical materials. Litton also operated the laboratories of the division of the National Cancer Institute (NCI) that was established at Fort Detrick, Maryland, in 1971, when the Frederick Cancer Research Center replaced the military facility. The lab was directed by Dr. Robert Gallo, who was later proclaimed to be the "discoverer" of the AIDS virus. Litton's president, Roy Ash, was, along with Kissinger, the leading contender to be Nixon's national security adviser, and in 1971 he was made an assistant to the President.

None of this material on the role of Litton in biological warfare has ever been developed systematically, nor has the vast interlocking biowarfare complex ever been systematically portrayed. The complex included the NCI, the CDC, the U.S. Public Health Service, Merck, Sharp and Dohme (MSD), and New York University. The apparatus included a hitherto secret and massive program at NCI called the Special Virus Cancer Program. Horowitz had heard frequent mention of it, but only by serendipity stumbled across an official account of it for the year 1971, in one of the libraries where he was doing research.

Commensurate with the vastness of this biowarfare enterprise, was the vocal opposition to it, now forgotten and rarely expressed, among leading scientists, including Nobel Prize winner Joshua Lederberg. Writing in *Science* in 1971, Lederberg said: "We are all familiar with the process of mutual escalation in which defensive efforts of one side inevitably contribute to further technical development on the other, and

vice versa. . . . And the potential undoubtedly exists for the design and development of infective agents against which no credible defense is possible, through the genetic and chemical manipulation of these agents." There were numerous articles in the scientific journals in the United States and Britain on the dangers of research in biowarfare, and there were protest demonstrations at Fort Detrick, which was the U.S. military's official biological warfare laboratory, until it was taken over by the NCI and National Institutes of Health in 1971 (to continue biowarfare research under the guise of virus cancer studies). Horowitz documents the fact that the U.S. military was a contractor for much of the virus cancer research, including that of Gallo at NCI, Maurice Hilleman at MSD, and Krugman at New York University.

Using material gathered at hearings of the Senate Select Committee on Intelligence Activities (the "Church Committee") between 1975 and 1977, Horowitz develops what the secret CIA programs of experimentation on people were doing, including the release of viruses and bacteria in crowded places in the United States. The CIA and the Defense Department (the Special Operations Division of the Army at Fort Detrick) had a joint secret project in biowarfare called Mknaomi. In his testimony before Congress, the late William Colby, who was then head of the CIA, testified that he had rejected the proposal of an underling to use biowarfare in a special operation. He admitted to having received orders from Kissinger to be prepared to conduct paramilitary operations, using biowarfare, in covert actions. Not long after this testimony, Kissinger and President Ford decided to fire Colby. Kissinger is quoted by biographer Walter Isaacson as saying: "Every time that Bill Colby gets near Capitol Hill, he feels an irresistible urge to confess to some horrible crime."

Horowitz's book casts light on the "war on cancer," as conceived by Nixon. The focus of the program was to investigate the purported viral origin of cancer, but much of the work seems to have been oriented toward potential biowarfare applications, since the viruses which were researched for their cancer-causing potential were mostly viruses that could attack the cells of the immune system, such as the leukemia, sarcoma, and lymphoma viruses—i.e., to a large extent the RNA or retroviruses. This was the focus of Gallo's research, the man whom Nixon hailed in 1971 as the discoverer of the virus causing leukemia. (This "discovery" turned out to be premature.) The concentration on viruses distorted the outlook of cancer researchers and led to today's focus on the genetic origins of cancer, which overlooks the nature of the processes that underlie cancer, including the phenomena of optical biophysics.

#### Mad scientists

In reading Horowitz's accounts of the work of these researchers, one gets the impression of mad scientists creating Frankenstein monsters. Gallo and others would mix viruses in tissue cultures or inject them together into one animal, resulting in hybrid viruses with new properties. The tissue or

animal into which a virus or viruses were injected might not be the species from which they originated. Viruses tend to infect only one, or at most, a few species, but these mad scientists were breaching the species barrier, creating viruses that could infect new hosts.<sup>3</sup> For example, if a cow virus, such as bovine leukemia virus, could be made to grow in human cells in tissue culture, it might then become able to infect a human being. This was the kind of thing that opponents of biowarfare were worried about. There are now a number of examples documented, in which human intervention, deliberate or accidental, caused a new infectious disease. Bovine spongiform encephalopathy (BSE, or "Mad Cow disease"), for example, appeared first on British cattle farms in 1985. The infectious agent, now known to be a protein called a prion, resembles the agent causing scrapie in sheep. It is suggested that the cattle contracted BSE from eating bone meal prepared from the carcasses of sheep.

#### The trail of investigation

In telling his story, Horowitz relates his own process of discovery, which makes the book very readable. He confronts the reader with the simplest, most pervasive anomaly: the obstinate refusal by the medical establishment to even consider the possible origin of AIDS in the laboratory.

When Horowitz first presented his wife (and co-investigator) with the evidence that Gallo and other virus cancer researchers were covering up their knowledge of the origin of AIDS, she replied: "Let's think about this for a minute. What was happening politically around the time cancer viruses first came in vogue? Who was in power?"

Horowitz had recently written a book called Deadly Innocence, another piece of medical detective work, concerning the story of David Acer, the Florida dentist, five of whose patients, including teenager Kimberly Bergalis, died of AIDS. Horowitz showed that Acer had deliberately infected his patients in order to express his outrage at what he believed was the deliberate infection of homosexuals like himself by the government. Acer's story was covered up by the CDC. Horowitz then came across the work of Dr. Robert Strecker, who believed that the AIDS virus was manufactured and deliberately given to people via vaccines. Strecker cited a hearing by the House subcommittee on Appropriations in July 1969, at which the Defense Department requested a \$10 million appropriation to develop viruses to which the immune system has no defense. That money was granted, and distributed to a number of biological research labs, including the ones already mentioned.

Horowitz picked up on Strecker's assertion that the World Health Organization had played a key role in the research that led to the synthesis of the AIDS virus. Horowitz confirmed that the WHO had laboratories where virus cancer work was being done, and acted as a center for the testing and distribution of biological products—i.e., vaccines and viruses. He also noted an inordinate interest by the WHO in a rare, but lethal, slow virus affecting Pacific Islanders, kuru. Kuru is now known to be a prion disease spread by cannibalism. One thing that caught Horowitz's attention, was that the WHO was making advanced information and techniques available to researchers in both the East bloc and the West.

From an official history of Fort Detrick, Horowitz learned that George Merck headed its first biowarfare program. He read that in 1969, scientists had refused to take part in a conference there, while protesters demonstrated outside. The conference concerned "entry and control of foreign nucleic acid in cells"—Gallo's specialty. He also learned that in 1969, Nixon signed an order outlawing offensive biological research. In fact, as noted above, the programs were continued under another guise and the bioweapons stocks were not destroyed, as revealed before the Church Committee in 1975. Instead, the NCI took over Fort Detrick from the military.

Horowitz discusses the ironies surrounding the alleged "discovery" and naming of the AIDS virus by Robert Gallo and the French Pasteur Institute's Luc Montagnier, by pointing out that both of these men were involved in virus cancer work, read each other's writings, and had attended the same conferences for years. Gallo had been creating AIDS-like viruses since the late 1960s, had developed the antibodies to detect them, and the means to grow these viruses in culture, including the techniques to cause virus-infected cells to reproduce themselves. He had done extensive work since the 1970s in identifying the reverse transcriptase (RT) enzyme, in cancer cells as well as in the viruses themselves. Retroviruses such as AIDS use this enzyme, to reproduce themselves, when they infect a host cell. They are RNA viruses, and the RT allows them to use the machinery of the cell to make viral DNA, which in turn is needed for the virus to reproduce itself inside the cell.

Ironically, although the AIDS epidemic was reported in the CDC bulletin in mid-1981, neither Gallo nor the NCI undertook any research on the disease until 1983, and Gallo sabotaged the work of others! This doesn't make sense, for a biological warfare laboratory which is supposed to protect the population. Gallo and others invented ad hoc explanations for the emergence of AIDS, all of which were proven to be wrong or remain unproven, including the assertion that the AIDS virus was prevalent in Africa years before the epidemic broke out. This line of attack was based on unconfirmed analyses of old serum samples from the 1960s. The most extreme purveyor of this kind of disinformation is Peter Duesberg, who to this day asserts that HIV is not the cause of AIDS, although he was very much in the inner circle, as a principal virus cancer researcher.

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<sup>3.</sup> John Seale, "AIDS as a Cross Species Viral Transfer," 21st Century Science & Technology, July-August, 1989, p. 15. See also, John Grauerholz, "Was AIDS Created in a Laboratory?" in "AIDS Global Showdown," EIR Special Report, August 1988, revised November 1989, p. 119. Horowitz does not take up the possibility that the Soviet intelligence services had a role in creating the AIDS virus. Evidence of this is presented in John Grauerholz, "The U.S.S.R. and the Origin of the AIDS Virus," EIR, Feb. 12, 1988, p. 16.

Virus cancer researchers and CIA officials also committed a number of very revealing slips of the tongue, detailed by Horowitz. A good example was the 1975 testimony before the Church Committee of Nathan Gordon, a chemist for the CIA. When he was asked about the decision made by his superiors not to throw out a batch of shellfish toxin, he said that the toxin might be useful in research: "Besides, if one had to really in effect study immunization methods for disease vis-à-vis who knows, cancer, anything of that particular ilk, it would take a considerable amount of this particular antigenic material to develop immunization."

Horowitz points out that by no stretch of the imagination had this material anything to do with cancer or immunity; it was a highly lethal nerve poison. In light of the appropriation requested by the Defense Department on July 29, 1969 to produce viruses capable of destroying the immune system (research disguised as study of the virus-cancer relationship), Gordon's slip makes perfect sense.

It was Horowitz's wife's question, cited above, that led him to explore the targetting of black radicals and homosexuals. As he put it, "during the period when the domestic war against black radicals was raging, the African continent became a principal target of the Cointelpro and other CIA anticommunist operations." This, he says, led him to look for the first time into the population-control policy in Africa, and the role of Henry Kissinger.

The author decided to explore the possible channels for the introduction of AIDS into New York City and Africa. Noting Califano's military background and fanatical commitment to population control, he sought a connection between USAID, the Department of Health, Education, and Welfare's vaccine program purveyor, and viral vaccines. Since Merck was already under suspicion as the manufacturer of the infamous hepatitis B vaccine given to New York City homosexuals, Horowitz began to look for references to hepatitis vaccine. He at once found a fraudulent effort by CDC and other researchers to cover up the implications of the rapid growth of AIDS among New York City homosexuals, New York being the first city to get the hepatitis vaccine, and the place where 50% of the first 1,000 cases of AIDS occurred.

The hepatitis B vaccine was developed by Saul Krugman of New York University, in collaboration with Hilleman at MSD and R.H. Purcell at NIAID (a division of the National Institutes of Health). Krugman became infamous in the 1970s, when it came out that he had deliberately infected retarded children institutionalized at Willowbrook in New York City with hepatitis B virus, using the pretext that conditions there were so atrociously unsanitary, that the children would become infected anyway! NYU was one of the institutions that got money from the 1969 grant of \$10 million for biowarfare.

Horowitz found that some of the same biowarfare researchers were heavily involved in the African vaccine programs, including Hilleman from Merck and Krugman. In fact, the hepatitis B vaccine was given to children in Burundi and Senegal. By following Krugman's trail, he learned of a conference on immunization in Africa organized by WHO. There, a number of scientists said that multiple virus vaccines might be dangerous. One of them, Dr. Frederick Rasmussen, Jr., of the University of California School of Medicine, even suggested that a slow virus might be activated, like the visna virus of sheep.

Horowitz gives a number of accounts of laboratory contamination by viruses, and even the case of unintended contamination of cell cultures by a particular line of cancer cells that became widely disseminated in Russia, before the danger was recognized. One of the most scandalous examples occurred with the Salk vaccine, which was quietly withdrawn from use after it became known that the monkey tissue in which it was prepared was infected with SV40 virus, a virus which can (rarely) cause brain softening in humans with AIDS and cancer in animals. As related by Hilleman of Merck, the company went ahead with the distribution of the vaccine, even after they recognized this contamination. This taped account has never been published. It was brought to Horowitz's attention by Dr. John Martin, director of the Food and Drug Administration's program for vaccines between 1976 and 1980. Martin resigned from the position, because he felt that these kinds of problems were not being adequately addressed.

#### The Ebola virus

Horowitz doesn't confine himself to the AIDS virus. He devotes two chapters to Ebola virus. Unlike Strecker and others, he develops the idea that the research which is most likely to have infected people with the AIDS virus, was carried out on monkeys. This is coherent with the discoveries he had made concerning the laboratories in Africa, where research was conducted on monkeys, some of which were sent to other countries in an infected condition, or which became infected while in holding centers along the way. The company that was the principal supplier of monkeys to the Western world was Litton Bionetics.

Horowitz develops a powerful argument that Marburg and Ebola viruses, and closely related hemorrhagic fevers, which are 100% fatal in their monkey hosts, were created in laboratories, most likely in Africa. Marburg appeared in two German and one Yugoslav vaccine laboratories in 1969 and Ebola appeared in 1976 in Sudan and Zaire. Ebola, named after a town in Zaire, reappeared in Kikwit, Zaire in 1995, with a virus form identical to the Ebola of 20 years before. Horowitz quoted Seymour Kalter, a top NCI scientist, at a seminar in 1975, blurting out that "simian hemorrhagic fever is a man-made disease." Then, apparently realizing what he had said, he quickly changed the subject. Kalter's role in the Special Virus Cancer Program was defined as determining the nature of "viruses that emerge from the research," i.e., viruses that are created. Hence, the title of Horowitz's book.

Horowitz strongly suggests that, just as Dr. Kalter said, Marburg and Ebola were man-made in the 1960s and 1970s,

the most recent Ebola outbreak of 1995 was man-made, too. Particularly suspicious was the spate of books and films which immediately preceded the Kikwit Ebola outbreak of 1995, "predicting" emerging virus diseases. None of these productions suggested that Ebola was man-made.

#### A war against Malthusianism

Of more fundamental importance, is the connection this book makes between Malthusian population-control policy and biological warfare, especially in regard to the developing sector. By far the most devastation from AIDS is occurring in the developing sector and in the impoverished communities of the United States. Population reduction is the hegemonic policy outlook today in the policymaking bureaucracies of the industrialized countries, at the United Nations, and in the thousands of non-governmental organizations (NGOs), which are active in the developing countries.

As *EIR* has shown, at the top of the population-control effort worldwide is the Club of the Isles, run by Britain's Prince Philip<sup>4</sup>. Philip has said many things which express his belief that human beings differ in no fundamental way from apes. This bestial view is coherent with his remark that, were

he to be reincarnated, he would want to come back as a deadly virus to help solve the alleged problem of overpopulation. The Club of the Isles has spawned a hierarchy of organizations, from the "respectable" but genocidal World Wildlife Fund, all the way down to such environmentalist terrorist groups as Earth First! Horowitz quotes a letter from "Miss Ann Thropy," printed in *Earth First!* journal: "If radical environmentalists were to invent a disease to bring human population back to ecological sanity, it would probably be something like AIDS. . . . We can see AIDS not as a problem, but a necessary solution."

The population-reduction advocates in 1994 planned to cause adoption of policies at the 1994 International Conference on Population in Cairo that would have allowed the UN to force all countries to submit to a population-control regime. The LaRouche movement led an international mobilization against this, which culminated in an understanding between President Clinton and Pope John Paul II to oppose any such infringement on the principle of national sovereignty. Although the Malthusians' plan was defeated, they are pursuing the same aims in other guises, including the proposed global warming agreement. The Malthusians' policy will be stopped only by an overthrow of the present hegemony of their ideas, and a return to the principle of national sovereignty and the right of all peoples to economic development.

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Bonn	2300 0330* 1700	Nogales 1500 Norfolk 1700 Oslo 2300
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Gdansk	2300 1600 1700	Seoul 0700* Shanghai 0600* Singapore 0530*
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Karachi	2400	Washington 1700 Wellington 1000* Wiesbaden 2300
agos	2300 1700 1600 2300	Winnipeg 1700 Yokohama 0700* Yorktown 1700 * Mondays

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<sup>4. &</sup>quot;The True Story Behind the Fall of the House of Windsor," *EIR Special Report*, September 1997.

### **ERFeature**

# Was a laser used in the murder of Princess Diana?

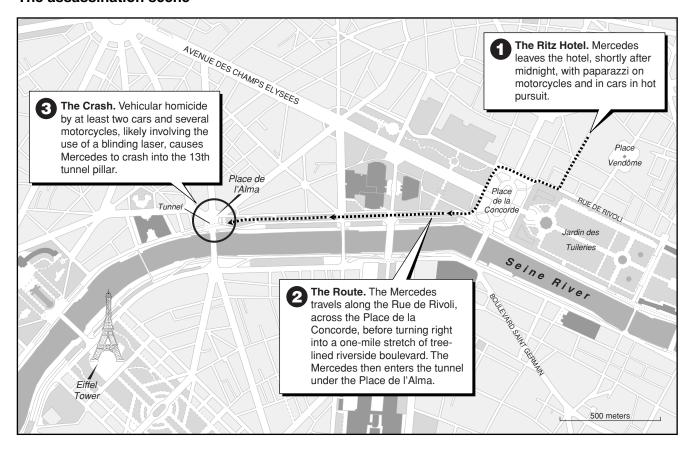
by Jeffrey Steinberg

An ongoing review of unclassified scientific data has confirmed that a mobile antipersonnel laser could have been employed by the assassins of Princess Diana, to incapacitate driver Henri Paul, and ensure a "sure kill" of the Princess, her friend Dodi al-Fayed, and their driver and bodyguard, in the car crash in the Alma Tunnel in Paris, on Aug. 31, 1997.

The probe into the possible use of a laser weapon, commissioned by *EIR* Founding Editor Lyndon LaRouche, was provoked by several eyewitness reports, that a blinding flash of light was seen in the tunnel just seconds before the crash. In a Sept. 9 interview with Associated Press, al-Fayed family attorney Bernard Dartevelle described two photographs, taken from a vehicle in front of the Mercedes, seconds before the crash, showing driver Henri Paul holding his hands in front of his eyes, blinded by a bright light, bodyguard Trevor Rees-Jones flipping down the sun visor over the passenger seat, and Princess Diana, in the back seat, turned around looking at the headlight of a motorcycle, immediately behind the car. The photographs were shown to Dartevelle by Paris police investigating the crash. They were apparently confiscated from an unidentified paparazzi photographer.

Even the French police, who are waging a vicious cover-up of the murder of Princess Diana, have been forced to admit that at least one other car collided with the Mercedes 280-S, just before the princess's car careened off a tunnel wall and crashed head-on into the 13th pillar. Bodyguard Rees-Jones survived the crash, and is now recuperating in seclusion somewhere in England; Dodi al-Fayed and Henri Paul were killed instantly; and Princess Diana survived the initial impact of the crash, but died, under still-mysterious circumstances, ostensibly from internal injuries, several hours later. It took rescue workers one hour to get Princess Diana into an ambulance, and 43 minutes to drive her to a hospital that was just six kilometers from the crash site. Along the route, the ambulance passed two other hospitals. As yet, there have been no complete accounts of what occurred during that nearly two-hour period.

FIGURE 1
The assassination scene



While many details about what happened shortly after midnight on Aug. 31 in the Alma Tunnel remain hidden, and may never be known, certain crucial facts are known, and argue strongly for a serious probe of the laser theory.

First, the French authorities, in full cooperation with their British counterparts, are conducting a brutal cover-up of the murders. In the face of a growing mountain of contradictory evidence, the French are still claiming that driver Henri Paul was drunk and high on prescription drugs, and was speeding at 120 miles an hour, when he lost control of the car and crashed. All of these details have been thoroughly discredited by eyewitnesses, by intimate associates of Paul, by medical experts, and by statements from Daimler Benz safety engineers, who dispute that the reading on the speedometer after the crash is a reliable indication of the actual speed of the car at the point of impact.

On Oct. 15, Rupert Murdoch's *New York Post*, in the most flagrant example of media collusion in the cover-up to date, reported that French police have not only exonerated all of the paparazzi of any responsibility for the crash; based on the testimony of a mysterious "new" eyewitness, who claims he saw Paul driving "like a madman" just before the crash, they are now also downgrading their search for the missing white

Fiat Uno, which collided with the Mercedes just before the crash, and fled the scene at high speed. According to the *Post* and the French publication *Voici*, French police now believe, based on the account of the new mystery witness, that the collision with the Fiat was Paul's fault.

This bogus account conforms to reports received from well-placed U.S. intelligence sources, that the Franco-British cover-up will next seek to thoroughly discredit Trevor Rees-Jones, the lone survivor of the crash, and Ritz Hotel owner Mohamed al-Fayed. Ultimately, these sources have told *EIR*, "the cover-up hangs or falls on the destruction of al-Fayed."

This latest preposterous hoax by the French police merely proves that they are committed to burying the truth about what happened inside the Alma Tunnel.

But the cover-up is not sticking. For the first time since the crash, a major British newspaper has come out with a banner headline story, touting the growing suspicion that Princess Diana was murdered by professional assassins, perhaps from MI5 or another branch of British intelligence, deployed by the House of Windsor.

The Oct. 19 *Independent* ran a story on its cover, headlined "Was Diana Murdered?" by Chris Blackhurst, which

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reviewed several of the anomalies of the case, including the mysterious Fiat, which the article called "Princess Diana's grassy knoll (the site of Kennedy's alleged second assassin), an aspect of her death that, until the driver is found, cannot be explained."

The *Independent* noted that, although "every newspaper and news organization" has adopted the Franco-British cover story, pinning responsibility on Paul, "people who read serious newspapers and watch serious television programs still have their doubts. . . . Their suspicions reflect another sentiment, that behind much of what happens at the top of our society lies the hand of dark, mysterious forces. We are fed a constant diet of films and novels suggesting that MI5, MI6, the CIA and other sinister groups, are capable of anything. . . . This is what leads many people to suspect something similar occurred with Diana."

The *Independent* reported that "Diana feared she would be killed. She once, apparently, confided in friends that the security services would dispose of her because she was a 'loose cannon.'...'One day I'm going to go up in a helicopter and it'll just blow up. MI5 will do away with me.'"

The *Independent* story was also the first to appear in a major British daily newspaper that seriously raised the possibility that the British royal family was behind her murder.

#### Highly professional 'sure kill'

In our Oct. 10 issue, *EIR* provided a brief outline of the growing use of anti-personnel lasers in irregular warfare, by 21st Century Science & Technology magazine staff scientist Charles Stevens. Stevens cited a 1993 report by the International Committee of the Red Cross, which warned of the danger of a proliferation of "dazers" and other highly mobile blinding lasers, and identified the British and French intelligence services as two of the agencies that have done the most work on developing and deploying such space-age weaponry. Both countries have balked at any restrictions on the use of such weapons, and have used them in the Balkans, Africa, and in the Persian Gulf.

In this *Feature*, Stevens provides a more in-depth review of how such a blinding laser could have been used in an attack against the Mercedes, seconds before the fatal crash.

In recent weeks, LaRouche has emphasized that the murder of Princess Diana had to have necessarily been the work of a professional team of assassins, committed to either securing a "sure kill," or postponing the attempt for another occasion. Once one begins to review even the fragmentary evidence that has come to light, from the standpoint of an assassination designed by an irregular warfare professional with access to unlimited resources, inside information on the princess's travels, and assurances of cooperation from the relevant French and British authorities to secure a cover-up, a far different picture emerges than the patently phony "drunk driver" story still being peddled by the French police to the shrinking ranks of the gullible.

## A driver could be blinded with a laser

by Charles B. Stevens

The question has been raised in the death of Princess Diana, whether a laser beam originating from a lead car could have blinded or incapacitated the driver of Diana's car. The answer is a definite yes.

For the act to be feasible, the following four conditions must be met: 1) the laser and its power conditioning unit must fit within an automobile; 2) the energy source for the laser must fit within an automobile; 3) the laser must deliver suffi-

### FAA warned of laser danger to pilots

In October 1994, the Federal Aviation Administration (FAA) issued a press release, announcing that the Society of Automotive Engineers, the industrial safety group for mobile transportation on land, sea, air, and space, had formed a research committee to come up with safety standards for the use of outdoor lasers, following two dangerous incidents involving the accidental blinding of airplane pilots.

The first incident noted by the FAA, occurred in late 1993 at the Las Vegas Airport, as a Southwest Airlines commercial flight was taking off. A 12 W argon laser on the roof of the Las Vegas Rio Hotel accidentally was viewed by both the pilot and co-pilot, resulting in the first officer being completely blinded for 5-10 seconds, and suffering reduced vision for the next ten minutes. In a similar incident in June 1994, a flight engineer on a C-130 military cargo plane flying over Biloxi, Mississippi, was exposed to two 15 W beams from a laser at the Palace Casino. The flight engineer was totally blinded for more than one minute, although the contact with the laser occurred at a distance of 3.5 miles and an altitude of 700 feet.

It is also widely suspected that a mid-air crash of two stunt planes at the Ramstein Air Show in Germany in August 1988 was caused by a mobile laser device having incapacitated one or more of the pilots during a tricky multi-plane formation maneuver.

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TABLE 1 **Eye exposure limits** 

Continuous in W/cm2 (exposure time=1 sec)

Wavelength (microns)	Light source	Occupational MPE	Battlefield MPE (50% probability)
White, 0.4-0.8	Sun, Xenon flash lamp	1.0	
0.22-0.32 (UV)	KrF laser	0.02	
0.488, 0.515 (blue/green)	Argon laser	1×10 <sup>-5</sup>	5×10 <sup>-3</sup>
0.633 (red)	He-Ne laser	1×10 <sup>-5</sup>	5×10 <sup>-3</sup> to 10×10 <sup>-3</sup>
10.6 (LWIR)	CO <sub>2</sub> laser	1.0	

Pulsed systems in J/cm²			(exposure time=10 <sup>-8</sup> sec/10 <sup>-3</sup> sec)	
Wavelength (microns)	Light source	Pulse length	Occupational MPE	Battlefield MPE (50% probability)
White, 0.4-0.8	Sun, Xenon flash lamp	10 <sup>-3</sup> sec	1.0	
0.488, 0.515 (blue/green)	Argon laser	10 <sup>-3</sup> sec	0.15×10 <sup>-3</sup>	
0.633 (red)	He-Ne laser	10 <sup>-3</sup> sec	0.5×10 <sup>-3</sup>	0.8×10 <sup>-3</sup>
0.694 (red)	Ruby laser	10 <sup>-8</sup> sec 10 <sup>-3</sup> sec	0.1×10 <sup>-6</sup> 1×10 <sup>-6</sup>	$20 \times 10^{-6}$ to $50 \times 10^{-6}$ 1×10 <sup>-3</sup> to 2×10 <sup>-3</sup>
1.06 (near IR)	Nd:YAG laser	10 <sup>-8</sup> sec 10 <sup>-3</sup> sec	300×10 <sup>-6</sup> 5×10 <sup>-3</sup>	600×10 <sup>-6</sup> 10×10 <sup>-3</sup>
10.6 (LWIR)	CO <sub>2</sub> laser	10 <sup>-3</sup> sec	0.3	

Source: Chemical Rubber Co., Handbook of Lasers, 1971.

cient power to blind or incapacitate a person from a range of at least 50 meters; and 4) the laser must be able to be aimed and pointed where needed.

We begin by reviewing the sensitivity of the human eye to light. First, consider the spectrum over which the eye is sensitive. The eye and brain can detect light (i.e., see) over the so-called visible range of wavelengths, between about 0.35 millimeters (violet light) and 0.75 mm (red light). The greatest sensitivity is in the middle of this range (green light), with the sensitivity trailing off to zero at the endpoints. While these are the wavelengths that can be seen, a broader band of radiation is transmitted through the ocular media and absorbed by the retina. This band extends from about 0.35 mm to 1.3 mm (near infrared). In darkened conditions, there exists the "attention reflex," which means that someone can be made to look in the direction of a flash of visible light. A second, stronger pulse can then more effectively incapacitate. The eye magnifies incoming light by about 100,000 times, which means that a low-energy laser, that would have no effect on other body tissue, can easily cause pain and other effects on the retina. In addition, it should be noted that all radiation, from X-rays to radio waves, whether it ever reaches the retina, impinges on the cornea of the eye (the transparent coating over the exterior surface of the eyeball, including over the pupil).

Now, consider the effect on the eye of the intensity of the radiation which strikes it. But, first, let us review what we mean by the intensity of radiation. Sunlight is classified as "continuous wave" radiation, because its power output, i.e., the Sun, is always "on." The strength of its output, or its intensity, is the power it delivers to a unit of area (watts/cm²). By contrast, many lasers and other optical devices generate pulses of radiation. The strength of the output beam from these devices is typically expressed as energy per unit area (joules/cm²), or fluence, rather than the power per unit area (watts/cm²), or intensity, used for continuous-wave devices. Since energy equals power × time, the power of a pulse of radiation is simply the energy of the pulse divided by the pulse length. Note also, that the power or energy within a beam is simply its intensity or fluence, respectively, multiplied by the area of the illuminated spot it produces.

#### Maximum exposure levels

The "eye safe" exposure limits for pulsed light are somewhat different than the limits for continuous light. **Table 1** lists two different maximum permissible exposure levels and an exposure level that causes observable eye damage 50% of the time (the damage is statistical in nature due to variability in viewing geometries, the tissues involved from one test subject to the next, and so on). When eye tissue (cornea or retina) is damaged, it is the result of a burn—"sunburn" in the case of ultraviolet (UV), and thermal burns in the case of visible and infrared (IR) radiation. The severity of the burn or lesion is dependent on the intensity and duration of the exposure. (The data in Table 1 are taken from the 1971 edition of the *Handbook of Lasers*, and so might be

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TABLE 2

#### Commercially available Nd:YAG lasers

Beam diameters are roughly 5 mm (0.2 inch)

Full-angle beam divergences are roughly 5 microradians

	High power	Medium power	Low power
Energy/pulse, J	3.0	0.5-1.0	0.1
Pulse width, msec	1-100	0.01-100	0.01-100
Pulse rate, Hz	10-50	10-100	5-100
Average laser power, watts	150	100	10
Input voltage, volts AC	220	220	110
Input power, watts	7,500	1,500	500
Power supply size, I"×w"×h"	42×30×12	30×30×12	30×12×12
Laser head size, I"xw"xh"	48×6×6	36×6×4	12×6×2
Cooling water required?	Yes	No	No
Approximate cost	\$100,000	\$60,000	\$20,000

Source: Handbook of Lasers.

somewhat out of date. But, since the data on eye damage (detectable lesions) are most useful for this analysis, and since they are based on experiments with rabbits and primates, it is doubtful the data have significantly changed over the years.)

