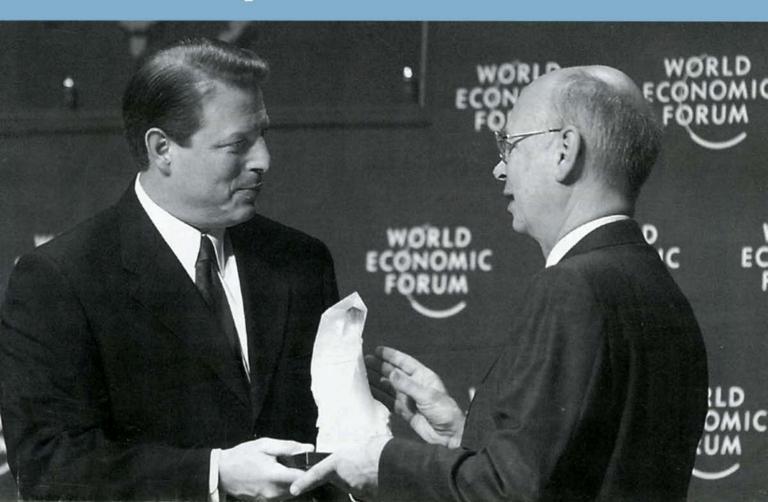


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#### From the Associate Editor

One year ago, at the World Economic Forum in Davos, Switzerland, the self-proclaimed gods of financial Olympus announced that "the worst of the Asia crisis is over." It wasn't. Indeed, behind the scenes, a battle raged over introducing capital controls, to prevent a systemic breakdown. Soon, the "Asia crisis" erupted into the biggest explosion yet, in Indonesia; then came Russia in August; and now, Brazil.

Today, we witness the "movers and shakers" of Davos, slipping and sliding over the ice of the blizzard-bound Alpine village. The Davos "financial experts," those who have blocked Lyndon LaRouche's call for a New Bretton Woods reorganization of the global monetary system, are helpless to solve the crisis they themselves created.

Most importantly, U.S. leadership for a New Bretton Woods is lacking, as President Clinton struggles in the impeachment trap the British set for him. Instead, we hear Al Gore at Davos, pushing his poisonous blend of one-world government and environmentalism. For those who doubted the threat to U.S. and world security that would be posed if Gore were to step into the U.S. Presidency, those doubts should be fast disappearing (see *Feature*, for the latest in our dossier on Gore's crimes).

But, against the world financial oligarchy's efforts to destroy the nation-state, there are promising developments to report, as nations assert their right to sovereignty and economic development.

Our *Editorial* notes the crackdown of Russia's government against the financial mafia — moves of potentially great strategic significance, which we'll have more to say about in future issues.

We have an exclusive interview with Cambodian Prime Minister Hun Sen, who eloquently describes the efforts of his nation to rebuild, after two decades of death and destruction.

In Brazil, where George Soros's henchmen are moving in fast to grab control of the desperate situation, a nationalist backlash is building within the citizenry, in the wake of the debt moratorium declared by the state of Minas Gerais.

And in Italy, three legislators have presented a Parliamentary Question to the government, urging that their nation take the lead in promoting European participation in the Eurasian Land-Bridge, the infrastructure project of the 21st century.

Susan Welsh

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Vice President Al Gore (left) receives a gift from Klaus Schwab, founder and president of the World Economic Forum in Dayos, Jan. 29.

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# The 'experts' meet in Davos: a shipload of frozen fools

by Marcia Merry Baker

A "ship of fools," since at least the time of the medieval book by that name, connotes oblivious people on the edge of disaster. The scene at this year's World Economic Forum, in the Swiss Alpine town of Davos, Jan. 28-Feb. 2, was indeed a shipload of frozen fools. The level of absurdity and fanaticism expressed by the "experts," about the current world financial and economic breakdown crisis, was remarkable. Dissenting voices were few, though notable.

The title of this year's gathering was "Responsible Globalism: Managing the Impact of Globalization." Participants numbered more than 1,500, including business officials, dozens of heads of state, and others.

To introduce the theme, forum director David Morrison prepared a discussion paper, based on an exchange of views among 20 international economists, about what could be done to deal with financial crises, market turbulence, and so on. His conclusion? You can do nothing. Morrison rejected all the proposals offered — such as taxing short-term capital flows, or reinstituting some type of Bretton Woods foreign exchange controls. "Impracticable," said Morrison. He asserted that, no matter how well-intentioned, such proposals have to be rejected, and that financial catastrophes, such as in Asia, can never be ruled out. It has to be accepted that due to globalized markets, such occasional unpleasant events are the inevitable concomitants of the system.

The president-founder of the Davos Forum, Klaus Schwab, said, the best you can do, is to "put a human face" on globalization, to add "a social dimension to the behavior of entrepreneurs," but that's all.

Speaking Jan. 28 at Davos, the President of Germany, Roman Herzog, proclaimed that the nation-state must give way to globalization. He said that when the Davos meeting in 1995 took place, globalization was still very much debated. But today, that debate is past history, because the world is moving into "globality." Therefore, "classic foreign policy, which for 350 years was policy of one nation-state toward another nation-state, has to change its identity. If it does not want to turn useless, it has to adapt to the new state of the world." Foreign policy shall become a "world domestic policy," Herzog said, and he referred to such new transnational institutions as CNN, the Internet, and Greenpeace!

#### Snowblind to reality

As if in response, Mother Nature dispatched a blizzard to the conference, dumping snow and ice, until finally, on the night of Jan. 30, the lights went out!

"The Gods have had a huge joke on the self-important gathered in the Swiss Alps this year for the World Economic Forum," wrote Janet Bush in the *Times* of London on Jan. 30, in an article entitled "Snow-Blind to Economic Reality." Bush described how, just as the chief executives and others headed out to Davos, a heavy snowstorm closed airports, cancelled trains, and left the captains of industry "to trudge miles through the snow, carrying their own baggage."

The insane character of the 1999 Davos conference is starkly opposite to the growing attention internationally to the kinds of proposals and thinking Lyndon LaRouche has been advocating to deal with the global breakdown crisis, namely, a "New Bretton Woods" approach of control measures for currency exchange and capital flows, along with restoring mutual-interest national trade and development projects. Aspects of this approach were addressed at the conference by Malaysian Prime Minister Dr. Mahathir bin Mohamad, Egyptian President Hosni Mubarak, AFL-CIO President John Sweeney, and others. But these were the exceptions.

Janet Bush's overall characterization of the Davos event is on the mark. After the blizzard, which, she said made it hard for most of The Annointed to physically arrive at Davos, the real blindness was that "all these great minds" could not even figure out, last year, "that the world economy might be

in trouble. They didn't."

Besides ignorance, the self-importance of the frozen fools was remarkable. Look at some of the names of the seminars: "Achieving Ethical Profits in the Global Business Environment" and "Think Like a Genius." Then, Bush described the guest list, including Crown Prince Albert of Monaco and Prince Henri of Luxembourg, His Holiness Bartholomew I, Ecumenical Patriarch of Constantinople, and Brian Eno of Britain's Roxy rock music band. She reported, "Some assiduous digging turned up one group that is mysteriously called IGWEL (Inner Group of World Economic Leaders)."

"There are special people annointed with greatness by the forum," Bush concluded, "called Global Leaders of Tomorrow. The strange thing is they never get dismissed for being too old. There are no Global Leaders of Today or even Global Has-Beens of Yesterday. The forum is essentially a love-in for the world's bosses, who have become far too remote to be loved by their own employees." They won't move the Forum to Geneva where it wouldn't be closed down by snowstorms, she concludes, because "they are scared that, away from the scene of Thomas Mann's *The Magic Mountain*, the illusion of importance may be shattered."

All the while the World Economic Forum took place, like a meeting of the twilight of the New Age gods, the lights were going out on the global monetary system and economy at the very same time. In Brazil, crisis events occurred day-by-day, parallel with the Davos Forum.

On Jan. 29, the panic was spreading so fast, that Brazilian Finance Minister Pedro Malan could not take time off to go to Davos, and instead, the night of Jan. 29, he and Brazilian President Cardoso had to go on national television to try to calm things down. As of then, Brazil's currency, the real, had fallen in value by 40% during January. Rumors were sweeping Brazil that the government was planning to confiscate personal savings accounts, to acquire funds to back up national debt and the currency.

Then, on Jan. 30, an IMF "technical team" arrived in Brasilia, for a closed-door session with top government officials. The IMF demanded that Brazil completely redo the previous IMF-dictated economic program, in order to take account of the 40% devaluation of the country's currency. This would only further accelerate the damage which the crisis is causing.

On Feb. 1, speaking from the mountaintop of Davos, mega-speculator George Soros himself gave a press briefing, demanding that a "wall of money" must be erected by international financial sources, for Brazil (to back up predatory interests in the country). The next day, the President of Brazil fired the newly installed Central Bank chief Francisco Lopes, and put in his place Arminio Fraga, the former manager of Soros Fund Management!

In Japan, the real economy continues to collapse, while the policy direction remains unclear. On Jan. 31, Finance Minister Kiichi Miyazawa told the Internet *Far East Daily* that the Japanese economy was "a wreck" and that recovery was "at least two years away." The news service reported that Miyazawa predicts that within the next year or so, unemployment in Japan will increase significantly, as companies are forced to implement austerity measures. "This means Asia is likely to remain in the economic dumps for the next couple of years," the daily concludes. By all accounts, housing starts in Japan, which have fallen at 12% annualized rates, will continue to crash; auto sales, which are falling at a 15% annualized rate, will do likewise; and industrial production, down 12% in December 1998 from the same time in 1997, will continue to collapse.

In Europe and the United States, the chain reaction effects of the global financial disintegration are evident in the rate of manufacturing layoffs, the farm crisis, and impoverishment.

The manufacturing sector of the U.S. labor force lost 267,000 workers between January and December 1998. During December, there were 18,824 million manufacturing jobs lost. On Jan. 27, United Steelworkers of America President George Becker testified to a Senate Committee on Finance, "Clearly, from the steelworkers' viewpoint, if this crisis, as it currently exists, is allowed to continue, it's going to destroy, it's going to eliminate the steel industry as we know it today. We have over 10,000 steelworkers that are out of jobs now. But we've got 100,000 of them that are on the edge." Becker singled out the IMF for blame.

At the same time as the Davos Forum, there were protests of farmers on both sides of the Atlantic. In Sioux City, Iowa, 800 people rallied on Jan. 30 for emergency action to rescue farms being destroyed by commodity price collapse. A Europe-wide rally for the same reason is planned at the end of February. In Poland, during Jan. 15-31, some 130 road blockades by groups totalling 4,000 farmers, dramatized the need for rescue measures to save the agriculture sector.

#### Al Gore honored at Belshazzar's Feast

Oblivious to the reality around him, U.S. Vice President Al Gore delivered his scrambled-brains address to the Frozen Fools on Jan. 29, and hyped his pet themes of the "information highway" and "sustainable development." According to an official press release from the World Economic Forum, "Gore declined to announce his candidacy for the U.S. Presidency, 'much as I am tempted to do this in Davos.'"

Definitely not able "to read the writing on the wall," on the reality of economics, or anything else, Gore announced a new drive to force cartel-serving "free trade" down the throat of any nation trying to protect its farmers, industry, or population in any way. Gore said: "I am announcing today that the United States will call for broad and deep reductions in agricultural tariffs—which now average a steep 40%. We will call for the outright elimination of agricultural export subsidies—which are found in no other sector. Agricultural subsidies cost the average European family about \$1,500 a year.

"We are also committed to ensuring that the world's agricultural producers can use safe, scientifically proven biotechnology—without fear of trade discrimination. The world

now has at its disposal safe, new technologies that can help us feed millions of hungry families. We should promote them, not punish them." (His reference is to the patents and "intellectual property rights" now given priority over even principles of science and the means to life itself, such as seeds and growth chemicals, owned by a global cartel of commodities and pharmaceutical companies, including Cargill, Monsanto, and Novartis.)

From Davos, Gore went on directly to London, to meet with his crony British Prime Minister Tony Blair. And to make the point clear, whose interests are served by Gore's speechifying, the Washington bureau chief for the London Economist asked, in the Jan. 31 Washington Post: "Wouldn't America have been better off if it had booted Bill Clinton a year ago, and now had President Gore to lead it?" On Feb. 1, the London Economist again praised Gore, through its U.S. paper, the Journal of Commerce. The feature article, filed from Davos by John Zarocostas, hailed Gore for his new free trade crusade. "Mr. Gore's speech suggests the United States is resuming a crusade begun with the Uruguay Round of trade liberalization talks in 1986 when the Reagan administration called for a total elimination of export subsidies." The Journal gushed that "Mr. Gore's comments promoted a favorable response from Rep. Jim Leach, R-Iowa. Mr. Leach called the administration's position, 'an exceptionally laudable gesture. It implies markets and not government aid should prevail."

Apart from this praise from London, Gore's Davos behavior is widely regarded as in the same category of diplomatic wrongdoing as his infamous speech in Malaysia last fall, in which he denounced the host government. The leading French daily Le Monde ran an editorial on Feb. 2 criticizing Gore's Dayos statements as "a veritable declaration of war to the rest of the world," referring to Gore's demand for a new round of trade negotiations.

#### Documentation

#### Voices of reason

Prime Minister Dato Seri Dr. Mahathir bin Mohamad, Malaysia, speech at Davos, Jan. 28, "Malaysia: Bouncing Back from the Brink."

Speaking of the Sept. 1, 1998 capital and currency control measures taken in Malaysia, he said, "We see no reason to remove them now."

He described the Asian financial crisis as the third greatest crisis his country has faced since World War II, after the war against communist guerrillas and, later, the race riots in 1969. Finally, "we Malaysians had to take independent action to protect our interests," and imposed the capital controls. The

results, he said, "have been very gratifying": Foreign reserves have risen by \$7 billion from September-December 1998 to \$27 billion; the stock market has risen to 600 from a low of 260; non-performing loans have fallen; repatriation of offshore ringgits (the Malaysian currency) has allowed recapitalization of banks without depending on foreign loans, retrenchment of workers has been minimal.

Even so, Dr. Mahathir said, as a small trading nation, full recovery hinges on the world economy, but the world "will not recover if it regards capitalism as a religion. . . . The controls will remain in place until the international community devises a new financial regime which curbs the activities of currency traders."

Mahathir said that governments that harbor currency traders and then claim that they cannot control them, should resign or be removed from office.

In expressing hope that the next millennium will be better than the 20th century, he said that the 20th century saw the invention of ever-more-destructive weapons of war, including "financial and economic weapons. . . . And they are no less destructive, no less lethal than the rockets and bombs."

"If the world truly believes in peace, in democracy, in justice for all, destroy or curb currency trading. Then and only then will we see a revival of the world's economy and an equitable distribution of wealth."

Dr. Mahathir reminded his audience of the speech he gave to the IMF Meeting in Hong Kong in September 1997, adding that "I have no reason to change my mind . . . the world can do without [currency traders'] destructive cattle-like behavior."

#### President Hosni Mubarak, Egypt, speech at Davos, Jan. 31:

President Mubarak said that the free-market approach has failed and must be rethought. "In the emerging world there is bitter sentiment of injustice, a sense that there must be something wrong with a system that wipes out years of hardwon development" because of market changes. It is "undeniable" that more people suffer from poverty today than two years ago. "Our global village has caught fire. We have put out most of it, but there are still pockets that can threaten us all again. . . . The time has come for us to rethink the direction our planet is taking."

#### John Sweeney, U.S.A., president of the AFL-CIO, speech at Davos, Jan. 30, "How to Manage the Social Impact of Globalization":

"The forces of globalization now wracking the world are the creation of man, not of God. Our task is not to make societies safe for globalization, but to make the global system safe for decent societies. This is not a quibble about words. As we meet, about a third of the world's economy is in recession...

"In its current form, globalization cannot be sustained. Democratic societies will not support it. . . . "

# How long will George Soros's coup d'état in Brazil last?

by Silvia Palacios and Lorenzo Carrasco

The naming of Arminio Fraga, an employee of drug legalizer and global speculator George Soros, as the new president of Brazil's Central Bank, is the temporary "solution" that the international financial oligarchy has provided for this most recent phase of the ongoing world financial crisis. This phase was unleashed in mid-January, following the decision of the Central Bank to allow Brazil's currency, the real, to "float," the euphemism used to describe the collapse of the value of the Brazilian currency—which went from R\$1.22 to the dollar, to more than R\$2 to the dollar, in just two weeks while the physical economy enters a descending spiral. This calamity can only be adequately described with the help of that great work of William Shakespeare, Macbeth, where Malcolm asks, "What's the newest grief?" and Ross replies: "That of an hour's age doth hiss the speaker; each minute teams a new one" (Act IV, Scene 3).

The unexpected nomination of Arminio Fraga to replace Francisco Lopes, who had been ratified as Central Bank president by the Senate only a few days before, and had not even formally assumed his post yet, marks the official surrender of control over the country's economy to precisely those international speculators responsible for the griefs which have tormented Brazil most clearly in recent days. Fraga, until one day before his nomination, had been the man in charge of "emerging markets" for Soros Fund Management since he was personally hired by George Soros in early 1993. From June 1991 to November 1992, during the government of Fernando Collor de Mello, Fraga served as director of international affairs at Brazil's Central Bank, where he was directly responsible for creating the so-called "Annex 4," the mechanism which allowed foreign short-term capital to enter the country, thus permitting the transformation of the Brazilian banking system into one large narco-laundromat. He was also responsible for the Central Bank's April 30, 1992 document, Circular 002170, which, as part of the Federal Deregulation Program, opened the derivatives market (hedging) for the exchange and interest rate markets.

Fraga only left the Central Bank after the impeachment of President Collor in December 1992; but one month later—so that there be no doubt as to who he served with his policy of opening up the Brazilian banking system—he became a

partner and director of the Soros Fund Management, after a brief stay with the "new products and derivatives" group at Salomon Brothers.

In view of his history, the placement of Fraga at the head of the Central Bank—comparable to putting Al Capone in charge of the Internal Revenue Service—constitutes a veritable coup d'état, which, as *EIR* had warned, had been plotted for months. It was consummated only after two days of panic, on Jan. 28-29, when a general run on the banks, which would collapse the Brazilian banking system in a matter of hours, appeared possible. Thus, the image which appeared in the past few days is the hideous face of usury, once the smiling mask of "monetary stability" was ripped off by the weight of the bankruptcy of national public finances.

We also see the face of the decrepit but nonetheless vain President Fernando Henrique Cardoso, desolate over his eroding power, without any authority or credibility before a population, most of whom have suddenly discovered how much they have been fooled by this modern version of the *Picture of Dorian Gray*. As we likewise see the shattering of the national political system, which exists as a mere shadow of the financial system and its communications media which runs political life as a pimp runs his prostitutes.

#### The non-government of Brazil

It is under these conditions of total collapse of government, that economic policy was handed over entirely to the International Monetary Fund (IMF) and bankers of the British-American-Canadian (BAC) establishment like George Soros, who decide the daily fluctuations of Brazil's currency and interest rates.

In this environment of ungovernability, one day after the high point of the panic, on Saturday, Jan. 30, an IMF delegation deployed to Brazil on an emergency basis to take control of a situation in chaos, which their own insistence on allowing the exchange rate to fluctuate had provoked. Two days later, IMF Deputy Managing Director Stanley Fischer flew in hurriedly from Davos, Switzerland.

It was Fischer who was charged with elaborating the measures to be taken: absolutely no imposition of any kind of capital controls, and a hike in interest rates to as high as 70%,

under the day-to-day control of the IMF. And, no less serious, to deepen the fiscal adjustment, which implies greater pressure to privatize the state companies Petrobras, Banco do Brasil, and the Caixa Economica Federal, the largest bank in Brazil.

In this context, with an IMF government established and a representative of the international speculators in control of the Central Bank, they seek to do away with the option of exchange controls, the solution recommended on Jan. 15 by Lyndon LaRouche, when he learned of the speculative attack against the real. Later, several Brazilian journalists raised the urgency of establishing exchange controls. For example, Walter Poyares, adviser to television magnate Roberto Marinho, wrote in O Globo of Jan. 21, under the title "Warning Against Harmful Capitalism": "It is very sad to helplessly contemplate the disturbance that these capitalists are causing our economy. Happily, there are already rulers taking a stand against this avalanche. Forbes magazine publishes an interview with Malaysian Prime Minister Mahathir Mohamad, in which he explains why his country adopted exchange controls, which could last forever."

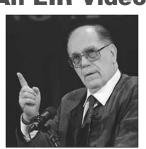
Days later, on Jan. 24, journalist Clovis Rossi wrote in his *Folha de São Paulo* column, one entitled "Why Not?": "On Sept. 1, Malaysia adopted exchange controls, a measure

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What does Indonesia's Minister of Economy, Finance and Industry, Ginandjar Kartasasmita, know about the global financial crisis that you don't?

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"It seems the IMF isn't the only organization



supplying
economic advice to
the Jakarta
government. . . .
[Reporters] were
surprised to spot,
among
[Ginandjar's]
papers, a video

entitled, 'The World Financial Collapse: LaRouche was Right.' Lyndon LaRouche . . . has been arguing for years that the world's

financial system was on the brink of collapse due to unfettered growth in speculative funds; he says now that the Asian crisis is just the beginning. . . ."