To get a sense of the magnitudes involved, note that the visible light emitted by the Sun has an intensity (power per unit area) at the Earth's surface of about 0.13 watts/cm². This would be approximately the intensity on the cornea and retina if one looked directly at the Sun. As the table makes clear, a laser pulse of 0.01 microsecond (10<sup>-8</sup> sec) at an intensity of 0.001 joules/cm² (or 1,000 × 10<sup>-6</sup> joules/cm², which is about twice as large as the largest comparable value in Table 1; note that the power of the pulse is 105 watts/cm²) at virtually any wavelength between ultraviolet and near-infrared, would severely burn the retina (and perhaps the cornea) and cause blindness until the retinal lesion healed.

#### One laser that fits the bill

It is now appropriate in our analysis to pick a laser device that would meet the demands for blinding a driver under conditions similar to those in which Princess Diana was killed. Since we stated at the outset that it would be advantageous to an assailant if the laser beam were invisible to the human eye (making an attack impossible to observe or detect), we are restricted to choosing among ultraviolet and infrared lasers. Of these laser types, an obvious selection is the Nd:YAG laser at 1.06 mm. These are very mature lasers and readily available at relatively high intensities. A summary of the characteristics of these lasers is given in **Table 2.** 

Note the following characteristics of the medium-power Nd:YAG lasers: 1) they can easily fit within the back seat of

a car or a car trunk; 2) they are air-cooled; and 3) they can be powered for a short time with a couple of car batteries (12 volts  $\times$  300 amperes = 3,600 watts). So, we have established that a medium-power Nd:YAG laser beam can be produced from within a car. But how can the laser beam be aimed and pointed?

A system of mirrors, such as in a periscope, can be used to route the laser light where needed; for example, from the back seat of a car through the rear window or a hole in the trunk. A movable mirror or lens in this "optical train" can be used to point or scan the laser beam. If the laser beam is directed at a target 50 meters (164 feet) away, the diameter of the beam grows from 5 mm to about 50 m  $\times$  5 millirad, or 25 cm (10 inches), which is an area about the size of a man's head.

To ensure the laser can be aimed and pointed to illuminate the head of the driver of a high-speed car with high confidence, the laser beam can be widened to two or three times the size of the drivers head. Better still, if the laser beam is formed into a rectangular shape about 50 cm long (the approximate height of a windshield) and 1 cm wide, it can then be scanned across the windshield of the targetted car, making the task of illuminating the car's driver a relatively easy one. To shape the output beam, the beam from the laser device must be widened a factor of 25 to about 13 cm (5 inches) in diameter and then formed into a rectangle and focussed. A series of lenses and mirrors can easily do this. The exit window for the beam must also be large enough to accommodate a 13 cm-wide beam. Since pulses can be generated at 100 hertz, the rectangular laser spot can be moved 1 cm every 0.01 sec, or 100 cm/sec (3.3 ft/sec) without failing to illuminate any part of the target car's windshield. In practice, the scan rate might be slower than this; consequently, the eyes of the targetted driver might receive multiple laser pulses as the beam scans over them. A realtime near-infrared camera can be used to observe the scan and help aim the laser.

Only one feasibility criterion remains to be analyzed in our quest to determine if a laser can be used to incapacitate the driver of an automobile: The intensity of the laser beam at the target must be higher than the level needed to damage the human eye. The beam intensity is found by simply dividing the pulse energy of the laser by the area of its spot. The area of a  $50 \text{ cm} \times 1 \text{ cm}$  spot is  $50 \text{ cm}^2$ , so, the average intensity of a 1 joule laser pulse with this spot size is  $0.02 \text{ joules/cm}^2$ . This is over 20 times the intensity needed to burn the human eye using a 0.01 msec pulse.

And, as Table 2 shows, lasers with this pulse width are readily available.

All of the feasibility criteria posed at the outset of this analysis are now met; we therefore conclude that yes, it is feasible to incapacitate the driver of a moving car using a laser in a lead car. The cost to construct such a system is on the order of \$100,000.

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## The British media, a 'strategy of tension,' and murder

#### by Scott Thompson

The British media, which are controlled from the top-down by the decadent House of Windsor, have pioneered the method of discrediting a targetted individual, through the use of character assassination that masks the real political and policy issues at stake. Often, this British media effort to brainwash the population against an individual, by using methods that one British psychological warfare expert, attached to the infamous Tavistock Clinic, identified as seeking "to out-Goebbels Goebbels," is more than just a "yellow journalist" tale. As we show here, British media character assassinations, such as of Princess Diana, President William Clinton, and statesman Lyndon LaRouche, are part of a "strategy of tension" that frequently includes efforts by Her Majesty's Secret Service to assassinate the individual who has been so targetted.

As Kitty Kelley shows in her current bestseller, *The Royals*, which was based on five years of investigation, including interviews with leading opponents of the House of Windsor, members of the House of Windsor themselves are not above instigating character assassination against their enemies. Kelley states that the favorite vehicle for such royal leaks has been the Telegraph PLC, which is owned by Conrad Black's Toronto-based Hollinger Corp. Writes Kelley: "The *Telegraph*, sometimes called the *Torygraph*, is the royal family's favorite newspaper, and its editor, Max Hastings, is a close friend of Prince Andrew," Queen Elizabeth's second son. This is a most important lead, because the Telegraph PLC, including its board members, has been central to the Britishorchestrated "strategy of tension" played out against Diana, Clinton, and LaRouche.

Hollinger's international board of directors includes: Baroness Margaret Thatcher of Kesteven, who profited politically from the Hollinger takeover of Telegraph PLC in 1985; Lord Peter Rupert Carrington, the current chairman of the Bilderberg Society (which was founded by Prince Philip's friend and former Nazi SS officer, Prince Bernhard of the Netherlands), and who had been a founding member of the board of Kissinger Associates, Inc.; and the self-avowed British agent, Sir Henry Kissinger, who won his title for a lifetime of service to the British Empire.

The Hollinger Corp. is the reincarnation under Conrad Black of E.P. Taylor's Argus Corp., founded in Canada during World War II as an extension of the operations of British

Security Coordinator Sir William Stephenson and of the Special Operations Executive. It is therefore no surprise that when the Telegraph PLC launches a campaign of character assassination against someone, it may involve much more than slanders.

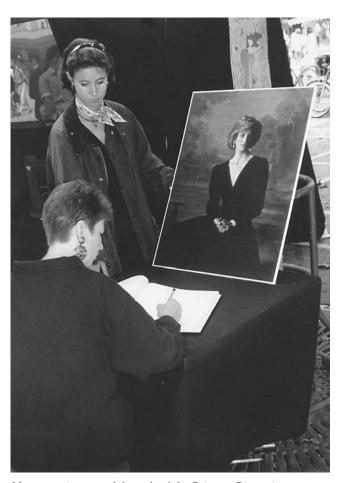
A key figure who has targetted Diana, Clinton, and LaRouche, is the former editor of the London Times, William Rees-Mogg, who was made a baron for life by Queen Elizabeth II. Lord Rees-Mogg seems to be the chief case officer of Her Majesty's Secret Service for the destruction of President Clinton. Not only has he carried out wild character assassination against the President, but he has been caught fomenting a British "strategy of tension" against the United States. Through his U.S.-based newsletter, *Strategic Investment*, Rees-Mogg incited the militias by spreading wild rumors of an imminent crackdown against them by the Clinton administration, on the eve of the Oklahoma City Federal Office Building bombing, and he has promoted would-be Clinton assassins such as Larry Nichols in the London Times, even after EIR exposed Nichols's videotaped boast that he would shoot President Clinton.

#### The case of Princess Diana

From the moment that the "fairy tale" marriage of Princess Diana to Prince Charles began to crumble, the fight broke out in the media. The first major blow was Andrew Morton's book, Diana, Her True Story, which revealed that Prince Charles had engaged in a protracted adulterous relationship with a married woman, Camilla Parker Bowles. As is now known, Princess Diana and Morton worked out a way to give Diana plausible deniability that she was the source of the information on the royal family, by using a mutual friend as a cut-out; Diana would tape answers to Morton's questions. As soon as it appeared, the book was denounced by lackeys at Buckingham Palace, the prime minister, the Archbishop of Canterbury, and so forth. Although Diana escaped initial blame for the book, she was placed under surveillance from that period forward; her central role in the book was soon discovered and reported to the British royal family.

As Kelley notes in The Royals, the House of Windsor

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Mourners sign a condolence book for Princess Diana, in Frankfurt, Germany on Sept. 6. The Queen Mother used one of her lackeys to begin the character assassination of Princess Diana. Once the Queen Mother "unleashed her dogs," there was the beginning of a deluge of press denunciations.

quickly sought revenge. For example, the Queen Mother Queen Elizabeth, used one of her lackeys to begin the character assassination of Princess Diana, through statements reported in the *Sunday Times*. Once the Queen Mother "unleashed her dogs," there was the beginning of a deluge of press denunciations.

A senior British intelligence officer informed *EIR* that some of the more damaging leaks to the press were arranged through Cheltenham GCHQ, which is the British electronic eavesdropping equivalent of the U.S. National Security Agency. GCHQ has a unit whose ostensible purpose is to monitor all phone calls by the royals, to keep them from being ensnared by bad eggs or terrorists. On at least two occasions, purportedly verbatim transcripts of telephone calls between Diana and an alleged lover were leaked to the press.

In 1995, Princess Diana counterattacked in a BBC "Panorama" TV interview, in which she said about her husband, from whom she had separated: "Because I know the character, I would think that [being King] would bring enormous limita-

tions to him, and I don't know whether he could adapt to that." She implied that Prince Charles should be skipped over in the line of succession, and the crown should pass to their son, Prince William.

This broadcast brought Queen Elizabeth II to insist upon a divorce, and, according to Kelley, it was Prince Philip, Duke of Edinburgh, the head of the House of Windsor-affiliated Club of the Isles, who insisted that Princess Diana be thrown out of the family "Firm" by removing her title, Her Royal Highness. Once Princess Diana lost her title, Kelley points out, the paparazzi became hyenas who hounded the Princess until her murder in Paris. Writes Kelley: "The loss showed itself within days. Her once respectful press corps turned snippy. Photographers still showed up in full force to cover her because she remained the most famous woman in the world. But they started acting like hooligans." In fact, paparazzi once drove Princess Diana off the road, and she had to obtain an injunction against one paparazzo who had a criminal record, who kept ramming his motorcycle into her car.

Apparently, the physical surveillance of Princess Diana that had started after the publication of *Diana*, *Her True Story*, had continued. Several sources insist that the press, including the paparazzi, were informed of Diana's itinerary by Her Majesty's Secret Service, so that they would hound her. At the same time, the House of Windsor made sure that no member of the Royal Protection Unit would become loyal to Diana. In fact, Kelley reports that Princess Diana believed that MI-5 had staged the "accidental" vehicular homicide of one bodyguard, Barry Mannakee, whom the Palace had fired because she had confided in him, after Prince Charles flew into a rage over their closeness.

This character assassination and security stripping created the perfect conditions in which to stage the high-level assassination against her on the night of Aug. 30-31 in a Paris tunnel.

Some highlights from the press coverage that followed the "War of the Roses" that erupted after Princess Diana's Nov. 19, 1995 broadcast include:

Nov. 20, 1995: Lord Rees-Mogg wrote in the London *Times*, "Like other historic co-inheritors of the Stuart PR gene, the Princess is brilliant at the kingcraft of public image building.... The unfortunate Prince of Wales seems only to have the Windsor gene to guide him.... If one takes the long view, and tries to see the Princess of Wales as her role may appear in a hundred years' time, she will then be seen as the great royal star of the late twentieth century, the most famous member of the royal family since Queen Victoria." However, Rees-Mogg is not of the "Diana party." He stated that Stuart brilliance "almost always ends in personal tragedy," like that of Mary Queen of Scots, who was executed, and that the House of Hanover (now Windsors) have a long future ahead of them.

**Nov.24,1995:** The *Daily Telegraph* reported that Nicholas Soames, a Tory member of Parliament, second ranking defense minister, grandson of Winston Churchill, and former

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equerry and confidant of Prince Charles, had been demanding that Prime Minister John Major use his influence on the Queen to secure a divorce for Charles and Diana. On the Monday night immediately after Diana's interview, Soames, in a radio interview, said:

"I do know great sadness and unhappiness when I see it. But when people claim that they have enemies at every turn and are spied on at every corner, I know of no other word than paranoia. I'm not questioning the Princess of Wales's state of mind at the moment. I'm merely saying to you in some of the things she said last night it did exhibit a degree of paranoia."

Here, Soames was acting as a stalking horse for his friend, Prince Charles, who had repeatedly denounced his wife as "mad." It was to protect herself from the threat that the House of Windsor would have her declared insane, so they could seize her children, that motivated Princess Diana to collaborate on *Diana*, *Her True Story*.

John Keegan, former defense correspondent for the *Daily Telegraph* and military historian, went one step further than Soames. In a commentary in the *Telegraph*, under a cartoon of Charles looking up, suddenly inspired, at a portrait of Henry VIII (who executed two of his six wives), Keegan wrote: "The important thing is that [Princess Diana] should set limits to her ambitions. She has said she will not 'go quietly.' She must, however, not go too far. . . . The people know how much change in the system they desire. If the Princess exceeds their wishes, it is she who will become the casualty, not the monarchy."

#### The case of President Clinton

The Sunday Telegraph's Washington bureau chief at the start of the Clinton administration was Ambrose Evans-Pritchard, who admitted to this author that he had had a long-standing relationship with Her Majesty's Secret Service dating back to his coverage of then-Vice President George Bush's and Oliver North's cocaine-running Contra war in Central America. Evans-Pritchard has claimed that he was carrying out an "archeological" expedition in the United States. In this, he was following in his father's footsteps. His father, Sir Edward Evan Evans-Pritchard, had worked with the Colonial Office and later Her Majesty's Secret Service, using his role as an archeologist, among other things, to help sow the seeds for the present uprising against the Sudanese government and to found the state of Libya.

A comparison of Ambrose Evans-Pritchard's Clinton-bashing stories in the *Sunday Telegraph* with those appearing in the Moonies' *Washington Times*, R. Emmet Tyrrell's *American Spectator*, Bill Buckley's *National Review*, Richard Mellon Scaife's *Pittsburgh Tribune Review*, and on the Rush Limbaugh, Jerry Falwell, and Pat Robertson television broadcasts, reveals that the British have been dictating much of the U.S. "news" on the Clinton administration, and particu-

larly the "Whitewater" attack and other manufactured scandals. What is important about the role of the *Sunday Telegraph* in this "media food chain," so-described by one White House report entitled "Communication Stream of Conspiracy Commerce," that was based upon *EIR*'s intelligence, is that the Hollinger Corp.'s Telegraph PLC, together with Rees-Mogg, purveyed these stories into the media mainstream.

The wild fabrications aimed at discrediting President Clinton also had the result of creating a "strategy of tension" in the United States, resulting in the fact that more assassination attempts were launched against President Clinton than any previous U.S. President. While most of these were by "nut cases" incited by the British-orchestrated media frenzy, they created a plausible cover beneath which a high-level assassination could be mounted by the Club of the Isles, in a manner similar to the way Princess Diana was targetted. The threats on the President included:

**February 1993:** Larry Peoples of Biloxi, Mississippi makes a threat in a letter to President Clinton after listening to the British-influenced, populist television host Rush Limbaugh. Peoples is arrested by the FBI in December 1993, after he had already bought a pistol and a two-way ticket to Washington.

March 19, 1993: A feature article in the *Sunday Telegraph* echoed earlier concerns over the breakup of the "special relationship" between the British Empire and the United States, that had been expressed by Ambrose Evans-Pritchard, with a headline that screamed, "The United States Is No Friend of Britain." The article charges that President Clinton is trying to break up the United Kingdom, while seeking to forge a new "special relationship" with Germany.

**July 1993:** Matthew Bennett is arrested in Woodstock, New York for threatening the President.

**July 25,1993:** Evans-Pritchard writes "Death in Clinton Clique: In Italy and America, Scandal and Peer Pressure Surround Suicides at the Top," in the *Sunday Times*. This is his first article intimating that President Clinton had an aide, Vincent Foster, killed—a groundless charge picked up by billionaire Richard Mellon Scaife and Jerry Falwell.

Oct. 15, 1993: James Lee Buchanan, 41, a Kansas City, Missouri mental patient, is charged after telling police he intended to kill the President.

**November 1993:** Ralph Dulaney Mason, a self-described member of the Branch Davidians, threatens the President.

**Nov.7, 1993:** In the *Sunday Telegraph*, Evans-Pritchard "predicts" that an array of scandals will erupt around President Clinton.

**Nov.7, 1993:** In the *Sunday Telegraph*, Evans-Pritchard writes "Clinton's Korea Missile Crisis Risks All-Out War."

**Dec. 13, 1993:** David Craig Davis, 33, of Great Falls, Montana, is arrested for threatening to kill President Clinton.

**Dec. 19, 1993:** Evans-Pritchard pens "Special Report on Ireland: Clinton Brushed Aside Pentagon's Warning."

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Bill and Hillary Clinton celebrate the President's 48th birthday with reporters at the White House. The Britishinstigated wild fabrications aimed at discrediting President Clinton are part of a "strategy of tension," resulting in more assassination attempts being launched against Clinton than any previous U.S. President.

**February 1994:** Rollen Frederick Stewart, of Orange County, California, threatens the President. Stewart (a.k.a. "Rainbow Man," "Rockin Rollen") had a criminal record that included four felony counts for placing explosive devices in various public places; he had been sentenced to three concurrent life sentences in an altercation in which he took a hotel maid hostage in 1992. This product of the 1960s rock-drugsex counterculture was a heavy user of illicit narcotics.

**Feb. 23, 1994:** Ronald Gene Barbour, 45, is arrested at a psychiatric hospital in Orlando, Florida for threatening to kill President Clinton. He is accused of stalking the President's jogging route. He is armed at the time of his threat against President Clinton.

March 13, 1994: Evans-Pritchard, in an article titled "Little Rock's Mean Machine," touts the case of Larry Nichols. Claiming that Nichols is under surveillance by the Arkansas State Police, Evans-Pritchard quotes him saying, "It's getting real dangerous right now, and I don't want to end up as another one of those mysterious suicides." Nichols worked with the Contras in the 1980s, and Evans-Pritchard writes that later he worked as "a sort of secret personal assistant to Governor Clinton, alleging that he transferred state funds into special accounts for entertaining mistresses." Nichols tells Evans-Pritchard that he was appointed to the Arkansas Development Finance Authority as a reward. Nichols claims that the ADFA became the basis for a kickback scheme bigger than Whitewater. Nichols says that he was fired because, by 1988, he had become disenchanted and decided to blow the whistle, but the real reason was that he "misused the resources of his office" while in touch with former Contra controllers including Gen. Richard Secord and the Calero brothers. Nichols said that Clinton destroyed his livelihood and reputation, and that he turned to the so-called underground resistance network in Arkansas, which, Evans-Pritchard says, "operates like the urban resistance movements of Guatemala City, San Salvador, and northern Nicaragua during the 1980s," i.e., like terrorists. Nichols will later be promoted by both Evans-Pritchard and Rees-Mogg after he is videotaped brandishing a pistol and threatening to shoot President Clinton.

March 27, 1994: The Sunday Telegraph reports on its correspondent's role in attacks on Clinton. Evans-Pritchard states that he appears on at least one talk show a day: "It is an eye-opener. The callers talk about the President in a tone of undisguised contempt, and they want to know answers to everything. . . . Clearly, there is a very effective grapevine out there beyond the capital, a samizdat network of tens of millions of people."

March 27, 1994: "Clinton Accused of 'Grotesque' Sex Harassment" is the headline of an Evans-Pritchard report on Paula Corbin Jones's plan to file a lawsuit accusing President Clinton of sexually harassing her while he was Arkansas governor. Evans-Pritchard had admitted in an earlier column that he had participated in a legal strategy discussion with Jones's lawyers, and that he had spoken with her personally at least a dozen times before her suit against Clinton was filed.

**April 3, 1994:** Under the headline "Despots Line Up to Test Clinton Mettle," Evans-Pritchard writes: "The White House has become a mausoleum. Staffers slink into work each day with morbid premonitions, expecting their subpoenas at any moment. Most of the inner circle have been entangled in

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the coverup, and have had to hire expensive lawyers. The right-hand man of the President, George Stephanopoulos, suddenly faces the possibility of criminal indictment for obstruction of justice. And as for the Clintons themselves, what can they be thinking now that their high-minded act has been exposed as a venal sham?"

**April 3, 1994:** Michael Mower, 36, of Dayton, Ohio, kills his mother and himself at a motel where he was staying after wounding two law-enforcement agents investigating his threats against the President.

May 11,1994: Larry Nichols, who has been championed by both Evans-Pritchard and Rees-Mogg as a valuable hostile witness against President Clinton in "Whitewatergate," speaks at a rally in Boulder, Colorado sponsored by a populist group called the Boulder Patriots. Nichols is videotaped brandishing a pistol at the podium, and stating that he plans to have a shootout with President Clinton on the steps of the U.S. Supreme Court.

**June 19, 1994:** Under the headline "Hawks Hammer at White House Door. Pyongyang Is Forcing Clinton to Face the Acid Test of His Nuclear Policy," Evans-Pritchard harps on White House problems with foreign policy: "There is a cacophony on policy toward North Korea in the establishment at a time when President Clinton needs clear guidance."

**June 22, 1994:** Matthew Thomas sends a death threat to President Clinton via the President's confidential e-mail address at the White House.

**July 2, 1994:** Ralph Dulaney, 44, of Lake City, Michigan, is sentenced to five years in prison for threatening President Clinton verbally and by mail.

**July 17, 1994:** "Clinton 'Took Cocaine While in Office.' "Exclusive interviews in the London *Sunday Times* allege that Clinton took cocaine until the mid-1980s. The drug use could have begun when he was a law professor, Arkansas Attorney General, or governor of Arkansas, the paper claims.

**July 19,1994:** The Secret Service charges Paul Walling, 46, a suburban Philadelphia man who opposes gun control, with threatening President Clinton and Attorney General Janet Reno. "I have seen Clinton in the crosshairs on my scope," Walling said.

**July 31, 1994:** "Doubts Linger Over Death of Clinton Aide." Evans-Pritchard reports that radio talk shows— "America's equivalent of the British tabloids"—have challenged the official verdict of the death of White House aide Vincent Foster.

Aug. 1, 1994: Rees-Mogg writes in the London *Times* that Clinton will never be able to shake off the "mud, money, and blood" from his days as Arkansas governor. In the article, entitled "Big Trouble Begins in Little Rock," Rees-Mogg writes that Washington is filled with gossip about a "mysterious inner secret which the White House is desperate to conceal." This "secret" is Arkansas itself, an American state which he likens to Italy's Palermo, the center of the Mafia.

Aug. 30, 1994: Glenn Robert Armstrong, 26, of Ux-

bridge, Massachusetts, is arraigned on charges of threatening to kill President Clinton, who is vacationing on Martha's Vineyard.

**Sept. 11, 1994:** "Clinton Plays His Green Card." Evans-Pritchard reports that Clinton's views in sympathy with the Irish nationalist cause were formed when he was a Rhodes Scholar at England's Oxford University in the late-1960s, and have remained unchanged. Clinton has made contact with "some of the wilder men from the fringes of the Irish-American lobby."

**Sept. 12, 1994:** Frank Corder, piloting a single-prop Cesna aircraft, breaches White House protective measures and crashes onto the White House lawn, killing himself and spreading debris.

**Sept. 25, 1994:** The *Sunday Telegraph* headline is "Carter's Haiti Hijack. Operation Restore Democracy Has Not Gone Quite to Plan. The Consequences—Political and Military—Could Spell Disaster for Bill Clinton."

Oct. 9, 1994: Evans-Pritchard covers more cooked-up administration scandals under the headline, "Bill Clinton and the Chicken Man." Secretary of Agriculture Mike Espy has had his career "destroyed by the curse of Bill Clinton's home state," he writes. Espy, under investigation by a special prosecutor for accepting gifts from Arkansas poultry king Donald Tyson, had announced his resignation the week before.

Oct. 29,1994: Vietnam veteran Francisco Duran sprays the White House with machine-gun fire, and is arrested by police.

**Oct. 31, 1994:** Rees-Mogg recklessly opines in the London *Times* that the gun attack on the White House by Duran is a "Tremor of Doom in the Disunited States."

**Nov. 20, 1994:** "It's America First. A Festering Disagreement Over the Balkans Has Reached the Point of an Irreparable Rift between America and Britain." Evans-Pritchard begins: "The whispering campaign against Britain is coming out into the open in Washington. Anonymous U.S. officials are now accusing the British of planting stories about a U.S. covert operation in Bosnia."

**Dec. 4, 1994:** "Patriot Games Turn Deadly." Evans-Pritchard gives glowing coverage to the militia movement in America that poses a direct security threat to the President, describing them as "the shock troops and enforcement arm of the 1994 American Revolution. If the Republicans betray their promises and fail to restore 'constitutional' government, these people could take matters into their own hands."

**Dec. 5, 1994:** Rees-Mogg, in an article in the London *Times*, promotes would-be Clinton assassin Larry Nichols, after *EIR* had exposed a videotape of Nichols waving a pistol and threatening President Clinton during a May 11, 1994 rally in Boulder, Colorado (see *EIR*, Dec. 2, 1994). On March 13, 1994 in the *Sunday Telegraph*, Evans-Pritchard had built up Nichols as a hostile witness in Whitewatergate against President Clinton. Rees-Mogg continues in that vein, calling Nichols a "definitely unfriendly witness." "Can Clinton survive?"

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his lordship asks. He concludes: "As the momentum builds, it seems unlikely that Clinton can be renominated, let alone reelected; he is not even certain to reach the end of his term of office unindicted."

March 22,1995: Rees-Mogg's Strategic Investment features a flagrant piece entitled, "Waco 2," which seeks to foment an uprising of militias in the United States against a purported "declaration of martial law" by "Field Marshal [U.S. Attorney General] Janet Reno." This fabricated incitement of the armed militias occurs shortly before the April 19, 1995 bombing of the Oklahoma City Federal Building on the second anniversary of the disastrous raid on the Waco Branch Davidian compound.

**April 9, 1995:** Evans-Pritchard charges in the *Sunday Telegraph* that the Clinton White House had falsified both the time and place of Deputy White House Counsel Vincent Foster's death

May 17, 1995: Rees-Mogg's *Strategic Investment* carries an article by Jack Wheeler, which claims that the Oklahoma City bombing was President Clinton's "Reichstag Fire"; however, unlike an earlier article in the *Sunday Telegraph* by Evans-Pritchard, Rees-Mogg hesitates to blame the U.S. government for the bombing.

June 2, 1995: The *Daily Telegraph* carries an article by Political Editor George Jones, proclaiming that "Allies Suspect U.S. Hawks of Increasing Risk of War." The article states that "concern is growing in European capitals that pro-Muslim factions in Washington, including CIA elements, are promoting the Muslim cause in Bosnia even at the risk of all-out war... to force the Bosnian Serbs to give up territory they have seized."

Oct. 25, 1995: Rees-Mogg's Strategic Investment convenes a press conference in Washington, D.C., at which an Oxford University "manuscript expert," Reginald Alton, declares that the handwritten suicide note found in the briefcase of the late Clinton family friend Vincent Foster, was a forgery. Alton admits that he has had no access to the original note, which was ripped up into pieces, and yet he proclaims that in his "expert opinion," the note was a fake, and, therefore, Foster's July 20, 1993 death was actually a murder plot. Shortly after this press conference, Rees-Mogg writes an editorial commentary in Rupert Murdoch's New York Post condemning the American media for their failure to report on Alton's conclusions.

**Feb. 16, 1996:** Evans-Pritchard writes a front-page article in the *Sunday Telegraph*, that seeks to undermine an emerging strategic partnership between President Clinton and Chinese President Jiang Zemin: "China finally replaced the old Soviet Union as the number-one enemy last week in the eyes of the U.S. political establishment. If one could date the beginning of the new Cold War, it would be Thursday, February 13, 1996, the day that the *Washington Post* reported that U.S. counter-intelligence had caught the Chinese embassy plotting to subvert the U.S. political system."

#### The case of Lyndon LaRouche

Physical economist, statesman, and now a declared candidate for the Democratic Party Presidential nomination, Lyndon H. LaRouche, Jr., has long been hated by the British royal family-affiliated Club of the Isles, whose chief enforcer is Prince Philip, the premier peer of the British Empire next only to Queen Elizabeth II. While LaRouche was at first viewed by the Club of the Isles and an affiliated network of Anglophile traitors in the United States as a "potential danger," he has subsequently become an object of hatred even more intense than that against Princess Diana.

By 1972, according to FBI documents obtained under the Freedom of Information Act, the Federal Bureau of Investigation was working with the Communist Party USA against the National Caucus of Labor Committees (NCLC), the organization founded by LaRouche, in provoking violence against LaRouche's collaborators. In 1973, according to a Nov. 23, 1973 FBI memo, the Bureau hatched a plot, working with the Communist Party, to "eliminate" LaRouche and his influence, by killing him. In fact, evidence was uncovered showing that an abortive assassination attempt against LaRouche took place during the course of an NCLC conference at the end of 1973. A crucial feature of this plot involved the drugging of a leader of the NCLC with a powerful psychedelic by two members of British MI-5, while the victim was on a flight from Heathrow Airport to the conference in New York, in order to help foment "chaos and confusion."

Once LaRouche publicly revealed crucial elements of the assassination plot, Paul Montgomery attempted to cover up this exposé, in a Jan. 20, 1974 front-page slander in the Anglophile New York Times. The article was headlined, "How a Radical Left Group Formed as an Alternative to Violence and Narcotics Degenerated into Savagery." Montgomery targetted members of an Independent Commission of Inquiry that had been formed by LaRouche to investigate the unholy alliance of U.S., British, and Soviet bloc intelligence services working to kill him and destroy the NCLC. Montgomery tried to ridicule such collaboration, although years later, the former Director of Central Intelligence, the late Bill Colby, confirmed to LaRouche that such an alliance had run the operation against him.

The next serious assassination plot against LaRouche was in 1977, when U.S. and allied intelligence services discovered that LaRouche was on the same Baader-Meinhof assassination list as two German leaders with whom LaRouche had been discussing his plans for an International Development Bank, including a Southern Africa Development Fund. After meeting with LaRouche, German industry association head Hanns-Martin Schleyer was also warned of a threat against himself. On July 30, 1977, Jürgen Ponto, head of Germany's Dresdner Bank, was murdered by the Baader-Meinhof Red Army Fraction (RAF), a group, counterintelligence sources

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Lyndon LaRouche and Ronald Reagan chat during a candidates night in New Hampshire during the 1980 Presidential campaign. Key to the 1983-88 British-led effort to eliminate LaRouche, was LaRouche's major policy initiatives first introduced as a "plank" of LaRouche's campaign for the Democratic Party's 1980 Presidential nomination, a LaRouche policy later renamed by President Reagan as the "Strategic Defense Initiative" (SDI).

report, that was a joint asset of Her Majesty's Secret Service and the East German Stasi. On Oct. 19, 1977, Schleyer was assassinated, also allegedly by the Baader-Meinhof.

In December 1978, the editors of *EIR* published the first edition of the book *Dope*, *Inc.: Britain's Opium War Against the United States*, with an introduction by Lyndon LaRouche. This book was a breakthrough in how such Club of the Islesaffiliated British banks, including Barclays, the Hongkong and Shanghai Bank, and Jardine Matheson, which date back to Queen Victoria's "Opium War" against China, are not only responsible for the production of Golden Triangle heroin, but are the world's largest offshore profiteers in drug-money-laundering profits. The book created a major uproar among the Club of the Isles.

However, as the late Canon Edward West of the Episcopagan Cathedral of St. John the Divine in New York, which is a syncretic cult center where the Anglophile U.S. elite are invested into the chivalric Order of the Hospital of St. John of Jerusalem, said to an investigator: "We are going to let the Jews take care of LaRouche." Dutifully, the gangster-ridden Anti-Defamation League of B'nai B'rith, whose major funders have included associates of the National Crime Syndicate's chief money-launderer, Meyer Lansky, published a "Fact-Finding" report that branded LaRouche an anti-Semitic danger. In July-August 1978, another assassination plot was mounted against LaRouche, that, investigation suggests, involved former Detroit "Purple Gang" member, Max Fisher.

With the 1980 election of President Ronald Reagan, whose major opponent, Sir George Bush, had been defeated with the assistance of LaRouche, LaRouche's influence over

U.S. policy and the world political situation increased dramatically. Eventually, this led to a snowballing of character assassination slanders by the British press and their Anglophile affiliates.

Even President Clinton has yet to be subjected to the scope and intensity which London and its agents inside the U.S.A., such as Kissinger, focussed against LaRouche during the 1983-88 interval. Two developments of 1982 appeared to have set this escalated operation into motion. One was LaRouche's intervention against Britain's Lord Peter Carrington's operations into South America that year. More significant, was British interests' discovery of the fact that LaRouche was conducting back-channel discussions with Moscow on behalf of the Reagan administration.

Key to this 1983-88 effort to eliminate LaRouche, was LaRouche's major policy initiatives first introduced as a "plank" of LaRouche's campaign for the Democratic Party's 1980 Presidential nomination, a LaRouche policy later renamed by President Reagan as the "Strategic Defense Initiative" (SDI). When LaRouche began a year-long series of exploratory discussions with the Soviet government, on behalf of the Reagan administration, of the possibility that both powers might agree to LaRouche's policy of strategic ballistic missile defense, this feature of LaRouche's back-channel discussions with the Soviet government became the leading impetus of the 1983-88 defamation-campaign against him.

The 1983-88 campaign was set into motion as a result of July-August 1982 initiatives intended to eliminate LaRouche by an already long-standing LaRouche foe, former U.S. National Security Adviser and Secretary of State Henry A. Kis-

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singer. Yet, in January 1983, even before President Reagan adopted LaRouche's ballistic missile defense policy, under the name of "Strategic Defense Initiative," in the concluding segment of a March 23, 1983 television broadcast, Kissinger's and Bush's cronies inside the U.S. secret-intelligence establishment had issued the official orders which set the sixyear-long secret-government operation against LaRouche into operation. However, this crew was taken by surprise by the President's March 23, 1983 announcement. This drove LaRouche's political adversaries into a state of frenzy.

Already, in February 1983, LaRouche had been told by his Soviet channel, that he should inform the U.S. government that, while Moscow agreed with LaRouche's strategic analysis and with the scientific feasibility of the program, his proposal would be rejected by the Andropov government. It was stated that Moscow believed that the United States would be better able to take advantage of the economic benefits of such a "crash program." In reply, on that occasion, LaRouche had encouraged the Soviet representative to inform his government, that should President Reagan make such an offer, and should Moscow then still reject such an offer, the Soviet economy would plunge into a self-induced collapse within about five years. It was LaRouche's fear that such a combination of factors would create a desperate strategic situation in which the risk of a "global showdown" would emerge, as it did emerge about 1988-89.

At the time that Henry Kissinger launched his documented initiative for a secret-government operation to eliminate LaRouche, Kissinger had just recently made a public declaration, at London's Chatham House, bragging that he had been secretly an agent of the British Foreign Office, behind the backs of Presidents Nixon and Ford, while he, Kissinger, had been serving in his "incarnation" as national security adviser and secretary of state. Shortly after that May 10, 1982 public confession, Kissinger became an international board member of the Hollinger Corp. It was in that context, that Kissinger, with the sponsorship of former British Foreign Secretary Lord Peter Carrington, formed the British-backed private spying organization, Kissinger Associates, Inc. In this setting, in July 1982, Kissinger met FBI Director William Webster at the Bohemian Grove retreat in Califoronia, and asked Webster to take care of LaRouche. In a followup "Dear Bill" letter, Sir Henry whined that LaRouche was harassing him and suggested that LaRouche may be funded by hostile foreign intelligence sources.

This was reiterated in a letter to Director Webster on Nov. 25, 1982 by Kissinger's attorney and business partner, William D. Rogers. Rogers wrote Webster, accusing LaRouche of ties to foreign hostile intelligence agencies, and of engaging in a terroristic campaign against Kissinger.

Later, in a Jan. 12, 1983 letter from FBI Director Webster to his number-two man, Oliver "Buck" Revell, Webster stated that at a meeting of the President's Foreign Intelligence Advisory Board (PFIAB), David Abshire and Edward Bennett

Williams said: "In view of the large amounts obviously being expended worldwide, the question was raised whether the U.S. Labor Party might by funded by hostile intelligence agencies." Investigation showed that this was a rump PFIAB meeting of Sir Henry's friends; however, FBI Director Webster dutifully began a frame-up of LaRouche on the basis of legal sales activity. Notably, Edward Bennett Williams identified his interest in the affair as the interest of his personal client, the *Washington Post*'s Katharine Graham.

In April 1983, a series of "salon" meetings were held at the New York City offices of Anglophile investment counsellor John Train, that are known to have included Mira Lansky Boland of the Anti-Defamation League of B'nai B'rith, NBC-TV producer Patricia Lynch, and National Security Council consultant Roy Godson, among others. Train's salon was part of a White House project ultimately overseen by Vice President Sir George Bush, through Sir George's assistant Walter Raymond, who had appointed Godson and PFIAB Vice Chairman Leo Cherne to head up the private sector side of "Public Diplomacy." There followed a series of slanders that LaRouche organizers were stealing money. This same "Train salon" group collaborated with the Stasi-originated international disinformation campaign that somehow Lyndon H. LaRouche, Jr. was responsible for the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme.

The British press played a different tune in the character assassination of LaRouche. Following a "Global Showdown" seminar in November 1985, that was widely attended by a faction of the British Establishment, *Private Eye* and *Searchlight* magazines began attacks on LaRouche as a rabid rightwinger. *Searchlight* continued these attacks, which were potentially dangerous, because the ostensibly "anti-fascist" magazine was in reality a joint stock operation of Her Majesty's Secret Service and the Stasi used for targetting selected individuals.

Also, throughout 1984-86, such major British press outlets as the Telegraph PLC, the *Observer*, *Express*, and other papers ran attacks on LaRouche seeking to portray him as a rabid right-winger, because he had called for public health measures to contain the AIDS epidemic, including quarantine.

This character assassination operation against LaRouche, which was either directly or indirectly orchestrated largely by the British, resulted in an Oct. 6-7, 1986 raid by over 400 Federal, state, and local law enforcement agents against the Leesurg, Virginia farmhouse where LaRouche was then living, and the offices of publications associated with him. Backed up by an armored personnel carrier, this was clearly the most blatant assassination attempt against LaRouche to date. In order to stop the plot, LaRouche sent a telegram to President Reagan, and the immediate assassination attempt was called off.

With the publication on Oct. 28, 1994 by *EIR* of the first of a series of reports on the House of Windsor, entitled "The

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Coming Fall of the House of Windsor," with an introduction by LaRouche, the British once again came out swinging. A sample of these articles include:

**July 30, 1995:** The *Express* ran an article by Tom Utley that began: "Prince Philip is the mastermind of a dastardly plan to destroy the U.S.A. His cover is the sinister World Wildlife Fund, which he founded as an international intelligence organization to consolidate the wealth and power of the royal family. The 'charity,' now known as the World Wide Fund for Nature, is an assassination bureau, dedicated to breaking up the U.S. by stirring up gang warfare against the government. . . . No, this is not the plot of a spoof disaster movie. These are the serious views of a group of American conspiracy theorists, set out in *New Federalist* magazine [sic]." Utley quoted Rees-Mogg, who denounced LaRouche's theories as "madness."

July 30, 1995: Rupert Murdoch's Sunday Times carried a piece by its Washington bureau chief, James Adams, in his weekly "Inside Washington" column, entitled "Queen Blamed for American Unrest." The article began: "For antigovernment forces, Waco has proved a conspiracy theorist's dream. Every day there has been more evidence of Big Brother running amok." Adams continued: "Such perverse sentiments have been exacerbated by a series of articles suggesting a new suspect in the Oklahoma bombing last April in which 168 people were killed. According to the latest edition of the New Federalist . . . the bombing was not carried out by the right-wing militias as everyone suspected; it was part of a conspiracy involving Buckingham Palace. According to the journal put out by Lyndon LaRouche — in jail for tax fraud [sic] — the Queen and the Duke of Edinburgh are behind a European effort to destabilize the Clinton Presidency and it is they who have created the climate of distrust and division in America."

Aug. 20, 1995: In his U.S.-based newsletter, Strategic Investment, Rees-Mogg devoted his entire monthly column to an attack on LaRouche, in a piece entitled "The Queen, the Dalai Lama, and Me." The article began: "Last month I added a footnote to state that I am not the head of the British Secret Service, and I do not have a master plan to take over Mexico in the name of the Queen of England. However, I am an object of Mr. Lyndon LaRouche's conspiracy theories. LaRouche is a convicted felon who has circulated his theories in the New Federalist and on the radio. He certainly puts me in some grand company....

"This, of course, is crazy stuff. I do not think that Prince Philip, Greenpeace, the Dalai Lama, Royal Dutch Shell, the Queen of England, Alvin Toffler, Newt Gingrich, I myself or John Redwood are likely to sue for slander. . . . [But,] the fact that I am placed in such grand company suggests that the analyses we share with you in *Strategic Investment* have an impact. . . .

"How Lyndon LaRouche came across my name I do not know. I had not heard of him or his group for some years. I suspect that this is a diversionary activity meant to discredit *Strategic Investment* for drawing attention to Clinton's Ar-

kansas drug dealers and worse. LaRouche seems to draw support from conspiracy theories of the American left, and seems to be trying to ingratiate himself with Clinton."

**1996:** In the book *The President We Deserve*, the London Guardian's U.S. bureau chief, Martin Walker, identified LaRouche as the only defender of President Clinton from a barrage of anti-Clinton press slanders. Walker wrote: "There was a curious British fascination with Whitewater led by Ambrose Evans-Pritchard of the Sunday Telegraph. His reports into the shooting of Luther Parks, the Switzerland travels of Vince Foster, and the Mena cocaine connection have helped others stitch the entire conspiracy theory together. Lord Rees-Mogg, a former editor of the *Times* of London, declared Watergate to be small beer by comparison to 'the narco-millionaires of Arkansas [who] bought political protection by bribery and financing political campaigns, including Clinton's. They killed dangerous witnesses, including schoolboys and probably Vince Foster; his body was moved; his suicide was faked.' "

Walker continued: "Lyndon LaRouche, former Trotskyite and occasional Presidential candidate, who claimed that Henry Kissinger was a Soviet agent and that the Queen ran the global narco-trafficking business, counterargued that Rees-Mogg and Evans-Pritchard were part of a British intelligence plot to destabilize the Clinton administration."

**Nov. 2, 1996:** Nicholas Doughty of Reuters conducted an interview with LaRouche, and entitled it, "Maverick U.S. Politician Warns of Western Collapse." The wire service report began:

"The man who defined the word maverick in U.S. politics is still going strong as the Presidential election draws closer, warning that the end of Western civilization is at hand.

"Lyndon LaRouche, perhaps the best-known conspiracy theorist in the United States, is not running for President this time.... The 74-year-old Democrat is backing U.S. President Bill Clinton, although without much enthusiasm, as 'the only option available.'

"LaRouche is more concerned about what he says is the impending collapse of the financial system and a nefarious, long-running plot to undermine nation states, closely linked to Britain's royal family....

"It all sounds unlikely but, in a country where bizarre views about UFOs or government cover-ups often seem to touch a cord, LaRouche has won tens of thousands of votes in the past....

"'Now we're coming into the time of reality and that's where I dwell,' he said. 'I've seen that coming for a long time. . . . The whole of blasted civilization is being consumed.' . . .

"'The word is out all over the world, the financial system is gone.... Either we're going to end the mess or we're going on to a new dark age,' he said.

"The remedy? Shut down the entire banking system and scrap global trade deals. Beyond that, it gets a bit complicated."

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### **ERInternational**

## U.S. team urges expanded North Korea famine relief

by Kathy Wolfe

On the eve of the summit between President Bill Clinton and China's President Jiang Zemin, the Clinton administration announced on Oct. 20 that it is sending an emergency delegation to North Korea to assess the needs of the starving population there. "The United States government Food Needs Assessment Team will travel to North Korea Oct. 25 to Nov. 4," said State Department spokesman James Rubin. "The team includes the Agency for International Development, the Department of State, the Centers for Disease Control, and other agencies. The team will consult with North Korean officials and World Food Program representatives to strengthen the situation. The United States regards the food situation in North Korea as very serious."

The U.S. announcement came after a dramatic tour of North Korea on Oct. 15-18 by Rep. Tony Hall (D-Ohio) and Gen. Raymond G. Davis, USMC (ret.), a Korean War hero and veterans leader. Upon their return home, both called for expanded U.S. food aid and new programs for emergency medical help for the desperate country.

"People in the countryside continue to teeter on the brink of a massive disaster," Hall said in an Oct. 21 press release. "The crisis that Koreans are facing is unlike any since the famine that claimed 30 million people in China nearly four decades ago. It calls for ... emergency assistance." Hall called for the United States to expand the amount of food it is sending; to expand food coverage, now restricted to children six and under, to include adults; and to begin a large, new program of medical supply shipments.

Hall said the United Nations has not reported "the true extent of the suffering," and "has not appealed for the amount of aid that is actually needed," because "it has only requested what it believes it can monitor," due to charges that North Korea's military has been siphoning off food. The charges are unfounded, but the resulting "current emergency triage is

now leaving too many people behind," Hall said.

Hall and Davis met with North Korean Vice Minister Kim Gye Gwan and Foreign Minister Kim Yong Nam, who promised them, Hall said, that if food shipments increase, more foreign monitors would be allowed to enter North Korea. The officials also told the American delegation that Pyongyang is eager to restart the four-power Korean peace talks involving the United States, China, and the two Koreas, which stalled in September.

### 'We have to feed the adults'

"In the industrial center of Hamhung, we saw 200 babies left in an orphanage; parents were leaving them on the doorstep because they couldn't feed them," said General Davis, who earned the Congressional Medal of Honor when he led the U.S. troop breakout at the Chosin Reservoir in 1950 during the Korean War, in an interview with *EIR* on Oct. 21. "They're losing 20% of them. We saw the loss of hair and malnutrition of those babies. Most people in the area were too thin; many said they hadn't eaten for days." He noted that with the onset of North Korea's bitter winter now, and the lack of fuel, deaths from disease complications were likely to skyrocket.

Davis, a conservative Republican, explained that he had gone on the trip to persuade North Korea to let American veterans visit Korean War sites, and to repatriate the remains of those listed as "missing in action." Once there, however, he realized that the famine crisis is a "bona fide international emergency." "Congressman Hall is right," he said. "We should continue what we're doing, and expand it. We can't just stand by and watch the people starve. Now we're concentrating on feeding children six and under—but we should expand that. We have to feed the adults, we have to send more food, and we have to start shipping medicine and help staff the hospitals, too."

Davis referred to conditions found in North Korea's hospitals, as reported in the Oct. 19 Washington Post by Keith Richburg, who travelled with Hall and Davis. "In Hamhung's hospital," Richburg wrote, "patients recovering from surgery writhe in pain on dirty sheets in unheated rooms. There are no antibiotics, no intravenous supplies, and no stretchers, so workers carry patients on their backs. 'We have a shortage of anesthesia,' said Dr. Lee Hyun Myung, pointing to a man gripping his mattress after a colon operation. Most of the patients have rectal, stomach, or liver problems, due to slow starvation."

Hall and Davis were emphatic that charges that North Korea's military is siphoning off donated food, are a false excuse for failure to feed the country. "I've talked to the NGOs [nongovernmental organizations], private volunteer organizations, the UN people who are in the country distributing the food," Hall told PBS's "News Hour with Jim Lehrer" on Oct. 20. "There have been no incidents of our food being diverted to the military. It's going to the people it's supposed to go to."

"We found no evidence that American food was going to the Army," Davis said. "There's a contract with the Chinese to feed the North Korea military, and the international relief workers all said consistently that the North Koreans are buying Chinese food for the military.... We have representatives with all of these international organizations. None of them had any indication that the food was going to the North Korea Army. I feel that this is clear. There was one Congressional delegation that said that they had heard that, and we explored that with all these international donor groups—but their reports all seemed to be consistent, that the North Korea military is fed with the contract food from China."

### Economic, public health breakdown

North Korea is suffering a total economic and public health breakdown as a result of the lack of food, and lack of fuel, because all available foreign exchange is going to buy whatever food the country can procure. "People are very thin," Hall said. "Every person I saw that was in a hospital, every orphan, was ill as a result of malnutrition. The good news—if there's any good news—is that the food we have targetted for children under six is getting through and saving lives.

"But everybody beyond, older than that, is suffering. The country is slowly going down. They're slowly all starving, hanging on by their fingernails. . . . Once you get out of the capital, you go to the rural countryside, the people are very thin. There are no factories working. There's virtually no power on. Hospitals are without medicine and certainly without food."

North Korea's industrial centers have simply shut down, Richburg emphasized. "There are factories, but they stand idle. . . . No smoke comes from the chimneys; there is no activity inside the gates. Outside, people mill around, with nothing to do. Everyone talks openly about the fuel shortage and lack of electricity."

"We went to Hamhung, in the east, and visited a food distribution center that had no food. We went to a hospital and there were no antibiotics," Hall said. "They had just operated on a man who—there was no anesthesia, no pain medicine. I said, 'Can you take me to your pharmacy,' and they took me to a barn with roots and cow horns that they grind up."

Hall said they also visited Tongsin, north of Pyongyang in the mountains near China, where there have been reports of millions dying and of cannibalism. He said he could not authenticate those reports. "All I can tell you is, people are sick. Orphans are being left outside, people are just so weak, they have such little food, that once their child is born, [they] put him outside in hopes that the orphanage will pick him up," he said.

### Strategic danger

Davis stressed the strategic danger, that the United States could not let the situation deteriorate to the point that millions of people are dying. A mass refugee crisis or worse is a significant threat to the 37,000 U.S. troops on the Demilitarized Zone (DMZ) between North and South, he said. If the United States just turns a deaf ear, then Pyongyang, if it gets desperate enough, "might react with their armed forces," Davis warned.

"I don't think they're about to do it now, but I think they could be driven to it," he said. "We can't just stand by and watch the people starve, because we'd be pushing them into a corner; my grandfather always taught me not to do that. The DMZ is within easy range of Seoul and they have battery after battery of artillery there. Seoul would be destroyed in a conflict, no matter what we do. So it would be very dangerous to let that happen."

Davis, who was a major force behind the construction of the new Washington monument to the Korean War, relates that he first sought to visit North Korea, not because of the famine, but to represent U.S. veterans. The Korean War Veterans of America and other veterans groups he represents want the right to visit battle sites at Hamhung, Chosin, and other places, where "I fought my way out the last time," as Davis put it, and to find and repatriate the remains of the many Americans missing in action in the bitter 1950-53 conflict.

After seeing the famine, Davis said he now hopes that U.S. veterans could become ambassadors for mercy as well. "Ours is a dual mission, too, because veterans are most generous, and if they could go back and see those unbelievable conditions, they could become some of the best spokesman for increased American relief effort," he pointed out. "Veterans become very much attached to the children and the families in the countries where they serve, and travel, and they would have a very good attachment if they could go back over there as part of the program." Davis said he had urged North Korean officials to let more veterans travel to North Korea to assist in mending relations, and that he had gotten a sympathetic ear. Increased visits may begin this spring when the weather permits, he said.

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## Burundi dictator keeps more than 500,000 Hutus in concentration camps

### by Uwe Friesecke

A year ago, during the last week of October 1996, Ugandan, Rwandan, and Burundian troops began crossing into Kivu province of eastern Zaire, to exterminate hundreds of thousands of mainly Hutu refugees, and to bring Laurent Kabila, the puppet of the British-backed alliance between Ugandan President Yoweri Museveni and Rwandan Defense Minister Paul Kagame, to power in Kinshasa. In preparation for this war, they supported Pierre Buyoya in reestablishing a dictatorship of a fanatical group of Tutsi chauvinists over Burundi. Buyoya covered the southern flank of the war in Kivu. While he may have had his own reasons for moving, in July 1996, to grab power in Bujumbura, which he had lost during the elections of the summer of 1993, it is also the case that his troops played a key role, alongside Rwandan and Ugandan killer commandos, in the extermination of Hutu refugees in Zaire during the following months.

Any idea that Buyoya would be the lesser evil, compared to his cousin Jean-Baptiste Bagaza, the other infamous Burundian dictator, has been proven to be utterly wrong. Even though Western governments keep silent about it, it is by now a well-known fact, that Buyoya bears the responsibility for the brutal assassination, on Oct. 21, 1993, of the first democratically elected President of Burundi, Melchior Ndadaye, a Hutu, who had won the elections on June 1, 1993. It took Buyoya almost three years to come back to power, but he has now integrated himself fully into the alliance of dictators organized by Museveni and Kagame.

While Buyoya played his part regionally in supporting Kagame's and Museveni's war in Zaire, he has, since the end of 1996, also moved internally in Burundi to try to crush the opposition to the rule of his group of Tutsi chauvinists. That opposition is organized around the Council for the Defense of Democracy. The CNDD was founded by friends of the assassinated President Ndadaye, under the initiative of Leonard Nyangoma, a former minister of the interior, and it has a fighting force, the Forces for the Defense of Democracy. The CNDD and the FDD enjoy very significant support from the population of Burundi, especially in the countryside. In the summer of 1996, they were beginning to encircle the capital city of Bujumbura. Buyoya's coup in July 1996, and the following war in Zaire, temporarily rolled back the earlier gains of this opposition movement. In a desperate attempt to cut it

off from the support of the population in the rural areas, Buyoya and the military began, at the end of 1996, to set up concentration camps for the majority Hutu population. It is estimated that more than 500,000 Hutus—10% of the total Hutu population of Burundi—have been chased from their land by the military and forced into those concentration camps. As in the case of the genocide perpetrated by Museveni's and Kagame's troops in Zaire, the Western governments and the United Nations have so far tolerated Buyoya's use of concentration camps to eliminate the opposition.

In a quest for a fundamental change of Western, especially U.S., policy toward Central Africa, we publish the facts about these atrocities of Pierre Buyoya and his military in Burundi today. Our information is based on reports given by Burundians living in exile, and on Amnesty International's report "Burundi Forced Relocation: New Patterns of Human Rights Abuses," of July 15, 1997. We also give those Burundians a voice, who are trying to save the legacy of the accomplishments of Melchior Ndadaye's election victory of June 1993. Christian Sendegeya, a Tutsi, was the Deputy Speaker of the Parliament, and today is the vice president of the CNDD. Perpetue Nshimirimana was Ndadaye's ambassador to the United Nations in Geneva.

### The 'regroupment' camps

The first regroupment camp was already set up in February 1996, by the governor of Karuzi province. Since then, hundreds of thousands of Hutu civilians in areas of conflict between the mono-ethnic Tutsi Army and rebels, have been forced to leave their villages and hills to be "regrouped" into camps, which they are not allowed to leave without permission. Amnesty International reports that hundreds of men, women, and children have been "extrajudicially executed during the process." The Buyoya government and the Army claim that the camps were set up voluntarily and for the safety and protection of the civilian population. But why then does the military target exclusively the Hutu population for "regroupment" in these camps, and why does the "regroupment" cost so many civilian lives? According to Amnesty International, "Scores of children who could not possibly be suspected of being members of armed groups are reported to have been killed in massacres during regroupment and coun-

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terinsurgency operations. Moreover, the majority of killings of civilians during counterinsurgency operations appear to have been deliberate and targetted killings, sometimes in reprisal for attacks by armed groups."

In reality, the regime in Bujumbura is using the concentration camps as a means of warfare against the armed rebellion. Counterinsurgency operations regularly killing scores of civilians are systematically deployed by the Army to empty entire areas of the local farmer population (Hutu), to try and cut the armed rebellion off from its logistical support and recruitment base. During "regroupment," the Army also uses those people who have been rounded up as human shields, in combat against the rebels. Of the "regrouped" Hutus, the Army regularly takes young men away from the camps, in trucks guarded by soldiers. Those young men, who are obviously potential recruits for the rebel opposition, simply "disappear."

Once an area is cleared of the Hutu population, the Tutsi militia is regularly deployed to destroy the houses and loot the property of the former inhabitants, or else the Hutu families are forced to burn down their own houses before they leave for the camps. Once in the camps, movement of the Hutu inhabitants is restricted and in most cases it is forbidden to leave the camps at all. In contrast, there are also some displaced persons camps with predominantly Tutsi inhabitants, where movement is unrestricted.

Conditions inside the regroupment camps, where the Hutus are herded together like cattle, are so appalling, that many die of diseases and malnutrition. The camps are overcrowded, with unsanitary conditions. Sometimes converted schools are used, with up to 50 people forced into one classroom. Other camps just consist of shelters on hillsides, made of leaves and branches, offering little protection from Burundi's difficult weather, including heavy rainfall. Epidemics of meningitis, cholera, and typhus have broken out. According to one recent report of the World Health Organization, the death rate for typhus alone is 20 people per day for each camp. The "regrouped" farmer population is systematically prevented from working their fields, sometimes completely, and at other times they are allowed only two or three days of work. In this way, malnutrition has become a major problem and, according to the World Food Program, whose representatives visited camps last January, the situation was then already "catastrophic."

Thus, the concentration camps are also a calculated means on the part of the Buyoya regime to reduce the majority Hutu population (85%) by large numbers, in relationship to the Tutsi population (14%).

The Buyoya regime has admitted to "regrouping" 200,000 people. In reality, the number is more than 500,000. Kayanza province alone has an estimated 100,000 people "regrouped." The size of the camps varies from several hundred to 20,000 people. A major initiative for expanding the regroupment campaign took place at the end of 1996,

when large number of collines, the local administrative units, were emptied of their inhabitants in the provinces of Karuzi, Bubanza, Cibitoke, and Ruyigi. According to the Amnesty International report, camps exist now in the following provinces of Burundi: Bubanza, Cibitoke, Kayanza, Ngozi, Muyinga, Karuzi, Gitega, Rural Bujumbura, Bururi, Makamba, and Ruyigi. This is 11 provinces out of the 15 rural provinces.

Reacting to some international protests, the Buyoya regime finally promised to resettle some 300,000 people before

It is estimated that more than 500,000 Hutus—10% of the total Hutu population of Burundi—have been chased from their land by the military and forced into concentration camps. Western governments and the United Nations have so far tolerated Buyoya's use of concentration camps to eliminate the opposition.

the end of 1997. The operation was supposed to begin in Kayanza province, in the north of the country. But according to latest reports from the area, the governor of this province has just suspended the program because of growing insecurity in the region. It seems to be clear, that the Buyoya regime has failed to reach the military objectives of this regroupment campaign, because the rebellion is growing, rather than declining.