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which violates hegemonic ideology, which commands that everything be left to the will of the markets. Analyses poured out, that the country had jumped into the most profound abyss, and would never emerge from the darkness. Yesterday, the *Far Eastern Economic Review*, an ultra-liberal magazine, evaluated the almost five months of exchange controls. Theoretical conclusion: 'Those who supported [exchange controls] have some reasons to celebrate.'"

#### Soros and his 'wall of money'

Evidently, President Cardoso adopted the opposite decision: Instead of defending the sovereignty of the country, he handed the reins of power to the hyenas of international speculation, who will try to liquidate what remains of the national financial system, to turn Brazil into a monetary colony subject to the international financial oligarchy, with the shortest path to such an end being the immediate imposition of a currency board such as the British imposed on their colonies in the 19th century.

This is precisely the idea that Soros and his employees, such as former Argentine Economics Minister Domingo Cavallo, have been pushing. This was the central idea discussed at the annual Davos meeting, as the solution for stabilizing the Brazilian economy. It is this idea of a currency board which is behind the proposal Soros personally raised at Davos, when he called on the international commercial banks to join with the IMF and the Group of Seven (G-7) to rapidly erect a "wall of money" to help Brazil stabilize its currency. As *Gazeta Mercantil* reported on Feb. 2, according to Soros's proposal, "the commercial banks should form a 'pool' as a global 'lender of last resort.'"

Under this system, Soros recommends that the Brazilian banking system accept loans in dollars, since the real is now "undervalued." When the real recovers, the cost of financing will be cheaper, he says, and he suggests that those credits be "linked to income from sale of state companies." Although he did not say so explicitly at Davos, this means that the cost to Brazil of his proposed stabilization program would be the sale of the gigantic state oil company Petrobras, the Banco do Brasil, and the Caixa Economica Federal, among others.

Soros calculates that his scheme will be backed by the international banks, given that, according to him, "40% of the banks in Brazil are in foreign hands and have an interest in stabilizing the situation." And, in a tacit threat, he said: "There isn't much time, because if the situation is allowed to deteriorate further, it will be more difficult to stabilize afterwards." That is, he called for speeding up what would mean, in effect, the total denationalization of the Brazilian banking system.

In apparent accordance with Soros's proposal, the Central Bank prepared the groundwork for the dollarization of the economy, by raising, on Feb. 2, the ceiling for the maximum amount that banking institutions can draw on foreign lines of interbank credit, to thus meet the demand for foreign currency

on the internal market. The change in regulation permits banks to take out international loans up to 100% of their liquid assets: concretely, increasing the total international loans which Brazilian banks can take, from \$3.5 billion! A preliminary measure for the indiscriminate dollarization of the economy.

The first consequence of this measure was that interest rates on dollar loans on the interbank market leapt from 7% to 11%, on the first day. In reality, the Central Bank's decision continues the resolution made by the U.S. Federal Reserve and the G-7 last October, to increase the liquidity of the world financial system, to thereby postpone generalized bankruptcy. But this policy exponentially increased the volatility of the global markets, which now march toward their own inevitable destruction, as occurred in Weimar Germany in 1923.

#### Do away with 'parochial' resistance

What stands in the way of the imposition of a currency board, and the consolidation of the financial oligarchy's globalist utopia in Brazil, is the political situation, particularly following the decision by former President of Brazil and now Minas Gerais state Gov. Itamar Franco to declare a moratorium on that state's debt. In reality, Franco's decision brought to light a central problem in the republican history of the country, because the IMF and World Bank policies have stripped the states of their autonomous capacity for development, which had been maintained through the regional development banks and state banks. As a federal republic, at least until the 1970s, the Union shared with the states the power to issue credits for development, and the states had the ability to issue their own bonds. The debt renegotiations carried out by the Cardoso government with the states, stripped the states of any possibility of financial autonomy, transforming the Union into a monetary tyranny, a debt collector for usury.

This latter is a *sine qua non* of the recolonization projects for Brazil. That is why the *Wall Street Journal*, on Jan. 29, charged that local politics—the *Journal* considers human life to be a "parochial interest"—is the greatest threat to national stability, because, "with markets around the world sensitive to developments in Brazil, small-time political operators suddenly wield power." Minas Gerais Governor Franco is their leading target. The article concludes that "the ebb and flow between central and regional power has been a recurring theme in Brazilian history. It's also at the root of the country's chronic economic instability."

Likewise, senior World Bank economist Luiz A. Pereira da Silva, demanding a more severe fiscal adjustment in *Gazeta Mercantil* on Feb. 2, asserts that "the program must have a calendar which can be executed in the short to medium term, for the amortization of the domestic public debt, and have no renegotiation of the restructuring agreements of the state debts. Although there will inevitably be discussions about a new fiscal federalism, the opening of a Pandora's

Box at this stage would certainly increase doubts about the federal government's capacity to honor its domestic public debt."

The bankers are right to be afraid. The nearer Brazil comes to dissolution, the greater grows the resistance rallying around Governor Franco, and it will continue to sweep across the country, pulling in its wake governors who today profess their loyalty to the President of the Republic. And thus, the widespread response to Governor Franco's ironic comment on the nomination of Arminio Fraga to the Central Bank: "I am very happy today, because we now have a new Finance Minister, Mr. Stanley Fischer, and a new president of the Central Bank, Dr. George Soros. Perhaps now it will be easier for Minas to renegotiate its debt without intermediaries. But we will have to improve our English a little bit first."

# Minas Gerais revives 'Brazilian Greatness'

by Silvia Palacio and Lorenzo Carrasco

Under the headline "Minas Moratorium, Reviving 'Brazilian Greatness,' "Lyndon LaRouche's associates in the Ibero-American Solidarity Movement (MSIA) in Brazil, issued a political statement of support for the Governor of Minas Gerais state, Itamar Franco, for his historic decision to declare a 90-day moratorium on the state's debt to the federal government. Franco's decision, says the statement, has created the opportunity to transform the national calamity, into a rebirth of "Brazilian Greatness," should the country prove capable of calling upon the President of the United States to convoke a new Bretton Woods conference, to reorganize the bankrupt world monetary system to further the interest of nations, rather than the financier oligarchy.

The state of Minas Gerais, with a territory of almost 600,000 square kilometers (larger than France) and 18 million inhabitants, is self-sufficient in electricity generation and food production, and it is the second most industrialized state of Brazil. Historically, what occurs in Minas Gerais has proven to be a watershed in every political crisis in the nation's history, going back at least to 1792, when its citizens rebelled against excessive taxes to the Portuguese Crown (the which was nothing but a debt collector for the British Empire), an act known as the *Inconfidencia Minera* or "Minero Unfaithfulness." This movement, under the marked influence of the American Revolution, was led by Joaquim José da Silva Xavier (known as "Tiradentes"), who was said to always carry a copy of the U.S. Declaration of Independence in his pocket.

Today, the action of Minas's governor, in rebelling against the excessive interest payments imposed by the International Monetary Fund (IMF), is seen by various nationalist groups as the beginning of a second *Inconfidencia Minera*. The hysteria of President Cardoso and the bankers, caused by the Minas moratorium, is explained by the fact that this process could bring about the unification of a patriotic insurgency in defense of the country's sovereign development.

It was this history to which Governor Franco referred, when he declared, in greeting six other state governors who came to Minas Gerais on Jan. 18 to discuss how to change Brazilian national policy: "The Palace of Liberty, witness of Brazilian history in our century, receives you in this most difficult hour of the federation." He explained that the crisis facing the country "is a consequence of the transfer of the fruits of Brazilians' labor to the world financial system, through the highest interest rates in modern times."

After the Jan. 18 meeting of the governors, Franco addressed nearly 5,000 people, representatives of labor unions, students, political parties, community leaders, and other citizens, massed in front of the Palace of Liberty to support his policy. "We want to know [from] the President of the Republic and from his economic team, what has happened to Brazil in the past four years? Why are we impoverished? Why are we now demanding more [money] from retired state workers, when we are providing benefits to the banks?"

Franco continued that President Cardoso should listen to "the voice from the streets and from the unemployed." Minas Gerais cannot accept current economic policy, he said, "which brings unhappiness, recession and disaffection" to the country. "Minas is going to tell Brazil, the President of the Republic and his economic team, that we need a new social order, and jobs for our youth. . . . Under this beautiful sky of Belo Horizonte, we are going to join hands, join our hearts and our minds, and ask God to help our Brazil to do away with this economic order." The governor concluded by joining hands with the other governors, while the crowd shouted: "One, two, three, four, five thousand, we want moratoria for the rest of Brazil."

#### Documentation

#### The international flank

On Feb. 2, the same day that George Soros was handed control over Brazil's Central Bank, the most important newspaper in the state, O Estado de Minas Gerais, published a column signed by EIR's correspondents in Brazil, Silvia Palacios and Lorenzo Carrasco. Entitled, "The Moratorium and a New Bretton Woods," it provided Minas readers with an overview of the international battle which Brazil must wage, for Minas Gerais's battle against usury to succeed:

Beyond all the show of blaming the Minas moratorium for the collapse of national and foreign exchange markets, the truth is that the action of Gov. Itamar Franco reveals the vulnerability of the world financial system, which since August 1997, with the Asian crisis, has entered into its final phase of collapse. President Fernando Henrique Cardoso can blame the governor for the country's loss of credibility, or for the decision to allow the real to float, but he knows full well that that decision was in fact made weeks earlier, at the end of 1998, as part of tacit conditionalities included in the IMF package.

In fact, the Brazilian situation was the sole topic of discussion at the meetings of the Group of Seven, held simultaneously with the annual IMF assembly in the U.S. last September, when it was determined that, despite the fact that the Japanese financial crisis was the major problem at the time, the economic collapse of Brazil would drag down the American banking system, and with it the world financial system. It fell to economist Lyndon LaRouche, founder of Executive Intelligence Review magazine, to forecast last December that the world crisis would return in a third, more devastating, wave within eight weeks at most, at which point the system would enter into the boundary area of its disintegration.

Actions such as the debt moratorium by Governor Franco, on behalf of his own population, are self-defense measures which serve to spark a mobilization toward definitive solutions. The paradox created by Minas, is that there is no solution solely in a national context, as long as the current world financial system continues, sustained by the most perverse usury which soaks up all national economic efforts.

The solution to the state and municipal debt problem requires a reorganization of the world financial system, because this is where the problem was generated. Brazil urgently needs to stop the bloodletting through implementation of exchange controls, control of imports, and provision of support for the entire national productive apparatus through cheap, long-term credits.

At the same time, Brazil must employ all its regional weight to call upon the United States government to convoke a New Bretton Woods conference, from which must emerge a more just financial system, based upon the development and equality of sovereign nation-states as indivisible wholes. China, India, and Russia have already turned their backs on globalization. Representing more than half the world's population, they would be ready to participate in this new reorganization, based on the needs of human beings, and not mere financial statistics. Only in this way, can we hope for a new era of development based on the inalienable rights of man, and can we leave behind the current danger of rushing headlong into a New Dark Age.

# Mexico's Zedillo says survival is 'nostalgia'

by Carlos Cota Meza

During his state visit to Costa Rica on Jan. 14-15, Mexican President Ernesto Zedillo attacked Itamar Franco, the Governor of the Brazilian state of Minas Gerais and a former President of Brazil, for pricking that country's vast speculative bubble.

In referring to the "Brazilian politician" who declared a moratorium on his state's debt to the federal government, President Zedillo said: "I only hope that this irresponsible act is the last monument raised in Latin America to those spreaders of misery, the populist politicians . . . [and] that it be understood that demagogy and easy rhetoric take a severe toll on our people." In attacking Governor Franco, Zedillo was being very deliberate: "I am convinced that, with this, I am opening up a great debate. I know that tomorrow and in the days to follow, I will be criticized for what I am saying."

In fact, the list of criticisms is long, and some of them sufficiently well-argued that they have forced official responses, explaining how the Mexican President has not violated Article 89 of the Mexican Constitution which obliges him to respect "the self-determination of peoples" and "non-intervention" into the internal affairs of another nation, according to which the "Itamar case" would be a matter strictly for Brazilian President Fernando Henrique Cardoso.

Apart from the constitutional issue, and the question of foreign relations overall, President Zedillo continues to show a persistent intellectual weakness in his reactions to any criticism that challenges the academic belief structure he acquired at Yale University, during his doctoral course in free-market economics.

During the first week of December 1998, for example, former Mexican President José López Portillo, in commenting on a speech by Schiller Institute leader Helga Zepp-LaRouche, stated that the Mexican government should respond to the crisis by reviving the Mexican Revolution's precept of "social justice," a revolution which "we are forgetting" and replacing with "foreign values."

Within less than 24 hours, President Zedillo answered his predecessor, accusing him of being "nostalgic for the past," and ranting against the economic program López Portillo enforced during his 1976-82 mandate, which Zedillo also blamed for the economic and financial crisis of recent years.

Compare this with what Zedillo said last Oct. 9, in closing

a conference of the Mexican businessmen's association Coparmex. Zedillo said that standing agreements following World War II, such as the Bretton Woods Agreement, were "clearly obsolete." The new reality, he said, "requires a new architecture of the international financial system," and his government has decided to collaborate "with the most important participants in the international market, in designing such new mechanisms."

Four days later, on Oct. 13, President Zedillo was speaking in London, where he publicly acknowledged that, in private talks with President Clinton, he had already analyzed the imminence of the financial explosion in Brazil, after what had occurred in Asia and in Russia. The "Mexican crisis," Zedillo told Clinton, "could be small in comparison with the Asian crisis and, perhaps, a Brazilian crisis." He admitted that the Mexican rescue package of 1995 was "without precedent," but added that "something even more important must be done now before we face a systemic risk."

If we are facing the risks that President Zedillo acknowledges, why then reject the absolutely valid analysis of former President López Portillo? Isn't what Governor Itamar Franco is doing in Brazil, to try to prevent his nation from disintegrating, very important?

#### 'The situation has become unbearable'

To illustrate what we are talking about, it is appropriate to briefly quote from the Apostolic Exhortation which Pope John Paul II made public during his visit to Mexico in January, with regard to the problem of the foreign debt: "The existence of a foreign debt which is suffocating quite a few countries of the American continent represents a complex problem. . . . I too have frequently expressed my concern about this situation, which in some cases has become unbearable. . . . Recalling the social significance that Jubilees had in the Old Testament, I wrote: 'In the spirit of the Book of Leviticus (25:8-12), Christians will have to raise their voice on behalf of all the poor of the world, proposing the Jubilee as an appropriate time to give thought, among other things, to reducing substantially, if not cancelling outright, the international debt which seriously threatens the future of many nations.'

"Once more I express this hope," said the Pope, who also proposed: "On the broadest level possible, it would be helpful if "internationally known experts in economics and monetary questions would undertake a critical analysis of the world economic order, in its positive and negative aspects, so as to correct the present order, and that they would propose a system and mechanisms capable of ensuring an integral and concerted development of individuals and peoples."

Is the Old Testament "an irresponsible act"? Is it "nostalgia for the past," that the Pope would have the world celebrate the Jubilee in the year 2000 without "speculative financial policies," and without having eliminated "the mere payment of interest" that has become "a burden on the economy of poor nations"?

# Indian Finance Minister creates stir at Davos

#### by Ramtanu Maitra

Indian Finance Minister Yashwant Sinha caused a stir among the financiers attending the annual meeting of the World Economic Forum at Davos, Switzerland, when he called for the immediate creation of a system of international rules to stop "the errant, wayward, and undisciplined" nature of capital before it causes further global financial crisis, and to prevent "globalization" from becoming a "13-letter dirty word."

Sinha said that among the issues to be considered were the need for a genuine global lender of last resort, the risks involved in cross-border lending and borrowing, the sequencing of capital account convertibility, and the need for information sharing.

Hard-core devotees of the free market system, who were in the vast majority at Davos, were not prepared to listen to Sinha's views on why it is necessary to curb cross-border capital flows. Sinha was not very insistent either.

U.S. Commerce Secretary William Daley, who was sharing the podium with Sinha, was not in the least willing to discuss what Sinha had to say. Instead, Daley pointed to the dangers of precipitating capital flight by the very action of trying to introduce rules. "It is well worth a long discussion, but any attempt to move quickly will have an enormous negative impact," he said.

There may be other reasons why the financiers were not interested. To begin with, Finance Minister Sinha is a lightweight, representing a government which has not even tried to take necessary measures to deal with India's continuing industrial recession. They are aware that the Indian Finance Minister is desperately looking for foreign investors, so that the International Monetary Fund and World Bank won't accuse his government of paying no heed to reducing the fiscal deficit.

These financiers know that the Vajpayee government, whose acolytes had long opposed opening up the insurance sector to foreign investors, is now gung-ho for opening up. They are aware that the government has made little effort to generate, through growth, the funds that are needed for development. They are aware that India's current account trade imbalance is growing, and may reach \$10 billion in the current fiscal year. They are also aware that India's \$30 billion foreign exchange reserves may dwindle to a piddling sum before this millennium is over, and that India would face a foreign exchange crisis the size of 1991.

#### India has fallen further behind

In 1980, an EIR team, under the guidance of Lyndon LaRouche, prepared a document for a 40-year development plan for India, centered on infusion of energy, an integrated national water management system, and education and enhancement of labor power. In all these areas, one finds that India has fallen further behind, and the shortfall has become much larger. What Sinha and his predecessors have done for so long, is to bring the country closer to economic disaster.

Since 1980, poverty and the disparity of wealth in the population have grown, and the physical economy has deteriorated. Today, when the Finance Minister claims that the country's industry will pick up soon, people snicker, and rightly so, because they know that the country's infrastructure will not permit that. They also know that there are no shortcuts, given the size of the problem that their leaders have created over the years. They also snicker when they hear the Vajpayee government repeating like a broken record: Hear ye countrymen - foreign investors will bring in baskets full of money and then, and then only, will India build the infrastructure it needs.

It is not that this country suffers from total intellectual paralysis—it is close to that, but not quite. In a recent article, for example, academic Arun Shourie pointed out that the future is technology-driven, and that to continue enmired in the prevalent, deep-seated complacency that India is invincible, is life-threatening. Shourie pointed out that natural resources no longer determine comparative advantage, brains do; the brains not of a handful of geniuses, but of ordinary people. The system in which these ordinary people live, think, and function makes them creative.

And yet, Sinha and his career bureaucrats keep intoning, "The fundamentals of our economy remain strong," when all indicators show that the money allocated for development leaks out systematically, producing nothing and pauperizing the nation. Development funds are regularly used to make non-developmental expenditures.

Prime Minister Atal Behari Vajpayee, in his recent book, has claimed that "the outer shell of [India's] democracy is intact but it appears to be moth-eaten from inside." He forgot to mention how moth-eaten the country's economy has become. In order to reduce the fiscal deficit, Sinha has raised foodgrain prices and planned a big fire-sale of public sector unit shares (PSUs). Finance Secretary Vijay Kelkar informs us that "a reduction in the fiscal deficit by 0.25% will bring down inflation by 0.5%."

There is no doubt in anyone's mind that, contrary to what the Finance Secretary claims, the only thing that will happen is that the poor will have to pay more to buy the essentials. And, in the present state of deep economic recession, the amount collected from such large-scale disinvestment will not amount to even 50% of what is anticipated by the accountants in the Finance Ministry.

# Russia, China must now create an economic strategic relationship

#### by Mary Burdman

At the opening session of the Russian-Chinese Committee for Friendship, Peace, and Development meeting in Moscow on Jan. 26-27, Russian Prime Minister Yevgeni Primakov announced that Russia is ready to sell "the most advanced technologies" to China, and said that the basis for developing mutual economic relations, is large-scale infrastructure projects. During this same time period, another high-level delegation from China was also in Moscow, to discuss promotion of energy projects by the two countries. These meetings were the most important between Russia and China since the visit of Chinese President Jiang Zemin to Moscow and Novosibirsk in November; in the latter city, Jiang gave an historic speech on scientific cooperation between the two nations (see *EIR*, Dec. 4, 1998, pp. 52-57). The meetings were also in preparation for the visit of Chinese Prime Minister Zhu Rongji to Russia on Feb. 25-28 for his fourth meeting with his Russian counterpart, part of the regular series of meetings between the top-level Russian and Chinese leaders.

As both the Russian and Chinese sides stressed during the recent meetings, economic relations lag far behind their political ties, and the situation demands a big effort to change. Better economic relations are essential for both nations. Russia has some of the world's most advanced technologies, which China urgently needs to develop its vast economy. Russia, ravaged by years of International Monetary Funddictated "shock therapy," was laid even lower by the everspreading world financial crisis last summer. China, despite its unique real economic growth, and protected currency and financial system, is being more and more affected as the world crisis worsens. Chinese exports, whose market was primarily East and Southeast Asia, are falling sharply, and foreign investment is getting stung. While China's problems are minor in comparison with such debacles as that striking Brazil, developing productive economic relations with Russia, to obtain energy and advanced technology, is now all the more urgent for China.

As Russian Foreign Ministry press spokesman Vladimir Rakhmanin announced on Jan. 21, the subcommission had decided to "step up Russian-Chinese cooperation" in several large-scale projects. "The implementation of these projects is intended to span several decades," he said, "and this will allow them to become the material basis of Russian-Chinese strategic interaction in the next century."