### Buyoya's desperate attempt to cling to power

If Western governments did not have such a cynical approach toward politics in Africa's Great Lakes region, harsh sanctions would have been applied a long time ago, to bring the power of Buyoya and the Tutsi chauvinists he represents, to an end. This power group in Burundi, whose roots, as members of the Bahima clan from Bururi province in the south of the country, go back to before independence, bears some of the main responsibility for the tragic history of the murderous conflict between the Hutu and Tutsi groups in the region. Their repeated uncompromising attempt to keep power entirely for themselves has, over the last 30 years, made any meaningful reconciliation between Hutu and Tutsi in Burundi impossible.

Since independence in 1961, Burundi has been ruled mainly by three Tutsi dictators, Capt. Michel Micombero (1966-76), Col. Jean-Baptiste Bagaza (1976-87), and Maj.

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Pierre Buyoya (1987-93, then again since July 1996). All three come from the same clan and the same commune in southern Burundi. They are even relatives of one another. While there have been conflicts of interest among them, they have been the bearers of the tradition of suppression of the majority population by a minority group, by all means necessary.

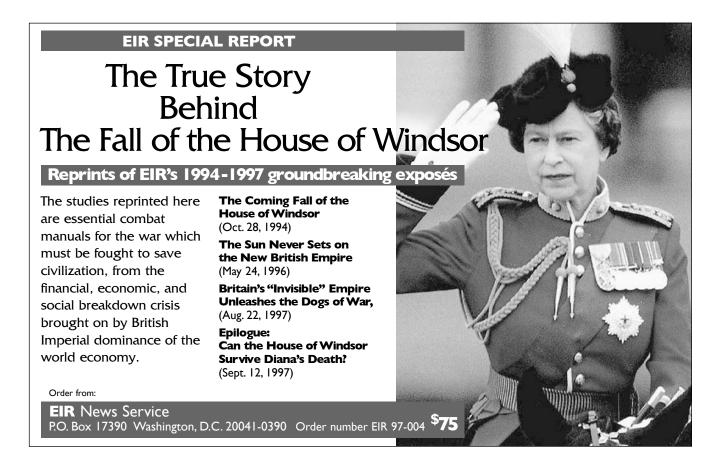
President Micombero's regime created, in 1972, the decisive trauma for the Hutu-Tutsi conflict in Burundi and Rwanda, for the decades to come. In April 1972, up to 300,000 Hutus were killed. During this genocide of a government against its own majority population, all Hutu ministers, all Hutu high-ranking officials, civil servants, priests, nuns, businessmen, and others who could read and write, were massacred. Thanks to the governments of Micombero's followers, nobody responsible for the pogrom of 1972 has been held accountable or brought to justice.

When, in June 1993, Buyoya lost the elections to a Hutu, Melchior Ndadaye, who was head of the Frodebu party, Buyoya and his Tutsi allies acted with the same impunity as their predecessors, and deployed all means necessary to keep power in the hands of their group. First, they assassinated the elected President, Ndadaye, and those who would, by the rules of the Constitution, take over his function—Speaker of the National Assembly Pontien Karbwami and Deputy Speaker

Gilles Bimazubute—as well as many other individuals. Then they set into motion a creeping coup, which killed many of the elected members of parliament and paralyzed constitutional government. Finally, in July 1996, Buyoya was reinstalled by the military.

Especially those two events—the merciless genocide of the Hutu elite in 1972 and the assassination in 1993 of Melchior Ndadaye, who was a true symbol of hope for many, not just in Burundi, but also in the rest of Africa—had devastating effects, especially on Rwanda. It played an important role, when Rwanda sank into the horrors of 1994.

Like his powerful allies, Museveni of Uganda and Kagame of Rwanda, Buyoya has no scruples against using genocide as a means of policy. The concentration camps in Burundi today are witness to that. But it is not only the majority Hutu population in the region which is the victim. The Tutsis also will suffer without end, because in the direction that the fanatical Tutsi dictators are moving, there will be no reconciliation, but only new rounds of violence and revenge. If Western governments were not such hypocrites, they would bring pressure to bear on those dictators, to end the violence and cut them off from their supply of weapons and money, and their international recognition. In that way, Western governments could help to create the dynamic for a peaceful solution of the conflicts in Africa's Great Lakes region.



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## A portrait of Pierre Buyoya

This profile was prepared by a group of Burundians in Switzerland.

Pierre Buyoya staged his second coup d'état in Burundi on July 25, 1996. The first one had brought him to power on Sept. 3, 1987, when he overthrew his cousin Jean-Baptiste Bagaza. He remained in power until 1993, and was ousted after free and democratic elections held in June of that year.

Buyoya is by no means the democrat and moderate that some international media try to make him out to be. He is a military man, a member of a clan (Hima) that is a minority within the Tutsi minority. Just like all senior officers in Burundi, he comes from Bururi province, in the south, which has been the fiefdom of political and military power since 1966, at the time of the first military putsch by Michel Micombero, another cousin, who overthrew the king and proclaimed a republic.

Against the backdrop of an escalating church-state conflict since around 1985, Buyoya took advantage of the absence of Colonel Bagaza, who was attending a summit of French-speaking countries in Canada, in order to take power. He had, of course, the blessing of a large part of the Army. This putsch was carried out for reasons of personal ambition and to defend a small group of Hima officers, who feared that the struggle between Bagaza and the powerful Catholic Church might imperil their future. When Buyoya's putsch succeeded on Sept. 3, 1987, most seasoned observers saw in it the outcome of a quarrel among two cousins coming from the same hill and the same clan, just like their predecessor Michel Micombero, who was responsible for the 1972 genocide.

After taking over, Buyoya was unable to come up with a coherent political program. He instead consolidated the existing order, by keeping any and all members of the Hutu ethnic group out of power and the decision-making process, just as his predecessor, Bagaza, had done for ten years. He even went so far as to deny the existence of an ethnic problem in the country, and adopted the power politics inherited from Bagaza, especially in forming his government.

Eleven short months after his putsch, his staff ignored or even provoked massacres in the north of the country, in the villages of Ntega and Marangara. The official toll is 5,000 deaths and 60,000 refugees. Unlike previous crises, the one in 1988 was covered in the media. There was open domestic protest, denouncing the President and forcing him to change policy. In this way, Buyoya accepted the participation of (controllable) Hutus in the Executive branch; there were as many Hutus as Tutsis in the government. A Hutu prime minister was

named, though Buyoya was careful to have him surrounded by Tutsi chauvinists, to keep an eye on him.

But, Buyoya did not manage to fool the internal opposition. He only barely managed to sell, through political marketing operations, his image as a mediator to an international public, badly informed about realities in Burundi. The basic problems in Burundi, such as lack of education, remained untouched. The problem in the school system was that of an apartheid policy against the Hutu ethnic group, and even against Tutsis who were not from Bururi province. Problems related to defense and security (sectors traditionally monopolized by people from the south of the country), and to justice (the judges being independent in name only), were not raised.

Popular dissatisfaction continued to grow, and Buyoya's fate was quickly overtaken by other events, those that broke out in the northeast and in the capital, Bujumbura, in 1991. His Army once again became infamous for killing over 5,000 people. More and more strongly criticized, and confronted with an increasingly bold internal opposition, Buyoya arrived at the French-African summit in La Baule, France, weakened. While pretending to accept a democratic opening, he was counting on his Army to terrorize the population, especially the Hutu majority. In 1992, he promulgated a tailor-made Constitution, and moved elections up to June 1993. In anticipation, he activated his whole administrative, police, diplomatic, and financial machine.

But he was brought down by his own schemes, by a people ready to turn over a new leaf. In June 1993, he lost the Presidential and legislative elections. It was a catastrophe for him, especially since he had presented himself to international public opinion as such a perfect democrat. But pressure from the victors, and the weight of a leaf of history being turned, forced him to yield power to the newly elected President, Melchior Ndadaye. This was a gesture to save his image, while, in the background, he began maneuvering to return to power.

It all happened very quickly. First, his cabinet chief of staff, Sylvestre Ningaba, made a coup attempt on July 3, 1993, even before the elected President had been inaugurated. Poorly coordinated, the putsch failed. Two other coups were foiled before the fateful day of Oct. 21, 1993, when President-elect Melchior Ndadaye was captured in his palace by the tribal army, which decapitated all the democratic institutions by assassinating all the President's constitutionally mandated successors.

An investigation led by an international commission of African and Western non-governmental organizations came to the conclusion that the main perpetrators of the coup were the military men, ministers, and personal advisers who were closest to Buyoya. Faced with international reproach, the Army realized it had gone too far. Buyoya then adopted a low profile, waiting for the situation to deteriorate, to his advantage.

Then, fearing that an international military intervention might reestablish an order leading to the arrest of the putschists, Buyoya completed his dirty work. On July 25, 1996, he asked the Army to put him back in the leading position.

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## Burundi's battle for freedom and the dignity of its people



Madame Nshimirimana-Gashaza was Burundi's ambassador to the United Nations in Geneva during 1993-95. This interview, conducted by Uwe Friesecke, was translated from the French.

**EIR:** Madame Nshimirimana-Gashaza, how did you become ambassador, and for how long did you serve in this function?

Nshimirimana-Gashaza: After the June 1993 elections, the President-elect, Melchior Ndadaye, named me to the new crew of ambassadors who were to represent Burundi in friendly countries. I was the second Burundian woman to attain the rank of ambassador, and I was assigned to Geneva as Burundi's Permanent Representative to the United Nations and other international organizations.

I presented my credentials on Oct. 20, 1993, and that very evening, in Bujumbura, the Army carried out a coup d'état against President Ndadaye. So my career began with one of the most acute crises in Burundi's history. I held that position until January 1995, when I officially notified the UN that my functions were ended.

**EIR:** Burundi's government in power has set up so-called regroupment camps since the end of 1996. Some say they are concentration camps. The Buyoya government claims that they serve the security of the civilian population. How would you characterize them, and what is the situation of the civilian population in Burundi today?

Nshimirimana-Gashaza: These forced regroupment camps can in no way guarantee the security of the populations concentrated there. On the contrary, these citizens were forcibly rounded up because the Buyoya government wanted to cut them off from the FDD [Force for the Defense of Democracy, the armed wing of the opposition], since they offered a recruitment base for the Burundian rebellion.

On a strictly humanitarian level, these camps are a catastrophe for the civil population:

• Many have died from diseases related to malnutrition and to poor hygienic conditions. Diarrheal diseases, typhus, cholera, skin diseases, etc., have taken a tremendous human toll. • Morally, these people have also been affected. The fact that they were obliged to leave their natural environment to live far away from home, in make-shift shelters, has dealt a terrible blow to their dignity as human beings.

The forced regroupment camps cover this government with shame. It does not shy away from paradoxes: How can you claim to be taking care of a people's safety and, at the same time, let them die and humiliate them in this way?

**EIR:** Are only Hutus forced into these camps? And what do you think the Buyoya government intends to accomplish with them?

Nshimirimana-Gashaza: There are not only Hutus in these camps, even if the overwhelming majority of them are. Tutsis are put into what are called "displaced persons camps." Although they are under the protection of "law enforcement forces," and have some advantages over their Hutu colleagues in the regroupment camps, still their living conditions, on the humanitarian level, are just as disastrous. That is why it is hard to understand the solidarity of these displaced persons toward the de facto authorities in Bujumbura, who have deprived them of everything. It seems to me that people in the forced regroupment camps and in the displaced persons camps should join together, to denounce and cry out against what the putschist government in Bujumbura is doing.

**EIR:** You were appointed by the late President Melchior Ndadaye, whom you knew personally. What did his electoral victory in the summer of 1993 mean for you? And what do you think its importance was for Burundi?

Nshimirimana-Gashaza: With the June '93 elections, a page of Burundian history was turned, and a new one began. These elections put an end to 27 years of military dictatorship and of undivided rule by a small minority of the population. Finally, those who had been so long oppressed were going to have their say. They hoped to enjoy all their rights, freely. They were going to undertake projects unharassed, and to really take part in the country's development, which had been denied them for three decades. Because without peace, development is not possible. The June 1993 elections were like a liberation for an entire people.

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**EIR:** How does Ndadaye compare to the other Presidents of Burundi since independence? What was his vision of Burundi for the future?

Nshimirimana-Gashaza: In the first four years after independence, Burundi remained a kingdom. The Burundians did not question things so much then, convinced as they were that the King ruled by divine law. Since 1966, with successive military regimes stemming from a coup d'état, and imposed upon the population, things went from bad to worse. Hutu-Tutsi ethnic differences were exacerbated for three decades, leading to repeated massacres. Compared to his predecessors, Ndadaye was a liberator, recognized as such by a large majority of Burundians, simply because he was the President they had chosen.

Our country being riddled with ethnic divisions, Ndadaye promised to concentrate great effort on this question, to make Burundi into a united country, where everyone could live peacefully. Peace among the citizens is a precondition for carrying out any kind of project, as Ndadye had understood from the start.

**EIR:** Do you judge him so positively because he was a Hutu? **Nshimirimana-Gashaza:** No, it is not because he was a Hutu that I appreciated him. The very fact that he had been elected by popular vote, by the Burundian people, meant he was reassuring. It was the first time in our history that the people had elected their President, and it was wonderful. Having myself been a member of the electoral commission set up in March 1993, I can certify that the elections were the most free and democratic that have ever been held in Burundi. Ndadaye personified confidence for us.

**EIR:** Why do you think Ndadaye was assassinated? **Nshimirimana-Gashaza:** President Ndadaye was assassinated because he had taken his political adversaries by surprise. In a few months' time, he proved that he was able to propose real projects for our society, contrary to what the three military dictatorships before then had done:

- Economically, the country was better off;
- There was a perceptible cohesion between the President and his constituency;
- Ndadaye was going to allow another layer of the population to emerge on the political and economic scene, and that was intolerable for his adversaries. They could not accept losing their monopoly over all sectors of the nation;
- If the democratic regime were consolidated, those who had been involved in the massacres of 1965, 1972, 1988, etc., feared that they would end up some day in court and forced to answer for their acts, and they were definitely not willing to face that. So, it was necessary to end the democratic process and to let the situation rot. That was accomplished through Ndadaye's assassination.

**EIR:** Since the collapse of the Soviet Union, the West has

been campaigning for democracy in Africa. Did any Western government or the United Nations help defend President Ndadaye, after he was elected in June 1993? And what happened after his assassination? What reactions did you get at the UN and from the American and European governments?

Nshimirimana-Gashaza: Once the elections results were officially announced, the Army declared that they agreed with the people's choice, which was a way of stating their loyalty to the new authorities. The situation was sensitive. Everybody knew the Army was mono-ethnic. Ndadaye had promised to try to solve this thorny problem during his term in office. If he had called upon foreign troops to ensure his defense, right after coming to power, he would have been accused of being divisive. So, he had to show confidence in the Army, even though it was very risky to do so.

After his assassination, the attitude of Western powers toward Burundi was simply incomprehensible. All Western governments had condemned the putsch: France, Germany, the United States, Belgium, the European Community. . . . Being the main financiers of Burundi, they announced that they "were suspending aid and threatening to cut if off immediately and totally, if democracy were not quickly restored and President Ndadaye given back his constitutional rights." The UN Security Council also denounced the putsch. But it was when Burundi requested the presence of a foreign force to protect its legal institutions, that the Western attitude was astounding. The help Burundi requested was limited. We were asking for 800 men to be sent to protect, among others: the President of the Republic; the members of government; the National Assembly [parliament]; the National Radio and Television; the Bank of the Republic (national bank).

To this call, no government answered. The UN claimed to be engaged on several fronts already, and unable to intervene in Burundi. And yet, all these countries had demanded that the African countries democratize, in order to continue receiving aid. Burundi was a model of democratization. When this democracy was imperilled, no one was willing to intervene to save it.

Today, in 1997, when the human and material damage incurred since this assassination is measured against the small, yet sufficient amount of aid Burundi was requesting, in order to avoid a disaster, it makes Burundians have a very bitter feeling toward the international community.

**EIR:** Burundi's President in power, Buyoya, has been credited by some with setting the country on the path of democratic elections once before, and therefore he might do it again. Do you agree with this assessment, or how do you judge Buyoya's government?

**Nshimirimana-Gashaza:** Looking back several years later, it is obvious that Buyoya was forced to accept the democratic process, because of the international political context at the time; but personally, he never believed in it. How could you otherwise explain why he came back and imposed himself,

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If the democratic regime were consolidated, those who had been involved in the massacres feared that they would be forced to answer for their acts. So, it was necessary to end the democratic process and to let the situation rot. That was accomplished through Ndadaye's assassination.

through a coup d'état, on a population that had sweepingly rejected him? I very much doubt that he would wish to repeat the experience of 1993, since he knows beforehand that he would lose if elections were properly organized. The lack of symbiosis between him and the Burundian people is striking. Since he made his putsch on July 25, 1996, he has been unable to keep any of the promises made in his first speeches. Peace is still far away. Thousands of people have died. The Burundian economy, already bled dry, has only gotten worse.

The present government is foundering and has no precise, viable program for the country. What can we expect from such a situation? Nothing positive.

**EIR:** How do you see the Hutu-Tutsi conflict in Burundi? Is it political? Is it a serious ethnic conflict?

Nshimirimana-Gashaza: Originally, the Hutu-Tutsi conflict was not ethnic. Those who wanted to seize and to keep power, at any cost, used ethnic groups, to gain sympathy among them and to crush the others. But the conflict shifted slowly from a politico-economical one, to an ethnic one. It is a sore subject that the ruling powers have exploited for these last three decades. Today, we are faced with polarization of Burundian society, which is only seen as a Hutu-Tutsi problem.

**EIR:** What went wrong after independence, that the conflict repeatedly erupted with such violence?

Nshimirimana-Gashaza: Wrong political management after independence contributed a great deal to the disastrous course of events. The Hima clan (to which Michel Micombero, the first President of the Republic, belonged), which had previously been excluded from public affairs, wanted to take revenge, destroying everything in its path that might slow its rise to power. The Hutus, who make up 85% of the population, were considered a permanent threat, and they became the victims of the Himas' megalomanical vision. This led to the tragedies of 1965, 1972, 1988, 1991, and 1993. On each occasion, the military dictatorships bloodily crushed thousands of Hutus, in a desperate attempt to put an end to this "threat."

**EIR:** What were the reasons for the genocide of April 1972? **Nshimirimana-Gashaza:** What happened in 1972 was the logical follow-up to 1965. Although many intellectuals had already been assassinated, there were still some left in almost

all sectors of national life, including in the Army. To establish undivided rule, the dictatorial regime of Micombero set about to eliminate all Hutus, in all walks of life.

To justify the genocide of 1972, the backers of the different military regimes often invoke the repression of a Hutu rebellion, but to me, this makes no sense. At the time, there were no Burundians living abroad. Where would this rebellion have started?

**EIR:** How do you remember those events?

Nshimirimana-Gashaza: In 1972, I was very young. In most Hutu families, the ethnic question was a taboo, including in my home. This was not the case in Tutsi families. I could see that atrocities were being committed around me, but I received no explanation for them. The men in my neighborhood were disappearing, one after the other. My school friends had all lost their fathers. We accepted that we were all becoming fatherless, at the same time, without knowing or understanding why that was the case. It took a long time, before I started getting an answer to the question.

**EIR:** Is there something like a "Hutu trauma" from this time? **Nshimirimana-Gashaza:** There was a very real trauma among Hutus. They would be decimated in cycles, beginning with the intellectuals. No one dared to say anything. The Hutus lived in hiding, as if each one were afraid to be noticed and to become the next target for the killers. It was not until 1993 that they recovered their dignity.

**EIR:** But some Tutsis say, they have a trauma from Hutu violence against them!

Nshimirimana-Gashaza: The Tutsis know how cruel they have been to the Hutus. They fear that were a Hutu to take power, he would apply a revanchist policy. But, the first measures taken by President Ndadaye were an attempt at appeasement and reconciliation. By naming a Tutsi prime minister from the Uprona, the main opposition party, he made a gesture toward reassuring his opponents. He did not have to do so, given the election results. There were many Tutsi opposition people in his government, which was also reassuring.

**EIR:** After all this, and your experience since 1993, do you still have hope, that one day the conflict in Burundi can be solved peacefully? What would be the preconditions for that?

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**Nshimirimana-Gashaza:** A peaceful solution is always possible, if the will is there on both sides.

For three years now, the "Burundian Army" has engaged a rebellion against democracy. The people have organized themselves to fight, and, today, weapons do not belong exclusively to one group. It is only through sincere negotiations among the actors that peace will be restored. I insist on the word *sincerity*, because that is what is so often lacking. If these negotiations should lead to a compromise, such as that of the 1994 Government Convention, which was violated by those who had initiated it, and which was impossible to respect, then it would be useless to go on.

Burundi belongs to everyone: Hutus, Tutsis, and Twas. There is a place for everyone, all being respected, and that is the necessary precondition for overcoming the crisis and advancing along the right path. The people voted in 1993. Return to constitutional legality is imperative. The rest will follow. Any solution that avoids this reality is bound to fail.

**EIR:** Are there forces in Burundi today, who are seriously working for a peaceful solution? Can existing political parties in Burundi and the Parliament play a role?

Nshimirimana-Gashaza: Unfortunately, if there are any, which I doubt, we have seen no sign of a positive result. The hardliners in the Army, the Uprona, and its satellites maintain their positions firmly. We see no serious effort for a positive trend. Officially, Uprona President Charles Mukasi refuses to come to the negotiating table, while Buyoya agrees to, but poses unacceptable conditions. It seems very difficult to reconcile these positions. People of good will are marginalized by forces of evil.

Officially, political parties have not existed since the July 25, 1996 putsch, and they cannot engage in activity. As for the Parliament, most of whose members have died or are living in exile, maneuvering room is limited, but it is nonetheless the only remaining legal institution in the country.

**EIR:** But what are their chances to succeed, since the "friends" of Buyoya and former dictator Bagaza seem to have unlimited power in Uganda, Rwanda, and now also in Congo?

Nshimirimana-Gashaza: It is true that the nondemocratic changes taking place in our sub-region since 1993 have not made it any easier for Burundian democrats. When war broke out in Zaire last year, the putschists in Burundi were hoping the [Burundian] rebellion would be crushed in the same operation. On the contrary, rebel activities have strongly increased, and the situation is not as simple as Bujumbura would have us believe.

For the moment, Rwanda has its own internal problems, Congo-Zaire and Uganda as well. Blocking peace in Burundi only extends the conflict zone in this part of Africa.

EIR: How significant were events in Burundi for the political

developments in your neighboring country Rwanda? For example, how did the assassination of President Ndadaye affect the situation there? Did this play a role in the tragic events in Rwanda in 1994?

**Nshimirimana-Gashaza:** The assassination of President Ndadaye was the beginning of a conflict that was to spread throughout all the Great Lakes Region, and may go even further, if nothing is done to stop it. Over 700,000 Burundian refugees wound up in Rwanda, which had been at war since 1990, and where a great deal of the population was already displaced.

Consolidation of a democratic regime in Burundi would have fostered the same process in neighboring countries. That was frightening to those who had caused the war in Rwanda: They would have lost out. So, they wanted to prevent Burundi from becoming stabilized. If Rwanda were to help Burundi, the situation would be to the detriment of the Rwandan rebellion, which refused free and democratic elections. So, the Kigali regime [in Rwanda] had to be destabilized as well. The Rwandans, in their turn, became refugees by the thousands in neighboring countries, especially Zaire.

EIR: Recently the Kabila regime in Congo sabotaged a UN team of investigators and did not allow them to investigate the evidence of mass killings of refugees by Kabila's forces, during their march to Kinshasa at the beginning of the year. From your experience with the UN, why does the secretary general tolerate this and not apply whatever sanctions are necessary to have the investigators do their work?

Nshimirimana-Gashaza: It is hard to explain how the UN can look the other way when such serious human rights violations are committed. Personally, I do not despair, and I believe that some day the truth will be known about the tragic events in eastern Zaire, so that those who are responsible will stand trial and answer for their acts.

**EIR:** What do you think the U.S. government of President Clinton should do to really promote peace and stability in your region in Africa and in your country, Burundi?

Nshimirimana-Gashaza: Being the world's leading power, the United States could bring all its force to bear, and obtain peace in the Great Lakes Region in general, and in Burundi, in particular. For that, they must understand the problems in each country. They are among the oldest democracies. In our region, regimes seeking to impose themselves without popular consent upon the governed, will find it increasing difficult to be accepted, and Burundi is a good example of that. The people want to have their say in the choice of their leaders. That is very important. This truth holds for the West, just as much as in Africa, and the United States should act from that standpoint. It is only in that way, that their their own interests will be better served in Africa.

The internal situation in each country, as is, tends to indicate that the conflicts will go on for several more years.

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### Schiller Institute honors Heinrich Heine

by Werner Hartmann



Henrich Heine

The Schiller Institute in Germany is celebrating, with a series of events, the great poet Heinrich Heine, who was born 200 years ago, on Dec. 13, 1797, in the German city of Düsseldorf. To this day, Heine remains one of the most popular poets internationally, with his works having been translated into most

languages, and his fame reaching as far away as China. Some of Heine's works, like "Loreley" and "Belshazzar," must certainly be counted among the most beautiful and popular poems anywhere. Also, his poems, with a unique quality of metaphor and musicality, have been set to music by countless composers, and inspired Classical masters like Schubert, Mendelssohn, and Schumann to some of their greatest Lieder compositions.

Heine, a Jew who later converted to Christianity, used his poetry and theoretical writings on philosophy and culture, to fight for human dignity and reason, against both reactionary feudalism and early Marxist cultural barbarism. He attacked, with humor and biting irony, the backwardness, hypocrisy, and mediocrity of society in post-Vienna Congress Europe. His works were severely censored, and often, banned outright. Heine was forced into exile to Paris, where he died in 1856, after being confined to bed by illness for eight years.

### **Bringing Classical poetry alive**

The Schiller Institute's amateur poetry working-group *Dichterpflänzchen* ("Budding Poets"), which was formed several years ago to bring alive the treasures of Classical poetry, has put together a program of poems, prose, and songs, to present different facets of Heine's personality and work. So far, the program has been featured in Düsseldorf,

at the house where Heine was born, which today serves as a literary cafe, and in the cities of Mainz and Wiesbaden; several more events are planned.

The program, titled "Kisses of the German Muse," after a line of Heine's, includes some of the most beautiful Lieder composed on Heine's poems, from Franz Schubert's "Swan Song" and Robert Schumann's "Poet's Love," in interpretations by tenor Stefan Marienfeld and pianist Michael Gründler.

Members of the Wiesbaden poetry group illustrated Heine's worldview and personal tragedy, in his own words. In the preface to "Germany, a Winter's Tale," Heine talks of his ideal of "universal humanity" and patriotic "love of all peoples"; in the "Book of Songs," he invokes an unreachable "land of delight" and unfulfilled love to a beautiful virgin, as a metaphor for human reason; "The Slave Ship" is a passionate attack on the African slave trade; "Belshazzar" celebrates the triumph of the power of reason over oligarchical tyranny. Heine saw ideas as the real driving force behind the events of history; but his lack of political success drove him into despair. In the late poem "Enfant perdu," he calls himself a "watchpost in the fight for freedom, for 30 years," who shot literary "bullets" into his enemies' bellies, but who carried also many wounds as they "shot back": "My weapons are not broken-but my heart, it broke."

The program of the Schiller Institute's "Budding Poets"—which stands in stark contrast to many modernizing and distorting presentations, prepared for occasion of Heine's anniversary—was greeted with joy and gratitude. Some guests had come after learning of the events at downtown booktables, which members of the Schiller Institute had set up in Düsseldorf and Wiesbaden, at which poems were recited and the Heine celebrations advertised.

In Wiesbaden, the Sept. 28 program was announced with a favorable article in the local paper *Tagblatt*, based on an interview with the Institute's Rosa Tennenbaum and Lutz Schauerhammer, which detailed the work of the group on bringing great Classical poetry back into everyday life. The room—which was organized despite massive resistance by city officials, because of the group's affiliation with Helga Zepp LaRouche and the Schiller Institute—was filled to overcapacity, with close to 100 people. On Oct. 1, the *Wiesbadener Tagblatt* commented positively on the Heine soirée, in an article titled "Heine with Variations." The article concluded: "The *Dichterpflänzchen* offered a lot to their audience, but also demanded a lot of attention. This, the listeners gave to them, and, in addition, lots of applause."

With their Heine presentations, the "Budding Poets" are now definitely part of the German cultural scene, and constitute a challenge to professionals, to follow more truthfully the ideas and works of the Classics. Meanwhile, the Schiller Institute is looking forward to its worldwide celebrations of Friedrich Schiller's birthday, on Nov. 10.

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## India sends Lizzie home in disgrace

As Britain's Lizard Queen prepares to preside over the Commonwealth Heads of Government Meeting in Edinburgh, Scotland on Oct. 24-27, she is still smarting from her disastrous 12-day tour of the Indian subcontinent. As *EIR* reported last week, the Queen was received coolly by the Indian government, as demonstrators carried signs that read, "Killer Queen Go Back!" She was forbidden to deliver a prepared speech in Tamil Nadu. British Foreign Secretary Robin Cook created a scandal, when he made remarks suggesting that Britain was interested in intervening in the Kashmir crisis. Indian authorities were quoted saying that they believed Britain's "hidden agenda was ultimately to obtain an independent state of Jammu and Kashmir." Cook, when he departed from the New Dehli airport, was seen off by one of the lowest-ranking officials of the Indian Foreign Ministry.

The London *Observer* on Oct. 19 reported that the Commonwealth summit was likely to be overshadowed by the fracas over the royal visit to India. According to the paper, "The Indian prime minister's office has made clear to the *Observer* that the Indian delegation will walk out of the summit if the issue of Kashmir—which lay behind much of the antagonism on her trip—is raised."

Other Commonwealth countries are also stepping out of line, to the Queen's dismay. Malaysia's Prime Minister Dr. Mahathir Bin Mohamad has emerged as a principal defender of the right of nations to sovereignty and economic development, against the assault of the financial speculators. Nigerian officials, incensed at the Commonwealth's sanctions against their country, are threatening to "gate-crash" the Commonwealth summit: flying to Edinburgh by helicopter, whether they are granted visas or not.

### **Insults to India**

The Queen's visit to India ended on Oct. 18, with a brawl at the airport in Madras between British diplomats and Indian security police. As the royal party approached the aircraft for boarding, according to the *Observer*'s biased report, police "screamed at and jostled" members of the group, "manhandled a disabled female British diplomat," "harangued" an air attaché, and "mobbed" the Queen's press secretary. "I am in charge here," shouted Indian Deputy Inspector General Nanjit Kumaran, whose uniform was "bristling with gold braid," the newspaper reported with righteous indignation.

Following the visit, commentators in India continued to complain of the royal insults. The worst, was on the occasion of the visit by the Queen to the closed garden of Jallianwala Bagh in Amritsar, the scene of a hideous massacre by British troops in 1919, under the command of Gen. Reginald Dyer. The massacre, one of the worst offenses of the British Raj, has been widely condoned in Britain, and the British have never offered an apology.

One Indian columnist wrote angrily in *The Times of India* on Oct. 22: "I would like to say that the government of India has allowed the English Queen to desecrate the memory of those that died at Jallianwala Bagh. She should not have been allowed there unless she was prepared to read an apology, and unless she was prepared to issue a condemnation of Reginald Dyer."

At a state banquet on Oct. 13, the Queen had described the massacre at Jallianwala Bagh as a "difficult episode," but remarked blandly that "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." Royal Consort Prince Philip compounded the insult the following day, denying the Indian claim that 2,000 people were murdered by the British at the site (the official British version of history has the death toll as 379, with over 1,200 injured). "It wasn't 2,000, was it?" he said, adding, "I was in the Navy with Dyer's son."

### **Finger-pointing**

Back in England, officials hastened to blame one another for the mess. The Tories tarred the Labour government. Foreign Secretary Cook, in turn, pointed out that the previous, Tory, government had arranged the tour in the first place. "It might have been helpful if they had arranged this trip at some moment other than the 50th anniversary" of Indian independence, he said, "so we could have focused on looking forward into the 21st century."

The Royal House, in an unusual move, released a statement absolving the Labour Party-led government of any mismanagement of the tour. The statement said, "We have seen media reports from London suggesting that the Queen is unhappy with the Government's handling of arrangements for the state visit to India. . . . That is not the case. The Queen has been entirely satisfied with the advice from the Foreign Secretary and his officials in the preparations leading up to the visit and during the visit itself. . . . The Queen has very much appreciated the warmth of the welcome she has received through the tour."

At the Commonwealth summit, Indian Prime Minister I.K. Gujral is scheduled to reply, on behalf of the 52 members of the Commonwealth, to British Prime Minister Tony Blair, who, as host, will make the opening speech. Pakistani Prime Minister Nawaz Sharif will open the first working session of the summit. The royals are keeping their fingers crossed.

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## **International Intelligence**

## Lawyers scramble to keep lid on pedophile scandal

The drama surrounding the allegations of a high-level pedophile cover-up in New South Wales, Australia, escalated on Oct. 16 when Labour MP Franca Arena, who made the allegations, was taken to hospital with chest pains. Arena had been unsuccessfully challenging efforts to compel her to testify before a judicial inquiry ostensibly set up to investigate her allegations, charging that it breached the privilege that allows an MP to speak in Parliament with immunity.

Meanwhile, the judicial inquiry itself erupted into pandemonium when Kate Wentworth, the niece of a famous former federal MP, blurted out the name of a senior judge as one of the pedophiles, whose name she had confidentially given to the investigatory the Wood Royal Commission. Sensing that she was about to name the judge, the legal representatives began shouting to drown her out. The presiding judge, Justice John Nadar QC, quickly urged her not to name names, to which she replied, "I already have." Nadar issued a suppression order to prevent the name's being published.

## African 'peacekeeping' force being set up

Several western countries, Japan, and Russia met with some 20 African countries in Dakar, Senegal on Oct. 21 to move forward a project to establish an all-African supranational "peacekeeping" force. According to the Paris daily *Le Monde* of Oct. 18, the non-African countries participating included France, the United States, Canada, Belgium, Russia, Japan, and Italy.

The original initiative, proposed by the U.S., Britain, and France last year, to be run under international auspices, was rejected, according to *Le Monde*, by the Africans, who insisted that the force be operated by the participant nations themselves. Under a subsequent French proposal called Recamp, the U.S., Britain, and France will furnish training

and equipment to the new force. Already, maneuvers are being set up for February 1998, with a large multinational maneuver called "Guidimakhra" to be held in Mali, Mauritania, and Senegal, with 3,000-3,500 men. In addition to the armies of Mali, Maritania, and Senegal, those of Gambia, Ghana, Guinea, Guinea Bissau, and Cape Verde will take part.

Shortly before the Dakar seminar, French Foreign Minister Hubert Vedrine toured both former French and British colonies, and announced a "new Africa" policy, which sounds more like a neo-colonial extension of France's "Entente Cordiale" with the British Empire. Vedrine's trip included Ethiopia where he met with President Meles Zenawi, a puppet of Ugandan dictator Yoweri Museveni. In addition, Vedrine addressed ambassadors from the Organization for African Unity, whom he assured that France's "renewed engagement" would mean "no meddling in internal conflicts."

While France is cutting its military cooperation budget in Africa by 4.9%, Vedrine declared that France will contribute the equivalent of \$1 million toward a crisis-prevention and -management center for Africa, as well as \$30 million toward training and equipping a battalion of African peacekeeping forces. Matériel worth \$3 million, from disbanded French Army units, will be positioned in Dakar, Senegal, where it will equip some 600 African troops. France will also create a troop-training center in Zambakro, Ivory Coast, near the Ghana border.

## British Labour Party in bed with MKO terrorists

The Iranian press is gloating about the fact, reported in the London *Guardian* on Oct. 16 that Britain's ruling Labour Party had given delegate status to the Labour Party's congress to terrorists from the Mujaheddin al Khalq (MKO). The MKO is an Iranian opposition movement, based in Iraq, Europe, and the United States, which was just put on the U.S. State Department's list of terrorist organizations (see *EIR*, Oct. 24, p. 64).

According to the *Guardian*, Prime Minister Tony Blair and Foreign Secretary Robin Cook "were photographed talking to [MKO] national council members. Their pictures were later displayed in the group's newspaper, *Iran Zamin*."

A release from the Teheran news service, IRNA, commented: "The British Foreign Secretary was seen to be in an untenable position, being responsible for official policy that outlaws the MKO as a terrorist group, while being a member of Labour's national executive committee, recommending support for the resolution," backing the "Iranian people's resistance," an alias for the MKO. While the Foreign Office demurred that the government has "regarded the MKO as a terrorist organization for some years," there was no mention of the fact that the MKO has been allowed to operate in Britain, unimpeded.

## Soros blasts Belarus, embraced by Russian TV

Speculator George Soros took his ire out on the tiny nation of Belarus, which had shut down its chapter of the Soros Foundation after the group was charged with evading millions of dollars in taxes. Stopping in nearby Riga, Latvia on Oct. 6, en route to Russia, he attacked Belarus President Aleksandr Lukashenko as running a "Presidential dictatorship." The Soros Foundation closed its operations in Belarus, after being charged with evading millions of dollars in taxes. "We shall announce shortly that we intend to continue the support of civic society and individuals from outside Belarus," Soros said at his press conference.

Soros was criss-crossing the former Soviet countries, celebrating the 10th anniversary of his "Open Society" looting in the region. Instead of arresting him, Russian officials and mass media fell over themselves to flatter him. NTV's Mikhail Osokin called him "the scandalously famous Soros," and the network, in its Hero of the Day program, recruited the unctuous anchorman Yevgeny Kiselyov to interview him in St. Petersburg

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## Briefly

on Oct. 7. "We know you, Mr. Soros, are not just a businessman, but a politician," cooed Kiselyov. "Unfortunately, you can't run for the U.S. Presidency, as you are not an native U.S. citizen. But why don't you run for President of Hungary?"

## Drugs from Afghan war destabilize region

The continuing strife in Afghanistan is creating serious security problems for all its neighbors, not only because of the threat that hostilities may spread, but because of the increasing flow of drugs out of Afghanistan, in all directions. In early October, the Iranian news services reported on several important drug seizures, which indicate the dimensions of the problem, as experienced by Iran.

On Oct. 9, it was announced that 497 kg of illicit drugs had been seized in Yazd over the past six months. In one raid, 167 kg of drugs were seized from 52 smugglers who were arrested in the provincial cities of Ardakan, Mehriz, and Bafq, as well as the capital city of Yazd. Two days earlier, it was announced that some 1,650 kg of narcotics had been seized over the previous month and a half, in Fars province.

On Oct. 11, authorities announced seizures of 1,399 kg of drugs in Khorasan province, in the northeastern part of the country. The narcotics included 1,338 kg of opium and 61 kg of morphine.

### Biblioteca Ambrosiana in Milan restored, reopens

One of the world's greatest libraries, Milan's Biblioteca Ambrosiana, will be open to the public, following seven years of restoration. It was founded in 1609, by Cardinal Federico Borromeo, who had sent eight scholars throughout Europe and the Holy Land, to collect great works.

Its collection includes 400,000 printed volumes, 15,000 manuscripts and 60,000 letters and documents, 12,000 on parchment, 10,000 drawings, 30,000 etchings, and 2,000 Arabic codices. Among the trea-

sures are the following: a fifth-century illustrated edition of Homer's Iliad, from Alexandria; the Atlantic codex of Leonardo (402 pages of 1,000 scientific and technical drawings); De prospectiva pingendi, by Piero della Francesca; autographed works of Boccaccio, Petrarca, Machiavelli, Tasso, Galileo, Parini, Manzoni, Beccaria, Porta, Fo-Byron, Goethe, Savonarola, and others. There is an edition of Virgil's poems which belonged to Petrarca, who made his annotations in it; the Summa contra Gentiles of St. Thomas Aquinas; a Hebrew Bible, 1,200 years old; a Samaritan Bible from Palestine; a unique Koran. Among the works of art is the immense cartoon of the School of Athens, by Raphael.

The Ambrosiana was the first public library in Italy. An 18th-century writer described the library as follows: "Three men help continually to serve the public during the opening hours of the library, bringing the books back and forth. . . . Anyone who comes to study there, is given by the library free, paper, ink and pen." It adds, that provisions were made to make sure students would not suffer from the winter cold.

## Australia to certify high school 'McDiploma'

Beginning the next year, cooking a Big Mac hamburger will be an officially accredited high school subject for students studying for the Victorian Certificate of Education (VCE). Known as the Certificate in Food Retail (McDonald's), the new scheme will be open to Year 10, 11, and 12 students, will be marked by assessors from the McDonald's fast-food chain, and will provide points toward the Tertiary Entrance Rank, the points system which determines students' eligibility for university positions.

The scheme is the brainchild of Federal Education Minister Dr. David Kemp, who said, "This . . . will open the door to tens of thousands of students [and] will give children a head start in the jobs market." Kemp is a leading figure in the Institute of Public Affairs (IPA), one of the four Mont Pelerin Society think-tanks in Australia.

THE PROMISE KEEPERS cult planned to establish a chapter in Germany on Oct. 18, headed by Baptist minister Johann Heinrich Rust, according to the newsletter of the European Doctors Initiative (EAI), which has vowed to oppose the dirty operation.

SEVEN BRITS out of ten want the Queen out, according to an opinion poll reported in the Italian press on Oct. 19. As to who should replace Queen Elizabeth II, the poll indicates that, out of 100 British subjects questioned, 46 favor Charles and 44 want William.

JULIUS HACKETHAL, Germany's equivalent of the death-dealing Dr. Jack Kevorkian of Michigan, died of lung cancer on Oct. 18, at the age of 75, although he apparently did not take the cyanide-laced "last drink" he advocated for so-called terminally ill patients.

SAUDI ARABIA and Iran are continuing to mend fences, with the visit of Saudi Prince Ahmad al-Aziz bin Ahmad al-Saud to Teheran earlier this month. He was received by President Khatami, who called for improved bilateral relations as the basis for increased stability and security in the region. The prince was in Teheran, for a meeting of the World Health Organization.

PORTUGAL staged a provocation over East Timor on Oct. 16, when a Portuguese journalist claimed that five Australian journalists who were killed 22 years ago during the Indonesian invasion of East Timor were killed by the Indonesian Army. Several Australian inquiries, including one two years ago, concluded that they had been caught in the cross-fire between the Army and the Fretilin gang of Nobel Peace Prize laureate José Ramos-Horta.

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## **EXESTRATEGIC Studies**

# The U.S.A.-China strategic partnership

by Lyndon H. LaRouche, Jr.

The following speech was delivered at an EIR seminar on Oct. 22, in Washington, D.C. Subheads have been added.

What I shall do today, is present the evolution of the policy, which is presented to us by the coming visit of the President of China: the history of it, as I was personally involved in developing that policy over a long period of time, partly as a personal effort, and later, as an effort which began to make some impact on the shaping of the policies of the world during the course of the 1980s.

The one thing that has to be said, to put this in perspective: This is not a U.S.-China policy. This is a policy for the survival and recovery of the world. This civilization, in its present form, if it continues in this form, is doomed. We are headed, under present policies, world policies, world trends — We're headed toward a collapse of civilization, to occur, probably, by the end of this century. The Black Monday which erupted in Asia this past Monday, accidentally in a sense, echoing what had happened ten years earlier, on the so-called 1987 October financial crash: That is a world event. Even though much money was poured into markets in the United States, and Britain, and continental Europe, to try to prevent Black Monday from exploding immediately here, Black Monday exploded. And, as we stand here, it is continuing to explode in Asia.

The collapse of these markets is ongoing. This is not an Asian problem. This is a problem for Asia, but it's not an Asian problem.

In the recent period, especially during the past period since 1989, under the influence of Margaret Thatcher, George Bush, and François Mitterrand, who unloaded the policy of globalization—a post-Soviet world of globalization—upon the world, the world markets are so interconnected, inter-

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twined, that there is no longer any protection, with the qualified exception of China—that there is no longer any protection, by any nation-state or its economy, from the ravages of things that break out in the international financial market. An explosion in one market, one financial market, if it's severe, is an explosion in every market.

Already we see, today, that the economy of Europe is beginning to disintegrate another ratchet-step, as a result of the explosion which occurred Monday, and Tuesday, and Wednesday, in East and South Asia. This is an interconnected world. No part can be protected from the diseases which rage in another part of the world. What happens to any part of the world, happens to *us*. Black Monday in Asia *happened* in the United States. And, only people living in delusions, can imagine otherwise.

Now, on the gentleman who is coming to Washington, not for a U.S.-China negotiation, but, for an attempt to reach a partnership between the leading military power of the world, and the largest nation of the world, a partnership on which the survival of civilization depends. That is: the success of this attempt at partnership, will determine whether civilization outlives this century.

Now, let's look at some of the fortunate features of this.

The President of China (of whom I have limited knowledge, but what I know of his education, and what I've seen of his character, publicly) is the outstanding figure among heads of state, and heads of government, in any part of the world today. There is no person presently a head of state, or head of government, in any part of the world, who has the personal stature, and depth of character, of the President of China, who happens to be the head of, not a world power, but of a great power in the world, and a regional power.

And, therefore, we are very fortunate, to have one of the

FIGURE 1

British-backed strategic thrusts against China



world's powers, the head of China, who happens to be probably the outstanding head of state of any nation in the world today, in terms of educational and personal qualities, coming here.

This is a man who, for comparison, has no comparison in the past 25 years among heads of state in government. A man who belongs to the same rank, as Europe will remember in terms of President de Gaulle of France, or Chancellor Adenauer of Germany, or in a sense, President Kennedy of the United States. This is a great world figure, who has come to the top to represent a great nation. A partnership between the President of the United States, and the President of China and what he represents, is one of the greatest opportunities for turning the world around, and beginning to move the world in a new direction, under which conditions, civilization can survive. As it cannot, if we continue to go the way you want to go; if we continue to go the way that Congress is trying to push us; if we continue to go the way the British Empire is pushing us.

China has many problems, but its problems are, essentially, a legacy of the world's problems. And, it cannot solve its problems by China methods alone. It requires partners, just as we in the United States require partners, without which, we

cannot solve our problems. Therefore, the greatest occasion of this decade, is now occurring, next week, in the arrival of the President of China to deal with the President of the United States.

### China: a besieged nation

But, China's position is not all rosy. Let's look at the first slide [**Figure 1**]; this is a map which we produced for a cover of *EIR* some time ago.

China is the last surviving power on this planet which is not disintegrating. Every other part of the world is disintegrating.

Europe is disintegrating.

The United States has been in collapse, since, in fact, in physical terms, since 1970. That is: the per-capita *physical* market basket standard of productivity: by that standard, the per-capita income of the labor force has dropped to about *one-half* today, of what it was in the late 1960s. The productivity of labor, measured in the same terms, has dropped to approximately half today, of what it was 25-odd years ago.

Europe has collapsed, especially since 1989. If you take the productivity of Europe as a whole, or western Europe, since 1989, there has been a savage collapse, *presently accel*-



Lyndon LaRouche addresses the EIR seminar in Washington, D.C. on Oct. 22. "This is not a U.S.-China policy. This is a policy for the survival and recovery of the world."

erating, in the economies throughout Europe. The United Kingdom itself is a junk heap; it's a garbage dump. There's no power in England, but there is great power in the British Commonwealth and the financial institutions that it represents—the combination of financial oligarchical interests.

China, on the other hand, has in recent years, over the course of the 1980s, and during the 1990s, has had a contrary trend. China is the leading power of the world, the only one, which has had an upward course in economic development, in the recent period. There have been some interesting developments in Southeast Asia, but actually the Southeast Asia development—the so-called "Asia Tiger" development—is a form of neo-colonialism.

Remember, in the 19th Century, the colonial powers—and even in the 18th Century—but in the 19th Century, the colonial powers, led by Britain, would go into a country, and they would loot its mines, and they would loot its agriculture, for the benefit of the imperial powers. So, therefore, the investment in mines and plantations by the British, French, Dutch, and Portuguese empires, for example, did not benefit the people of the country in which these investments were made. The investment in slave-labor, or virtual slave-labor, by the European powers, and the U.S., in Southeast Asia, was not of long-term benefit to the people of those countries. Because, to invest in cheap-labor shops, and so-called "runaway shops"—as the NAFTA operation below our borders in the United States—does not benefit these countries.

For example, in Mexico, and throughout South America, the per-capita income of peoples is *half* or worse, of what it was, even as recently as 1982. NAFTA has been a disaster, not only for the people and the economy of the United States,

but for the people of Mexico and South America. Things are much worse as a result of NAFTA, than they were before. And, it has been getting worse since 1982.

The Southeast Asia-Asia Tiger miracles, is part of this runaway-shop operation, into cheap labor markets. A hit-and-run operation, in the same spirit as the plantation operations and mining operations, looting operations, of the imperial colonial powers during the 19th Century.

So, China is special in that sense. It has some of this; it has some runaway shops; it has some cheap-labor operations. But overall, there is a movement in China, which is upward. The only nation-state on this planet, which has had an upward movement of this type, during the past decade, and over a longer period.

Now, you recall what happened in 1989; that I'll come to again. But, since 1989, the former Soviet Union, and the nations associated with it, have collapsed. For example, the conditions of life in the eastern part of Germany, the former East Germany, today, are savagely worse than they were under Communism. Throughout eastern Europe, and the former Soviet Union, the conditions of life are savagely worse than they were under Communism, and they are rapidly becoming much worse.

This did not happen accidentally. It happened because certain powers decided to *do* that to that part of the world. For example, Maastricht was imposed upon Germany, *not* to develop the eastern part of Germany: as condition of reunification. And, not to do anything, which would allow the former Soviet Union, or eastern Europe, to recover, or to grow, after the 1989-1991 period.

The intent of the people who did that to the former Soviet

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Union, especially from London, the intent is to do the same thing to China. China is the only power from the pre-1989 period, the only power which has not been destroyed, or largely destroyed.

And, they intend to do that.

Now, that doesn't mean that some of these people in London, or in western Europe, or the United States, the enemies of China, do not intend to do business with China. Yes, they want the business. George Bush, for example, who represents the enemies of China, today, in terms of present policy, makes commissions anywhere he can, on Asia trade. Other people make profit on business deals with China. But they do not want a partnership between the United States and China, a partnership of nations, which might secure the long-term economic strength and stability of China.

The intent of London, the intent of the British Commonwealth, is to do to China what they did to the Soviet Union. That's their policy. Above all, they do not wish to allow the United States to enter into a partnership with China, which is an alliance, in effect, among two nations seeking to find global stability and global economic growth.

And, thus, China is besieged and threatened on every border. That's changing. What's happened on Taiwan recently, with George Soros and company collapsing the Taiwanese economy, as he participated in collapsing the Southeast Asian economies, has had a political effect in Taiwan. But, from every part of Asia, we can trace British intelligence operations, supported in part by some scoundrels from the United States, such as George Bush, and his brother Prescott, which are *attacking* China, and trying to destroy it.

You have a pro-British faction in Japan, which wants to make trouble. You have in the Congress, members of the Congress, who never had a passport before they entered the Congress. And they're now trying to make foreign policy! Most of them don't even know where countries outside of the United States, *are*. But they have strong opinions on the subject. Their ignorance strengthens their opinion.

This instability in Central Asia: It's a cockpit of trouble. There are threats to China, from all around it, launched, largely, by British intelligence, and by the British Commonwealth operations.

So, China is a besieged nation.

### What must be done: the Eurasian Land-Bridge

Some years ago, my wife and I, and others, developed a policy for the situation, which I'll devote much of today's remarks to—and Helga, also, in her way.

What we developed: [Figure 2] And, this, as you see, is a global policy. It's not just a question of a relationship between the United States and China. It's a *change* in the entire world policy, in which the relationship between United States and China can become the essential pivot and keystone for a global change, a much-needed global change, to keep the world from collapsing into a New Dark Age in the coming

vears ahead.

What we proposed, and what is at stake, is the development of a global infrastructural system, which had its genesis in the work of the Lincoln Administration in the United States, beginning 1861. That is, under the influence of the world's then-leading economist, Henry C. Carey, the American economist. The United States entered into a development program internal to the United States, called the transcontinental railroad. We set up a network of transcontinental railroad routes across from the Atlantic to the Pacific, of the United States. These were not simply transportation routes, but these were designed as development corridors, such that for a distance of 50 to 75 kilometers on either side of the rail link, you would have agricultural and other development, would be occurring.

And, therefore, we transformed very rapidly — In the late 19th Century, we transformed the wasteland, or relative wilderness areas, of the middle and western United States, at a rapid rate, into a developing area. And, from which came, in part, the great internal strength of the U.S. economy.

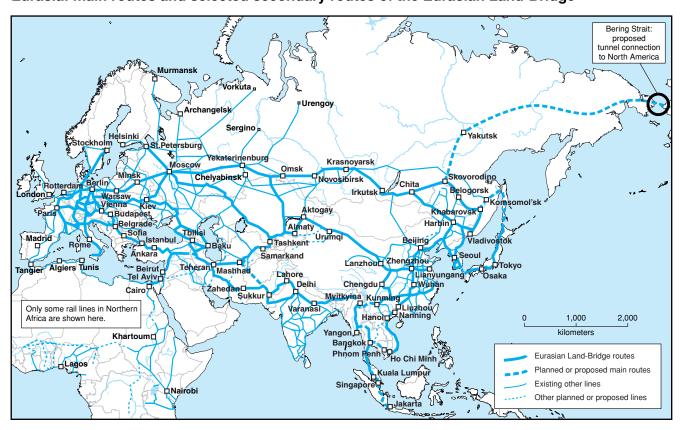
In 1876, Europeans, including Germans—Germany and Russia—a group in Russia around Mendeleyev, and later, around Count Sergei Witte, adopted this policy. The model of the United States, from 1861 to 1876, became the model for a revolution in Germany, which made Germany a world industrial power, beginning 1876; which made Russia begin to become a world power, through the programs of railroad building, including the Trans-Siberian Railroad, led by Mendeleyev, and led, in part by Witte. These policies began to transform the world.

What we did, and have revived—I'll describe how that happened—is we revived this kind of policy, to say that we must have a Eurasian Land-Bridge, based on the development of transportation routes. And, the corridors along which these transportation routes would lie, would become *development corridors*. Because, when you have transportation, power, and so forth, moving through an area on trunk lines, then on either side of those trunk lines of power distribution, transportation, and so forth, you have the possibility of economic development of that area, to a distance of 50 to 100 kilometers on either side of that route. A highly competitive potential for development, with supporting infrastructure.

What we propose to do, is to take the vast wastelands, the undeveloped areas of Central Eurasia, and by criss-crossing them with a number of routes of development from Central Europe, from a Paris-Vienna-Berlin triangle, with a concentration of machine-tool potential in Europe, to move these development routes across Eurasia into the United States, into the Americas, into Africa, and thus, create a *global development program*, to turn this undeveloped area of Eurasia, at last, into an area of development and stability, including the less-developed areas of China, and to bring the whole world together in one large-scale economic development program, which can be the basis for the revival and prosperity of the world economy in the coming century. That's the policy.

FIGURE 2

Eurasia: main routes and selected secondary routes of the Eurasian Land-Bridge



And the thing that will determine whether the summit agreement, or meeting, between the President of the United States, and the President of China is successful, will depend upon how that plays into making this possibility. This, and what it implies, is the *only hope* for avoiding a collapse into barbarism on a world scale during the coming century.

We must do it now. And, the possibility of doing it lies in the hands of two men, who are going to meet next week, again—the President of China and the President of the United States. *That* is what is at stake. Nothing else is important. *That* is important: the future of humanity. And, this summit will determine it. And, therefore, I get very nasty when somebody starts to try to upset, or spoil, or ruin, or undermine the success of this attempt at partnership between these two nations. This is crucial.

### Origins of the Land-Bridge program

Okay, now, I'll have played briefly, a section from a televised press conference, which I conducted in Berlin, on Columbus Day, Oct. 12, 1988, at the Bristol-Kempinski Hotel: This is the same televised press conference which was later re-broadcast, in the United States, during October, the same month, as part of a nationwide election campaign—my campaign. This is the actual genesis—this broadcast and what

led into it—is the actual genesis of the program I've just described, or identified. And is the genesis of the policy thinking which must go into the design of the agreements reached between the President of the United States and the President of China.

Proceed.

Come with me to Berlin, where I delivered a major press conference, on the morning of Wednesday, Oct. 12:

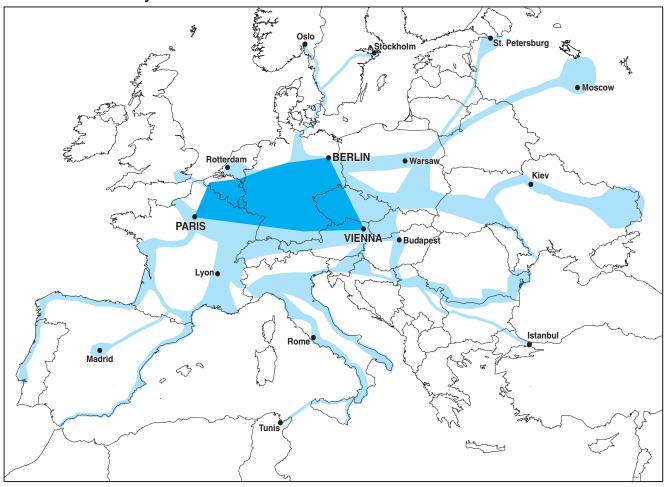
"Under the proper conditions, many today will agree, that the time has come for early steps toward the reunification of Germany, with the obvious prospect that Berlin might resume its role as the nation's capital.

"For the United States, as for Germans, and Europe generally, the question is, will this reunification process be brought about by assimilating the Federal Republic of Germany into the East bloc's economy, or economic range of influence, or can it be accomplished in a different way? In other words, is a united Germany to come into being, as a part of a Europe from the Atlantic to the Urals, as President de Gaulle proposed, or, as Mr. Gorbachov has desired, a Europe from the Urals to the Atlantic?

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FIGURE 3

The Paris-Berlin-Vienna Productive Triangle, and its spiral arms of development, from a 1990 EIR study



"I see the possibility, that the process of reunification could occur precisely as de Gaulle proposed."

What I forecast, in the remainder of that address, was that, during the coming months, that we would see the disintegration of the former Soviet bloc, for economic reasons. This disintegration would begin, politically, in Poland, would spread through eastern Europe. And, that the United States and Europe, western Europe, must prepare for this process of disintegration, of the Soviet-dominated economic zone. And, that the United States must support the early reunification of Germany under these conditions. And, that that proposal should be made in the context of offers by the United States, and others, to assist the states of eastern Europe, and the Soviet Union, in economic recovery, by helping correct some of the faults in their system.

It happened, as you know, the following year.

At that point, I turned to my wife, Helga; and we discussed the implementation, which had to be— This was

at the point that the Wall was beginning to crumble—the measures which must be taken by the United States and Europe, western Europe, in order to deal with the disintegration, which was ongoing in the former Soviet bloc.

The proposal that came from that, first, was called the "European Triangle Proposal" [Figure 3]: That, there is an area, in western Europe, an approximate spherical triangle, whose key points, whose vertices, are Paris, Vienna, and Berlin. This represents the historic concentration of infrastructural and related economic and technological development in Europe, which has been the greatest in the world. Here was embedded, in 1988-1989, the greatest potential for machine-tool technologies' radiation, from Europe into Eurasia.

And, my proposal was, the United States *had* to enter into an agreement, with these nations of Europe, in order to establish partnership, with this Triangle zone, in order to extend development corridors, based on transportation corridors, including the technology of magnetic levitation

rail—rail substitute—into St. Petersburg, into Moscow, etc.; down through Italy, and so forth, and beyond, as a great development project.

And, we designed some of the specifications of the development of this program. These reports were published in 1990, 1991, under the title, first, of the "European Productive Triangle," that is, the development of the entire Eurasia area, and other areas, on the basis of mobilizing the lingering potential in this part of Europe, particularly the machine-tool-design capability.