#### An important year

The year 1999 is an important one for China, as the 50th anniversary of the founding of the People's Republic on Oct. 1, 1949. The Soviet Union almost immediately became the first foreign nation to recognize the new government. Russian President Boris Yeltsin has called on Prime Minister Primakov and Foreign Minister Igor Ivanov to make proposals for celebrating both anniversaries, which Yeltsin wants to reflect the strategic importance of Russian-Chinese ties. Already, a large delegation of Russian journalists arrived in Beijing on Jan. 26, at the invitation of the Chinese Foreign Ministry. The delegation was received by China's Prime Minister Zhu Rongji.

Such thinking was also reflected in the statements of Chinese Vice Foreign Minister Zhang Deguang, in an interview with Xinhua news agency on Jan. 27 from Moscow, where he was attending the Committee for Friendship meeting. Zhang is the Chinese secretary-general of the committee.

Just before he left Beijing, Zhang not only announced Zhu Rongji's upcoming visit, but indicated that the two heads of state also "might meet" within the year.

In Moscow, Zhang Deguang told Xinhua that "the temporary difficulty encountered by Russia at present will not produce any negative impact on Sino-Russian relations. China has full confidence in the development of relations between the two countries in the next century." He emphasized that now, "more and more people with breadth of vision have come to understand the great significance of strengthening people-to-people contacts between the two countries and enhancing friendship between the people of the two countries."

Zhang said that underdeveloped Sino-Russian economic relations are now the biggest problem. Bilateral trade had dropped an estimated 10%, to \$5.5 billion in 1998 from \$6.12 billion in 1997, due to the crash of the ruble and its effect on the Russian economy. This situation failed "to match the potential which exists for cooperation between the large neighboring countries," he said. It is especially important for the two sides to strengthen economic and trade cooperation at regional levels, create a favorable legal environment, and enhance ways to complement each other's strengths.

Zhang Deguang emphasized that China does not think Russia's development will constitute a threat, and that China's development will not constitute a threat to Russia;



Russia and China have begun to focus efforts on upgrading their economic relations, crucial for both nations. Here, China's President Jiang (left at table) with Russian scientists in Akademgorodok, Novosibirsk in November 1998, where he gave an historic speech on scientific cooperation.

rather, the development of the two sides will open up broader prospects for cooperation between the two countries.

#### Friendship and infrastructure

Deng Rong, one of the daughters of China's great reformer Deng Xiaoping, and deputy head of the Chinese People's Society for Friendship with Foreign Countries, announced on Jan. 21 that the Friendship Committee's second meeting was to take place in Moscow. It first met in Beijing in November 1997, during the visit of Russian President Yeltsin. Deng Rong said that the agenda would include discussion of development of an economic border zone between the two countries, and of contacts between regions and public organizations. The Friendship Committee includes political, scientific, business, and citizens groups, and is intended to promote cultural as well as economic cooperation.

In his speech to the committee session on Jan. 26, Prime Minister Primakov made the important statement that "Russia is ready to supply to China the most advanced technologies according to the price level as it is in the world market.... The Russian government relates prospects of the development of trade and economic contacts with the [People's Republic of China] to realistic projects, gas pipelines, oil pipelines, that will nourish the growing Chinese economy with electric energy and energy-carriers [fuels]."

Primakov said that the lag in the development of economic relations between Russia and China may have been caused by the economic crisis and Russian partners' mistakes. Russia "counts on a discussion about overcoming the lagging of our economic relations behind political ones," which, he said, Russia sees as an anomaly. He added that, while mistakes

have been made on the Russian side, Russia also has "the right to count on the same frankness and interest on the part of our Chinese friends."

Just days earlier, the Russian-Chinese Subcommissions on Nuclear Energy and Energy Cooperation also met in Moscow. The Chinese delegation was led by Zeng Peiyan, Chairman of the State Development Planning Commission, who co-heads the subcommission for cooperation in the field of energy with Russian Minister of Fuels and Energy S.V. Generalov; and Liu Jibin, Chairman of the State Commission of Science, Technology, and Industry for National Defense, who co-heads the nuclear cooperation subcommission with Minister of the Russian Federation for Atomic Energy Y.O. Adamov.

Zeng Peiyan and Liu Jibin were received on Jan. 21 by First Deputy Chairman of the government of the Russian Federation Y.D. Maslyukov, responsible for Russian trade and economic cooperation with China.

The focus of Sino-Russian energy cooperation, Foreign Ministry spokesman Rakhmanin said on Jan. 21, is on two projects that have been under way at least since early 1997, for the export of natural gas and oil from eastern Siberia to China. He said that construction of a special oil pipeline, to ensure long-term oil delivery, is a future possibility, and that third countries are expected to participate in the natural gas export project. Mongolia, Japan, and South Korea are likely to be involved in the gas project.

Rakhmanin said that other energy cooperation projects were discussed, including plans to transmit electricity to China from the Irkutsk region in Siberia, the participation of Russian companies in developing gas deposits and in creating a gas-distribution network in China, and cooperation in engineering for the energy industry.

The nuclear energy subcommission approved the ongoing Russian-Chinese cooperation in building the atomic power station near Lianyungang, the Chinese east coast port which is also famous as the eastern terminal of the Eurasian Land-Bridge. "We believe that the successful implementation of this very big project, which is valued at \$3 billion, will prove that Russia is capable of competing as an equal with the biggest world manufacturers of power equipment and will allow us to substantially increase supplies of Russian energy equipment to the Chinese market," Rakhmanin said.

Rakhmanin also took care to state that "Russian-Chinese interaction in the field of nuclear energy is of an exclusively peaceful nature and does not have any military aspects." Liu Jibin's participation "is explained by the fact that his sphere of responsibility includes also the peaceful nuclear energy enterprises of China."

Economic relations are developing on other fronts as well. The official *China Daily* reported on Jan. 27 that China is trying to increase border trade with Russia, especially in an effort to counter the effects of the "persistent Asian financial crisis." Wang Zhenchuan, Deputy Governor of Heilongjiang province, which borders Russia, said that "we will allow more domestic companies to register for trade with Russia this year." The decision is in response to a rush of Chinese firms, affected by shrinking trade within Southeast Asia, investing in Heilongjiang, he said. "Many big-name companies from southeast China are landing in Heilongjiang in a flurry, either to tap our natural resources or to find a springboard for trade with Russia."

Russia, like other members of the Commonwealth of Independent States, can make a major contribution to the growth of China's industries, especially Heilongjiang's automobile, chemical, and electronics sectors, Wang said.

Heilongjiang will host the 10th Harbin Economic and Trade Fair on June 15-21. Approximately 4,000 delegates from Russia and eastern European countries will join 40,000 Chinese merchants at the exhibition. "We expect our border trade with Russia to exceed the 1998 level of \$1.3 billion, as more local companies acquire foreign trade rights," Wang said.

Military trade is also likely to grow. India and China are the largest importers of the Russian Sukhoi military aircraft, from the Sukhoi military-industrial complex based in Irkutsk, Komsomolsk-on-Amur, and Novosibirsk, Interfax quoted general director Mikhail Pogosian on Jan. 27. India has signed a contract for the purchase of 50 Sukhoi-30M fighters and is negotiating the purchase of a license to produce them, and China has bought a license for manufacturing Sukhoi-27KS fighters, and flew the first two planes built in China late last year. China is considering importing additional planes, Pogosian said.

# Growing social unrest in Romania, Russia, Ukraine

by Konstantin George

The beginning of 1999 has seen a wave of labor unrest sweep the looted nations of eastern Europe and the former Soviet Union, hitting hardest in Romania, Russia, and Ukraine. In Romania, a mass march by coal miners in the week of Jan. 17-22 even threatened for a time to topple the "reform" government of Prime Minister Radu Vasilyev. In Russia and Ukraine, similar eruptions on the part of coal miners were barely avoided at the end of January, and remain—always just below the surface. Other sections of labor are erupting, or could do so at any time; in Russia, for example, as of Jan. 27, what had been a weeks-long pattern of regional teachers' strikes became a nationwide phenomenon, with up to 300,000 teachers on strike on any given day, going into February. The explosive situation reflects the toll taken, in constantly declining living standards, by the cumulative effect of years of vicious International Monetary Fund (IMF)-dictated austerity policies.

Nor are Russia, Ukraine, and Romania "just any" countries. They are, respectively, first, second, and fourth largest in population among the nations of the former East bloc. Under continued IMF policies, the economic-financial crises in these countries are programmed to worsen drastically during 1999, ensuring bitter social upheaval, with incalculable political consequences. Strategically, manipulated labor unrest could be used—with catastrophic results—to destabilize Russia's Primakov government, which has been resisting the IMF.

#### Romania: desperation and manipulation

The case of Romania illustrates what's in store not only for Romania, but for other countries in the region. The miners' dramatic "March on Bucharest" came after IMF-World Bank policies pursued by the government had cost 100,000 miners their jobs in the past two years, with 100,000 more miners slated to be dumped over the next two years. The very existence of miners living in a region of southwest Romania was threatened. The shock was all the more harsh, as the miners were earning the equivalent of less than \$250 a month (about twice the national average wage). Such "high" wages to those miners who are still working, stem from the World Bank policy of trying to keep social peace. Through layoffs, the overall wage bill for the coal-mining sector can still be drastically lessened, and another category of IMF budget conditions is met.

As a harbinger of what could occur in Romania and elsewhere, the miners' desperation was exploited and manipulated by outright fascist political groupings, whose core derives largely from "National Bolshevik" stripes of Communist cadre of the Ceausescu era. The "March on Bucharest" was led by Miron Cozma, a trade union leader and national-chauvinist demagogue, who was on the executive board of the fascist Greater Romania Party (PRM) (and cosmetically removed after the strikes ended). The PRM is headed by Vadim Tudor, favorite court poet of the late dictator Nicolae Ceausescu, and otherwise the PRM is a catch-basin of hard-core former Ceausescu followers, including many who were previously ranking personnel in the Interior Ministry and the Securitate. Cozma, Tudor, and the PRM said flatly that the goal of the march was to overthrow the Vasilyev government.

The March on Bucharest was also supported by Romania's other outright fascist party, the anti-Hungarian National Unity Party (PUNR) of Gheorghe Funar, and by the Social Democrats (PDSR), the former Communists of former President Ion Iliescu. At the last minute, the evening of Jan. 22, a deal was struck whereby the miners, in exchange for a moratorium on pit closings and the promise of wage increases, ended the threat of a putsch. The deal reflected the existing realities:

1) The government was unable to stop the march without using the Army, and thereby risking an escalation that could have gone out of control. 2) The miners and the parties backing them did not have the popular backing to topple the government at this point. However, it is only a matter of time before the next crisis hits Romania.

#### Russia and Ukraine

The most important strategic arena over the period from February through April for a miner-led strike wave, is Russia. As the most cursory glance at the itinerary of Prime Minister Yevgeni Primakov shows, this view is shared by Primakov and his government. On Jan. 22, the day the Romanian crisis peaked, Primakov went to the central Siberian Kemerovo region, site of the vital Kuzbass coal centers, where he was able to stave off imminent miners' protests.

Immediately upon his return to Moscow from the Davos World Economic Forum, Primakov on Feb. 1 held a conference of key government ministers and representatives of the coal industry. He announced a doubling of government subsidies for the coal industry, from \$256 million to more than \$500 million, and added payments of back wages to miners. Once again, such action staved off large-scale trouble, but the situation remains shaky. Although the overwhelming majority of coal miners are still working, already on Feb. 2, the first limited strike actions were beginning. In the Far East, in Sakhalin Oblast, 400 miners went out, and limited actions were reported from Kuzbass and the Vorkuta region, in European Russia's far north.

The Russian situation is exacerbated by the teachers' strikes of varying intensities, now, as mentioned, coalesced into a nationwide action.

In Ukraine too, the spearhead for potential labor troubles is the coal sector. Since Jan. 27, a pattern of limited strikes has developed in the East Ukraine Luhansk region, near the main Donetsk mining region.

#### The next shocks

Continuation of the IMF system guarantees that the crisis will intensify in both Romania and Ukraine this year. These countries, perennially close to state bankruptcy and open default, will see their own "August 1998" à la Russe, coming some time later this year. Concretely, the form this will take will almost certainly be default on Eurobond paymentswhich would mark the first-ever such defaults on Eurobond payments. If no further IMF monies are forthcoming, default is a certainty. Ukraine has already defaulted on its domestic debt. The measure of how serious the situation is, can be seen in the visit to Washington by Ukrainian Prime Minister Valeri Pustovoitenko, beginning Feb. 2. He met with IMF Managing Director Michel Camdessus, World Bank President James Wolfensohn, and U.S. Secretary of State Madeleine Albright, begging for resumption of suspended IMF tranches, further World Bank credits, and continued U.S. aid.

Ukraine last year delayed state bankruptcy by borrowing at record high interest rates, on the Eurobond and international markets. As a result, this year Ukraine must pay about \$1.6 billion in debt service, with less than \$1 billion in foreign exchange reserves. Ukraine's chances of getting any money outside the IMF are zero, and little better getting money from the IMF. The usurious loans contracted in 1998 will hit home, starting this year. In June, Ukraine must repay \$155 million of one-year Eurobonds, a loan which carries an interest rate of 15,000 basis points over U.S. Treasury notes (i.e., about 20% interest). A euro deal maturing in the year 2000 also carries that interest rate, while a deutschemark loan issued last February (which at the time "saved" Ukraine from imminent bankruptcy, and which matures in 2001), carries a 16% interest rate, the highest ever attached to a Eurobond at the loan's inception.

Romania's situation is not much better. It has \$2.8 billion in debt service due this year, compared to about \$1.8 billion in foreign exchange reserves. For Romania, the danger period looms in the second quarter. A 52 billion yen (\$449 million) Samurai bond matures May 28, and a \$250 million Eurobond matures June 25.

If "reform" policies are adhered to, the weight of unpaid wages and unpaid social expenses, under these impossible financial constraints, will ensure massive social eruption this year.

In Ukraine and Romania, the governments are committed to such suicide. The Russian government has taken a healthy anti-IMF course, but the accumulation of years of problems, the legacy of IMF policies—above all, a volatile social situation—cannot be dealt with overnight. This is what the forces committed to ruining Russia, seek to exploit, so as to destabilize Russia's last chance: the Primakov government.

# Italy urged to promote Eurasian Land-Bridge

On Jan. 20, 1999, three legislators in the Italian Senate presented a Parliamentary question to the government, which urged that Italy take the lead in promoting European participation in the Eurasian Land-Bridge. The project is a key component of Lyndon LaRouche's proposal for a New Bretton Woods global financial system, which is needed to restart the world economy. The project involves corridors of infrastructure development, including high-speed rail, energy production and transmission, communications, and so on, stretching from Lianyungang, China, to Rotterdam, Holland. The infrastructure network is already linking up Southeast and South Asia, the Middle East, and has the potential to connect with Africa and the Americas, through the Bering Strait.

The initiators are representatives of opposition parties: Sen. Riccardo Pedrizzi, is from the conservative Alleanza Nazionale party, and is the Secretary of the Senate Finance Committee; Sen. Antonio D'Alí, of the Forza Italia party of former Prime Minister Silvio Berlusconi, is Vice President of the Senate Finance Committee; and Sen. Francesco Servello is a member of the Senate Science Committee. The question has been printed in the official Parliamentary Acts, which reports the daily activity of the Parliament. The subhead has been added.

To the President of the Council of Ministers, and to the Ministers of Industry, Commerce, Tourism, Treasury, Budget, and Economic Planning.

Given:

That, as is known, at the present time the entire international financial and monetary system is rushing into a systemic crisis, as indicated by the acceleration of the crises in the last 18 months, in Asia, Russia, the LTCM [Long Term Capital Management], and recently in Brazil; the financial bubble has at this time abundantly surpassed \$160 trillion, going into the fibrillation phase and imminent depression; for example, the latest report of the Bank of International Settlements of Basel, presented at the end of November 1998, admits that, analyzing only 78 (naturally the biggest) banking and financial institutions in the world, the total—at the end of 1997—volume of derivatives had reached a level of \$103 trillion, as opposed to \$62 trillion in 1996;

That the negative effects on economies are evident in the countries that have been struck by speculation; and especially, that these effects are predictable for the advanced sector countries, in the wake of the collapse in exports and of the general decline in demand, and the decline in the exchange of goods

and services on a world scale in real terms; the decline of production, the crises in the productive sectors, and the blocking of any new investment, have brought about an increase of unemployment and the expansion of the stratum of poverty with highly explosive social consequences;

#### 'Enormous potential for development'

That, in this context, the enormous potential for development represented by the implementation of the so-called "Euro-Asian Development Bridge" [i.e., the Eurasian Land-Bridge], which consists of building great infrastructure projects, which sees China as decisively involved in the project; India, Russia, Iraq, Turkey, and the majority of the Asian countries, with the recent adherence of Japan (which was announced during the recent visit of Chinese President Jiang Jemin to Tokyo), are all discussing this great project, and putting things at the ready, for their participation in its realization;

That, for the success of such an initiative, advanced technologies and machine tools will be in demand, particularly from Europe and from the United States;

And that, for that matter, it is evident that the "Euro-Asian Development Bridge" could not exist without the active participation of Europe;

That, considering that Italy and the Mediterranean basin represent a decisive transshipment point for all of Europe, their active participation in this strategic project would have a stabilizing effect on the real economy and on the labor market, and finally, it would contain within it the reversal of the current tendency toward globalization and financialization, putting on the table once again, a return to the real economy;

That, based on these considerations, Italy, and, to be specific, the powers that be, in the political, economic, industrial, and labor sectors, should express a decisive interest and a firm intention to participate in the Euro-Asian Development Bridge project;

That, with all due speed, the government should dutifully involve itself in soliciting, including at the European level, a discussion about the necessity of participating in the realization of the great infrastructures foreseen by the abovementioned project,

We who are issuing this interrogatory, would like to know:

If the government is aware of this initiative;

If it does not find it opportune to work in that direction, and what specific provisos it might intend to adopt for promoting the participation of Italy and of all of Europe, in an economic plan of such scope, whose effects will benefit all the economic-industrial sectors, and, by reflex, also employment;

Which initiatives the government might intend to undertake, at a European level, and vis-à-vis the international financial institutions, to insert itself into this great international debate, from which at this time, we are entirely absent.

# Eurasian Land-Bridge could prove to be fruitful for Poland

Mr. Lopuszanski is a Deputy in Poland's Sejm (Parliament), a member of "Our Circle" (a parliamentary coalition of Deputies from several parties), and a member of the Christian National Union party. He was interviewed in Warsaw in December 1998 by a member of the Polish Schiller Institute.

EIR: You gave a spirited speech in the Sejm recently, on the sovereign right of a nation to defend itself against financial speculators, especially in the context of the ongoing collapse of the global financial system. Could you comment on that?

Lopuszanski: I have been brought up in an environment which was convinced that a people should live in its own nation-state. According to this belief, if a nation's rights are violated in international relations, then human rights are also violated. One can give many examples, from Europe, from the Balkans, in which the violation of national rights meant incredible suffering of many individuals and whole social communities.

We are very worried by the more and more common phenomenon that the political authority of the sovereign state is being substituted for by various supranational bodies, and it seems that the final goal is to establish some global polity....

When we look at what is being proposed to us today, we see those huge supranational giants. It is well and good to propose such things during periods of prosperity, but when we look at history, we see that in various historical cycles sometimes we have prosperity, sometimes we do not. We think that constructing a political order should be based on more profound foundations than just the idea of profit, and making money.

When it comes to making profit today, we see that it is done mainly in speculative ways. Economy stops being a method for making things and services which are needed by the individual and by society, and instead, for people who play according to the rule that profit is the highest and almost the only criterion in the field of economy, economy becomes a tool in the struggle for dominance over others; a tool to gain influence, in a fight which has political character—but a political order established according to this principle is not a human one, but a wolfish one.

My friends and I, due to our vocation and legal status, are responsible for the good of a national community, which is

constituted by the Polish people, living in its own nation-state. We want to strengthen this state, and in this way strengthen its independence, its sovereignty, which means that it is a nation which rules its state, while we are confronted now with proposals that we accommodate to various international standards.

In Poland, one can make a career very easily by applauding various international concepts, but one is quickly marginalized if one tries to define—more or less successfully—wherein lies the good of the nation, what is good for various social groups, and for the state as a whole.

This is the core of the discussion we are engaged in. The debate about the budget was one of its elements, concerning how to accumulate state resources, and how to use them.

**EIR:** What role could Poland play today in the Eurasian Land-Bridge project?

**Lopuszanski:** Concerning the concept which has been now undertaken by the Chinese and the Japanese, it is not new, because already at the turn of the 1970s and '80s, big Western financial centers discussed a proposal to invest heavily in China. That was dictated by the Western policy toward the Soviet Union. It was expected that China would invest in the metal industry, mainly in heavy industry, which was a basis for military industry.

However, the Chinese proposed to their Western partners that they would like to use the money to invest in their own infrastructure. Unfortunately, it turned out that in such a situation, the capital did not reach China, and the sum under consideration was much bigger than what was coming to Poland at that time. That is quite telling.

Concerning the idea of development, I am deeply convinced that only by building various types of useful infrastructure, are we able to stimulate the economy in the proper way. Investment in such enterprises means that we can generate money which is not useless, or wasted on consumption only, but is used in a wise way for great enterprises.

Of course, one has to make a judgment about an economic equilibrium, because it's difficult to reach an agreement between people who think that there should be a certain relationship between goods and services on the one hand, and the volume of money on the other, and people who claim that the balance can be maintained by introducing new speculative systems, which only patch the holes in the systems which had existed before.

From this point of view, all great infrastructure projects, wherever in the world they are commenced, can have a healing effect on the economy, not only in the region where they are being built.

Of course, there is one more aspect to this project; that is the role of Poland. Poland is one of the important Western elements of the Eurasian Land-Bridge. On the one hand, I would like to mention that, during many parliamentary debates, I had an opportunity to talk about the necessity of engaging Poland in organizing trade exchange between East and West. This would create tremendous opportunities for Poland.

On the other hand, there are certain problems involved. Right now we are following a certain worrisome investment in Poland, namely, a pipeline construction from Russia to Germany, through Polish territory. Construction is going on under conditions which are causing a scandalous violation of the interests of Poland. These conditions interfere with the economic, political, and social life of Poland, and they are not consistent with our criminal law, and the principles of state sovereignty.

I think that such an investment as the Eurasian Land-Bridge, if it is treated as some sort of imperial scheme—which comes easily in this part of the world—could lead to many serious conflicts, but if it is treated as an initiative guaranteeing all nations and all participants a just share and a just development, on the basis of partnership, as we understand it, it could prove to be very fruitful for Poland.

**EIR:** In your opinion, what are the main points of interest in Lyndon LaRouche's memo, "What Each Among All Nations Must Do Now" [*EIR*, Oct. 9, 1998], which was distributed here in Polish?

Lopuszanski: All of them are inspiring. The most important, from our point of view, is the statement that a sovereign nation-state is the highest political authority, and that an international policy should be established on the basis of agreements among nation-states rather than on the basis of creating authorities which impose on nation-states global solutions. Of course, also, the thesis which refers to the relationships among nations based on ethics—without even going into a complicated debate about ethics systems—referring to simple decency. We know from experience that even people speaking different languages and coming from different parts of the world are able to reach an agreement on the grounds of human decency. So why couldn't politicians, or people involved in big business, build the future of their nations on this groundwork?

But, I have another great dilemma connected to those postulates: Mr. LaRouche says that nations "should" do this or that, and states "should" do this or that, but I realize that

this kind of decision has to be made by some sort of political center, and what has happened to nations in our contemporary world—due to the actions of the globalist faction—is that national centers, political centers, or economic centers, have been eliminated, as supposedly the biggest enemies. As a consequence, nation-states, formally equipped with the sovereignty of their governments and parliaments, very often implement policies which are put together outside a given government or parliament, while politicians are only puppets.

Today we see the first signs of the financial storm and a great danger resulting from it—the collapse of the financial system, and with it economic exchange. This may lead to horrible human catastrophes. But on the other hand, we are wondering whether this can give us a great chance, this painful fall, because in the process of the collapse, the mechanisms which enchain nations of the world, may also disappear.

**EIR:** Thousands of citizens and officials of the United States and nations around the world have signed an appeal to President Clinton to name Lyndon LaRouche as an economic adviser. How would that affect Poland?

Lopuszanski: Many of LaRouche's postulates are for me much more understandable, in an intellectual sense, because they are more adequate to what is going on in the real world, than the postulates of many politicians in the world, or their imitators in Poland, who consider extremist liberal and monetarist models as a prescription for everything. This prescription leads to the spiral of ever-higher taxes, higher interest rates, smaller and smaller possibilities of producing, and ever greater dependence on international speculation as a source, only temporary of course, of the means of economic existence. When this system collapses, and it will collapse, we will see many tragedies. Using Poland as an example, I can say that in the framework of so-called international adjustment conditionalities, it is impossible to have either a national policy to promote industry, or aid for agriculture, for trade or maritime economy, or in the area of protecting Polish property, strengthening the Polish currency, establishing an educational system consistent with Christian, Catholic, Polish tradition. I am saying that because we observe a dramatic decrease of productivity in Central Europe that includes Poland, as well as a collapse of Polish trade.

For this reason, I propose to introduce national economic policies for Poland, the Czech Republic, Germany, France, etc. Is the strategy of the United States important for those processes? Undoubtedly, yes. I remember the words of one American commentator, when Americans shamefully abandoned their allies in South Vietnam. He said that from the point of view of the U.S., it is not important whether communists take over power in this or that part of the world, but it is important to make sure that in no place on this globe do national forces take control. I cannot understand why this kind of doctrine would be in the interest of the American nation,

because this contradicts common sense, and despite everything, I do believe in common sense in America and other nations.

However, I cannot exclude that there are plans to use the U.S. as a powerful tool to realize these kinds of plans, but if so, we have to say openly that this is very destructive.

Is President Clinton capable of resisting these kinds of tendencies? I do not know—so far he has been kept on a short leash, which was put on him with the help of various Ms. Lewinskys and others. The Presidency of the United States is being degraded in various ways, as an institution—which does not diminish the seriousness of the accusations. After all, we can expect serious behavior from a politician in a serious position; he should not give such pretexts. But who is hitting this institution? When one looks carefully, one can see who creates those pretexts.

However, the way this matter is handled leads to a situation in which the American state seems to be a helpless booty dragged by hyenas, despite all its physical, economic, and political power.

It is very instructive to recall what happened to President Kennedy when he tried to find a way to a greater independence of the institution of the American Presidency in relation to various forces exercising pressure on it.

In view of this, one can pose a question whether appealing to President Clinton can change anything. May God grant that it will! I understand people who do not want to neglect this measure; however, I remain very skeptical.

**EIR:** One precondition for preserving national sovereignty is a well-educated population. In the past, Poland had a high standard of Classical, humanist education, but in recent years, liberal economics has had a negative effect. Could you comment?

**Lopuszanski:** Of course, this is not just a Polish phenomenon. The accomplishments of ancient Greece, as well as Rome, which passed those accomplishments to later generations, are the source of Classical education, which decided the identity of Western civilization.

The Church picked up this tradition and certain elements of it are continued to this day.

Wherever this tradition was dominant, there was also an understanding about what universalism is. However, the period of the Enlightenment brought a change. A completely different concept of a man appeared, according to which a man exists only to the extent to which he knows something or can change something—that is, this concept defined a man completely by external parameters, rejecting what he is in his awareness, in his capacity to love truth and seek truth. As a result, we got encyclopedic education. The practical drama was that, at the end of 18th century, the entirety of human knowledge was so huge that even the greatest geniuses could not assimilate it. Knowledge can be a blessing if a man, ruling over himself in the sense of his identity and morality, will use

wisely the wonderful benefits given to us by civilization, the development of science and technology. However, if a man is stripped of what constitutes his inner life, in terms of intellect and spirituality, and in consequence his moral capabilities are harmed, how is he supposed to deal with such things as a nuclear bomb or genetic experiments?

The lack of moral and intellectual maturity is frightening. How did the Classical world educate its youth, our great creators of civilization, when they were not great creators yet? First, they studied the *trivium*, that is, grammar, logic, and rhetoric; then the *quadrivium*: dialectic, the art of conversation, writing letters, literature, history. Then they learnt arithmetic and geometry, astronomy, and natural science. The third level included philosophy: metaphysics, that is, the theory of being, providing the answers to the questions of what is, and why it is. There was anthropology: Who is man, what is his vocation? Then ethics: What is good, what is evil; relationships between human beings.

The whole educational system was connected to that, in families, in schools, in public education. This system included awareness of the responsibility of every man for his actions, bad or good. This system included the development of virtues, that is, the capacity to do good; and elimination of vice, that is, the capacity to do evil.

The fourth element included politics, that is, realization of the common good. John Paul II talks about politics as caring for the common good. How many contemporary politicians understand that they are involved in an activity which was lectured about as a part of philosophy?

After passing all that, students could study the liberal arts. For example, theology. The *Summa Theologica* by Thomas Aquinas is difficult for contemporary students, but it was written as an introduction. Liberal arts included also law and medicine, etc.

People need a common language to communicate, especially in the area of abstract ideas. Intellectual upbringing gives the possibility of freely moving in the world of abstractions, and then one can start a dialogue.

Let's look at the matter of truth. We have two extreme approaches. One says, there is truth; the other says, there is only opinion, because truth is a reflection of the reality in the human mind....

Sometimes conflicts in the spiritual sphere are more disastrous for man than physical conflicts. Spiritual death is the worst kind of death. This is why our circle is studying the Pope's encyclical *Faith and Reason*. It includes the key matters concerning human existence, human relations.

If we want to introduce educational reforms today, in Poland, the U.S.A., or Malaysia, we have to reach for those models, because only then can we create an intellectual basis adequate to the task of developing the whole of the human person. If we do not do that, we can, of course, punch each other in the nose, and the strongest will prevail. But a civilization built on that cannot be called human.

# Will Nigeria return to the IMF fold?

by Lawrence K. Freeman

With only a few weeks until the Feb. 27 Presidential elections, Nigeria is being pressured to submit to the dictates of the International Monetary Fund (IMF) and the Paris Club. When Gen. Sani Abacha came to power in November 1993, he reversed the subservient relationship that Nigeria had to the IMF under Gen. Ibrahim Babangida's regime (1985-93), during which Babangida destroyed Nigeria by following the IMF's structural adjustment program and "free market reforms," including the massive devaluation of the naira, Nigeria's currency. During the last several years, the IMF has been denied direct control over Nigeria's economy, especially because of Nigeria's 1994 government ban on accepting any additional foreign loans.

It is expected that Gen. Abdulsalam Abubakar will hand over power on May 29 to the newly elected President. While it is unlikely that he will initiate any fundamental shifts in policy during the few remaining months of his transitional government, there are signs of some kind of reconciliation with the IMF, the World Bank, and the Paris Club consortium of foreign banks which account for 70% of Nigeria's approximately \$30 billion debt. If some deal with the IMF is in the works, this portends very serious consequences for Nigeria's future, and for the new civilian government.

Government officials confirm that the IMF has never stopped pressuring Nigeria to return to the "good graces" of the international banks, and is now using Nigeria's economic troubles, and the elimination of General Abacha, to break Nigeria's resistance to resume its previous subservience to the IMF. It is most unfortunate that discussion of these life-and-death issues, which are of great concern to Nigeria's 110 million people, has not been conducted by the various parties and candidates scrambling to get elected to office.

#### Drop in oil prices hit Nigeria's budget

In his January speech on Nigeria's budget for 1999, General Abubakar recognized that the economy is suffering from the global drop in oil prices, Nigeria's weak industrial base, and low productivity of the agricultural sector. With Nigeria's revenue still almost 90% dependent on oil, and with prices for Nigerian oil falling—from \$16-17 per barrel in early 1998 to \$11 a barrel in January 1999—the government has adopted a \$9 per barrel figure for the 1999 budget, leading to a drop in expected revenue of approximately 54% from 1998 to 1999.

Estimates of the expected budget deficit range from as low as \$400 million, to as high as several billion dollars, calculated on the basis of 86 naira to \$1. It is under these grim economic conditions, coming on top of Nigeria's long-term difficulties in keeping Africa's largest population employed, an underpaid government work force, a lack of adequate oilrefining capacity, and underdeveloped basic infrastructure, that the IMF and the free market fanatics are putting the squeeze on Nigeria's leadership to return to the fold. It is noteworthy that General Abubakar is receiving praise for his conduct in the election process — which is expected to result in a new civilian government - from Nigeria's historical enemy, the British Commonwealth, and its allies in the U.S. State Department such as Assistant Secretary of State for African Affairs Susan Rice. While the British and U.S. press could not heap enough scorn on Abacha and Nigeria in 1993-98 when the IMF could not get its way, their tune has radically changed. Now, they obviously think the government is malleable enough for them to reinsert their fangs back into Nigeria's throat.

#### Is the IMF moving back in?

According to the Jan. 25 London Financial Times, a deal has been struck with the IMF and Paris Club. The Financial Times says that Nigeria "has ended a 10-year rift" with the IMF, and that the military government has made an agreement that "should pave the way for a debt rescheduling agreement with the Paris Club." The article suggests that Nigeria's "economic difficulties are so acute that the incoming government would have no choice but to exploit all opportunities to borrow funds.... An IMF enhanced structural adjustment facility loan would give Nigeria access to an estimated \$1 billion." Whether this is true or not, it indicates what the British and the IMF want to accomplish with the new government. Abubakar in his budget address officially announced the discontinuance of the two-tier currency exchange rate, establishing one official rate of 86 naira to the dollar, which has been demanded by the IMF for years. This represents a 4-5% devaluation compared with last year, with the black market offering 100 naira to the dollar. He also reversed one of Abacha's early anti-IMF decrees, and announced that he would "lift the 1994 embargo placed on external borrowing."

The second opening that allows for the international bankers and cartels to move into Africa's most populous nation, which the IMF et al. have been demanding for years, is the Nigerian government's desire to privatize some of its state holdings.

The December 1998 issue of *Africa Recovery* spells out in detail the plans to privatize Nigeria under the new government. Reflecting the frustrations of the Abacha years, the magazine has a table that shows that in 1990, '91, and '92, Nigeria allowed 58 privatizations; in 1993, only eight; and zero in 1994 and 1995. (There are no figures for 1996-98.) The main targets of the privatization effort are the National

Power Authority and Nigerian Telecommunications, Nigeria's second- and third-largest public corporations, respectively. "Also on offer are the National Fertilizer Company, two hotels, three steel rolling mills, three paper companies, six vehicle assembly firms, a cement company, and a sugar plant." The Nigerians have made clear, thus far, that they will not allow the giant Nigerian National Petroleum Corp. to be sold off, but they are interested in privatizing four oil refineries owned by the firm.

The breakup of these companies is suppose to be apportioned as follows: 40% is to be sold off to foreign investors, which will manage the companies; 20% to Nigerian investors; and the government will retain 40% control. According to Africa Recovery, "Resumption of a serious privatization effort has been one of the preconditions set by the International Monetary Fund for negotiating an interim program monitored by Fund staff that would open the way for talks on a medium-term economic strategy agreement for Nigeria . . . and to pave the way for debt relief talks with the Paris Club" (emphasis added).

#### Nigeria needs leaders

The results of the State Assembly and Governorship elections held on Jan. 9 reflect the continued dominance of the People's Democratic Party (PDP), which won 21 of the 36 states, with the All People's Party (APP) taking nine states, and the Alliance for Democracy (AD) winning the six states in the southwest controlled by the Yoruba tribe (see EIR, Jan. 15). While there are several well-known political figures vying to become the PDP Presidential candidate, former head of state Gen. Olusegun Obasanjo at the moment appears to be the front-runner. However, Obasanjo has three significant problems that stand in the way of becoming Nigeria's elected President: First, he has very close ties to the Anglo-American establishment. Second, he is a former military head of state (1976-79), which is not appealing to large sections of the population who are looking for a new type of non-military leader. And third, even though he is a Yoruba, his party has failed to carry any of the six Yoruba states in the southwest, including his own, which have thus far voted for the AD. Some think it will be hard for Obasanjo to put himself forward as a viable Presidential candidate if he can't carry his own state. Already there have been reports of illegal contributions to influence the election in favor of Obasanjo. Chief Ekwueme, the former Vice President under President Shagari (1979-83), is considered by some to be more electable than Obasanjo. The equivalent of Presidential primaries will be held Feb. 13-15, followed by National Assembly elections on Feb. 20.

Unfortunately, neither Obasanjo nor any of the other major candidates has put forward a serious economic program to deal with the crisis, and generally they have failed to distinguish their programs from that of the government. The foolish thinking that dominates the capital, Abuja, is, "First we have

to conduct the elections, and then we can discuss how to deal with Nigeria's failing economy." Thus far, the Nigerian population has not been engaged in a serious discussion of the real problems, and solutions, facing Nigeria, the African continent, and the world.

The absence of leaders who are willing to tackle the tough problems will contribute to the demoralization of large sections of the Nigerian population, and will further weaken the resistance necessary to stop the return of IMF.

#### Now is not the time to listen to the IMF

It would be the height of folly for Nigeria to return to the fold of the IMF. Brazil, the second-largest "black" nation in the world after Nigeria, has seen its currency devalued by 40% in January, and more than \$8 billion in capital withdrawn so far. The \$41 billion agreement with IMF negotiated by the Brazilian government in November has disintegrated, and has left Brazilians standing in line each day to withdraw from the banks what little savings they have. Itamar Franco, the Governor of the state of Minas Gerais, has declared a debt moratorium for his state, with other states threatening to do the same. The economic-financial crisis in Brazil has demonstrated for all to see, that any agreement with the IMF is worthless. Any self-respecting leader has no choice but to put the interest of the people first, over the demands of the banks with their worthless mountains of debt. Should Nigeria do less than Brazil?

Since Nigeria's emergence as an independent nation in the 1960s, the British Commonwealth, i.e., the Empire, has always sought to control Nigeria for the purposes of looting its enormous oil reserves, which are estimated to be the fifthto eighth-largest in the world and of a very high quality.

Nevertheless, there is a strong anti-IMF grouping in Nigeria that does not want to see their nation lie prostrate to the British and their allied class of financial parasites. This is evident in the fact that Schiller Institute founder Helga Zepp-LaRouche was chosen to address the Fourth Economic Summit in 1997 (see *EIR*, Dec. 12, 1997), and this author, to address the Second Nigerian Economic Summit in 1995. There is an alternative to the worthless, bankrupt policies of the IMF, to free-market dictatorship, and to U.S. Vice President Al Gore's insane globalization policies. Leaders in Nigeria are familiar with Lyndon LaRouche's proposed New Bretton Woods System, which advances the principle of an alliance of sovereign nation-states working together to promote the maximum economic and scientific-technological progress in their nations.

Instead of empty phrases like "democracy first," as if the mere repetition of the word "democracy" will solve all problems, there should be a real debate of ideas, including national, regional, and worldwide solutions to the present meltdown of the global monetary system. In the meantime, Nigerians should not let the most incompetent bankers in the world back into their country.

# Space Station without the Mir would have been inconceivable

In 1995, the National Aeronautics and Space Administration embarked upon a challenging series of joint missions with the Russian Space Agency, which included link-ups between the Space Shuttle and the Mir space station. During that program, seven NASA astronauts lived aboard Mir, the last of whom was Andy Thomas, who returned to Earth on June 12, 1998.

The American stays on Mir became controversial when a fire started aboard the station in February 1997, and then a collision occurred with an unmanned Progress supply ship in June. There were calls in the U.S. Congress to end the joint program, because it was said to be too "dangerous" for American astronauts to be on the Russian station. The effort to end the program was unsuccessful, and the last two astronauts, including Thomas, completed their increments aboard Mir.

More recently, the Russians have indicated an unwillingness to deorbit the 13-year-old Mir station, which had been scheduled for this summer. They are trying to find private interests to finance Mir's continued operation for the next two years, while its successor, the International Space Station (ISS), is being assembled in orbit and readied for its first long-duration crews.

In an interview with 21st Century Science & Technology Associate Editor Marsha Freeman on Dec. 10, 1998, Thomas described his way of coping with his stay on Mir, the lessons learned that should be applied to the ISS, and the future of the Mir. Thomas was born in Adelaide, South Australia in 1951. He obtained a doctorate in mechanical engineering from the University of Adelaide in 1978. He was a research scientist with the Lockheed Aeronautical Systems Co., and in 1989, he joined the research staff of NASA's Jet Propulsion Laboratory.

Thomas was selected as a NASA astronaut in March 1982. He flew on a 10-day Space Shuttle mission in 1996, and on Jan. 22, 1998, launched aboard the Space Shuttle to Mir, where he served as Flight Engineer 2, and completed 141 days in space.

**Q:** I have interviewed some of the astronauts who have been on Mir. I did one with Dave Wolf [*EIR*, March 13, 1998], and one with Mike Foale [*EIR*, Oct. 16, 1998]. Those interviews focussed on some of the specific experiments and work that they did on Mir. But you are the "bridging" person, in between

Mir and the International Space Station, the first two elements of which are now in orbit. So, I wanted to ask you some general questions, on the lessons learned from Mir for the ISS.

It seems to me that for long-duration missions to be successful, there has to be a good working relationship among the crew, and a minimum of hardware problems. You have previously mentioned some of the things that you thought were very helpful, or even necessary, to make it a successful long-duration flight. At your press conference after you returned to Earth, you mentioned that on the part of the visiting astronaut, it takes determination, and soul-searching. And, you've talked about the frame of mind that the crew member has to be in, in order to make it a successful, also pleasant, and happy, worthwhile experience.

What frame of mind do you think is necessary to adjust to, as you've said, the "unusual if not bizarre circumstances" of being on a space station?

**Thomas:** I think people need to be flexible, to have an adaptability to new situations. I think you need to be able to creatively find recreation for yourself, sort of within yourself, and not be too dependent on externals, particularly other people.