### The Machine-Tool Principle

On this, you must remember, that apart from Japan, and to some degree Korea (but that's a special case), that the problem of Asia, is that the majority of the world's population is concentrated in East and South Asia. And, yet, only in Japan—in the whole region—do you have the machine-tool capability, in terms of per capita of labor force, sufficient to sustain a modern economy.

You can not simply go into a barren desert, and set up a factory, and expect to have a productive economy. You must, first of all, provide infrastructure. You must provide economic transportation, water-management, power, and so forth. You must have educational systems, health systems: all of these infrastructural elements which are necessary for a successful modern economy *in that locality*. That is, you must measure the density of infrastructure, in terms of per capita of labor force, in terms of square kilometer of relevant area. In this respect, Asia is poor.

This ability to transfer technology, and to develop it, depends upon the ratio, of the number of persons employed, productively, in a machine-tool-sector industry, to the total number of persons employed in the economy. That is: the ratio of the rate of technological progress, per capita, in the machine-tool sector, as compared with the projected rate of technological progress per capita in the labor force, as a whole.

This is the key, the indispensable key, to economic progress: Without it, you can't have it.

Therefore, to deny Asia, as it has been denied, access to dual-use technologies, machine-tool technologies — For example, in Southeast Asia, you have virtually no machine-tool capability. What happens if repairs are required? Where do you go, to the machine-tool capability, to maintain your operating plant? Where do you go, to the machine-tool capability, to adapt a technology to your productive process?

The problem is, that through European colonial, and other policies, East and South Asia, with the exception of Japan, and to some degree Korea—South Korea, a special case—has been subjected to *technological suffocation*, by being denied the means to develop, and apply, and maintain, modern technology, at their own discretion.

We used to have some technology, for example, in the Philippines, associated with the two U.S. military bases, Su-



Technicians at the Siemens Shanghai Medical Equipment Ltd. work on medical diagnostic systems. "The right to development, involves education, infrastructure development, and, above all, the machine-tool design capability, without which you can not have continuous, sustainable development."

bic Bay and Clark Field, especially Subic Bay. There were small machine shops and machine-tool shops, in the area of these U.S. military operations, which were sustained there, because they helped to support the U.S. military operations. When the United States overthrew President Marcos, and put the Philippines through a rapid spiral of technological and economic collapse, since then, the United States *pulled out* of the Philippines, that technological machine-tool support capability. Destroyed it.

As a result, the typical problem in Southeast Asia, is a *lack* of machine-tool capability. The problem of overcoming the obstacles to rapid growth, in the *interior* of China (as opposed to some areas, which are high-development areas), depends upon having the machine-tool capability *necessary* to transform and support the transformation, of the relatively economically more backward portions of China, into modern portions of China; in order to increase the productive powers of labor, at a sufficient *rate* to fulfill the social objectives of China, and the Chinese government, today.

And, therefore, the crucial thing, to all of these parts of

the world, whether it's Africa, South Asia, East Asia, is to provide to these sectors of the world, the *right* to development. The right to development, involves education, infrastructure development, and, above all, the machine-tool design capability, without which you can not have continuous, sustainable development.

Thus, that was the principle of the sector: that, by developing land routes of efficient, high-rate, high-speed transportation, throughout Eurasia, and using these routes, not only to support trade and industry, but to support the transmission, at a high rate, of the machine-tool-design sector, into these countries, *then and only then*, would it be possible to lift the greatest part of the world population, which is *concentrated* in South and East Asia—and also in Africa, secondly—to lift these parts of the world, out of the legacy of 19th-Century imperialism, and the legacy of second-class citizenship in world affairs.

### The SDI: an example of statecraft

Now, how did this happen?

The key event, which is relevant to my role in this, occurred, beginning December 1981, and through a period through 1984. In December 1981, I had run as a candidate for the Democratic Presidential nomination, in 1980, against Jimmy Carter. And, thus, because of the position I had there, in that respect, as a former Presidential candidate (pre-candidate), and because of other things I'd done, it was decided by some people in the U.S. government, that it would be wise to have me, as a private citizen, respond to a Soviet probe, which had requested that an additional back-channel discussion be set up between the Reagan Administration and the Soviet government.

So, I agreed to undertake this exploratory discussion, but made one recommendation, which was conditional, in the sense that I said, "If I'm going to be useful, in this kind of discussion, there are certain things I should discuss, which are of concern to me, which will become the basis for this kind of exploration."

I had been concerned, for some time, with two things.

From my time in military service, in the China-Burma-India theater, during World War II, I'd been concerned with establishing economic justice for the world, after seeing Asia. And, that had been my personal commitment: that we must change affairs, so that the so-called underdeveloped, or former colonial regions of the world, could participate in justice.

And, so, I'd been involved, heavily, with Third World questions, and had gotten myself into a great deal of trouble, in certain circles, because I had been an advocate of the Third World. At one time, the FBI was going to have the Communist Party of the United States assassinate me—there's a government document on that subject—back in 1973, as a result of this kind of thing.

But, in this, the second thing I was concerned about, was that the agreements on détente, which had been reached, spe-

cifically reached, during the course and aftermath of the 1962 Missile Crisis, were themselves, a *danger*, a *risk*, to civilization: that the system of détente, that is, of nuclear mutual deterrence, had become the potential trigger for an accidental war; and that, therefore, we had to concern ourselves with this problem of ballistic-missile defense.

So, this policy, which I had devised, which was part of my 1980 Presidential campaign, a key (shall we say) plank, in that campaign, was that: the United States should propose, to the Soviet Union, and other powers, that we agree on developing an efficient ballistic-missile defense, to be common to all powers; so that no longer would we face the threat of thermonuclear extinction, with no defense against thermonuclear warhead missiles. And, that this collaboration, among the United States, the Soviet Union, and other powers, should be technological collaboration, extended to all nations, to the purpose of using these technologies, which were then called (in diplomatic language) "new physical principles," to the benefit of all mankind, with special emphasis on what was called, then, the developing sector.

This was the policy, which I used as a pivot of my exploratory discussions with the Soviet government, during a period from February of 1982 through February of 1983. I had indications from the Andropov government, that this would not be acceptable to Andropov; but, they were interested in the economics.

The President of the United States, in various ways, adopted this idea, as a good idea—President Reagan—through his people in the National Security Council, with whom I was working. And, on March 23, 1983, as you recall, the President of the United States, in a concluding segment of his televised broadcast, announced what he called the "Strategic Defense Initiative," whose content was to propose to the Soviet Union, *exactly* what I had outlined to the Soviet government in my back-channel talks.

That action, by the President, changed world history.

It didn't change it the way I wanted it changed, because, very soon, the mice—including the Heritage Foundation mice—got at the operation, and turned the SDI around, and changed its purpose.

And, of course, as you know, Gorbachov put me on the hit-list as Public Enemy Number One, worldwide, as a result of that policy.

But, the fact that the policy was *presented*, shook the world up: particularly, the organizing we did around that in 1982 through 1984. The leading military, and other institutions, of western Europe, the United States, and so forth, as represented by people of senior rank, in the intelligence and military institutions, were part of the groups of people who participated in supporting my policy proposals on this question.

And, I got into one, big, lot of trouble, over doing that.

But, that concept, of using these most advanced technologies, which still exist, potentially, and using these as the

shared technologies, shared among various nations, technologies based on expansion of the world's machine-tool-design capability *in terms of these new technologies*, should be used for transforming the world, into the kind of world, which, among others, President Franklin Roosevelt *intended* to put into effect at the end of the world war, *had he lived* to do so. President Truman had opposite policies.

And, that's the genesis of this particular policy, and my commitment to it.

### Oligarchism vs. republicanism

Now, let's just talk about this issue, talk about the issue of statecraft right now:

It is the oligarchical tradition—not an American tradition, but an oligarchical tradition—to propose that people who are appointed by an oligarchy, as the selected representatives of an oligarchy, to occupy the positions of government, and the institutions of government, are the highest-ranking authorities in shaping world policy.

Now, that's not true. And, that's not legal, under our Constitutional system.

The highest-ranking authority, socially, under the American system, under our Constitutional system, is the individual citizen. The most significant figure in our history, U.S. history, never occupied elective office: His name was Benjamin Franklin. He was the father of the American Revolution, and the American Constitution. Everybody who played any significant role, in establishing this nation, was a member of a group under the direction of Benjamin Franklin. The Declaration of Independence, while written by Jefferson, as the clerk of the sessions, was dictated by Benjamin Franklin. The Constitution of the United States, was directed by Benjamin Franklin, a citizen of the United States, who had this acting Postmaster General position, which he inherited from a lieutenant governor of Virginia, but was, nonetheless, a citizen.

If you look around the world today, as I referred at the outside, and look at the people who occupy the highest positions of government, or state, you find a miserable to mediocre lot, even by the standards of the 1950s and early 1960s.

You look at the populations, which, presumably, elect these people to office. Why do they elect mediocrities? Why do they elect people, who are not capable of dealing, intellectually, emotionally, with the fundamental issues of our time? A case in which Jiang Zemin, the President of China, is an exception, an *outstanding* exception.

Why are our politicians *so bad?* Why do we think of the neo-conservatives in Congress as the castaways, the ones that weren't sold at a rummage sale? Junk! Absolute junk!

Why are our institutions so corrupt? Why are the people in them so mediocre, so corrupt?

Because the *nations* have become corrupt! Because the people have become corrupt! Because the majority of voters have become corrupt!

Why do voters in the United States have contempt for

their government? Because their government allows people like them to vote!

As a matter of fact, anyone who is even *competent* in politics—and I know a number of people, who have—the President of the United States, for example (I've never spoken to him), but I know he's a man of ideas and principle. Why doesn't he stick to principle? Why doesn't he make an honest decision on issues? Why does he waffle? Why does he backtrack? Why does he waver? Why does he adopt one policy, and then the exactly contradictory policy? Why does he do that?

Why are the leaders of European governments—Why is the French government such a stinking mess? Nobody wants anything to do with the French state. The French state is probably, after the British state, the most corrupt on this planet! There's no morality in it! And, I know France. I can tell you: The present government, the present state, under Chirac, the present government under Jospin, is the most corrupt since Napoleon III.

Rotten. But, this is not exceptional: This is the general condition of governments, today.

Now, what happens, is, people will say, as individuals, or, influential people will say, "Well, there's nothing we can do about it. It's up to the politicians. It's up the elected officials of government."

And, you say, "Well, but shall we stand by the side of the road, knowing that this civilization is being destroyed, and do nothing? Simply because we're not elected officials of governments? Are we that immoral, that we will see the world go to Hell, and say, there was nothing we could about it, because we weren't elected?" Is that what Benjamin Franklin did? Is that what Alexander Dallas Bache did?

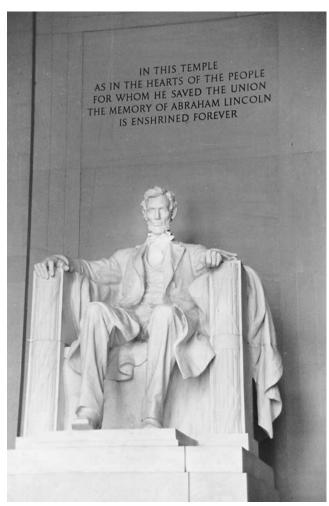
How many offices did Abraham Lincoln hold? Probably the greatest President the United States ever had. Once, he was elected to Congress, to Federal office; and once, as President of the United States, for which he was shot. The greatest President in American history.

What was Lincoln's influence, during most of his adult life? The influence, which caused him to become the President, which caused him to become, in fact, the *greatest* President the United States ever had! It was his role, not as a public official, an elected public official: It was his role as a citizen. Like Benjamin Franklin.

And, you'll find that's true in most nations.

Sometimes, in good times, or in fortunate times, a person of great capability, moral and intellectual capability, becomes elected to high office. But, usually, especially these days, especially in this century, that is not usually the case. Usually, we pick the worst people to become the elected officials. If you're not corrupt, you can't be elected. Truthfulness is a *disability*, a competitive disability, in any election campaign in the United States: If you tell the truth, you're in trouble.

Many people, who I know, who are professional politicians, have *retired* from office, because the situation is hopeless, *morally* hopeless. If you tell the truth, you're doomed!



President Abraham Lincoln's influence was based, not on his role as an elected public official, but on his role as a citizen, like Benjamin Franklin.

Since you're not allowed to tell the truth, or act truthfully, or honestly, retire from office.

How are people elected, today, in the United States, for example? They're not elected by a democratic process. Bunk! Most times, most citizens, and most political candidates, never meet each other. How do they meet each other? Through the media! Through orchestrated operations, slushed with money. How do they get the money, to run the campaigns? They sell themselves, to the people who have the money. Now, who has the money, in the United States, today? The worst people! The very worst: the Wall Street crowd.

So, the Wall Street crowd, or Hollywood, has the money. These are the great concentrations of financial power. And, since the candidates no longer have an efficient relationship to the population, and the population has no efficient relationship to the candidate, they don't meet together, and discuss policy; they say, "Well, I saw a slogan. Somebody told me on a news broadcast, this was a good man. I see his name in the press. I hear good things about him, from the rumor mill, on

the gossip circuit. My neighbor, next door, who raises turtles, told me, this is a good man."

That's how we get our politicians! You don't get truth.

### **Corruption of the justice system**

For example, the justice system in the United States is monstrously corrupt. The idea of truth? For example, let's take the highest level, as an example: Let's take an Associate Justice of the U.S. Supreme Court, probably the most influential person on the Supreme Court—Antonin Scalia. Antonin Scalia is a Satan-worshipper, who calls himself a Catholic. He's a Manichean. What he says, is: "I have my principles—my religious principles, my moral principles—but I am not allowed to see any moral intent in the U.S. Constitution, or U.S. law. The law must be what the marketplace demands it be! The marketplace of finance, the marketplace of opinion. What I perceive to be majority opinion, is law."

Where's truth? Where's justice? What do we mean by injustice? We generally mean that the power, entrenched power, has committed an offense against the rights of an individual or group. That's injustice. We talk about human rights, which means that official power, has either persecuted people, unjustly, or has tolerated it. That's called a violation of human rights. Who does that? Well, the majority does that; or, entrenched power does that. Therefore, the question of justice can not be separated, as Plato insisted, through the mouth of Socrates: You can not separate the question of justice from the question of truth. What kind of corruption do you have, then, when the highest court of the United States, says that truth is of no concern to it! When it votes, and says that people, who have claims, evidence showing their innocence, shall be executed, for the sake of public opinion and procedure? Explicitly no truth.

There is no justice in the United States, today, *on principle*. Because, there's no principle of truth. You can not bring evidence of truth into a court, and win the case: You will lose it, if the court perceives, that public opinion—as *it* chooses to perceive it!—has a contrary view.

So, in such circumstances, it is immoral for the private citizen to say, "There's nothing I can do about it. You leave it up to the politicians, the elected officials. They have the authority."

Where does this idea *come* from, about elected officials having some kind of exclusive authority? The idea of the republic is, that the *citizen controls elected officials*. By *exerting* that control, not by sitting back and saying, "I can vote for them, or against them," but by actually *exerting* control on the discussion and formulation of policy; of holding the institutions of government *accountable*, for a truthful representation of the issues of policy. A *real* public opinion—not the kind we have, that you get second-hand, from the press.

They have, across the river over here, they have a thing called a mass-media museum: It's called a Newseum. Now, these guys ain't got no class, because their signs point "New-

seum." If their signs had class, they would say, "Ad Mewseum!" Because, that's the character of the news media, and that's where the people get their opinion—and from Hollywood.

### Hollywood 'morality'

Take the case of: "What is Hollywood?"

Hollywood is very corrupt. It pays virtually no taxes. Why? Because Hollywood films, as you might guess from looking at your television set, are actually funded, and organized corporately, in the drug-money-laundering centers of the world, such as the Caribbean islands. So, you set up a corporation, in a place like the Cayman Islands, or the Dutch Antilles, or someplace like that, where Russian is spoken, because the Russian gangsters are all over the place, the Russian mafia, laundering money! Laundering drug money, and getting their drug deals. They set up corporations, and some of the leading actors set up corporations there; they set up a company to create a film. The film is a piece of junk, because the purpose of the film, is to launder drug money! That's why you have so many! And, you suspect, "Look, this film was not prepared by a writer. These things are not even actors; they are something. But, kicking somebody in the head, or getting undressed and performing sex before a screen, is not exactly high-quality, Classical art!"

Why do they do this? Because, these are vehicles for laundering drug money!

So, how is it, that some people get so rich from this stuff? Because, they're rich by laundering drug money!

Why doesn't Hollywood pay taxes? Because, the great profits on distribution of these films, internationally, go into the *drug-money-laundering centers!* Not into the distribution of films, based in the United States. So, as long as the distribution costs match the money retained, by the Hollywood, or so-called domestic U.S. filmmakers, they don't have to pay much in taxes.

So, therefore, what do you have in the Hollywood mafia? The actors, who, through these arrangements, with the drugmoney cartels, have millions of dollars to spend! The great funders of campaigns; the great *moral* paragons of the United States. "I want my daughter to look like this actress." "I want my son to look like that." "I want to dress like that." "My son wants to marry a woman, who looks like that actress." "My daughter wants to marry a man, who looks like that actor."

This is a surrogate royalty, for the illusion-ridden American.

This is an example of our moral degradation!

Our educational system: Most young people, coming out of the educational system today, even universities, would not qualify to graduate from a decent secondary school back in the 1960s and 1950s. They don't *know* anything! They haven't been *taught* anything! They've been taught junk! They've been put through a sociological drill, of political correctness.

### We are watching our nation be destroyed

So, we sit, and we watch our nation being destroyed. We sit and watch our children being destroyed. We sit and watch genocide!

Take the genocide case: Well, we're becoming demographically aged, because don't know how to make babies anymore. Only if you're uneducated and very poor, you haven't unlearned how to make babies. So, what happens to us? If you get sick, you're likely to die. Why? For the greater profits of the insurance companies, who move in and make rules, whose purpose is to accelerate the death rates among people who have severe illness, or who are simply old.

What is going on in our hospitals and our medical system, through the health management organizations and through the insurance companies, and behind them, is a systematic mass-murder, which differs in no principal respect from what went on in Nazi Germany in the 1930s. Mass murder! The morbidity rates, which are among victims of disease and atrisk age groups, is rising. The hospital system we built in the postwar period, over the period from the late 1940s into the middle of the 1970s, is being *destroyed*.

People are being murdered, for the sake of Wall Street's profits, today. This is upheld, as being legal. Statutes are written to *favor* this operation! Government budgets are designed to favor this operation! The latest one, is to eliminate pensions, altogther, on demographic, economic grounds.

So, we have this *immorality*, which takes over government, and becomes recognized as *mainstream opinion*, and the government defends committing crimes, and stupidities, in the name of the "authority of mainstream opinion."

Just like this anti-Christian Manichean! It's like, you could say, of Justice Scalia: Just because you want to be a good church-goer, doesn't mean you have to be a Catholic. You don't have to be a Christian, to be a good church-goer. Just have to keep up the appearances, and stick to *mainstream* opinion.

So, what do you do?

### America's Leibnizian heritage

Well, where's the American idea come from? You look at the history of the founders of our nation: The influence which shaped this country, was that of Gottfried Leibniz, specifically in opposition to Locke. Our culture, our political culture, does not come from the British empiricist system, or from Locke, or Adam Smith. Our culture comes from the European tradition which was transmitted through Leibniz. The ideas, the philosophy of Franklin, were those of Leibniz. The Declaration of Independence enshrines the principles of Leibniz, which Leibniz composed in opposition to Locke. The Preamble of the U.S. Constitution, the Federal Constitution, is a statement of Leibnizian *principle*, in opposition to Locke; and that's the highest law, Constitutional law, of the land.

Where do we get these ideas?

Well, our founders, the best of them, the leaders of them,

were educated in Classical Greek. And. our ideas of the citizen, came from study of the aspirations of a society, based on citizenship, as expressed in Classical Greek—particularly, the case of Solon, the great tragedies of Aeschylos and Sophocles, and especially Plato. The idea of the philosopher-king. The citizens, who developed intellectually, morally, who developed the responsibility, especially as they aged, the responsibility for taking care of their people, and their government. The socalled "Good Samaritans" of their society. The people, whose mission in life, whose adopted and developed mission in life, is to take care of their nation, and its people. And, to take care of humanity as a whole. And, to try to make their nation a good nation, for the benefit of all humanity. It is we, who have to do this.

FIGURE 4

Fortunately, for various reasons, I developed a very strong sense of that kind of purpose; and, thus, in the way I indicated, and also in other ways, became internationally somewhat significant, as the philosopher-king, as a citizen - not elected to any office - but often dealing with governments, and dealing with influential people; travelling around the world, communicating around the world, trying to make this country a good country, not only for itself, and its people, but a good country for all mankind. A good friend of all mankind. A good friend of all the nations and peoples of this planet.

And thus, I developed these concepts, and have been involved in these operations, like this one. (And, I call upon all of you to do likewise, if you can!)

### What is a human being?

Now, let me just turn to the next slide [Figure 4].

What is a human being? That's the question, that really is there. I think that the President of China is a man who could understand this; probably already does. The President of the United States, if he could get rid of certain problems, could also probably understand this. (It might take a wrestling match, but he can probably end up understanding it.)

What is a human being? That's what's at issue, in this! We have a planet, over 5 billion people! What are they? We

Current Levels of Development
of
Individual Creative Reason

Discoveries of Valid Principles

Discoveries of Valid New Hypotheses

How the Machine-Tool Principle is situated

Classical Humanist
Education

New and Improved Product Designs

Infrastructure Designs
Productive Processes
Increasing Capital-Intensity
Increasing Power-Intensity

Labor Force and Machine-Tool Designs
Are Combined

Productive Process
Development
Increased Productivity

Increase of

Potential Relative

Population-Density

**Higher Levels of Development** 

Individual Creative Reason

have people that say that human beings are nothing but animals. We have this guy, Peter Singer, an Australian, who was essentially kicked out of a conference, because he's denying human rights, in favor of animal rights.

People no longer know what a human being is!

Some people, like Prince Philip, the Consort of the Queen of England, says that man is nothing but a higher ape. And, I say, "Well, are you speaking of your children, sir?" People *have* those ideas.

What is man?

The economists lie: Every brand of economics generally taught, and practiced in the world today, is based on the assumption that there is no difference between a man and a monkey. Because: where is the difference between man and ape located in the design of those economics? Since, all apes, together, combined, never had a potential population in excess of several million individuals, under the conditions which existed on this planet in the past 2 million years. Never!

How did we reach the level of a couple hundred millions world population, during the Hellenistic and early Roman period? How did we reach several hundred millions population, worldwide, by the 14th Century? And, how, from the 15th Century, have we had an ascending growth of population, and standard of living, on this planet, of over 5 billion people, today? How did that happen? Why aren't we down to just 3 million or 4 million, as we should be, if we were merely an ape?

What's the difference?

The difference is, what we call scientific and technological and cultural progress.

Where does this come from? Where does this progress come from?

It comes from the discovery of *principles*: Such as, principles of physics; principles of the universe; scientific discoveries; cultural, artistic discoveries. That's where it comes from.

Where does this come from? Why can't monkeys do it? Why do you allow people to monkey with our government?

Because, the individual personality has a quality, which is absolutely different from that of any animal. *Only* a human being can discover a principle, an idea. *Only* a human being can unlock the secrets of the universe. Only a human being can unlock the secrets of the powers of the human mind, itself, as we do with great Classical art.

Therefore, *that* is the source of power. *That* is the source of economy.

What is economy? Economy is man's relationship to the universe. That is, man's *existence* in terms of man's effective, *willful* relationship to the universe.

What do we do, when we discover a principle? We *change* man's relationship to nature. We increase man's power over nature, by unlocking the secrets of nature, through the powers of discovery, which are *located in the individual mind!* 

What is history? Real history? It's the history of *ideas*. Ideas, which represent the accumulation of discoveries, which have been made by those who came before us. History is the history of those ideas.

### Education, the life-blood of the republic

What is education? Education is allowing young children, whether in the family, or in schools, to reexperience the act of discovery, of those great principles, which are the heritage we have from generations before us.

What do we produce by education? By *that* kind of education? Not textbook education, but *that* kind of education? You

must *re-live* the act of discovery. We produce a *mind*, which understands what a human being is: because, they have relived an essential part of the history of all humanity, through re-enacting these discoveries. We have a mind which is trained: to do what? To use the power is has, and which it has developed, to make new, and *better* discoveries, than those who came before.

What do we call that? The generic term for that, is "education." Or, to distinguish it from the kind of *mis*-education people get in schools today—or, I guess they call it, *Ms*-education, which you get in schools, today—you would call it, *Classical* education, because it's based on the Classical conception, which we attribute generally to Classical Greece and European civilization: the tradition of Plato. That you must *re-live* history. You must re-live it, in terms of how man's relationship to nature changed; how man's relationship to man improved. *That's real history*. And, therefore, we call re-living that (in the student, re-living history, the history of ideas), "Classical education."

So, therefore, the center of economy, the first principle of economy, is that.

Now, what do we do in good education, particularly in higher education? You produce young people, as Lazare Carnot and Gaspard Monge did, in France, prior to 1814; in brigades of young people, taken in from the farms, and so forth, as talented young people, and made into the great scientists and engineers of France, in that period. You take part of the population, you put through an *educational* process, and you produce people, *thinkers*. Great thinkers. They develop new discoveries.

Now, when you make a discovery, you have to prove it, don't you? You think you've discovered the solution. You have to prove the solution. What do you do? Well, in modern times, you create an experiment, sometimes called a "crucial experiment." Sometimes it takes the form of a laboratory experiment; sometimes it takes the form of working with a telescope, or something else—but you produce an experiment. You *design* an experiment.

The experiment is designed to test whether or not you can prove, that the principle you think you've discovered, actually works. Now, you keep doing that, until you get this thing right. When you get this right, when you get a very good, refined experiment, which proves things, one way or the other, what do you do? You walk over to a machine-tool-design shop—probably the same one that helped you build the laboratory equipment—and at that machine-tool shop, they say, "This principle works." Now, they proceed to develop new kinds of designs of products, new kinds of productive processes, based on this Machine-Tool Principle.

So, therefore, once you start with the idea that there's something sacred, and special, about the individual person, this creative potential: now, you create an educational system, and a social process, which is centered on *that* principle, the principle of the citizen. The citizen which is born with a divine



Chinese pianist Liu Shih Kun works with a young musician. The first principle of economics, is a Classical education.

spark of reason, in each individual. To cultivate that citizen, and to develop that citizen, that individual, as a *true* citizen, a *thinking person*. A person, who knows *how* to think. And, the citizens then choose among themselves, in a good society, who their leaders shall be, in terms of government and other functions.

That is a true republic.

But, economy comes from that: the successful economy comes from that. So, we educate everybody: Give every newborn child *that* kind of education. And, you produce a *powerful* society; because, every person is powerful. You no longer have two-tier societies, which have oligarchs on top, some lackeys, who do errands for them, like military and other lackeys, and then, the people, who are treated like *human cattle:* who do their job; who are not taught anything, except what they need to do, to do the job assigned to them. Human cattle. Serfs! Slaves, or similar conditions.

No. We say, "Everybody in society, every newborn child, must have this kind of development." And, this development must go, if we can do it, we can afford it, to the level we call the university level, today. In order to develop every personality, to the fullest potentiality—moral, and intellectual, and scientific potentiality—of that mind; which, in a sense, the President of China exemplifies that kind of objective, in a personality, as other leaders of China, whom I know, have that kind of quality.

### Conditions for progress

Now, on the basis of developing artistic, or political, statecraft, or scientific ideas, you now go into changing production. Why can you change production? Well, you apply the Machine-Tool Principle, to make new designs of products, better infrastructure, better productive processes.

Why does it work? Because, on the other side, the labor force you've educated, is qualified to go in, and be *confronted* with new technologies, and to be able to make them work!

For example, you had, in the Soviet economy, which I had studied for many years: You had a two-tier Soviet economy. On the one side, you had the military-scientific-industrial complex. Now, this was one of the best scientific cadres, in the world. I have certain criticisms of their philosophy, but they worked; they made things work. They made *junk* work; worse junk than we produced: They made it work.

But, then you had those, in the Soviet society, who didn't have that level of education, lived on another tier: the civilian society. These were the people who were *resistant* to technological progress, which the Soviet officials, privately, used to call the "peasant problem." You had people who, because of the lack of cultural development, were *unable* to cope with technological progress; who had an attitude of *refusing to cope* with technological progress, if they could avoid it.

And, that was the inner weakness, the greatest inner weakness, of the Soviet economy: the "peasant problem." The inability of large masses of the population, employed in the civilian sector, to be able to match the level of performance, which was achieved in the military-scientific complex.

How do you overcome that?

It's a problem with China, it's trying to deal with now. How do you create the circumstances, given a population of over a billion people, how do you create the circumstances in

which you can *uplift* the poor family, into this level of dignity and education? You have to have the means to do so, you have to have the economic means to do so—the physical economic means. You have to have the life-expectancy and conditions of social life in the family, so this can occur. Which the Soviets never faced, never actually specifically addressed.

So, therefore, by having a *developed* labor force, engaged with technological progress in the workplace and similar places, you have the formula for success; the formula under which the *cost of producing* an individual is *less* than the productivity of the society, as measured in physical terms. Those are the conditions of progress.

What we have to do, is do that on a planetary basis.

### The oligarchical two-tier society

Now, in the oligarchical society, what is the famous statement? You hear it in the United States; you hear it in Europe: "Don't educate people above their station. Do not provide people an education, which might equip them to do something, the kind of work, or live the kind of life, they're never going to have the opportunity to have."

This goes back, in European history, to the Code of Diocletian: If your father was a baker, you must be a baker. And, you must use the same methods your father used, and your grandfather, and his father before him, and his grandfather before him.