I think, for example, that if someone has a social life that's very outgoing, and they have a great dependence on social contacts with lots of different people, obviously they're going to have a difficult time in the confinement of a space lab. So, it depends on the kind of person, to a very large degree — what their personal characteristics are. I think the main one, though, is that you can think creatively, and find opportunities for recreation sort of within yourself.

**Q:** You've mentioned the importance of recreation. Would it be worthwhile for people who know they're planning to make a long-duration stay in space, to try to develop certain kinds of hobbies, or things that they work on, more or less by themselves, before they go? You've mentioned that you had tried sketching, and did a few different things.

**Thomas:** Yes. I hadn't actually done any of that before I went. I had planned to do it before I went; I had thought it through, but I hadn't done any on the ground. It wasn't until I got up there that I did that.

I think that hobbies are very important, and one of my recommendations when I came back from Mir, was that NASA provide certain standard forms of recreation—you

know, music, CDs, movies, computer aids, and so on. But I think it's important that the individual have something that is personally rewarding to him, if such a thing exists, and if it's transportable.

And I made a recommendation that that personal recreational vehicle, whatever it is—NASA needs to accommodate the needs of the astronaut in that regard, by providing that. In my case, it was providing pencil and paper. But it might be providing a musical instrument, or a particular collection of books, or something like that. And I think that that could go a long way to making a very big difference in the quality of the time that the person has in orbit.

**Q:** Relaxation, of course, can also be something that you do with one or more of the other crew members. Are there any things that could be taken along, or should be, where the crew can relax and do something together?

**Thomas:** We did that on Mir. We watched movies together, pretty much most evenings; we'd watch a video for a while together in the base block. And I think that's a good thing to do. Also, I think eating meals together is very important. So, your schedules have to be matched to accommodate that, so that people can all gather and share meals together, and have that sort of social interplay. That goes a long way to having sort of a balanced life up there.

The big challenge is to find a way of psychologically removing yourself from an environment, when you can't physically remove yourself from it. And that's why creative recreation is so important, because it lets you do that.

Q: One of the things you've said that I found surprising, is that you have to create a certain kind of psychological distance from the Earth—I suppose so you don't go to sleep every night being homesick. With the Russian system, voice communication with the ground was certainly much less frequent than during Space Shuttle missions. But you said that you get pulled back if you're going to spend a lot of your time talking with family or friends, and that you actually preferred e-mail.

**Thomas:** Yes. E-mail was very important. I've heard it said that people who go off to West Point, or a military academy, sort of go through the same thing. They like to get letters, rather than phone calls, because a phone call pulls you back to the environment that you have to pull yourself away from.

I've also heard it said that people who do some of these long Arctic and Antarctic expeditions in isolation, initially take lots and lots of pictures of their family and things like that, with them, and pin them all up, or hang them up in their tents. But after a while, they take them all down, because they're not actually helping them. And it sounds a little unkind to think that people might react that way to their loved ones, but it's not unkind. It's just trying to function as productively as you can in the environment you are in, and making the most of it, without sort of trying to live in two worlds at once.



Astronaut Andy Thomas

Q: And then, of course, there are things that should be done to make a crew member most productive. In your July 8 press conference, you said that "things have to be convenient and agreeable." It seemed to me that you were thinking more of the physical environment than the interpersonal one. You had mentioned "convenient," for example, in terms of not spending a lot of time looking for things that you have misplaced. Could you say what you mean by things having to be "convenient and agreeable"?

**Thomas:** There's a logistics issue that goes with being in zero gravity: that if things are all stowed away in inconvenient places, you can end up spending a huge amount of time looking for things. And it's amazing how easily you lose things. And so, you don't want to have a situation where you have to spend inordinate amounts of time looking for some stuff so that you can do a 15-minute experiment, or something like that.

And the way to overcome that, is that you need very wellorganized storage of all the tools that you're going to use, and the equipment that you're going to use.

**Q:** Do the personal surroundings make a big difference? **Thomas:** Yes, but after a while, you can tune out any surrounding. I think having a tidy environment, and a clean environment, is more uplifting to you than a depressing, messy environment. And I think that's important.

But from the environmental point of view, the most im-

portant thing is that when you serve on a flight like that, you do have some region in the spacecraft which you can basically call "home," and you think of it as your sort of place, and where you might have personal effects, your recreational aids, and it's a place where you go. It might be where you sleep. In my case, it was the place where I slept, and also the place where I worked.

But this gives you a sense of somewhere that you belong, and that you can go there when you need to be alone, or when you wish to be alone, and know that that area will be respected, and that if you want privacy there, you will have it when you need it. And that certainly happened on Mir. And it's also been the experience of my predecessors on Mir, too. I think that's very important, that you are able to do that. It makes a huge difference. So that if you leave something, personal effects, set up there, and you go away to do work in another module, you come back 10 hours later, you know that it's still there, and that sort of gives you the sense of coming home. That makes a big difference.

**Q:** Was there any difference in the way the Russian crew members that you were with looked at that? Did you find that there was any cultural difference in that respect?

**Thomas:** No. I think the need to have that sort of personal area, was common to us all. And we respected that area for everybody, each other's area, even though there might have been times, for example, when I would have needed to work in someone else's area, perhaps having to disturb their things. And I would go to that area, and I would ask them first, and make sure that they understood what I was doing, so as not to just take a liberty and assume that you can just barge in. Because it's a bit like someone's house, you know. You just don't barge in, you wait until you're invited in. And those sorts of boundaries, even though they're completely artificial in a spacecraft that's confined like that, they do nonetheless exist.

And once I got on board, and I'd set up my little work area, and my little habitation area in that way, it became a whole lot more comfortable for me. I had this place that I could identify with. It was like a small home for me, and I grew to kind of like the time there, and enjoyed it.

**Q:** One of the other things that you have mentioned that affects your work on a space station, is monotony. If you know you're going to be on a space station for three months, or for six months, and you're not on a minute-to-minute timeline like you are with the Space Shuttle, could there be a way of structuring it so that every day is not the same? For example, here on Earth, we have a staff meeting every Tuesday. I go food shopping on Sunday. Every day is not the same. You actually have to do different things on different days.

**Thomas:** Yes. And the work can be set up so that it's non-repetitive, so that you're not doing the same thing every day, day in, day out. And that's where the science program

which you do, can be carefully planned, to provide that—but only to some extent, because you're in a confined situation. And that's where the creative recreation comes in. That's where the creative recreation is so important, because that's what lets you make the days different, and lets you get a personal reward from your activities. And that can break the monotony.

And, of course, in the case of being on the space station, you do have the extraordinary environment of being in zero gravity, being weightless, and having that view of Earth to captivate you, so you can always find that as something to distract you and let you get a little bit of escape from the day-to-day work activity.

We actually had our time set up as sort of a work week, much like a five-day work week. The weekends we still had to work, we still had duties, of course, they don't go away, but it was a reduced level of duties. And so the weekends gave us a lot of time just to do things like take pictures, look out the window, or to do some recreation, to watch movies. In my case, do some drawings, or writing mail, or reading, and so on.

And, there was something kind of nice about having weekends up there. It broke that monotony of every day being like every other day. And it gave some sense of normalcy, of routine that you're accustomed to [on Earth]. And it lets you get psychologically recharged each weekend, too, much like it does here on the Earth.

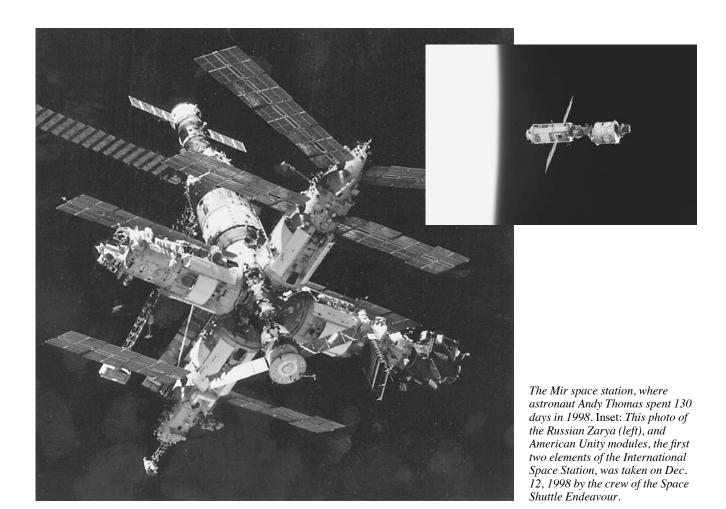
Q: Will the science experiments on the International Space Station be more automated or need less astronaut and crew time than they did on Mir, which would give you more flexibility? Could you could say, for example, "Monday, Wednesday, and Friday I'm going to work in the greenhouse, and—"

Thomas: I think the experiments probably will be very comparable to the kinds of things flown on Mir. Perhaps in years to come, there will be more automation of experiments and ground control, but I think, initially, they'll be very similar to the Mir experience.

**Q:** You had an array of experiments to work on while you were on board Mir. Was there anything, just from your own background in research, that you enjoyed working on, or seeing the results from, more than something else? And would that be a consideration in deciding which mission specialists or payload specialists worked on different experiments?

**Thomas:** They were all very similar, in terms of what I had to do with them. So, I don't look upon them with a preference. I guess maybe I preferred the physical science experiments, rather than the biotechnology experiments—the medical experiments, I should say, not the biotechnology experiments. You know, doing the blood draws and things like that is not something I'm accustomed to, and they're not a lot of fun either, let's face it.

As you know, on the Space Shuttle, they do occasionally fly payload specialists, because there's some unique expertise that they feel is appropriate for an experiment. I think that



may come to pass on the International Space Station, too, where there's an attempt to match professional capabilities with the science requirement, but not in the early days, because the early days are going to be so much more engineering-oriented than science-oriented.

Q: You are from Australia, which has a small space program. Just recently, Ukraine concluded an agreement with Russia to build one of the science laboratories for which the Russians haven't been able to get financing. Brazil has been brought in on a bilateral basis through the United States. Have you thought about the opportunity that the ISS might afford countries that have no space program to speak of themselves right now, but could start one with the ISS? There are many different levels on which a whole host of countries could participate.

**Thomas:** Yes, you're absolutely right. My country could build a small experiment and fly it, or a small sensor, or something to go on one of the modules, or some small piece of hardware, and participate in that way. At the other extreme, a country could train crew persons to fly, and fill up modules. And a country could do anything it wants in between those two extremes, because a full spectrum of activities exists. And, it's really up to the political and economic will of the country concerned to decide if it wants to do that, and at what level.

Q: I know that you were in Australia in the fall, making a tour, and discussing your flight. And I'm wondering if you were able to coax the government there into taking a more active role, or to think about participating in some way in the station?

**Thomas:** I've used the forums that I've had to give speeches to make that point on a number of occasions, that there are opportunities there, and they could be in any of those range of activities that I just mentioned. As yet, nothing has been forthcoming. But I think, ultimately, it will, because interest is slowly increasing. And it will reach a point where something will be done. It's just a matter of time.

**Q:** You were the last NASA astronaut to work on Mir. I'm sure that you are very well aware that over the last few weeks, there has been a lot of back-and-forth in Russia about the future of Mir, as we come closer to the point at which a decision must be made on deorbiting it this summer. There are a lot of political issues involved, but I wanted to ask you more specifically about the practical aspects of keeping Mir in orbit. In terms of the condition Mir is in at this point, how much of the crew's time is taken up with things like maintenance, and would it make sense to keep it going?

**Thomas:** I think yes, if it were a possibility, it would be good to do that. I mean, that's fundamentally an economic decision, not a technical decision, because Mir technically is quite capable of continuing to fly. The Priroda module on Mir is only two years old. That's nothing in the scheme of things. And so, to lose that capability would be very unfortunate. And technically, there's no reason why it cannot continue to fly. I don't think it has reached the point where the level of crew time required for maintenance is excessive.

The problem is one of economics, and the fact that it's not possible for Russia to maintain active involvement in the ISS, which they want to do, as well as support Mir, which they'd also like to do, because it's a symbol of national prestige. And there has also been a lot of talk about taking one of the modules from Mir, and taking it over to the International Space Station, but that's not really feasible.

Technically it's feasible, but it's probably not economically justifiable. So, I think the writing is on the wall that the days are numbered for Mir, and it's just a question of when is the appropriate time to close it down. And I don't know whether we're there just yet. Certainly, when the International Space Station is up and flying and staffed [in two years], it would probably not be appropriate to keep Mir going at that point, just because of the economics of it.

Q: Another option that has been discussed is some kind of private consortium trying to keep Mir operational, assuming that the Russian Space Agency could not continue to put very much money into it. There have also been proposals to get enough money to put it in an orbit where it would be in cold storage, and maybe it can be brought back a couple of years from now, and something done with it.

**Thomas:** I'm not sure that's very feasible, though. You can't really mothball a system like that, and expect all the systems to survive. They really need to be operational to maintain themselves, to prevent leaks from forming, and prevent seals from drying up. It's a bit like taking a car and leaving it parked in your garage for two years. You know, the car's going to deteriorate—even though it's not being driven, it will deteriorate. And that will be the same with trying to park Mir somewhere, and shut it down.

Q: Sometimes people try to reduce it just to dollars. They say, "It takes about \$250 million to keep the Mir going, so if somebody would come up with that amount of money, they could do it." But it seems to me to not be at all that simple. First of all, you'd have to be training crews for both spacecraft. Thomas: Yes, you would, and you'd need to have Progress flights to resupply it. It would be an enormously difficult undertaking, and very hard to justify for a private consortium, from the point of view of return on investment, I would think.

**Q:** Are there any other lessons to be learned from your stay on Mir? Your increment was a lot less eventful than Jerry Linenger's, when they had a fire on board, or Mike Foale's, when the Progress collided with the Mir.

Thomas: But the reason why it was a lot less eventful, was because of the experience that was gained in the flights of my predecessors. We learned how to work with the Russians, we learned how to do a science program on a space station like that. We learned all about the human factors, and we learned how to get the Shuttle up and back. We learned about the [crew] support structures needed on the ground, the psychological support and technical support. And so, it was not coincidental that my increment went very smoothly. You know, it was a long process of evolution of learning how to do it, and doing it [based] on the experience of my predecessors, that made it successful.

And that's an exercise that's useful for the International Space Station, too, because we've learned a lot. And I do think it would have been inconceivable to try to do a collaborative space station with the Russians, without having done the Shuttle-Mir program. We could have done it, but it would have been enormously difficult.

**Q:** It is my understanding that when we had to deal with the crises on Mir, we really had to learn about their technology and systems.

**Thomas:** Yes. You learn about the systems involved, the technical systems. And, many of the technical systems on Mir are very similar to the ones that will be on the International Space Station.

**Q:** Are you training for a flight at this time?

**Thomas:** No. I'm not assigned to a flight, nor is Dave Wolf, or Shannon Lucid [who also lived on the Mir]. Mike Foale is assigned to a flight, but it's not a Space Station flight. He's assigned to one of the Hubble [Space Telescope servicing] missions coming up next year. So I, like my predecessors, have a technical assignment here to support the flight program, and I'm working with Mike Foale in what they call the "expedition office," which is to help address the issues of training what we call the "expedition crews." And we are helping solve problems pertaining to the training in Russia that they have to go through, and all of those sorts of things that come up.

**Q:** The expedition crews are the long-duration crews who will live on the Space Station?

**Thomas:** Yes. That's what they're going to call each mission on the Space Station; it's going to be called an expedition.

**Q:** Like to the Antarctic?

Thomas: Yes.

**Q:** Do you plan to be spending any time in Russia? You'll be working from here, but will it require you also to have an

interface with people there who are doing the same thing, getting the expedition people ready?

**Thomas:** Yes, that's one of the things I will do. In fact, Mike Foale is in Russia right now, with a group of astronauts, doing preliminary Soyuz training. And I will be going there, probably in February, for a similar kind of exercise. I probably won't be doing the training, since I've done it, but I'll be acting as a supervisor for a group of astronauts going there. And so, yes, I would expect to be in Russia on various occasions over the course of this program. In this line of work, it's inevitable.

Q: That's probably one of the most valuable learning experiences that came out of the long-duration flights on Mir, the training in Russia.

Thomas: Oh, absolutely. It got us way ahead on the issues of training, and understanding the Russian culture; training cosmonauts as well as understanding the Russian hardware. Way, way ahead.

**Q:** One point that I do not think has been well understood, is that the International Space Station really does not ever have to be considered as being completed, that there will always be the possibility of changing things, updating them.

**Thomas:** I'm sure that will happen, too.

Q: As things wear out or become obsolete, they can be replaced with something more advanced. Also, additional capabilities could be added to the station. Have you thought about it as something that would be evolving? People always say assembly completion is 2004. But it seems to me it can be a capability that can be used for many things.

**Thomas:** Yes, I'm sure it will be. Right now, for example, there's a lot of talk about how the U.S. habitation module should be designed. Should it be a standard cylindrical aluminum shell? There's a lot of interest and likelihood that it will be an inflatable structure, one that provides a lot of structural benefits and weight benefits, and is ideal for a space station. But, of course, it's also a technology that has application to a Mars habitat, or even a lunar habitat. So, you can learn a lot by flying that kind of habitation system on the Space Station, that would help you with other explorations.

**Q:** Are there other areas where people are consciously thinking about that? When the Space Station program started in the early 1980s, it was proposed as something more than a set of research laboratories. It was seen as a jumping-off point, to go back to the Moon, then to Mars, to be used as a test bed for technology to do what you're describing. Are there other technologies that are being considered for development in the future?

**Thomas:** I'm sure there are, but I would have to say I'm not really close enough to it to tell you about it. It wouldn't surprise me if we saw something done with tethers at some point in the future, way downstream, for example, because that provides a lot of benefits for overall space flight. So, that wouldn't surprise me.

There are probably lots of power-generation schemes that could be evaluated [on the Space Station]. Virtually any spacecraft system that you wanted to examine, you could examine up there, and use that as a forum for testing it out.

Q: The first assembly mission of the International Space Station was covered widely in the press and on television, reflecting the great public interest in space exploration. I think we should keep this activity in people's visual sighting, as well as in their thinking about it.

**Thomas:** Well, it's inevitable, of course, that interest waxes and wanes. But as this vehicle gets more developed and larger, and as crews spend more time on it, and people see it going overhead, I think there will be a collective enthusiasm for it that is sustained. It's starting already.

**Q:** Will it be visible before it's completed?

**Thomas:** Oh, yes. I would imagine that if conditions are right, you could see it now. It requires that it be early morning or early evening, so that it's still flying in the part of space where there's illumination from the Sun, but where it's dark down here on the ground. Then it will be lit up, and because it's dark down here, you'll be able to see it. I'm sure you'd be able to see it, if those conditions were right.

There are places on the Internet where you can find out information about its ground track and times of visibility. I know they have that for Mir. It's not that hard to determine ground track and times of visibility. You just need a clear sky, and it needs to be going over in the morning or in the early evening. I've seen Mir plenty of times.

And you can see the Shuttle, too, under the same circumstances. Winter is not often the best time, because there's so much cloud cover around. But yes, the Space Station will be visible. It will be a lot brighter when it's finished. It's going to be very bright, when it's large and it's got all its solar arrays.

I think the Space Station assembly flights are going to be very dramatic flights, with all the EVAs [extra-vehicular activities, or space walks]. So I think there's going to be a lot of good visuals that will come out of those.

Q: When you look back at the history of space policy, you find that there has always a been a natural progression proposed, of a permanent presence and capability in Earth orbit, and then trips to the Moon and Mars.

**Thomas:** We'll make it to Mars yet. I may live to see it, too. I may not fly up there, but I think I'll get to see it.

Q: Unless you're 77, and you are like John Glenn. Then you might go.

Thomas: Well, I'm not sure I'm going to be wanting to do that when I'm 77! We'll see.

### Report from Bonn by Rainer Apel

#### New strike wave ahead

The winter of labor's discontent will culminate with a wave of strikes, with the government as a target.

 $\mathbf{S}$  ince the big strike waves in autumn 1996 and spring 1997, the German labor movement has stayed relatively calm. The labor unions, traditionally strong constituencies of the Social Democrats (SPD), in 1998 grudgingly abstained from strikes and protests, many of which would have been justified by environmentalist sabotage of industrial and public-sector projects. They abstained in order not to "aggravate" SPD relations with the Green Party. Gerhard Schröder, the SPD candidate for Chancellor, made clear at a very early point of his campaign, last spring, that he wanted a "red-green" coalition between SPD and Greens, after the elections on Sept. 27. His promise to the labor unions, to get them to accept this coalition pact, was that the creation of jobs, tax breaks, and an easing of budget austerity would be on top of his agenda.

But unrest has been growing since the red-green government took office at the end of October 1998, because it soon became clear that none of the three campaign promises would be kept. The red-green coalition kept a verbal commitment to job-creation, but it has done nothing in its first 100 days of office, to significantly reduce unemployment. Since November, unemployment has increased by 600,000, reaching the level of 4.5 million at the end of January.

The tax breaks announced by the government will not go into effect before 2002, and the government is just as committed to "balanced budget" policies, as the previous "neo-liberal" government of Christian Democrats

and Free Democrats had been. From the viewpoint of the working people, no change of policy has occurred, although the government is a new one.

But in stark contrast to the previous government of Chancellor Helmut Kohl, Schröder's red-green coalition has created a grave, additional threat to the labor market, with its obsession with the idea of an "exit" from nuclear technology. At a time when labor is hoping for a reduction of joblessness, the government wants to eliminate 40,000 jobs in the nuclear power sector, plus 110,000 in auxiliary industries. By eliminating onethird of the nation's power-generating capacities, the government is undermining the ability of the nation's power sector in the non-nuclear branches, to defend itself against the price wars and other attacks by the globalized energy cartels. Another 200,000 jobs in the energy sector as a whole are threatened, plus auxiliary industries. All in all, the anti-nuclear plans of the government are sacrificing close to 1 million jobs in German industry.

The arrogance of Schröder's Green coalition partner, which is pursuing a self-proclaimed "mandate" to dismantle crucial sectors of industry right away, has created deep rifts between labor and the government, within a few weeks. Particularly Jürgen Trittin (Greens), Germany's new Minister of Environmental Affairs, made labor's disgust with the government boil over, when he told a meeting in Bonn with factory council leaders of the nuclear sector on Jan. 19, that he did not share their concerns

about job security; that "this is the problem of the industry, of the employed, of the labor unions."

This brutal encounter with reality has provoked the labor unions to do what they have not done in many years: seriously consider public protests in support of nuclear policy. They are thinking of a range of actions, including a protest rally on Feb. 4, at the nuclear power site at Stade, bringing in labor delegations of the energy-producing sector from all over northern Germany; and a national feeder event in Munich on Feb. 19, building to a national day of protest in Bonn, likely on March 9. These two events in particular will also bring in labor leaders from the big utilities and the auxiliary industries of the entire energy sector.

The timing of this protest is unwelcome for Chancellor Schröder, because there are wage bargaining rounds going on in three sectors of the economy at the same time: the metal-producing industry, the public sector, and the banking and insurance sector. The unions of the metal workers and the public sector workers are the two biggest in Germany, with more than 4 million members; if the banking sector union employees are added in, this comes to 5 million. Labor's demands for wage increases in the range of 4.5-6.5% run directly into conflict with the government's commitment to a balanced budget, and the public sector workers are the ones who are in direct confrontation with government—their employer. (The nuclear power workers are also members of the public sector union.) The Chancellor should look at recent history: Supported by the rest of the labor movement, the public sector workers brought down an SPD-led government, with an all-out strike in the spring of 1974. It could happen again.

### **Business Briefs**

#### Energy

# China plans national electrical power grid

China plans to link most of its national power grids by 2020, to facilitate nationwide power exchanges, Gao Yan, president of the China State Power Corp., said on Jan. 26, Xinhua reported. Completion of the Three Gorges Power Station will facilitate efforts to link power grids nationwide, he said. China has developed six large-scale power grids and a number of provincial grids with transmission lines covering 567,000 kilometers.

Gao said that the Three Gorges Power Station will not only supply power grids in southwestern Sichuan Province and areas in central and northern China, but will also be a major component in the Great Central China Power Grid, which will run 2,000 km from east to west, and will be linked to grids in north, northwest, and south China.

Gao said that the framework for various inter-provincial grids, including 500 kilovolt and 300 kv grids, will take shape by the year 2000. The Three Gorges Power Station will be completed by 2009, and a 500 kv project involving power grids with AC/DC transmission lines stretching 9,100 km will then link central and northern China with Sichuan Province.

#### Agriculture

#### Food supply is grim, London paper admits

The food supply this year could become a grim one, the London *Financial Times* reported on Jan. 26. Unfavorable weather and low prices will cut world wheat production this year, according to the International Grains Council (IGC). Many farmers plan to reduce their grain plantings significantly, including in the United Kingdom, Denmark, Germany, Finland, and Romania.

Sweden's winter wheat plantings are reportedly 40% lower than last year, while Bulgaria's are down about 20%. In the United States, farmers abandoned 2.3 mil-

lion hectares of winter wheat, reducing planted area to 17.6 million hectares, the smallest since 1972. In Canada, as well, wheat acreage was reduced. Only members of the Commonwealth of Independent States and the Baltic region are expected to increase wheat cultivation, but their plantings have been very low in recent years. The reason is the same everywhere: Extremely low prices have "persuaded" farmers to abandon food production.

#### Poland

# Farm income lower than in 1991, says economist

After years of "reforms," the income of Polish farmers is worse today than in 1991, according to Prof. Jan Malkowski of the Warsaw-based Institute of Agroeconomics. Most of the decline has occurred during the last three years. Generally, average incomes in the countryside are only 40% of that which Poles have in the urban regions. The collapse of income has fuelled farm protests.

In particular, the dramatic collapse of pork prices on the world market has hit one of the most important remaining Polish farm exports. In November 1998, for example, the price for hogs was 31% lower than a year earlier, and wheat prices collapsed 15%. Polish exports to Russia and other eastern European nations have fallen sharply, and the government's support of 1 zloty (about 30¢) per kilogram of exported pork has done little to alleviate the crisis.

A roundtable is to begin soon in Warsaw between government and the farm organizations, to discuss the disasters to be incurred when Poland joins the European Union early next century, namely, the phasing out of several hundred thousand jobs in the farm sector.

Meanwhile, farmers' protests and blockades by radicalized strata of the Polish farmer organizations, like *Samobroona* and its populist leader Andrzej Lepper, are continuing to paralyze roads and crossings at the Polish borders with Germany and Belarus. Farmers are rebelling not only against dumping-price imports from the European Union,

but also illegal imports by "mafia-like organizations," which the government is doing nothing about.

#### South Asia

# India, Bangladesh to discuss trade, rail ties

India and Bangladesh are expected to begin discussions on a free trade agreement as part of their expanding political and economic dialogue, during Bangladesh Prime Minister Sheikh Hasina Wazed's visit to Calcutta in early February, *The Hindu* reported on Jan. 27.

"The entire gamut of the relationship involving trade, transport, and security will be flagged off" during Prime Minister Wazed's trip, highly placed sources said. But, follow-up action on all these areas will depend on the signals which New Delhi receives from Dhaka at these talks. External Affairs Minister Jaswant Singh will head the Indian side to the talks.

Aware of the number of false starts to improved relations in the past, India is holding modest expectations, as Indian-Bangladeshi ties are highly prone to politicization. New Delhi is taking extra care to ensure that fresh controversies are avoided.

"We are conscious of Bangladesh's internal political sensitivities on India-centric issues and are willing to wait for reciprocation from its side," one source said. Nevertheless, India sees her trip, which will be followed by a visit of a high-level team of Bangladeshi transport officials, who are scheduled to inaugurate a Calcutta-Dhaka bus service, as part of an incremental process which should lead to a positive, long-term relationship.

On free trade, the sources point out that the talks are likely to take their cue from Indian Prime Minister Atal Behari Vajpayee's address at the South Asian Association for Regional Cooperation (SAARC) summit in Sri Lanka in 1998. Vajpayee had invited all SAARC countries to evolve bilateral free trade arrangements with India. India and Sri Lanka have signed such a pact, and subsequently Bangladesh has begun to show greater interest in the proposal. Being a

"lesser developed country," Bangladesh may get a better deal from India than did Sri Lanka, the sources observed.

A new rail connection may also be established in the Petropole-Benapol area, the main artery for the road transport of goods across India's state of West Bengal's border with Bangladesh. Analysts point out that a rail line could supplement the road link. A cross-border rail line in this area has been in disuse for the last 50 years, but could be revived.

Broader plans to establish transport links will depend in large measure on the success of the bus service from Dhaka. "The purpose of this service is partly psychological. Its success will help erase the imaginary fears of larger people-to-people and commercial contacts with India," a source said. After nearly a year and a half of negotiations, the two sides have exchanged a draft agreement and progress in the February dialogue between officials is expected.

#### **Economic Policy**

# Stock market collapse will end 'free market'

The bursting of the American stock market bubble will lead to a rise in "economic nationalism" in the United States, and this will have profound consequences for the world, says Prof. John Gray of the London School of Economics, in the Jan. 26 London Guardian.

According to Gray, the American bubble is "unusually fragile and dangerous. For the first time in over half a century, America's savings rate has fallen below zero. Americans are living on tick [credit], confident that the stock market's unending levitation will lift them out of debt. For them, it is not enough that the stock market remains high. It has to go on rising. You do not need a Cassandra to see that these expectations are unsustainable."

He goes on: "A setback on Wall Street will have a harsh impact on the U.S. economy. It is not only that Americans have run down their savings. . . . They are less protected against the consequences of unem-

ployment than they have been for generations.

"When President Clinton signed the Welfare Reform Act in 1996, he effectively tore apart the Federal safety net which the U.S. had inherited from Roosevelt's New Deal."

The lack of a "safety net" will bring about a "protectionist" dynamic in the United States, as unemployment rises, Gray asserts. "In the longer pattern of American history, this would not be an aberration but a return to type." Furthermore, more shocks in the global economy are coming, possibly to be triggered by a further round of devaluations in East Asia, and this will further strengthen protectionist tendencies, writes Gray. He stresses that "an American tilt to economic nationalism would have effects far beyond its impact on the stock market." This will likely mean that "the era of the free market will come to a close. It looks as if we could begin the next century struggling to adjust ourselves to an older American model."

#### Europe

#### Euro is not long for this world, says Prof.

Grim economic realities will collapse the European Monetary Union, said Prof. Karl Albrecht Schachtschneider, one of the four plaintiffs whose well-founded case against the EMU was dismissed by the Supreme Court of Germany last April, said in an interview with German media on the weekend of Jan. 23.

Schachtschneider said that in his view the euro will collapse within the next five years, leading to a policy disaster throughout Europe. The economic crisis and high unemployment will force the weaker countries out of the EMU; they will have to reestablish national currencies, and this will be the end of the EMU currency. It is an obsessive idea to believe that the European Central Bank could handle all the economic problems which will be faced soon, he warned. He said that his case and his warnings against the EMU last year, are being corroborated by current developments.

# Briefly

WIM DUISENBERG, the chairman of the European Central Bank, said in Frankfurt on Jan. 25 that he and his staff will monitor wage negotiations. Apparently referring to German labor union demands for wage increases of 3-7%, he said that "unexpectedly high wage increases and undisciplined budget policies could influence the stability climate in Euroland in a negative way."

THE CZECH Republic was hit with the biggest corporate default yet, as a court in Prague declared Chemapol, the biggest chemical producer in the country with 15,000 workers, bankrupt, effective Jan. 27, at the request of two creditor banks, the French Crédit Lyonnais, and Ceskoslovenska Obchodni Banka.

PAPUA NEW GUINEA has been given a "junk" rating by Moody's Investors Service and Standard and Poor's, in its first-ever assessment by rating agencies. The sub-investment grade rating was welcomed by Port Moresby Stock Exchange head John Hooton. "This is very positive news," he said. "Until now, foreign investors have steered clear because the island didn't have a rating, but now they have a defined level of risk."

KYRGYZSTAN'S Bishkek-Osh highway will undergo the second stage of modernization starting in March, by the South Korean corporation Samsun, the Kyrgyz Transport and Communications Ministry announced on Jan. 26. The highway, more than 600 kilometers in length, which connects north and south Kyrgyzstan, should be completed in 2002.

EGYPTIAN Prime Minister Kamal el-Ganzouri received Zeng Peiyan, Minister of China's State Development Planning Commission, in Cairo on Jan. 25. Zeng visited Egypt to discuss cooperation in developing the special economic zone on the Gulf of Suez. Zeng said that China will upgrade port facilities and set up plants to produce electrical equipment and textiles.

# **FIRFeature**

# Al Gore defends bankers' system at Davos Forum

by Michele Steinberg

While President Bill Clinton remains bogged down in the ongoing impeachment offensive, Vice President Al Gore, Jr. has been in Europe, promoting himself as "Prime Minister" of the United States. Gore delivered an insane address on one-world globalism to the World Economic Forum in Davos, Switzerland. He then flew to London, where sources inside the British establishment report that he met with Prime Minister Tony Blair to discuss future actions, including on his Presidential campaign, and how to escalate the Iraq war, when he is getting resistance to this policy from inside the Clinton administration.

But, while the American people continue to give Clinton up to an 80% "approval rating" following his State of the Union address, they *don't like* Gore. Even though they hate how the Republican yahoos are handling the impeachment, they like Gore *even less*. A recent *Los Angeles Times* poll shows that if an election were held today, Gore would be smashed by Elizabeth Dole or Texas Gov. George Bush—a horrible thought that the future of the United States would even be reduced to such a choice.

So, who is pushing Gore? The financier oligarchy. Witness the latest from the London *Economist*, printed in the Jan. 31 *Washington Post*. Sebastian Mallaby, the *Economist*'s Washington bureau chief, writes that, over the past year, "the *Economist* has run a series of cover stories urging the President to step down." He laments the "inability" to force out a U.S. President, compared to how quickly a Prime Minister can be toppled in Britain. "Wouldn't America have been better off," he asks, "if it had booted Bill Clinton a year ago, and now had President Gore to lead it?"

As Lyndon H. LaRouche, Jr. has explained, the financier oligarchy, who see themselves as the Gods of Olympus, know that Gore is unelectable. Their strategy is to have him rule by secret committee, until Clinton might be forced out.

But U.S. citizens are not cooperating with the oligarchy. Gore is a corrupt phony, allied with the cultists of the British monarchy's secret societies that are demanding human sacrifice to the Earth-mother goddess Gaia, a favorite of Prince Philip, in a vain attempt to keep their global financial system afloat. The three dossiers that follow—on Gore's sado-masochistic cronies in GLOBE, the world





U.S. Vice President Al Gore (right) and global speculator George Soros, at the World Economic Forum in Davos, Switzerland. There, Gore delivered the bankers' message: the hopelessly bankrupt International Monetary Fund system must be supported at all costs.

government organization he created; on his cover-up of the Russian mafia killers aligned with the International Monetary Fund (IMF); and on his "alliance" with "Dirty Dick" Morris, the right-wing pervert who plotted with Gore to destroy President Clinton—will further prove that it is Gore who should be impeached.

#### Gore speaks for the 'new world order'

On Jan. 29, Gore gave one of the keynote speeches at the Davos World Economic Forum. It was at this gathering a year ago, that First Lady Hillary Clinton discussed the merits of a new Bretton Woods system. Gore assured the financial Gods of Olympus that he would make certain that no such new Bretton Woods policy would be supported by the United States.

But the hapless Gore, living up to the epithet of "wooden Indian," or "the robot," as some Washington pundits call him, was embarrassed again, when, in the World Economic Forum program book—allegedly now an underground collector's item—the biography of former Vice President Dan Quayle was inserted under Gore's name and picture. A mistake, or somebody's good idea of a joke?

Gore's speech is not as funny. In his remarks, Gore promoted the themes that have become his "pet babies" over the past period. These included:

- "The global information superhighway," which "promises ultimately to have an impact on our civilization larger even than that brought about by the invention of writing.... Forget the gold standard—today's economy operates on the information standard."
  - "Sustainable development," and environmentalism;

- Strengthening the IMF and World Bank, coupled to a new "transparency";
- "Reinventing government" and "fighting corruption," two themes of world dictatorship around which Gore is staking his future, at two conferences—one just concluded, and one scheduled on Feb. 24-26 in Washington;
- A radical "free market" agenda, demanding more "deregulation and market opening," in particular from Japan; and "broad and deep" cuts in agricultural tariffs worldwide.

Gore's most important meetings were "off the record." At Davos, Gore had private, but publicly announced meetings with Russian Prime Minister Yevgeni Primakov and Ukrainian President Leonid Kuchma. But, according to the Russian newspaper *Kommersant*, former Russian Prime Minister Viktor Chernomyrdin also flew into Davos to meet with Gore. If such a meeting did take place, it would likely have been a repeat of March 1998, when the two "heirs apparent" met in the United States, and secretly discussed how they would shortly be taking over their respective governments—Clinton would resign, and Russian President Boris Yeltsin would be dead or incapacitated. It was the news of this plot that prompted Yeltsin to fire Chernomyrdin as Prime Minister.

Following Davos, Gore flew to London, for Jan. 30 meetings with Prime Minister Blair and Deputy Prime Minister John Prescott. Obviously putting himself forward as future U.S. President, Gore engaged in joint television interviews with Blair, aired by CNN and Sky-TV. British sources affirm that the situation in Iraq was prominently discussed in Gore's private meeting with Blair, because Gore is regarded as "much more gung-ho than Clinton about slamming Saddam."

# Plundering Russia: Time to open the Gore impeachment file

by Michele Steinberg

For more than four years, high-level U.S. intelligence officials have reportedly been aware of the fact that Vice President Al Gore, Jr. and some of his senior aides at the White House have covertly exercised political pressure to suppress evidence that Gore's leading Russian collaborator, former Prime Minister Viktor Chernomyrdin, the onetime head of Gazprom, the most powerful company in Russia and one of the world's largest conglomerates, is guilty of extensive personal and political corruption.

But these intelligence officials, including senior analysts from the Central Intelligence Agency, are "censoring themselves" to steer clear of Gore's wrath. According to *New York Times* author James Risen, in a Nov. 23, 1998 article entitled "Gore Rejected CIA Evidence of Russian Corruption," Gore and his aides don't want to hear anything they consider "inconvenient."

"The Vice President did not want to hear allegations that Mr. Chernomyrdin was corrupt," writes Risen, "and was not interested in . . . intelligence reports on the matter." Risen writes that one secret CIA report that went to Vice President Gore that contained what was considered "conclusive evidence" of Chernomyrdin's personal corruption, was returned to the agency with a "barnyard epithet scrawled across its cover." Since then, Risen says that all reports on the Chernomyrdin subject stay *inside* the CIA.

There is another wrinkle in the Russia matter. Another of Gore's Russian favorites, Anatoli B. Chubais, who was fired from his position as First Deputy Premier by President Boris Yeltsin on March 23, 1998, the same day Yeltsin dumped Chernomyrdin for plotting against him, was also the subject of CIA reports detailing corruption in Russia.

In our Jan. 22, 1999 *Feature* story, *EIR* made a strong case that Gore is guilty of high crimes and misdemeanors against the U.S. Constitution, through accepting bribes from bankers who would benefit from his collusion with Chernomyrdin, back in August 1998. But now, new information indicates that Gore's dirty deals with the Russians go way beyond that.

Reader's Digest, in its February 1999 edition, has chosen to point to Gore's ties with Russia's mobsters. In an article titled "Dirty Diamonds," it tells the tale of three young Russian mafia diamond-dealers who stole up to \$180 million from Russia's highly secure national storehouses. Reader's Digest

printed a picture of the Vice President socializing with these very mobsters. The picture is identified as having been taken in 1994, during a political campaign event in California.

The *Reader's Digest* story is an explosive investigative report, called "The Looting of Russia," by David E. Kaplan and Christian Caryl, that appeared in *U.S. News & World Report* of Aug. 8, 1998—complete with the photograph of the mobsters with Gore. With its publication in *Reader's Digest*, the story will be distributed to the widest audience for a single magazine in the United States.

Kaplan and Caryl, following the joint investigation of U.S. FBI agent Joe Davidson and Moscow police officer Viktor Zhirov, uncovered details of how this looting of Russia occurred, through a San Francisco-based company, "Golden ADA," which supposedly was set up to develop a means for Russia to bypass the DeBeers diamond cartel. But, instead of developing its own market, it appears that Golden ADA simply took the Russian treasures and sold them outright to DeBeers, at rock-bottom prices.

#### Robbing Russia's 'Fort Knox'

EIR has begun a full investigation of this latest piece of information implicating Gore in Russian corruption. According to the U.S. News & World Report article, Gore may have been influential in a certain kind of "damage control" that closed down the Davidson-Zhirov investigation.

At a certain point in the investigation, Kaplan and Caryl report, investigators became worried that the Golden ADA scandal could become "Russia's Watergate." Steps were taken, sometime in late 1995 or early 1996: "In Washington, Justice Department officials briefed the staffs of the National Security Council and *Vice President Gore, who was then deeply involved in U.S.-Russian relations*. Davidson remembers feeling uneasy. 'We were worried about political interference,' he says. The FBI's team pressed on, amassing evidence of racketeering, theft, and money laundering. . . . Davidson thought [they] had a chance to blow the case wide open [emphasis added].

"But then came some very bad news."

The IRS was raiding the Golden ADA offices the very next day, seizing all the assets, and sending the principals fleeing. It took years to locate them.

"This meant the end of the criminal case. [Andrei] Koz-



The U.S. News & World Report article as it appeared in the February issue of Reader's Digest. The photograph on the left shows Vice President Al Gore (second from left) with Russian mafia figures.

lenok had already fled. . . . Other Golden ADA figures were not likely to stick around. The wiretaps would be useless. . . . Davidson felt betrayed."

According to the article, one of the names on the wiretaps was "Anatoli Chubais," one of the Russian former officials at the center of the Gore/George Soros/Wall Street schemes to sabotage the anti-International Monetary Fund Russian government of today.

As to the three young Russian mafiosi in the photograph with Gore, they were Kozlenok, and brothers David and Ashot Shagirian, the proprietors of Golden ADA through which the fortune, possibly as much as \$1 billion, was passed—a fortune in gems, precious artwork, gold, and diamonds from the National Treasury of the Russian Federation.