It was this philosophy, which destroyed the Byzantine Empire from within; which depopulated it, with this policy of zero-technological growth.

"Stay in your place. We don't want to educate everybody, because they're only going to be paper-shufflers, or do service work. We don't want to *over*-educate people!"

And, thus, you create and have the mentality of a twotier society.

Similarly, you say, in politics: "We don't want the *people* involved in deciding policy. We want government to do, as government is told to do. We wish to control government. We wish to determine who can get into government. We wish to control them"—whether by legal harassment, as they're doing to Clinton, or something else. "Control them! Threaten them! Break them! Get rid of them! If they don't do our bidding!"

The constituency of government then becomes, as in the United States: Hollywood and Wall Street. If Hollywood, the daily mass media, and Wall Street, do not want something to happen, it is not supposed to happen. This is called "the Establishment." The Establishment decides what kind of government you shall have, and who shall occupy the seats of government.

The people have given up; 51% of Americans, at least, eligible voters, *don't register to vote*. They probably consider that an act of corruption, of condoning this rotten system. And, they're partly right: They're morally wrong, but their judgment on the system is correct.

So, that's the kind of system that's wanted.

For example, Lord William Rees-Mogg: He's a madman, but he was formerly chief editor of the London *Times*, which is the publication which broadcast British foreign policy, before the British Foreign Office knew about it. And, this gentleman has said, the objective is, to create a society of the type that, people like Alvin Toffler, and Newt Gingrich, or Al Gore, want—a new type of society, which would be called a "New Age" society, a "New Era" society; "information society." In which only 5% of the population will receive *any* education at all, and they will control the world through "information," while the 95%, the rest, will receive no education.

This is kind of society, which is described in the last story of Jonathan Swift's famous *Gulliver's Travels*, which is really a story about a visit to early 18th-Century England, in which the society was governed by rear-ends of horses, and the masses of people were called Yahoos—not to be confused with Netanyahoos. And, the Yahoos spoke no articulate speech. They did all the work, manual labor, and spent the rest of their time, rutting in the ditches. And, they were going to castrate poor Gulliver, because they thought he was a talking Yahoo, and they didn't want any of *those*; so, they were going castrate him, so he couldn't breed any more of that kind.

That's the kind of objective; that's the kind of way they think.

So, you have a government, which is based on the oligarchical principle, in which the citizens, who are not in the Establishment, who are not controllers of the mass media, who are not Hollywood actors and actresses (whatever sex *they* have); that they will keep their mouths shut, except if they're elected to official positions of government, in which case, they will do as they're told, or be thrown out.

That's the kind of society we have: an oligarchical society, run essentially by Wall Street, the Establishment, and Hollywood; and the British.

We no longer have a society, which is functioning as the United States was Constitutionally designed to be: A nation based on citizens, who had a sense of truthfulness, and commitment to knowledge, who would decide, and take care, like the Good Samaritan in the New Testament, would take care of the nation, the people, those who had fallen by the side of the road; and, would care that their nation, above all—just as they cared what *they* became—would care also what their nation became, and what their nation was in respect to *other* nations. Was it good, beneficial to the world? Or, was it bad?

And, that's what we must do again.

And, that's what I've done.

### The few Good Samaritans

And, because of this situation, we've come into a time, when there're very few of us—and, I know the world, I think, very well; better than most. I've dealt with many countries,

over many decades, increasingly. I know most of the governments of the world: how they think; what they've done; what mistakes they've made; what traps they've fallen into; what foolishness they do today.

Very few people know what is happening to the world. They know less about economics than anything else, where they do the most talking about it. And, the higher you are in economic policymaking, generally, the less you know, the less competent you are. Because you don't recognize that economy is based on the principle of the individual, the individual creative powers of the individual mind. Profit doesn't come from cheap labor! Profit comes from the *development* of the individual mind, and providing the conditions of life, which are *necessary* to the development of those conditions of mind.

All the accepted economics is totally incompetent! But, people accept this. Sociology is taught: incompetent! Virtually everything taught in our universities today, is *incompetent!* It's *rubbish!* 

And nobody cares. They care about passing the course, not whether they're learning anything, or not. They want the job! They're like the musician who sings to earn his supper, not for the benefit of music. They don't care.

So, the number of people on this planet, who are well-informed and well-organized, at least, in relative terms, are very few. And, they're mostly outside of most governments. You will find very few people, a very tiny percentage of people in any government in the world today, who are competent, even by the standards of the 1970s-early 1980s. Virtually none.

Any leading politician, from the 1960s, '70s, or '80s, would, and does, look with contempt upon the majority of the politicians who are elected today. And, justly so! We have a junk-heap. We have a swamp, not a Congress—a swamp—and, we're not quite sure what species are in there.

Therefore, it falls upon those of us, who do know, who are few, to do what we can, like the Good Samaritan, to ensure that the ideas that are needed, are provided, and to provide leadership.

And, that's the role I play. That's been my motivation, my concern, in doing what I've indicated. Now, as I say, the time has come, in which the meeting between the two Presidents, is to be a turning point in world history: up or down. If the summit were to fail, if it were to fail in establishing the kind of partnership, the understanding, between the two powers, which is needed for this world, then I wouldn't give you too much, for the prospects of the entire human race, over the coming decades.

And, thus, we have to be concerned, at this point, to provide, to such few leaders and others who are willing to hear, to provide the policies, the programs, the outlooks, which are needed, at a time when virtually no one on this planet—none of the institutions in power—have the slightest idea of what has to be done, to save this world from Hell.

# China's strategic priority is nation-building

by Helga Zepp LaRouche

It is amazing that an event, which is regarded by the largest population on this planet, namely a nation of 1.2 billion people, as being of extraordinary historical significance, is almost completely blacked out by the ever-so-"democratic" and "free" Western media. And indeed, there can be no doubt, that the 15th Party Congress of the Communist Party of China, which took place in Beijing in September, has very far-reaching importance, not only for China, but for the world at large.

The most crucial aspect of this congress was the speech by President Jiang Zemin, and given his visit to the United States at the end of October, and the various British-inspired propaganda campaigns against China, it is most useful to come to a realistic conclusion about the intention of a representative of another country, if one takes a close look at what he is doing at home.

If one goes back to the principles of the U.S. Founding Fathers, and, in particular, John Quincy Adams's idea of a "community of principle" among nations, then every American patriot, as well as the patriots of every other country, should be very happy about Jiang's speech. If the American reader frees himself of the idea, that it is the mission of America to impose American ideology, "democracy," and the "free market" on other nations, and instead, pays respect to the fact, that China has an uninterrupted 5,000-year-old history, whose Asian cultural characteristics are quite different, then one can only be very pleased about the direction China is going.

There is only one way to characterize Jiang Zemin's speech: It was a passionate nation-building speech, of a scope and vision that has not been heard from any head of state for a very long time, and, certainly, it was unmatched in its cultural optimism. The most important outcome of the congress, was the fact that it wrote into the party constitution, the idea that "Deng Xiaoping Theory" is the party's guiding theory, which means a consolidation of China's policy of scientific and technological progress, economic growth, political stability, and reaffirmation of Confucian values.

Jiang Zemin started out to present the two great historical tasks, with which China was confronted after the Opium Wars of 1840 (in which the British Empire had inflicted incredible suffering upon the Chinese people), namely: 1) to win na-

tional independence; and, 2) to achieve "common prosperity" for the people. The American reader should note that even if the historical and cultural predicates differ, still the starting point for the history of modern China is actually no different than that of the United States, which gained its own independence from the British Empire. And the issue over which the American War of Independence was fought, was, after all, the right to its own manufacturing and, therefore, exactly the same idea as the "common prosperity of the people." Both nations had historically the same enemy: the British Empire.

We must nurture citizens, one generation after another, who have high ideals, moral integrity, a good education, and a strong sense of discipline. We must see that education is given a strategic priority.—Jiang Zemin

### The legacy of Sun Yat-sen and Deng Xiaoping

Jiang Zemin emphazised that it was Sun Yat-sen, who first introduced the notion of "rejuvenating China," by proposing a modernization program, a fact of great importance, insofar as Sun's book, The International Development of China, outlines many of the infrastructure and development programs which the Chinese government is pursuing and which are the reason for its outstanding economic performance. Jiang then defined goals for the next century, including doubling the GNP, as it stands in the year 2000, over the decade between 2000-2010, "so that people enjoy an even more comfortable life." He added a vision for the next 50 years: "By the middle of the next century, when the People's Republic celebrates its centenary, and the modernization program has been accomplished, by and large, China will have become a prosperous, strong, democratic, and culturally advanced socialist country."

Such an optimistic prognosis is not without foundation. Everybody who has observed China's economic performance over the last 15 years can confirm that, provided China can protect itself from the ongoing collapse of the international financial system, and provided the necessary reforms are introduced in time. The figures given in Jiang's report are otherwise impressive: an average annual increase of the GNP between 1992 and 1996, as well as an annual per-capita increase in the income in real terms for the urban population of 7.2%, and of 5.7% for the rural population. At the same time, the number of rural poor greatly decreased, by 32 millions.

If one considers the history of the Communist Party of China, it is, indeed, of the highest importance that Deng Xiaoping Theory is being affirmed in the constitution. Because, as Jiang points out, Deng's famous speech, "Emancipate the Mind, Seek Truth from Facts, and Unite as One Looking to the Future," was given at the end of the Cultural Revolution, when China was at a crucial juncture and was faced with the question of which course to take; the speech shattered the argument of the "two whatevers." This refers to the notion created by then-party Chairman Hua Guofeng, after the death of Mao Zedong, that "whatever" decisions he had made must be firmly upheld, and "whatever" instructions he had given must be followed unswervingly.

Deng, who had fallen into deep disgrace when the "Gang of Four" dominated events, was fully rehabilitated, and with the Third Plenary session of the XI Central Committee in December 1978, he rose to become the highest leader of China. He immediately made an economic buildup the center of all efforts. His idea that "praxis is the only criterion for checking the truth" won out, over the theory of the "two whatevers." An article with this title first appeared in *Lbun Dongtai* (*Theoretical Trends*), the Central Committee party school newspaper, and the next day it was published in *Guangming Ribao* in full. It began a new era in China of economic development, and of China's finding its way back to "Chinese characteristics."

As Jiang Zemin underlined, Deng's theory provided a new method, a new scientific judgment to analyze, among other things, the "success or failure of other socialist countries in the world" and "the gains or losses of developing countries in seeking development." Now, while Deng's theory is not the same as the LaRouche economic method, there are similarities, insofar as both provide a yardstick for the efficiency of economic performance. And concerning the success or failure of other socialist countries: There can hardly exist a firmer determination than China has right now, to avoid absolutely the fate of Russia after the collapse of the Soviet Union.

Commenting further on Deng's theory, Jiang said: "Hence, Marxism will necessarily advance along with the development of the times, practice, and science; it can not remain unchanged. It is not book-worship [meaning dogmatism or fundamentalism], it is a method to study and solve practical problems in China. . . . One of the basic reasons for the achievements in the reform, the opening up, and the modernization drive over the recent period of nearly 20 years, is that we corrected the erroneous concepts and policies transcending the primary stage of socialism." Deng emphasized: "Ours is an entirely new endeavor, one that was never mentioned by Marx, never undertaken by our predecessors, and never attempted by any other socialist country. So, there are no precedents for us to learn from."

Jiang then outlined the general orientation of the contin-

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ued economic reform, such as gradually putting an end to underdevelopment, turning China into an industrial country, where the proportion of the population working in non-agricultural areas will be in a majority, turning the whole society into one with fairly developed science, technology, education, and culture, and where the entire society is well off. Also, both the gap between the different regions of China, as well that between China and the advanced world, is supposed to be narrowed.

In order to accomplish this, Jiang explained, it will be necessary to make "economic development the central task; all other work is subordinated to and serves this task. Development is the absolute principle. The key to all of China's problems lies in our own development."

### The Confucian tradition

Apart from this orientation to the buildup of the physical economy of China, what permeated Jiang's speech were features of the older traditions of China, pointing out the utmost importance of balancing the reform, development, and stability, with the need to maintain a stable political environment and public order. "Without stability, nothing can be achieved," he said.

If one compares this emphasis on stability with the wild phases of the Cultural Revolution, then it becomes clear, that the emphasis on "Chinese characteristics" in Deng's theory means a return to the paradigm of the 2,500-year-old history of Confucian and neo-Confucian values. For 30 years, from 1949 to 1979, China, which had been one of the most conservative cultures in the world, was suddenly supposed to be one of the most revolutionary. Whereas the Cultural Revolution, which was characterized by purge after purge, and the terror unleashed by the Red Guards, left everybody with the experience of a complete disaster and an economic catastrophe, today, there is a very firm commitment that this should never happen again. The ten years of the Cultural Revolution are generally discarded as a chaotic interval.

It is also important to remember that Confucius's philosophy was the answer to 500 years of war, chaos, intrigues, and general barbarism, which dominated the Spring and Autumn Period of 770-475 B.C., and the even worse Period of Warring Kingdoms, from 475-221, which led to a very profound longing for order and stability, which Confucius put into an elaborated philosophical system.

One of the key notions of Confucian thinking is li, which means finding your lawful role in the universe. Self-discipline, through the permanent reactivation of li, leads to the adjustment of the dao (the way), which defines not only the laws for man, but also the laws of Heaven. This approximates what Nicolaus of Cusa, the founder of modern natural science in the 15th century, means when he talks about the coincidence of the laws of the microcosm—the mind—and the macrocosm, the physical universe at large.

Accoring to Confucius, if you follow the *li*, you eventually become *junzi*, a noble, a Pole Star, around whom all others rotate. You must uphold within yourself the laws of Heaven and become a Pole Star. Then, you don't need the army and the law to be heard, because everything will proceed of its own accord.

Three hundred years after Confucius developed his philosophy, which was popularized less than 100 years later by the great Mencius, it became state philosophy in the Han dynasty, and for more than 2,000 years, every official and bureaucrat was trained in Confucian thinking, up until 1911. So, it is as "Chinese," as the "Christian" aspect of European culture: One does not easily shed the axioms with which generation after generation grew up, for more than 2,000 years.

### The renaissance principle

It is exactly that "Chinese characteristic" which Jiang expressed, when he demanded "training citizens, so that they have high ideals, moral integrity, a good education, a strong sense of discipline, and develop a national scientific and popular socialist culture geared toward 1) modernization; 2) the world; and 3) the future."

Contrary to British empiricism or French existentialism, the Confucian belief in the ability to educate man, in his perfectability, is not only very strong, it is the essence and core of this philosophy. The love for learning that lasts a lifetime, charcterizes the image of man of this tradition. Accordingly, the social hierarchy is not determined by birth, but by the degree of knowledge and wisdom of the person. During the Cultural Revolution, the opposite was true: Intellectuals were regarded as reactionaries. It is useful to contrast Jiang Zemin's perspective with that of the evil Lord William Rees-Mogg, who thinks it is enough to educate 5% of the population, thereby proposing to go back to feudalism.

Jiang says, that it is important instead to strive to raise the scientific and cultural levels of the whole nation. At the same time, China should carry on the fine traditions handed down from history, and also assimilate the advances of foreign cultures. This is the renaissance principle! This is exactly how the Arabic renaissance of Haroun al-Rashid was accomplished, which combined the best Arabic traditions with the best that Mediterranean culture and science had produced. Similarly, the Italian Renaissance, which created something new out of Italian traditions and the Greek Classics! Uphold the best traditions, but not in a chauvinistic way!

Jiang Zemin then points to the necessity of speeding up and obtaining breakthroughs in the reform process, by relying on scientific and technological progress. In this context, the central and western parts of China are supposed to accelerate the reform, and take advantage of their natural resources to develop appropriate industries. In the "Eurasian Land-Bridge" proposal, Lyndon LaRouche had emphazised exactly

this idea, to drive industrial development into the inner regions of China, through infrastructructure development, and then to use the existing natural resources to develop industries for semi-finished as well as advanced industrial products. Jiang pledged, that the state will increase its support for the central and western parts of the country, by giving them priority in planning infrastructure and resource development projects. Also, the government will give active support to the economic development of areas inhabited by ethnic minorities. "We must try all possible means to minimize regional disparities, step by step," Jiang insisted.

I am quite sure that the people of such states as Alabama, Mississippi, or Arkansas will be quite interested in such a perspective for the United States!

### Commitment to technological 'leaps'

In the following section of Jiang's speech, there is an elaboration of what could be called the Machine-Tool Principle. Since scientific and technological progress is a primary factor in economic development, Jiang elaborates, China really has to get onto the path of developing its own economy by relying on scientific and technological progress and improving the quality of the workforce, as well as promoting the translation of these achievements into practical productive forces. In this respect, greater importance will be given to the application of the latest technological developments. LaRouche has often advocated such technological "leaps" for developing countries, as crucial for their ability to overcome the gap relative to the developed sector [see **Figure 4** in Mr. LaRouche's speech, above].

Since competent people are the most important resources for scientific and technological progress, as well as for economic and social development, Jiang continued, a whole set of incentive mechanisms to promote the training and utilization of such people will be instituted. This will be supplemented, by bringing in intellectual resources from overseas and importing advanced technologies. All of this is designed to continue to raise the living standards of the people, which Jiang identifies as the fundamental goal of reform. One could only wish that the European governments, afflicted by a suicidal impulse for self-destruction following the Maastricht criteria, would study Jiang Zemin's speech: It may remind some of them of the valid principles of industrial capitalism, which lay the basis for the economic growth of Europe in the past.

But, said Jiang, "While improving the people's material well-being, we shall enrich their cultural life and beautify their environment, to enhance the quality of life." Now, here are some ideas that could be beneficially applied in the United States!

While Germany, Sweden, New Zealand, Holland, and the U.S.A., just to name a few, are right now, in a very dangerous way, dismantling their social institutions, Jiang pledged to

build more public and social welfare facilities and to improve the level of education, and medical and public health care. While Hollywood becomes more Satanic by the day, China intends to eradicate such social evils as pornography, gambling, drug abuse, and drug trafficking.

### Eradicating illiteracy

The next section of Jiang's report deals with the great role that China's culture plays in the rejuvenation of the nation. "This culture originated from the 5,000-year-old civilization of the Chinese nation, and is deeply rooted in our endeavor to build socialism with Chinese characteristics," he said. One could only wish that the German government had had a similar approach toward German Classical culture at the moment of reunification!

Without mentioning Confucius by name, Jiang evoked that tradition, by demanding: "We must nurture citizens, one generation after another, who have high ideals, moral integrity, a good education, and a strong sense of discipline. We must see that education is given a strategic priority. Therefore, nine-year compulsory education will be made universal, and strong efforts will be undertaken to eliminate illiteracy among young and middle-aged people." Again, one can only hope that these thoughts inspire the relevant authorities, for example, in U.S. cities, where the functional illiteracy rate is sometimes over 50%.

Quite contrary to some neo-isolationist tendencies in the U.S.A., Jiang announced China's intention to improve its ability to understand the world and to change it. "China cannot develop its culture in isolation from the common achievements of human civilization." Therefore, it will "conduct various exchanges with other countries, drawing on their strong points, while introducing our own achievements to the world. We must resolutely resist the corrosion of decadent ideas and cultures." He then referred to the glorious history of Chinese culture, which will enable China to make a contribution to human civilization. These are exactly the ideas that the great German poet Friedrich Schiller expressed in his 1789 address to the students at Jena University, on the subject of universal history, and they also correspond to the vision of the Schiller Institute, about how different cultures will relate to each other in the world, which soon will have eradicated oligarchism.

There is one section, however, in Jiang Zemin's speech about the unity of China (one country, two systems), in which he sternly warned foreign forces not to interfere in China's internal affairs: "However, the growth of the splitting tendency on the island of Taiwan, and the interference of certain foreign anti-Chinese forces have put big obstacles in the way of peaceful reunification. We shall not allow any forces whatsoever to change Taiwan's status as part of China, in any way. We shall work for peaceful reunification, but we shall not undertake to renounce the use of force. This is

not directed against our compatriots in Taiwan, but against the interference of foreign forces with China's reunification and against the schemes to bring about the 'independence' of Taiwan."

If one considers the victimization of China through colonialism and aggression, one should not be surprised, that China will, under no circumstances, give up what it rightly regards as one of its provinces. The Taiwan issue is, therefore, to be looked at in the same way as the relevant governments would look at the efforts of the Northern League to split off the north of Italy, or the hypothetical cases of independence movements in Bavaria or Alasce. The prospects for a positive relationship with China of almost any country are bright, and it is in the self-interest of the United States, Japan, or the continent of Europe to treat the foreign forces pushing for the independence of Taiwan as a threat to their own interests. One should note in this context, the activities of London's International Institute of Strategic Studies, and similar outfits.

Knowing his country's history, Jiang Zemin has to be believed, when he says, "China will not join the arms race or seek military expansion." Instead, "We should work to bring about a just and rational new international political and economic order." One of the better outcomes of the summit between President Clinton and President Jiang Zemin in Washington, would be if both countries agreed to join hands in this effort.

Jiang then reaffirmed the principle of national sovereignty: "The affairs of a country should be decided upon by its own people, and global issues should be dealt with through consultations by all countries." This obviously refers to negotiations among sovereign countries, directly, without the unaccountable dictatorship of supranational one-world institutions.

Jiang Zemin then stated: "China's development will not pose a threat to any other country. China will never seek hegemony, even when it becomes developed in the future. The Chinese people, subjected for a long time to aggression, oppression, and humiliation by foreign powers, will never inflict these sufferings upon others. . . . The Chinese people are ready to join hands with the people of other countries in making unremitting efforts to promote the lofty cause of peace and development, and work for a brighter future for mankind."

People in the United States or other Western countries, who will be inclined to dismiss these noble and uplifting words as mere propaganda, should confront the fact, that there are deeds to prove the words. If one asks, in many African nations, how China is regarded there, one very often hears the answer, that China is the *only* country that, in a unselfish way, is engaged in a true development perspective for Africa. The policy of the West has been, on the contrary, to support the International Monetary Fund policy, which has long since cut off Africa.

Finally, Jiang Zemin stated: "It is of great significance to enter and build a society leading a fairly comfortable life, in such a country as China, with a population of more than 1 billion!" Any human being could not agree more with this view. As the Turkish author Yasar Kemal recently emphasized, when he received the peace prize from the German book trade: "Poverty is the shame of mankind. There should not be one human being suffering from poverty in any system of society."

If one considers, that in the United States, there are approximately 40 million people below the poverty line; that in India, there are about 500 million people living on roughly \$12 a month, that is already one-tenth of mankind; and if one considers the many poor in Africa, in Ibero-America, and in other Asian countries, then one can only share Jiang's view. Moreover, one should consider the recent gloating of the *Washington Post*, which called Germany one of the "newly emerging deindustrialized countries," which formerly had no impoverished underclass, but which is now developing one.

Pope John Paul II noted during one of his trips to Africa, when he visited the poor huts, with dirt floors and no furniture, that, as long as such oppressive poverty exists, one can not even talk about human rights, when hunger, disease, and short life-expectancy deny the human being a life that can be called human.

From that standpoint, it is absolutely obvious to anybody who is not completely blinded by ideological spectacles, that China is, without any question, the country that has done more for human rights, by lifting the oppressive poverty for an everlarger portion of its people. It certainly has done more for human rights than the IMF, which has successfully increased the death rate, not only in the Southern Hemisphere, but, notably, in Russia and other countries of the former Soviet Union. And China has done more, beyond doubt, for human rights, than those China-bashing Republicans, who have done their very best to increase the number of poor in the United States, as well as implementing prison slave-labor camps for export and domestic consumption.

China is on a very promising course of nation-building. Therefore, it is entirely up to the United Staes, and the West generally, what relations with China will become. But, naturally, China is not spared from the effects of the ongoing collapse of the financial markets, as the recent 25% one-week loss in Hongkong shows, or the effects on China's exports to Southeast Asia, all of which is only the beginning of much larger storms to come. Therefore, for the United States and China to join hands, as the core of the reorganization of the international financial system, as Lyndon LaRouche has suggested, will be the only way for the world to avoid total disaster. If such a reorganization occurs, the policy of the Eurasian Land-Bridge can become the center of a global reconstruction program, so that the whole world can share the lofty goals, that Jiang Zemin has outlined for China.

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### **ERNational**

# Gilmore's candidacy: threat to the nation's future

by Nancy Spannaus

Once again, the outcome of an election in the Commonwealth of Virginia may be decisive for the direction of the United States. In 1994, that election was the contest of George Bush's flunky and drug-trafficker Oliver North, against Democratic Sen. Charles Robb. Despite North's nearly unprecedented expenditures and his lying demagoguery, Virginia voters refused to elect him U.S. senator, thus depriving the fascist Conservative Revolution of an incendiary leader in the nation's capital. In 1997, it's the election for governor of the Commonwealth that will have decisive implications for the nation as a whole.

Virginia's gubernatorial race is one of two in the United States this Nov. 4, the other being in New Jersey. The Democratic candidate for the executive position is Donald S. Beyer, Jr., a two-term lieutenant governor from northern Virginia, and a small businessman who has hewn to a centrist course within the party, and attempted to concentrate his campaign on improving Virginia's public education system. On the Republican side, however, is a less flamboyant version of North, in the form of James Gilmore III. Gilmore, the former Attorney General under Gov. George Allen and Allen's chosen successor as governor, has concentrated his campaign around a populist pitch of cutting taxes. But Gilmore is no innocuous populist; he and the apparatus behind him represent a fascist threat to the nation, as well as Virginia.

James Gilmore is the front-man for the Bush-Robertson-North political machine, which explicitly aims at destroying the constitutional form and commitment of government in the United States. While going under the "Republican" label, this apparatus couldn't have less in common with the standard-bearer of that party, Abraham Lincoln. Gilmore's agenda is one of attacking labor, expanding prison slave-labor, cutting government services, and privatizing for the benefit of his cronies. But, because he promises a short-term tax break for

many (which there is no assurance will be delivered), and because he scapegoats those who are in prison or poor, many Virginians are being sucked into supporting him.

As of this writing, Gilmore is being credited with about a five-point lead in the polls, and the Republican Party money is pouring in from around the country. What the Republican leadership hopes to do, is establish a beachhead right next to the nation's capital. Virginia is already the headquarters for many of the most anti-government, and anti-Clinton, operations in the nation, from Pat Robertson, to Jerry Falwell, to treasonous military networks around retired colonel and U.S. Army chaplain Jim Ammerman. Under Governor Allen, the state has openly challenged Federal authority, not to mention the rule of law. Should Gilmore be elected—and especially if he is able to squeak out a Republican majority in the legislature, now dominated by Democrats—it would represent a strategic threat to the nation as a whole.

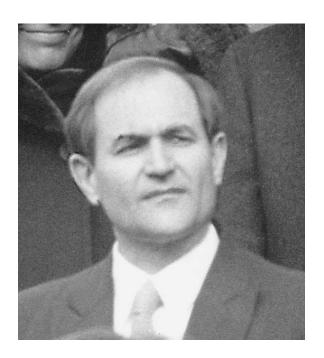
#### What Gilmore and Allen represent

Compared to Ollie North, Jim Gilmore seems like a dull bureaucratic lawyer. He barely dares to speak without cue cards, and sometimes his vocabulary seems to have shrunk down to the mere slogan, "no car tax." While North was bold and defiant, Gilmore appears to be Mr. Cautious, despite signs of driving ambition.

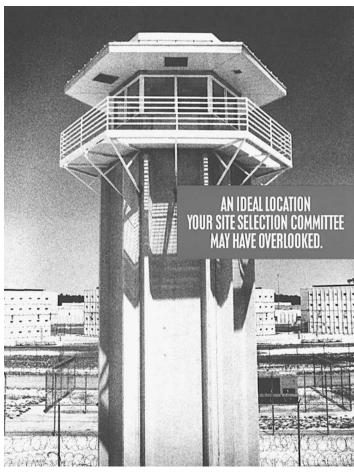
But an intelligent citizen, or observer, shouldn't have any difficulty determining the fascist character of Gilmore's policies. He is standing on a record, the record of the Allen administration in which he played a vital part.

The Allen-Gilmore record is most notable in the area of criminal justice and so-called welfare reform. These are the prize programs which Gilmore brags about, and have made an interational reputation for Virginia.

In the criminal justice area, the Allen-Gilmore administra-



Virginia Gubernatorial candidate James Gilmore III, front-man for the Bush-Robertson-North fascist political machine. Also shown here is a brochure from Virginia Correctional Enterprises, advertising the benefits of slave labor in the prison system, for employers seeking a docile and low-paid workforce.



tion began by eliminating parole, a move which has led to an increase in the prison population by 8,000 inmates—from approximately 17,000 to 25,000—in the course of four years. At the same time, they brought in as administrator of the Department of Corrections, Ronald Angelone, who was notorious for his outright barbarism against inmates during his tenure in Nevada, and has continued these policies in Virginia. Gradually, the Virginia prisons are being stripped of amenities, including any rehabilitation programs and facilities; charges are being imposed for medical care; and even food rations are being reduced.

But Angelone has also brought something into the prisons—private industry! A law passed during the 1993 session, the year before Allen came into office, permitted the Virginia Correctional Enterprises (VCE) to bring *private* industry "behind the walls." As of early 1997, according to VCE, about 1,100 inmates were involved in these programs. But VCE is advertising for many more industries to take advantage of their facilities, and cheap workforce.

The propaganda which VCE is putting out, indicates that the Allen-Gilmore program is to use the prison labor program to ensure that labor standards in Virginia are even further destroyed. Bragging that "worker compensation costs in this right-to-work state are [already] the lowest in the nation," the VCE brochure features the savings which industry will enjoy by the elimination of health, retirement, and vacation pay, as well as a workforce that will never be able to use transportation breakdowns, or lack of babysitters, as an excuse not to get to work on time.

One trade union leader has noted that the "no-parole" policy seems ready-made for the expansion of private prison labor. He also noted that the Virginia legislature did not intend that prison labor be able to compete with private industry—although this is most definitely the case. Yet, the illegality, and Nazi parallels, have gone generally unchallenged amid "anti-prisoner" rhetoric, except by those associated with the LaRouche wing of the Democratic Party.