According to Russian media and court reports, the three Russians—two of them now in prison in Russia, and one on the lam—were allegedly working with highest-level officials, most notably then-Chairman of the Precious Metals Committee Yevgeni Bychkov, who allegedly set up the Golden ADA company. Some Russian media reports have gone beyond Bychkov, naming Chernomyrdin and former Finance Minister Boris Fyodorov. It was through Bychkov that the Golden ADA owners got the access to the looting of Russia. By presenting a scheme that Golden ADA would be an independent

means of marketing the Russian treasures outside the monopoly of DeBeers, Bychkov was allegedly "given the keys" to the vaults.

In June 1998, *EIR* collaborators in Russia posted a report from NTV, the nationwide Russian television station Channel 2, that Kozlenok, co-owner of Golden ADA, recently extradited to Russia from Greece (nearly two years after the suspiciously timed IRS raid in San Francisco sent him fleeing), said he is not going to mention any names of high influentials in the investigation. NTV added that Kozlenok had been afraid to be extradited to Russia because his former companion, Sergei Dovbysh, had "committed suicide," hanging himself on his own sweater in the court building where he was being put on trial. No witnesses allegedly came forward.

But with Gore and Soros's closest cronies out of power, things could change.

#### What the U.S. must do

Al Gore has good reason to exhibit one of his characteristic bipolar rage episodes whenever the corruption of his friends, Chernomyrdin or Chubais, is mentioned. It is no secret that since March 1998, when Chernomyrdin was dumped, Gore's influence in Russia has shriveled. The much-touted "special relationship" that was the Gore-Chernomyrdin Com-

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mission beginning in 1993, does not exist with Prime Minister Yevgeni Primakov, as it also did not with Primakov's predecessor, Sergei Kiriyenko.

An investigation beginning with Gore's relationship to Chernomyrdin, would not only hit Gore, but would slam financier and derivatives moloch Soros, who was trying to put Chubais back in power in Russia at the same time that Gore was making phone calls to his Russian friends behind Clinton's back in August 1998, desperately trying to bring Chernomyrdin back into power.

Investigating the nexus of Gore, Chernomyrdin, Chubais, Gore's national security aide Leon Fuerth, and Soros (whom Gore once intervened to protect from criminal investigation in Croatia), would be one of the greatest gestures of friendship between nations that President Clinton could possibly show to the beleaguered Russian Federation.

Such an investigation, which could be conducted by a Presidential Commission under national security auspices, could serve as an extension of the concepts of Franklin Delano Roosevelt's "New Deal," which combatted the Wall Street financial oligarchy during the Great Depression, in the interest of restoring the productive power of the nation. The precedent of the New Deal is being intensely studied by groups of economists and leaders in Russia, and was discussed by President Clinton with Russian leaders during his last visit there, in September 1998.

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### Gore's eco-fascists hit by new British scandal

by Mark Burdman

When he arrived in Great Britain over the weekend of Jan. 30-31, U.S. Vice President Al Gore was upstaged by an event that received banner coverage in the British print and electronic media. It was revealed that leading British Conservative European Parliament member Tom Spencer, head of the European Parliament's Foreign Affairs and Security Committee, had smuggled cocaine, cannabis, and homosexual pornography magazines and videos into the U.K. from Amsterdam. Among the objects found in Spencer's suitcase, were a "sexual accessory," and an extremely large black leather suit, complete with waistcoat and hood. Spencer was fined, but not arrested, by the U.K.'s Customs and Excise Service. He was chastised by the Conservative Party leadership, and he announced that he would be stepping down as Euro-parliamentarian in June of this year, when the elections to the next European Parliament take place.

On the surface, aside from the fact that the incident upstaged the Vice President, the Spencer incident seemingly had nothing to do with Gore. However, there is a very interesting relationship between Spencer and Gore: The morally questionable British Conservative politician is a key component of Gore's global ecological-fascist network.

What British media accounts of Spencer did not report, is that he has been president, since 1995, of an organization called Global Legislators Organization for a Balanced Environment, or GLOBE-International. Gore was one of the handful of individuals who were responsible for launching GLOBE as an international operation, in 1989. He served as its president from 1991 until he became U.S. Vice President after the November 1992 elections. Succeeding Gore in the post, was a Japanese parliamentarian, who held the office until 1995, when Spencer took over.

Was the brouhaha about Spencer's smuggling orchestrated to send some kind of "message" to Gore? This is hard to say, at this point. What is curious, is that Spencer was nabbed on the smuggling charge on or about Jan. 19, but it took nearly two weeks before someone in the British Customs and Excise Service leaked the news to the British press. Coincidence or not, the leak occurred just as Gore was arriving in Great Britain.

At some point between Jan. 19 and the Jan. 30-31 weekend, Spencer held a meeting of leading GLOBE figures at his home in Britain.

#### **Gore presides in Strasbourg**

Understandably, officials at GLOBE-International's headquarters in Brussels are refusing to comment about the Spencer affair, and what implications it has for the organization. The U.S. Vice President has made no comment on the matter, but Gore would certainly have a lot to say about GLOBE-International. He is one of its leading lights, and an avid supporter of its activities, up to the present day.

GLOBE was launched by the Dutch parliamentarian Hemmo Muntingh, today a leading official with the International Fund for Animal Welfare, one of GLOBE-International's funders. During a visit to the United States around 1989, in pursuit of his project to create an international organization of parliamentarians committed to environmental matters, Muntingh met with Gore, then a Senator from Tennessee. Gore became the head of the American branch of GLOBE, GLOBE-USA, which merged with Muntingh's GLOBE-Europe, and GLOBE branches in the Soviet Union and Japan, to become GLOBE-International. This was a natural evolution for Gore, already a leading figure in the Parliamentarians for Global Action, and the chief figure, together with Rep. Newt Gingrich (R-Ga.), in the Washington, D.C.-based Congressional Clearinghouse for the Future and the Congressional Institute for the Future. A key Senate collaborator of his, in the creation of GLOBE-USA, was the late Sen. John Heinz (R-Pa.).

In 1991, Muntingh ended his term as GLOBE-International president, and Gore took over, steering GLOBE as one of the more important of the international eco-fascist organizations.

On May 18, 1992, Gore co-presided over a gathering of GLOBE in Strasbourg, France, on the theme, "The European Common Garden: Toward a Pan-European Policy on Environment," which brought together 160 representatives from eastern and western Europe. His partner in directing the event was Carlo Ripa di Meana, a Venetian aristocrat who was then the European Community's commissar for the environment. The gathering took place less than a month before the June 1992 United Nations "Earth Summit" extravaganza, in Rio de Janeiro, Brazil, for which the GLOBE Strasbourg meeting was an important feeder event. One of the speakers in Strasbourg was Maurice Strong, then the secretary general of the Earth Summit. (Strong's relationship to Gore is elaborated in *EIR*, Jan. 29, 1999, pp. 24-29.)

Other speakers included Dennis Meadows, co-author of the Malthusian Club of Rome's 1972 *Limits to Growth* report, who was sponsored at the GLOBE event by Prince Philip's World Wildlife Fund (WWF, since renamed the World-Wide Fund for Nature, in order to present the findings of his new book, *Beyond the Limits;* and the WWF's Konrad von Moltke of (then-West) Germany. Prominent participants included Club of Rome co-founder Dr. Alexander King and (West) German Green Party leader Joschka Fischer, today Germany's Foreign Minister.

#### 'We have strong hopes for Al Gore'

Gore has remained deeply involved in the organization, since becoming Vice President. As a GLOBE-International official stated on Jan. 29:

"Al Gore has kept an interest in our organization, even if he had to relinquish his post as president when he became U.S. Vice President. We have general assemblies every year, and Al Gore usually sends us a paper, or sends letters of encouragement and support. We are in touch with his office, through the GLOBE-USA branch, headed by Congressman John Porter [R-Ill.]. We have strong hopes for Al Gore, that if he becomes U.S. President, the environmental agenda will again become more up-front."

Since 1992, GLOBE gatherings have regularly exploited the links to Gore, emphasizing that he could be a swing factor in changing the policy of, as an April 24, 1996 press release from Spencer in Brussels put it, "an America paralyzed by environmental doubt." Spencer lavished praise on Gore, as "environmentally aware, intellectually coherent and honest."

Wonderful praise, coming from a man of Tom Spencer's moral integrity.

In August 1998, a month in which the ambitious Gore was extremely active on numerous fronts, GLOBE-International held its general assembly in Cape Cod, Massachusetts. An October 1998 GLOBE press release referring to the event stated: "Tom Spencer pointed out, 'the centerpiece of the meeting was seven hours of debate on climate change and the knotty problem of how to achieve ratification of the [Kyoto conference protocols on climate change] by the U.S. Congress.' According to Spencer, this issue has become hopelessly mixed in [with] domestic U.S. party policy and the electoral prospects of Al Gore, a former president of GLOBE-International."

Although its future is now uncertain as a result of the Spencer debacle in Britain, the fact is that GLOBE has developed a significant global destabilization capability, since its founding ten years ago. GLOBE-International today has some 620 members in 98 countries, with regional branches in Europe, and national branches in the United States, Japan, Great Britain, France, and Russia. Soon, they will be establishing a GLOBE-Southern Africa, and, later, a GLOBE-South Asia and a GLOBE-Latin America. One can only imagine, what this capability would mean, should Gore become U.S. President.

In March, GLOBE is holding a high-level seminar and reception with Prince Sadruddin Aga Khan, a leading world-federalist, in Geneva. In March of last year, GLOBE and Prince Sadruddin's Geneva-based Bellerive Foundation held a conference on the theme, "Policing the Global Economy," with participation from the European Commission's Sir Leon Brittan, World Trade Organization head Renato Ruggiero, ecologist fanatics Hazel Henderson and Teddy Goldsmith, and others. GLOBE-International has also held joint events with Prince Philip's WWF.

# Al Gore and Dick Morris: The unholy alliance 'behind the Oval Office'

#### by Scott Thompson

During the 1996 Clinton reelection campaign, Lyndon LaRouche, then a candidate in the Democratic Presidential primary elections, warned President Clinton to purge the White House of so-called political consultant Richard "Dirty Dick" Morris. Morris, the cousin-once-removed and protégé of the late gangster attorney and closet homosexual Roy Cohn, slithered between the White House and his clients among the President's arch-enemies, the Republican Confederates, collecting and passing on bits of gossip and compromising information on Clinton.

Even in early 1996, Morris was telling some of his Republican clients, such as then-Massachusetts Gov. William Weld, the GOP candidate for Ted Kennedy's Senate seat, that the Presidential election would be a referendum on President Clinton's "ethics," and that "Clinton is going to be indicted" for Whitewater.

This, while, for a time, Morris was President Clinton's chief reelection campaign strategist—to the tune of \$20,000 a month in "consulting fees." Some of the President's men labelled Morris a "GOP double agent" and a "Republican mole." In a June 27, 1995 Knight-Ridder story, Sandy Grady wrote that "some Clinton loyalists compare Morris to Rasputin, the nineteenth-century Russian mystic and faith healer who led the Tsar's family to destruction."

Morris was ousted as a campaign adviser in August 1996, during the Democratic nominating convention, when details of his affair with a call girl, and his foot fetish—especially sucking the toes of his sexual partners—broke in *The Star* supermarket tabloid and was then reported on the front page of the *New York Post*. Morris blamed his "enemies" in the White House for leaking the information that led to photographs and tape-recordings of his trysts. Morris—who is now one of independent counsel Kenneth Starr's key sources, a bosom buddy of the House Managers, and an informal consultant to Senate Majority Leader Trent Lott—is still trying to get even.

In two interviews with this author, corroborated by other published sources, Morris made a remarkable revelation: While he had a lot of opposition in the White House, he also had an ally—Vice President Al Gore, Jr. Morris's amoral

"deal" with Gore formed a key part of the parliamentary coup d'état now under way against President Clinton, the part known as the "inside job."

Fact: Gore and Morris ran a "Mutt and Jeff" routine against President Clinton, to force him to break with the "liberal wing" of the Congressional Democrats, who were engaged in something like hand-to-hand combat against House Speaker Newt Gingrich and his Conservative Revolutionaries. Gore and Morris's message was: Scrap the "general welfare" clause of the U.S. Constitution, and chart a "New Democratic," "Third Way" course, which Morris described as "triangulating," between the embattled Congressional Democrats and the Newtzis.

Fact: Gore and Morris teamed up to ram through the 1996 Welfare Reform Act, over White House and Cabinet objections, in order to "out-Gingrich Gingrich." It was President Clinton's capitulation to this deal, which jettisoned the Franklin Roosevelt coalition of traditional Democratic constituencies, and which demoralized not only Democrats, but also Independents and cross-over, anti-Gingrich Republicans, and kept the Gingrichite fascists in power in the Congress in both the 1996 and 1998 elections. The failure of the Democrats to retake Congress set the stage for the current attempt to remove Clinton from office.

"Rasputin" Morris may have been banned from the White House, but as long as his closest ally in the anti-Clinton plot, Vice President Gore, is put forward as a leading administration figure, there will be no way for the Presidency to survive the current oligarchy-driven impeachment assault.

#### **Prime Minister Gore**

Morris is giving every bit of assistance he can to Rep. Henry Hyde (R-Ill.) and the House Managers, nicknamed by one columnist as the "Death Squad." Nearly every day, Morris writes a column or gives an interview that accuses Clinton of lying, perjury, and "running a White House secret police." No longer known as "Rasputin," some insiders call him the male Linda Tripp, for his buddy-buddy relationship with independent counsel Starr's staff.

In the context of his collaboration with the House Manag-

ers, Morris bragged to this author about his role in promoting Gore to an unparalleled position of power in the current crisis.

In listening to Morris, one is struck by the image of a "world class," deceitful self-promoter in action. Morris talks a lot. He maintains a toll-free phone number with a pager and forwarding function, so he can never miss a chance for publicity. But, *EIR* presents here only those things that we have been able to cross-check from other, credible accounts. Here are excerpts from my recent interview with Morris:

**Q:** From reading your book, *Behind the Oval Office*, it seems that you were being iced out by . . . the White House Staff.

Morris: Right....

**Q:** And, you turned to Vice President Al Gore, who was suffering a similar problem, and made an alliance—

**Morris:** Yep. . . . I think he was frozen out more by [White House aide George] Stephanopoulos, and the core of the White House staff. . . .

And, I think that there was a feud within the White House staff—that often happens—and they lined up either behind the President or the Vice President....

And, I think the White House staff tried to sort of—froze Gore's staff out. And, one of the things I did [was to align] myself with Gore, and sort of reoriented the center of the White House back from staff toward the Vice President—

**Q:** You reoriented it back from the Congressional Democrats like Ted Kennedy —

Morris: Yep.

Q: Now, what issues did this exactly put on Gore's plate?

Morris: Well... the balanced budget speech. The decision to give the balanced budget speech was really the beginning of the period of Gore's ascendancy [starting in June 1995].... More and more of the functions of the President were turned over to Gore. So, not only was he sort of Chief of Staff in general, but he was also in charge of certain areas.... And, those came to be more and more tremendous....

Q: So, he's becoming almost a co-President—

Morris: Yes-

**Q:** —the way that Henry Kissinger tried to arrange matters for Ford with President Nixon?

**Morris:** Right, but Kissinger was going to stand in on the foreign [policy side], and Vice President Gore has both the foreign and the domestic. A more accurate name than co-President—I think a better form which would probably be most accurate, would be Prime Minister. . . . Prime Minister is probably the best.

#### 'The deal'

Gore and Morris's "deal" to promote one another's interests continues to reverberate. In discussions, Morris repeatedly references the latest paperback edition of his book, *Behind the Oval Office: Getting Reelected Against All Odds* (Los Angeles: Renaissance Books, 1999), as the definitive

source on how the Faustian bargain was cemented.

As Morris reports (pp. 155-156), when he was asked by President Clinton in 1992 about potential vice presidential choices, Morris claims that his first choice was Sen. Al Gore, Jr.: "In June 1992, as Clinton prepared for his first run for the Presidency, he conferred with me at some length on the selection of a vice president. I had urged that he choose Gore, arguing that he needed a vice president very much like himself. In eschewing the traditional notion of balancing the ticket with a vice president who is different, I said that Clinton had not fully explained to the voters who he, Bill Clinton, really was. Gore's similarity would make it easier for Clinton to tell voters more about himself."

But, once Gore had been elected Vice President, he and Clinton were in reality miles apart on the evolutionary scale, respectively representing a poisonous krait snake and a decent human being; hence, the Vice President was prepared to become the "devil's advocate" for Morris's disastrous and amoral policy of "triangulation" with the Gingrichites, and, in particular, with Morris's other client, closet Klansman Senate Majority Leader Lott. "Until mid-April 1995, I worked with the President without anyone outside the White House knowing about it. It was the happiest time of my life," Morris writes about being named chief campaign strategist to the 1996 Clinton/Gore campaign.

Once President Clinton had decided to appoint Morris to this key position, Morris writes (pp. 115-116): "I felt like a stranger in a strange building in a strange city. I needed allies desperately, and *the vice president came to my rescue*. By late winter of 1995, at one of their weekly lunch meetings, the President had discussed with Gore my role in the administration. Sensing my isolation, Clinton urged me to see the vice president, and I immediately set up an appointment.

"We met in mid-March in the office of Jack Quinn, Gore's chief of staff at the time and later White House counsel. Gore sat in a wing chair, and I sat at the corner of the couch next to him. I explained my ideas and theories for about half an hour with little or no interruption. I could sense that the vice president agreed with most of what I was saying. He listened intently. I stressed that I needed his help to get anything done and underscored how frustrated I had been.

"He grasped what I was saying and offered his full support, subject to two conditions: first, that I respect his priorities, such as the environment, and include them in my planning, and second, that I promise not to divulge anything related to the campaign to Lott. I readily agreed to both, and made clear that my talks with Lott were focused on government issues, not on campaign issues.

"Gore told me that he had been increasingly troubled by the drift of the White House and badly shaken by the defeat in '94. He said that he had tried, in vain, to move the administration toward the center, but the White House staff had shut him out. He said that he had only recently heard of my involvement and did not know me at all. But, he said, 'We need a change around here, a big change, and I'm hoping and praying that you're the man to bring it.' We shook hands on our alliance" (emphasis added).

In his book, Morris confesses that he did tell Lott that, with the support he now had in the White House, the right-wing Republicans might successfully push what became the Welfare Reform Act without fear of a veto, which, Morris said, is exactly what the Congressional Republican leadership did.

#### 'The deal' goes into effect

In his book, Morris describes the Mutt-and-Jeff routine that he and the Vice President carried out against the beleaguered President Clinton. At one point, Morris describes a meeting where he was screaming that the President must "triangulate" upon the Congressional Republicans, i.e., break with the traditional Democrats, or else face a "pile of vetoes" as the legacy of his administration; the Vice President played the "soft cop," pretending to calm Morris while also supporting Morris's argument. The confrontation became so heated that a stunned Clinton warned Morris that, if he did not stop shouting, the Secret Service would believe that he was assaulting the President. And, after Gore left the room, that is exactly what Morris did: He grabbed the President, shook him, and shouted at him to "get some nerve!" and make the break with the traditional Democrats in Congress—i.e., his closest allies.

But, according to Morris, the real breakthrough came when, with the support of Gore, he got the President to agree to accept Republican "voodoo economics" - by giving a "balanced budget speech." Morris describes how he and Gore led the President to that point. In March 1995 (pp. 117-119), over the objections of nearly every other White House aide, Morris and Gore got Clinton to give his "pile of vetoes" speech: "The struggle to rescue the President from his staff began in earnest and in the open in March. . . . On March 16 I suggested that the President deliver what I called the Pile of Vetoes speech. It would be an overall response to the Republican agenda and would feature a disclaimer by the President that 'I didn't come to Washington to issue a pile of vetoes' in response to partisan confrontation. And in the speech he would reach out to the Republicans and urge that they join him in finding common ground....

"I pressed this idea on the President in ever more urgent tones during the strategy sessions at the White House residence on March 23 and April 5.

"The April 5 strategy session was the genuine turning point in the President's move to the center. I harshly criticized our position: 'The vast bulk of our rhetoric is anti-Congress and anti-Republican. Getting involved in a zero-sum game with Congress is a very bad idea. Congress is

#### Dick Morris and Roy Cohn

To understand "Dirty Dick" Morris, you must begin with one simple fact: He is a political protégé of the filthiest, most corrupt figure of postwar American politics: Roy Marcus Cohn. Mob lawyer, Sen. Joe McCarthy's chief witch-hunter, blackmailer, tax evader, FBI snitch, and pervert, disbarred New York lawyer Roy Cohn was at the center of everything sleazy in the Democratic and Republican parties from the early 1950s until his death of AIDS in 1986 at the age of 59.

The Morris-Cohn relationship is familial: Dick Morris's father, Eugene J. Morris, was Roy Cohn's first cousin. The elder Morris spent his entire life working within the Cohn machine, and Dick Morris got all of his political connections through these channels.