#### Medical murder

While the Allen-Gilmore prison policy is following along the pathway toward Auschwitz (although, currently, under less stringent economic conditions), it is also aping the Nazis in other ways. Medical services are being cut back for prisoners, to the point where they are being left to die.

A major exposé in the weekly *New Federalist* newspaper of Oct. 13, detailed more than a half-dozen cases of "medical

murder," in which Virginia prison authorities had refused to act on complaints of inmates, or even doctors' recommendations for their care, in such a way that led to their death. The rationale for this behavior appears to be strictly cost-cutting. Prisoners' lives are considered "not worthy to be lived," if they begin to require extra resources.

As the *New Federalist* pointed out, however, this attitude bears a close similarity to that which it being applied to the poor in the health system generally. What is being seen is parallel to what Pennsylvania's Gov. Thomas Ridge has done with his health care cuts: a deliberate policy of murder through budget cuts.

The Gilmore-Allen administration, of course, is notorious for a more direct form of murder, i.e., the increase in executions. Under this administration, Virginia has taken the lead in the number of individuals executed within a year in the United States—and this has included individuals with clear claims to innocence.

#### **Cutting costs**

The other claim to fame of the Allen-Gilmore administration is cutting costs through "welfare reform," elimination of state jobs, privatization of government services, and other budget cuts. While the welfare reform was able to be slightly ameliorated through the intervention of the Democratic-controlled legislature, the Virginia program nonetheless will not permit welfare mothers to stay in school, where they can train for a higher-paying job, if their deadline is up. In general, what is being created is an enormous competition for low-wage jobs, a competition which is permitting employers throughout Virginia to bust unions, and lower wages and benefits.

Under Allen and Gilmore, services like mental health have been so underfunded, that they have become a national scandal. The state mental hospital became the subject of Federal investigation, after a patient, left strapped in a bed, was found dead. A lot of promises and months later, the hospital is still a disgrace.

Similarly with the juvenile corrections system. The Allen-Gilmore administration brags about having "reformed" the juvenvile justice system, which means that the authorities will not prosecute more juveniles as adults. At the same time, the detention centers for youth are in scandalous condition, and there has been an explosion of illegal drug use among youth, who obviously suspect that they have no future under current conditions.

#### **Economic growth?**

The popular explanation for why Virginians would tolerate such hideous policies against society's less privileged strata, is that the economy in Virginia, as in the rest of the United States, is supposedly doing so well. Unfortunately, even the Democratic Party—or its official advisers—have bought into this story, at least for public consumption.

Virginia's "growth," like that in the rest of the nation, has

been based on two things: first, the explosion of financial speculation, credit-card debt, and the computer-technology service industries that go along with it, for the moment; and the growth of low-wage jobs, of which the proverbial head of household holds two to three, in order to stay afloat. It should be noted in this regard, that 6 of the 20 top construction projects in Virginia are prisons.

In reality, the standard of living of most Virginians is being crushed, like that of families throughout the rest of the country. Infrastructure is collapsing, and companies with high-paying jobs are shutting down. In southwest Virginia, even official figures show double-digit unemployment, and most other sections of the state, but for the area right around the nation's capital, show that there is no boom. To the degree that there is an appearance of prosperity in budgets and so forth, it is because services have been cut back for those less fortunate, and—if Gilmore and Allen have their way—less visible.

#### A fascist machine

A fascist apparatus is not just defined by its economic and social program, but also by its mode of organization. When North was running for Senate, his thug apparatus was very visible. Gilmore's candidacy has not shown such blatant hooliganism, but the machine is nonetheless there.

The largest contributor to Gilmore's re-election remains televangelist Pat Robertson, who gave \$50,000 directly for this campaign, and \$50,000 last time. Robertson has also given at least \$35,000 to Gilmore's Attorney General candidate, Mark Earley. Robertson, as head of the mis-named Christian Coalition, was also the leading backer of North's drive for the Senate. And he has brought North, his co-thinker Mike Farris, and many other of the same ilk, into the Gilmore campaign drive, although largely at fundraisers, rather than public campaign events.

Robertson tells his supporters that they are upholding morality, but he mobilizes them to destroy the very social institutions required to carry out the moral obligations of government for the general welfare. He demands replacement of the public schools, cutting back of taxes needed to support schools and essential social services, and total freedom for those free enterprise looters who mislabel themselves entrepreneurs. Robertson's personal track record of raising funds, through tax scams and investments in slave-labor African diamond mines, and so forth, should give a good indication of what he promotes.

With Robertson, comes a band of men prepared to shout down opponents, rip up signs, and worse. And Robertson himself is part of a British-controlled network which has infiltrated our military, and could therefore represent a more violent threat to constitutional order.

If Gilmore is elected, that threat will be at the door of the nation's capital. If Virginians reject him, they will once again have done a service to the nation.

# Budget cuts devastate schools, police force in nation's capital

In our issue of Oct. 17, *EIR* presented an *Investigation*, "Bankers' Dictatorship Makes Washington a Death Camp," showing how the takeover of Washington, D.C. by a non-elected Financial Control Board, will compound the economic and financial problems that it was ostensibly designed to solve. The main problem the city faces, is the false axiomatic assumption, shared by people on both "left" and "right" of the political spectrum, that the city administration has been "spending too much money."

In this issue, we fill out the picture further, with two additional interviews.

Interview: Wilma Harvey

## Elected board of education stripped of powers

Wilma Harvey is a member of the Board of Education of Washington, D.C. She was interviewed by Dennis Speed.

**EIR:** Could you give us an idea of the effect of budget cuts on the D.C. school system over an extended period of time, greater than the last two years?

Harvey: I've been affiliated with the Board of Education, as a board member and as a staffer, for almost 14 years. Prior to that, we had over 105,000 children in the District of Columbia public schools. We had a budget of some \$600 million, and we are now down to \$426 million. We have seen a major exodus of students from our school system. We are now down to approximately 78,000. I think that the District of Columbia public schools have been plagued with the same problems that any urban school system is plagued with.

For example, we have students who come to us with sundry social ills that impact upon their learning. Most of our children are on free or reduced lunch. The majority are African-Americans; the next percentage would be Hispanic, and then we have a small group of other groups of children. I think that there has been a breakdown of the various networks that support the schools. They are no longer there. Children who come to school, because of the violence in the neighborhoods,

are more aggressive. We find children who have been prenatally exposed to both drugs and alcohol. As a result of that, their attention spans are lower.

Because of the lowering of the salary ranks, we have not been competitive with the surrounding jurisdictions over the past 20 years. We have not been able to attract the kind of teaching staff that we need. We have not been able to attract new principals into the school system over the past twenty years. The D.C. public schools have been accused of being so heavily administrated, that there is a tremendous downsizing of the central staff. . . . So the school system, in some ways, has gone through some major breakdowns.

There's the constant threat of vouchers. Citizens in the District, in a referendum, overwhelmingly voted against vouchers. But because of the overall Congressional mandate that has been imposed on education in this city, the choices are limited. Our budget is very much linked to the Congressional appropriations. Since they brought in the Emergency Trustee Board, they basically do all the policymaking, and oversight, of the operation of public education in this city.

**EIR:** Is the Trustee Board the same as the Financial Control Board?

**Harvey:** The Financial Control Board is called the Authority. What the Authority did, was to establish what they call an "Emergency Board of Trustees." In establishing this, they took away the powers of the elected Board of Education, and made it advisory to the Board of Trustees. The Board of Trustees now has the responsibility of making policy, and oversight responsibility for the 146 schools of the District. The Board of Trustees was appointed by the Control Board.

On the Emergency Board of Trustees, we have one sitting member, and that is the president of the Board. We have, as the Board of Education, been relegated to community outreach, and trying to make the community as aware as we can of issues that impact their children.

**EIR:** The Board of Education is a salaried position, right? **Harvey:** Yes. The Board's salaries were cut in half, from \$29,000 to \$15,000.

**EIR:** You couldn't make it on that before. You were already making a sacrifice to be on the Board, if one presumes that that was your full-time job.

Harvey: Not only did they cut the Board's salary in half, but they took away all office staff for ward and at-large board members. I am the Ward 1 Board of Education office. I have no staff to help me with constituency concerns. People can't communicate with me through my office, as was done in the past. The only thing that is remaining at the *elected* Board, is an acting executive secretary, with two assistants. These people take care of all the responsibilities we have at the Board. Just recently, the Board of Trustees allocated some monies to the Board of Education to bring staff people to deal with the only remaining function we have, and that is the chartering of schools.

EIR: Exactly what did the Board do before?

Harvey: We made policy, we did oversight, we did budgeting, we did everything that the Board of Trustees now does. We had full responsibility as policymakers, and we also had full responsibility for submitting our budget to the City Council. We had the authority to hire the superintendent, to fire him, also. All of that has been taken away. . . . So we are really just an advisory group of people, and you cannot advise people on what impact their policies and their decisions are having, if you are not included in the process of developing the policies as well.

**EIR:** You don't regularly meet with the Board of Trustees? **Harvey:** We have had some meetings, but they are not substantive. For example, suppose there is to be a change in the policy; we don't have that kind of dialogue.

**EIR:** So, if they want to change the policy, they'll change it, and if you know about it, you know, and if you don't, you don't.

Harvey: That's right.

EIR: Did you also decide curriculum?

**Harvey:** Yes, we did. We no longer have that authority. We decided curriculum, we decided the evaluation of teachers, principals, we set policy that had an impact on the entire educational process. All that has now been turned over to the Board of Trustees. The only thing we have power over right now is issuing charters to schools.

We have approved charters for six schools, but right now, there are two operating. One is called the Options School, and the other is called the Marcus Garvey School.

**EIR:** If I am approved to operate a charter school in the District, once I get that charter, am I accountable, other than some reporting to you, to the Board of Trustees?

**Harvey:** No, you are not.

**EIR:** So, what's the effective difference between that, and privatization?

**Harvey:** Basically, it's a form of privatization.

EIR: And that's what you, who used to make policy for 100,000 children in the public schools, now have power over. Harvey: We have a tremendous problem with our capital budget. Our buildings are an average of 50 years old. As a result of that, the school system has gone through the last four years of court mandates, in which the city has been sued for fire code violations. The system has been in a state of serious chaos over the last ten years, and there's been a continual deterioration of that process, based on the infrastructure. I can only see the return of public education when we can repair some of the infrastructure which is dilapidated, if not completely broken. . . .

We're going to have to give parents *true* parental choice, across the board. There is always the question of equity, and that is very clear in the District of Columbia.

If you go into areas west of the park, you see a different school system than what you see in parts of Washington east of the river. Socio-economic background is a factor. The ward I represent has a very diverse population—African-American, Vietnamese, African, Spanish—you name it. As a result, we have a very complex system. And there are a lot of things that must be done in order to attract, back to public education, the parents that we have lost. And many of the Congressional overseers, for lack of a better phrase, tend to want to push vouchers down the throats of the District of Columbia, and we do see an ever-growing increase in the number of charter schools.

Then there's the voucher system. In 1989, the voters rejected vouchers in a referendum. What the voucher system does, is it gives you about \$3,200 per year per child. If you look at the average private school, it costs \$4,000-4,500 to get into these schools. Parents are expected to pay the difference. If they can't pay the difference, or if children misbehave, then, they are "referred back" to the public school system. I think vouchers are a way for a lot of individuals to get around public education, by participating in private education with public funds.

#### Interview: Ron Hampton

## D.C. police department no longer serves the citizens

Mr. Hampton, who is now retired, was formerly the head of the National Black Policemen's Association. He was interviewed by Dennis Speed.

**EIR:** How would you characterize the present situation in D.C. for law enforcement?

**Hampton:** My sense is that, as a result of the Financial Authority, and of the fact that the mayor's power was stripped

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from him, in relation to his having input into the selection of people to serve in selected positions in the police department, and those people who serve right under the chief, and those that serve as district commanders around the city—when that took place, and the mayor was relieved of that part of his job, that removed the process by which citizens, like myself, could influence the selection process in the police department. Because, the chief of police doesn't have to pay any attention to us. They don't believe that they work for us. They don't believe that we pay for them.

I think a lot of the things [the Financial Control Board has] done . . . have flown in the face of the citizens of this city. If we find out anything, it's after the fact. They haven't talked to us about *our* police department, and how *our* police department is going to change. We think we should have had some sort of participatory role in the decisions.

I was a police officer myself. I haven't been retired for that long. And there's nothing going on there that I think citizens should be totally locked out of. But that's what has happened.

**EIR:** How long were you a police officer?

**Hampton:** I worked in that institution for over 23 years. And I would be one of the first to stand up and say that there are some changes that need to take place; that there are some things that are broken, that need to be fixed. But the whole notion that *citizens*, the people who live here, the people that the police work for, the people who come from these very communities that the police don't live in, and even when they are working, they don't get out of the cars, and interact, and communicate with the citizens—for them to go ahead, and to do what they did, in the way that they did it, was in total disregard of the citizens.

**EIR:** Do you know what they are contemplating as changes? **Hampton:** The newest proposal on the table, presented to the City Council by the police chief, and Booz-Allen and Hamilton [management consultants], is to establish their version of a "citizen's complaint review board." A couple of months ago, they decided among themselves that they were going to set up new police district boundaries in the city, and also to revamp what the police department, as we have known it for a long time, is.

We're not unsophisticated. We're not ignorant. And, in any case, the processes that go on in the police department, aren't sophisticated. People who are police officers now, weren't born police officers. You have to learn that on the job. There's nothing that prepares you for that, before you get there.

**EIR:** Did you start as a policeman on the D.C. force? **Hampton:** Yes. I started here. I had been in the service, got out, worked for a short moment on Capitol Hill, and then I decided to be a police officer. I really wanted to help people.

This is my home. I was born and raised in Washington, and I wanted to do something about some of the problems I saw. I wanted to be able to help young people. And believe me, I'm not a romanticist. At the time I joined, I didn't think about what it would be like. But basically, I wanted to be an officer, because that was a place in which you could help. But I also have to say, that from the very moment that I joined the police academy, and started my training and other things, I began to see a different twist on that notion of wanting to help people.

**EIR:** Washington D.C. was one of the last cities to be integrated. The Washington Redskins, for example, were one of the last teams to hire African-American players, and the Klan rallied outside of what is now RFK Stadium, I believe, in protest. There was a lot of tension, back when you started, between people in the city and the police, wasn't there?

**Hampton:** Yes. I remember when black police officers couldn't arrest white people. And this was 30 years ago, so we're not talking about 50, 75, 100 years ago. Just 30 years ago. Just 30 years ago, black police officers couldn't ride in the same car with white police officers. The cars were not integrated. Thirty years ago, they would park the cars, and black police officers could not use them. They "didn't deserve" to ride. And yet, they sat side by side, in the precinct.

The police department was full of racism. In my opinion, that racism is still there today, and very much part of the institution of policing in the District. The Metropolitan Police Department is one police department, but there's a different "policing strategy" in Georgetown, than there is in Anacostia. There's a different policing strategy in Northwest Washington, than there is in Southeast Washington. And I saw it before I was a police officer; I saw it while I was a police officer; and I've seen it since I've been retired.

**EIR:** With the emergence of the Financial Control Board, are we seeing a resurgence of the old segregationist attitudes? **Hampton:** I think so. There are a lot of things that are beginning to revert. The number of African-Americans in the police department is steadily decreasing, over a five-year period. Where the African-American percentage of the department was 65%, I talked with some guys now, and they say that a couple of the last classes that have gone through the academy have been all white — no black men or women in those classes. As a result, African-Americans in the police force are down to 53-54%.

Also, there is a resurgence of mean-spiritedness. This is not just among white police officers, but black and brown police officers, too. They exhibit a mean-spiritedness, which I think is a result of this power that has been given to the department through the recent changes. It permeates their mentality, the way they go about doing their job. They don't seem to care about the citizens of the city. And when you have that condition, combined with the financial cuts, that is an explosive recipe.

### **National News**

## U.S. relations with South Asia to grow

State Department officials told an Oct. 15 background briefing that the U.S. will make increasing engagement with India and Pakistan an important goal during the second Clinton administration. "The U.S. recognizes the growing importance of South Asia and the need for high-level attention, which has not been there at the Secretary of State or Presidential level in a very long time." Undersecretary of State Thomas Pickering and a small team visited India on Oct. 17 and 18, and travelled to Pakistan on Oct. 19 and 20, to prepare for other cabinet-level visits, leading up to a trip to both nations by President Clinton next year.

"We are moving in a new direction with U.S. foreign policy as a result of the end of the Cold War," said one official. "It's clear that India is also looking at its foreign policy in a new fashion than they have in the past. The Gujral Doctrine, first moved forward by then-Foreign Minister Gujral, now Prime Minister Gujral, of India's place in the region and its relations with its smaller neighbors, is a very welcome development, welcomed by those in the region and those outside the region."

He added that "the fact that there is movement in Indian and Chinese relations provides some opportunity perhaps for India, over time, to see its concerns about its Chinese neighbor lessened, which could allow them, over time, to see their national security requirements somewhat differently than they do today."

## 'Clash of civilizations' admitted to be a flop

Samuel P. Huntington, the godfather of the "Clash of Civilizations" ideology that brands Islam and China as the new, post-Cold War "enemy image," admitted that his effort at implementing this new geopolitical doctrine has flopped, in a commentary in the Oct. 12 *Richmond Times-Dispatch*. Huntington first enunciated his doctrine in the

Council on Foreign Relations journal Foreign Affairs in 1993.

His tactical retreat in the *Times-Dispatch* is a summary of a longer article to appear, of course, in *Foreign Affairs*. "The years since the end of the Cold War have seen intense, wide-ranging, and confused debates about American national interests. . . . The new environment has been variously interpreted as involving the end of history, bipolar conflict between rich and poor countries, movement back to a future of traditional power politics, the proliferation of ethnic conflict verging on anarchy, the clash of civilizations, and conflicting trends toward integration and fragmentation."

Rather than admit the truth — that his thesis is a patently pro-British geopolitical fraud-he blamed the "American identity" that he alleged is based on opposition to some enemy: "Until the end of the 19th century, the United States defined itself in opposition to Europe. Europe was the past: backward, unfree, unequal, characterized by feudalism, monarchy, and imperialism. The United States was the future: progressive, free, equal, republican." Now, since the fall of communism, "Saddam Hussein simply does not suffice as a foil. Islamic fundamentalism is too diffuse and too remote geographically. China is too problematic and its potential dangers too distant in the future."

He concluded that, without an enemy image, America will disintegrate into internal ethnic and racial divisions, a throwback to his 1975 Trilateral Commission report, *The Crisis of Democracy*.

#### Mississippi workfare is new name for slavery

In Mississippi, many welfare recipients are being forced to work slave-labor jobs, or are being dropped from the rolls, losing not only welfare, but food stamps and medical benefits as well. This is part of the "welfare reform" signed into law in 1996. In 1995, under Gov. Guy Fordice (R), Mississippi began a pilot project with 7,000 welfare recipients called "Work First," under which recipients who declined work assignments or missed work appointments had their welfare cash grants, as well as food stamps and

medical assistance for adults, cut off. Initially, 42% of recipients in the program found jobs, leading the Gingrichites to hail the experiment as a huge success. However, 15 months later, only 21% of the recipients in the program are still working.

Many of the jobs are Nazi slave-labor. For example, 10 women recipients from Greenville were assigned to a catfish plant, in Eudora, Arkansas to gut fish, an hour away. The plant normally has a turnover rate of 300%, but the women can't refuse the job, because they would lose all benefits. Donald Taylor, the plant's comptroller, who also employs welfare recipients from Arkansas and Louisiana, praised the Mississippi workfare program, drawling, "If they can go back to Uncle Sam, you can't keep them in the plant."

Exemplary of those who lose benefits is Curley Barron, who was already caring for a mother with emphysema and a brother with a rare bone disease, and took in her brother's two children. When she was unable to abide by the stringent workfare requirements, she was forced place the children in foster care.

## U.S. sanctions policies coming into question

Several articles on Oct. 16 raised the question of whether having the U.S. try to enforce unilateral trade sanctions against countries and companies that trade with Iran may not be damaging to U.S. policy, and indicate that the Clinton administration is reviewing that tack.

Exemplifying the problem are two deals between Russia and Iran: The *New York Times* details the fact that Russia's oil giant Gazprom is selling \$1 billion in bonds to finance Russian participation in the \$2 billion French and Malaysian deal to pump natural gas off the coast of Iran. Since Prime Minister Viktor Chernomyrdin is closely tied to Gazprom, imposing sanctions would be seen as an "unfriendly" move toward Russia. Senate Banking Chairman Alfonse D'Amato (R-N.Y.) is beating the drums for sanctions.

The Washington Times details a similar, perhaps more serious, case, in which the CIA has put together a hit-list of people and insti-

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tutions involved in selling missile technology to Iran, including the head of the Russian Space Agency. Sanctions would undercut the ability of the Gore/Chernomyrdin Commission to develop joint space projects.

In the Washington Post, columnist Jim Hoagland attacked D'Amato and Foreign Relations Committee Chairman Jesse Helms (R-N.C.) for promoting sanctions, in the face of "growing international opposition." He added that the administration is planning a "bottom-up review" of the policy.

## Soros funds Washington marijuana initiative

Washington State's "medical marijuana" referendum, Initiative 685, has received \$335,000 from international speculator and drug-legalization money-bags George Soros, who also funded the referendum's model which passed in Arizona last year. The referendum is on the Nov. 4 ballot.

With money from Soros, Citizens for Drug Policy Reform now has almost \$1 million. In addition to Soros, John Sperling, head of the University of Phoenix, who was the key backer of the Arizona measure, has given \$312,000 to the Washington campaign; and Peter Lewis, an associate of Sperling and CEO of Progressive Insurance in Cleveland, Ohio, has contributed \$435,000. Although Lewis is also a major contributor to the Democratic Party, the drug legalization lobby, under the guise of "medical marijuana," has just as much, if not more, backing from the Mont Pelerin Society and the Conservative Revolution types, as it does from overaged flower children.

Initiative 685 would allow physicians to recommend any illicit drug to their patients, including marijuana, LSD, and heroin. Opposition to the initiative is led by Washington's Gov. Gary Locke, Lt. Gov. Brad Owen, along with local prosecutors and businesses. "Advocates of this initiative are portraying it as a compassionate plea for help for seriously and terminally ill people. But the goal is not medical marijuana, the goal is drug legalization." Later, he told the press: "I think the most disgusting thing . . .

is that it uses the sick and dying to make the sale for a couple of billionaires' philosophy on drugs."

Last July, the Washington State Supreme Court ruled that there is no Constitutional right to violate state and Federal law by using marijuana for medical reasons. The decision reversed a lower court ruling that struck down the state's ban on medical marijuana.

#### High court lets stand Oregon euthanasia law

The U.S. Supreme Court on Oct. 14 refused to hear a legal challenge against Oregon's so-called physician-assisted suicide law, the first in the nation that lets doctors prescribe lethal drugs to "terminally ill" patients to kill themselves. The case, Lee v. Harcleroad, was brought by a group of physicians and their terminally ill and disabled patients, who sued to stop enforcement of the Death with Dignity Act, also known as Ballot Measure 16, soon after it was voted up in referendum in 1994. The plaintiffs charged - and a Federal court agreed - that the law unconstitutionally denies sick or disabled patients equal protection under the law. Under Measure 16, the state would not stop "terminally ill" suicidal patients from killing themselves, as it would other patients.

The Supreme Court, however, let stand, without comment, a Ninth Circuit Court ruling overturning the injunction against the Nazi law, claiming that patients lacked legal standing, because they were not in personal danger of injury under the euthanasia law. U.S. District Court Judge Michael Hogan disagreed. In August 1995, when he ordered a permanent injunction against Measure 16, he wrote: "If a terminal patient does not have standing, who does?" With the Supreme Court's decision, that injunction will be lifted.

In opposition to procedural rulings and arguments, in 1996, the Schiller Institute submitted an *amicus curiae* brief to the Supreme Court, detailing the precedents against "physician-assisted suicide" established by the War Crimes Tribunal at Nuremberg.

## Briefly

#### RICHARD MELLON SCAIFE'S

\$600,000 annual subsidy to the rightwing American Spectator led to the firing of its publisher, Ronald Burr, after he demanded an audit of the funds. As one writer, who quit in protest, summarized the issue: "The tendency of the magazine to do this Clinton-obsessive stuff, I don't get." Scaife is a leading money-bags behind the Get Clinton operation, just as he had funded the Get LaRouche operation, earlier.

NURSES STRUCK Prince George's Hospital Center in Maryland, outside Washington, D.C., on Oct. 18-19, to protest understaffing. The nurses have been working without a contract since 1994, and the rising patient-nurse ratio has placed patients in jeopardy. Dimension Health Corp., which runs the four Prince George's hospitals, has begun replacing protesting nurses, with inexperienced, non-union personnel.

A HOMELESS EPIDEMIC of "men, women, and children living on the street" is looming in Washington, D.C., if cuts now planned by the D.C. Financial Control Board and Congress go through, according to Sue A. Marshall, executive director of the Community Partnership for the Prevention of Homelessness. The city's spending for the homeless will be slashed from \$11.3 million for the fiscal year that ended Sept. 30, to \$4.3 million for this year.

EARTH FIRST! eco-terrorists assaulted the Eureka, California office of Rep. Frank Riggs (R) on Oct. 17, over Riggs's sponsorship of a watermanagement appropriations bill. In May, Earth First!'s Bison Management Group in Montana physically attacked Sen. Conrad Burns, Agriculture Secretary Dan Glickman, and Gov. Mark Racicot.

GOV. GEORGE W. BUSH of Texas, under intense pressure, finally agreed to pardon an innocent man, on Oct. 8. Kevin Byrd spent 12 years in prison for a rape that DNA tests prove he didn't commit.

#### **Editorial**

## Israel must get rid of Netanyahu, now

Ongoing preparations by Israeli Prime Minister Benjamin Netanyahu to launch a new Mideast war, which would become a nuclear war, show why President Bill Clinton must force the Israeli establishment to oust Netanyahu from power, now.

Israelis and the U.S. Zionist lobby may scream about President Clinton violating Israeli national sovereignty. Let them. Since Israel was created by the British monarchy in 1948, it has never been really sovereign, but a British pawn used to keep the region in constant turmoil, and hence, under continuing British control.

But, while Britain runs Israel, the U.S. foots the bill. This is one lavish expenditure that must stop. Clinton must cut all U.S. aid to Israel, unless the Israeli establishment moves at once to oust that madman from office, while there is still time.

In order to pave the way for his planned war, Netanyahu has already been carrying out a series of political manuevers intended to consolidate the Israeli intelligence and security establishment under his control, while removing those who would oppose it.

Whether or not Israel goes to nuclear war, is not a decision made solely by the prime minister, but also requires the agreement of the defense minister, chief of staff, and the President. The current holders of those offices, President Ezer Weizman, Chief of Staff Gen. Amnon Lipkin-Shahak, and Defense Minister Yitzhak Mordechai, would never approve such a move. Hence, Netanyahu is seeking their removal.

President Weizman's term of office ends in December, and he must be reelected by the Knesset (parliament). General Lipkin-Shahak's term of as chief of staff ends next summer, and someone else must replace him. Netanyahu is maneuvering to put yes-men in both of these posts, who would agree to a nuclear war. He is also attempting to force Defense Minister Mordechai to resign.

On top of all this, Netanyahu is trying to fix the blame for the Hamas assassination fiasco on Mossad chief, Gen. Danny Yatom, who was appointed by the previous government of Shimon Peres, in order to oust him, and install another Netanyahu toady.

There are various means Netanyahu can use, to push through such a war.

One, is a series of terrorist incidents targetting Jewish civilians, carried out by "Islamic" and "Arab" terrorists under Netanyahu's control, leading to reprisals and war.

That Netanyahu's crowd often uses Islamic terrorists, to provide pretexts for crack-downs, and other means of sabotaging the Oslo Peace Accords, is well known, including by the Clinton administration. The Oct. 13 arrest of ten members of a Jewish arms ring, selling over 100 pounds of dynamite to Palestinian extremists intent on blowing the main shopping arcade in Tel Aviv "sky high," shows the agent-provocateur method. The leader of the arms ring comes from the Jewish settlement of Kiryat Arba, the same extremist settlement patronized by Ariel Sharon, which provided the gunman used to kill Prime Minister Yitzhak Rabin on Nov. 4, 1995, after which the British were able to install Netanyahu in power.

According to one war scenario, Netanyahu would unleash a series of such "Islamic" terrorist incidents, followed by Israeli military strikes against Palestinian cities on the West Bank, meant to provoke the mass flight of refugees to Jordan, the subsequent destabilization and overthrow of the Jordanian state, and ultimately a limited war with Syria.

There are other scenarios: These include, striking a major blow against Hezbollah in southern Lebanon, leading to conflict with Syria; knocking out missile and related military sites in Syria directly; and Israeli aerial bombardment of nuclear reactor sites and mid-range missile bases in Iran.

All of these measures have been under discussion by Netanyahu and his circle in the recent period, and are being passed off as merely limited engagements. But all carry the possibility—and intent—to spill over into new general regional war, which this time, would be nuclear, allowing the British to eliminate the possibility for peace in the region, for a long long time to come. Therefore, Clinton must force the Israelis to get rid of Netanyahu, now.

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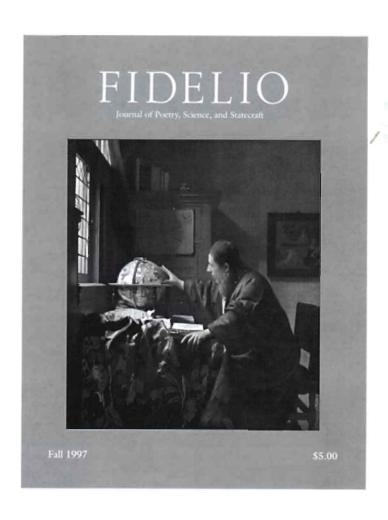
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