What does the Roy Cohn machine look like today? Start with New York Republican Sen. Alfonse D'Amato, until his defeat in November 1998, the key Senate witch-hunter against President Clinton in the ongoing assault on the Presidency. D'Amato was installed in the Senate in 1980, courtesy of Roy Cohn and the East Side Conservative Club of New York City, a collection of right-wing, mob-linked politicos. When he moved to Washington, D'Amato brought along only one adviser: East Side Conservative Club head Thomas Bolan, Cohn's law partner.

winning the public relations war. . . . I criticized our richversus-poor rhetoric and our almost total absence of any attempt to carve out a Clinton position that was separate and distinct from that of the Congressional Democrats. 'The new Clinton positions are receiving short shrift and getting submerged in a two-way Democrat vs. Republican fight,' I complained.

"More strategically, I warned that ... unless the President articulates third-way solutions in the crucible of the current controversies, he will become irrelevant.'

"Panetta argued strenuously [that] ... the President should not break ranks with Congressional Democrats, he said, when they were beginning to make progress in sullying the Gingrich image and blunting the offensive.

"I argued that . . . we needed to strike out and fight for a triangulated third way.

"Vice-President Gore, who had recently joined the meeting, sat in silence, as did the President, while Panetta and I argued. Finally, the President turned to Gore and said, 'What do you think, Al?'

Chief publicist for the Cohn crowd to this day is William Safire of the East Side Conservative Club, the resident Clinton-basher for the *New York Times*.

When FBI Director J. Edgar Hoover "leaked" a 100-page confidential dossier on alleged Communist infiltration of the government to a group of Cohn patrons, known as the Jewish American League Against Communism, Cohn and company recruited Sen. Joseph McCarthy (R-Wisc.) to take up the cudgels against the Red Menace. Cohn became McCarthy's chief of staff and ace Redhunter. Along with "bosom buddy" G. David Schine, Cohn ran Hoover and McCarthy's Red Scare, until the sheer insanity of McCarthyism forced the U.S. Army, President Eisenhower, and a group of Senators to bring about Cohn's ouster and McCarthy's political destruction.

Cohn returned to New York, where he took up the cause of the city's top mobsters, becoming their intermediary to the Democratic and Republican parties—at a handsome profit, which he usually hid from Uncle Sam.

One of the biggest skeletons in Roy Cohn's closet was his suspected link to the British-Permindex apparatus behind the assassination of President Kennedy. In 1959, Cohn engineered the takeover and asset-stripping of the Lionel Corp., which, according to several investigations, would be used four years later as a front and payoff conduit for the Kennedy murder.

Conveniently, the general counsel and staff director for the Warren Commission charged with investigating the JFK assassination, was J. Lee Rankin, an associate of Eugene Morris and others in Cohn's circles. Rankin would later serve as Mayor John Lindsay's New York City Corporate Counsel.

#### **Cohn targets LaRouche**

Cohn's last big assignment, beginning in approximately 1979, for the British-American-Canadian dirty money mob, was the attempt to eliminate independent political figure and Democratic Party Presidential primary candidate Lyndon H. LaRouche, Jr. The operation, which included attempted assassinations of LaRouche, used massive press barrages through organized-crimelinked publications; connections to the corrupt "Gay" Edgar Hoover networks in the Federal Bureau of Investigation; and Zionist mafia terrorist groups, such as Meir Kahane's Kach Party and the Jewish Defense League networks.

Cohn's last campaign failed miserably, in that, by 1983, LaRouche's ideas had successfully bypassed the George Bush-James Baker III "palace guard" at the White House, and, to the horror of Cohn's neo-conservative ideologues, in March 1983, President Ronald Reagan announced the policy for the Strategic Defense Initiative, developed by LaRouche. The "Get LaRouche" operation was moved up to a "higher class of thugs," and into the salon of international financier John Train. Cohn was soon thereafter disbarred as a lawyer on years-old charges, audited by the IRS and fined a sizable sum of money, and generally tossed aside by his controllers.

"Gore spoke as if he were writing an opinion for the Supreme Court. He reviewed the recent history since the '94 defeat and then made an exaggerated bow to Leon's position: 'I fully realize how important it is for us to listen to Leon and not break ranks with the rest of the party, and I fully appreciate how concerned Leon is that such a course might lead us to disaster and even greater trouble than we have now.' Then came the long-awaited *but*: 'But I have to say that, on balance, I agree with Dick's point that we need now to emerge from the shadows and place ourselves at the center of the debate with the Republicans by articulating what we will accept and what we will not, in a clear and independent way.'

"Bravo!"

According to Morris, he and Gore pressed their offensive by pushing for the President to give a "balanced budget speech." Gore argued that if it were not done, as Morris puts it, "We would have no standing in the current debate and no way to prove our fiscal moderation to swing voters" (p. 163). Gore and Morris pushed and pushed on this issue until May 25, 1995, when the President made the tragic mistake of once again capitulating to his "Rasputin" campaign strategist and his Vice President. According to Morris: "On May 25, we canvassed our weekly strategy meeting, reopening the whole issue of whether he could give the balanced budget speech. . . .

"Determined to press my case, I argued long and hard for the President to give the speech. Such a speech, I said, not only would be a good political move but would announce the start of a transformation of the Democratic Party from big-government liberalism to policies that met the needs of the people within realistic constraints—an endorsement in other words, of the takeover of the moderate wing of the Democratic Party. . . .

"Panetta and Ickes led the opposition. Stephanopoulos had not yet been admitted to these meetings, but Panetta in effect spoke for him. After all had spoken, the President turned to Gore, as he often did, and said, 'What about it, Al?'

"Gore, again as if issuing a Supreme Court opinion,

traced the ancestry of the issue, recognizing opposite points of view, but finally said, 'Mr. President, I think this is something we have to do.'

"The meeting broke up. The President decided to go with the speech" (pp. 167-68).

As Morris described the fallout from the decision to adopt Republican balanced budget economics (pp. 168), this decision effectively isolated the President from the full support of his Congressional Democratic allies: "Clinton continued to receive scorching phone calls from the House and Senate Democratic leadership. He was shaken by the depth of their anger and their sense of betrayal. 'We have the Republicans on the run, and you are letting them off scotfree,' they yelled. Their message was not lost on the President. 'You're on your own, buddy. You have no party anymore."

#### The issue-advocacy ads

It was once again Gore, says Morris, who was the "devil's advocate" for Morris's idea of spending tens of millions of dollars upon issue-advocacy ads for the reelection campaign. On this question the White House staff put up little or no opposition, he says, insisting only that a budget limit ought to be set as a fundraising goal. For 1995, that budget was \$10 million.

The chief problem with Morris's issue-advocacy ad campaign, was that it tied President Clinton down, and forced him to attend dozens of high-ticket fundraisers and "press the flesh" events. With a Republican majority in Congress, Morris had counseled the President to both focus on what could be achieved in foreign affairs and to do as much as possible through Executive Orders. However, as the President told Morris, this advice, which was the opposite of James Carville's famous dictum, "It's the economy, stupid!" was made impossible by the vast sums demanded for advocacy issue ads, as Morris admits: "Only once did he complain to me about the pace of the fund-raising he had to endure: 'I can't think, I can't act. I can't do anything but go to fundraisers and shake hands. You want me to issue Executive orders; I can't focus on a thing but the next fund-raiser. . . . We're all getting sick and crazy because of it' " (p. 151).

Was this a deliberate effort by Morris to derail President Clinton even further from his policymaking responsibilities? Interestingly, the firm that Morris chose to handle the tens of millions of dollars worth of advocacy ads was run by a close friend of Gore, Bob Squier, of the firm of Squier, Knapp, Ochs. "He was close to the vice president who was pleased by his appointment," writes Morris.

Although President Bill Clinton eventually caught on to the Rasputin-like role being played by Morris, he has yet to catch on to how Morris was abetted on the inside of this conspiracy by Al Gore. This is clear from a confrontation described on p. 190, when the President finally blew up: "The President, red-faced, turned toward me, jabbed me with his forefinger, and yelled, 'You are the cause of factionalism around here. You are. Ever since you insisted—insisted on hiring Squier and made the vice president your employee. ... You are the one creating factions and friction are here. You are.' He stalked off angrily to attend the evening's events in Washington.

"His outburst was right after the first government shutdown on December 7, 1995. We had just ended a strategy session, and I was astonished by the outburst. I said to myself, He's right, I am the cause of factionalism at the White House—damned right."

Although Morris's days were numbered after this confrontation, President Clinton has never grasped how his trusted Vice President played the greatest role in giving Morris and his policy of "triangulation" power within the White House and against other elected Democratic Party officials.

#### 'The suburban swing! The suburban swing!'

Morris is a notorious liar, but much of what he says about the role that he played with Vice President Gore is corroborated in former Labor Secretary Robert Reich's 1997 book, Locked in the Cabinet. Reich notes that Clinton is under pressure to compromise with the Republicans for a "balanced-budget" austerity policy. Economic advisers such as Reich are telling him not to submit his own "balancedbudget" plan, but to fight the Republicans: "B [President Clinton] is on his own. Gore tells him as much today, stating the obvious after all of his economic advisers object to putting a balanced-budget plan on the table. 'Mr. President, you're in a different place from your advisers.'...

"[Clinton] doesn't want to listen to any of us who are now sitting with him around this table. Who's he listening to? Astronomers learned of the existence of 'black holes' in space-matter so dense that its gravitation sucks in all light. . . . The black hole is Dick Morris" (pp. 260-61).

On page 321, Reich describes the cabinet and Clinton discussing whether he should sign the Republican bill to throw the poor off welfare, to languish in worse poverty and compete against others for lower wages. By signing, Clinton would betray Democratic constituencies and sabotage Democratic chances in the upcoming 1996 election. Morris lied that signing the bill would win the election: "We go around the table. Most of the cabinet is firmly against signing. Most of the political advisers are in favor. Dick Morris isn't in the room, but he might as well be. I can hear his staccato-nasal voice: 'The suburban swing! The suburban swing!' Yet the political advisers gathered here are careful to veil crass politics within a respectable patina of policy....

"Gore says he'll reserve judgment (presumably until he's alone with B so that he can tell him he'd be crazy to veto the bill and risk the upcoming election, not to mention the one after it). He advises B to go with his conscience."

#### A witness for the prosecution

Morris admitted to this author that in the effort to oust Clinton, he has been in contact with the House Managers presenting the case to railroad President Clinton. Asked about his columns in British asset Rupert Murdoch's *New York Post*, where Morris had spoken of a "White House Secret Police" that targetted the enemies of the President, allegedly to obstruct justice, Morris confirmed that he had provided his "evidence" to the House Managers and was prepared to testify against President Clinton. "But I don't think it will come to that," Morris said. He added, "Well, I believe that Clinton committed perjury and obstruction of justice." But, always the "Third Way" advocate, Morris concluded, "I think it's an open-and-shut case on the question of obstruction of justice, but it does not merit conviction."

Whatever Morris told this author, the Feb. 3 Washington Post relates a far more traitorous role, in its "Style" section, under the headline: "Dick Morris, Burning His Bridges: The Former Clinton Confidant Fires Off New Accusations." The article reported that, among Morris's recent utterances about President Clinton, were his comments that: "Congress should kill Clinton's pension and expense allowance after he leaves office, since the Senate is unlikely to convict him. Oh, and a \$4.5 million fine might also be nice."

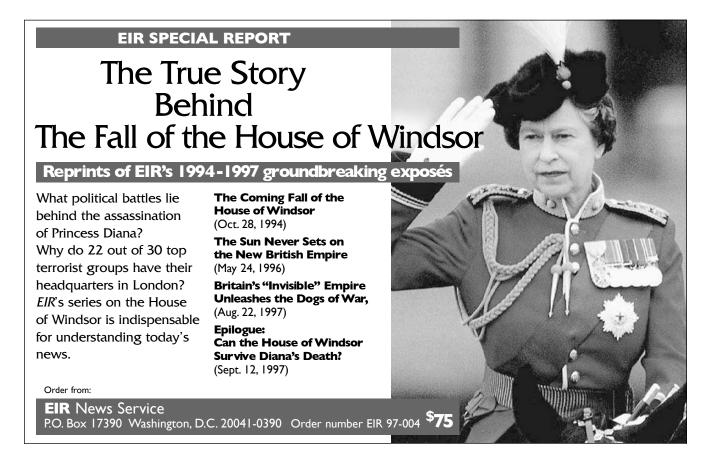
Morris jumped into the arms of Starr's prosecutors, who,

according to a recent account in *Vanity Fair*, are obsessed with stories about Clinton's sex life. The *Washington Post* notes that apparently, only two weeks after being fired by Clinton in 1996, Morris was giving a sworn statement to House investigators. And, more recently, not only does Morris continue to talk with his former client Senate Majority Leader Trent Lott, but he also speaks with the pit bull of House Managers, Rep. Asa Hutchinson (R-Ark.), a former Federal prosecutor. Morris has written glowingly of Senate Majority Leader Lott, who has decided to prolong the impeachment process even though the vote to dismiss demonstrated that it would be impossible to convict the President. Morris says Lott is "the nimble Senate Republican" who "uses a scalpel to get what he wants."

Not above completely fabricating stories, Morris retails the filth from Jerry Falwell's "Clinton Chronicles" video, now saying that Senators are "physically afraid of retaliation," if they vote to convict. Why? Morris says, "Don't you know the list of 25 people who have died in mysterious circumstances in connection with this investigation?"

Asked by this author, why, unlike the heroic Susan Mc-Dougall, he had jumped into bed with with Starr, the ever-opportunistic Morris replied: "It's simple. I was subpoenaed, and I didn't want to go to jail."

Further confirmation that Morris will say just about anything to save Dirty Dick Morris.



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### **ERInternational**

# Undeclared war against Iraq is on

by Muriel Mirak-Weissbach

While an unprecedented "debate" is going on, inside the United States and among its would-be regional allies, regarding the niceties of a hypothetical military action perhaps to be mounted against Iraq to change its government, the fact is that the war is already going on. On the ground, Iraqi anti-aircraft defense installations have continued to come under attack every day, in both the northern and southern parts of the country. According to Washington sources quoted by the British Daily Telegraph Feb. 5, the joint U.S.-U.K. air strikes have "destroyed more Iraqi air defenses since Operation Desert Fox than were hit during the four-day bombardments." It is estimated that 20% of these defenses have been destroyed, and as a result, Iraq has reportedly withdrawn the defenses to the central part of the country.

Meanwhile, there is no reason to assume that the military action will abate; on the contrary, it is likely to escalate steadily.

#### The diplomatic offensive

At the same time, the diplomatic offensive has also intensified to line up regional governments behind the planned coup d'état in Iraq. At the end of January, Deputy U.S. Secretary of State for the Middle East Martin Indyk started a tour of the region, accompanied by the American diplomat in Turkey, Frank Ricciardone, whom his boss Madeleine Albright had just crowned coordinator for the change of government in Iraq. The two visited Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates. Ricciardone, whose new title introduces a new flavor to diplomatic posts, met with Iraqi opposition leaders in the course of his tour, on Jan. 28.

According to German press reports on Feb. 4, Indyk and Ricciardone failed utterly to gain explicit political support from the Arab states in the Gulf, which are rightly concerned that any foreign intervention into Iraq to overthrow the government would unleash civil war, a bloodbath, and regional chaos. Indyk told the press in Dubai, after his talks, that the Gulf Arabs would only accept changes determined by the Iraqis — with which, Indyk said, he "agreed." He added that the policy enunciated by Albright for a change in the regime in Baghdad, would depend on support from neighboring countries and the United States. Indyk was quoted in the Frankfurter Allgemeine Zeitung as saying, "We will not try to force Iraq to do our will, nor will we try to force on the Iraqi people an opposition from the outside." He denied outright that a military invasion was in the works, and repeated ad nauseam that the U.S. wanted only to "support the Iraqi people," etc.

This is the nature of the "debate" which has been reported among the players in the region, which mirrors a similar "debate" inside the policy-making layers in Washington (see p. 47). According to a summary in the *Neue Zürcher Zeitung* on Feb. 2, Ricciardone talked to his interlocutors in the region about the two schools of thought in the United States: One would like to see a U.S.-backed military uprising of the Shiites in the south and the Kurds in the north. This is the group which drafted and passed the Iraq Liberation Act in Congress, allocating funds to prepare opposition groups for the job.

The other school is represented by elements in the State Department and Pentagon, according to the *Neue Zürcher* 

Zeitung, who have a longer-term perspective to "divide the top of the ruling pyramid from its base, in order to take the means of power out of Saddam Hussein's hands." This would be "Half-palace revolution, half-military coup ... which should spare the Iraqi people a bloodbath and a break-up of the country." The United States apparently estimates that Saddam Hussein's top forces number 75-100 men; these are the ones to be "divided" from the base of bureaucrats, administrators, civil servants, and military officers.

Needless to say, the proposition is absurd, and, if implemented, would trigger precisely the destabilization and bloodbath which it is allegedly designed to prevent. But no matter: The action is already under way. The only function of the "debate" is to provide cover for the continuing and escalating operation.

#### Who set up Clinton?

Among the Iraqi "opposition" groups the American diplomats met, is the Iraqi National Council, which has been offered, and gratefully received, some of the \$97 million in funds allocated under the Iraq Liberation Act. The INC, headed by swindler Ahmed Al Chalabi, occupies a cage in the "British zoo" of such organizations (see "Profile of Iraqi Opposition Groups," *EIR*, Jan. 29). It is located in London, where it maintains close intelligence relations with the British, and in the United States, it curries favor with the same Republican madmen in Congress who are trying to eliminate President Clinton.

Chalabi met with Indyk and Ricciardone on Jan. 28. What they discussed can be surmised by a lengthy interview which the INC leader gave to the leading Kuwaiti newspaper, *Al Qabas*, which appeared a day earlier. In the interview, Chalabi reveals the role he played in selling to the U.S. administration the absurd scenario for overthrowing Saddam Hussein. The gist of Chalabi's argument is the following: The Clinton administration, following the catastrophic failure of a coup attempt planned in northern Iraq in August 1996, with the CIA and Iraqi opposition groups including the INC, cut off all contact with such groups. This situation remained unchanged until the second half of 1998, when pressure was brought to bear on Clinton by Chalabi's backers in the Congress, who set up Radio Free Iraq and drafted and passed the Iraq Liberation Act.

The resolution was of extreme importance, because it clearly stated that both houses of Congress had determined that Saddam Hussein had violated international commitments, including the cease-fire. Thus, Congress was saying that the United States had the right to act militarily to defend its strategic interests.

Throughout the interview, the arrogant Chalabi plays up his own role in this operation. Albeit exaggerated, his account makes sense. Chalabi relates, for instance, the story of United Nations Secretary General Kofi Annan's mission to Baghdad in February 1998, which succeeded in averting war. It was then that Chalabi was deployed to the United States: "I went to Washington after the agreement made by UN Secretary General Kofi Annan with Saddam, and the issuing of the Memorandum of Understanding. I met with members of the House of Representatives, I talked with them, and then later the House decided to allocate money for the Iraqi opposition and also to establish the Radio Free Iraq station broadcasting from Prague."

That was "the first step." He continues: "The second step was that on March 2, 1998, I was invited to give testimony to the Senate Foreign Relations Committee . . . I described the Iraqi opposition's relationship with the United States and the aid it was giving, including the secret assistance. I said, 'We want open assistance from America, and we want an American commitment to help democratic Iraqi forces that are willing to change and work to overthrow the dictatorial regime. From now on, we don't want any assistance that is given to us in a secret form, and we will refuse any such assistance."

#### Pinning it on the United States

Ensuring that the U.S. support would be "open" was crucial to the British game of identifying the entire operation with official U.S. policy, endorsed by none other than President Clinton himself.

Chalabi underlined the significance of the timing of his testimony: Saddam Hussein "had made an agreement in February 1998, and my testimony came on March 2." Chalabi's backers in London were evidently not happy with the diplomatic arrangement engineered by Kofi Annan, in agreement with the White House. "I believe that Kofi Annan told Saddam Hussein that America was not going to make any military move to overthrow him, if he committed himself to international resolutions. And when my testimony in the Senate took place, Saddam Hussein realized that the situation had changed."

Chalabi went on to specify how his testimony regarding Iraqi weapons was crucial in pushing through the resolution: "The other point is about our role in revealing the information on the VX warheads, which we had discovered, and the American administration later was very angry with us because we published this report in the *Washington Post...*. The complaints from the American government were very strong, and they asked us, 'Why did you do this without coordinating with us?' This provoked Saddam Hussein because this report left a great impression on the Congress, which took the decision ... [to pass] the resolution [which] had declared that Saddam Hussein is considered in a state of violation of international commitments."

Chalabi describes how the "hesitation" on the part of the Clinton administration was overcome: His testimony was "received warmly in the Senate. I reminded those present of the letter which was sent to us by the Vice President of the United States in summer 1993, in which he said that he, on behalf of the American President, would stop Saddam Hussein from continuing to oppress the Iraqi people in northern Iraq."

Chalabi contrasted Gore's statement to the administration's policy, which did not prevent Saddam Hussein from intervening in northern Iraq in 1996. Chalabi said that James Woolsey, then director of the CIA, had told the same committee, "I support the statements of Chalabi, . . . there is a need for open support and American commitment to help the democratic forces in Iraq, to change the regime through combatting Saddam Hussein." But, Chalabi added, "the American administration was not willing to do that, and reluctant to take such steps." In his view, Chalabi's testimony "provoked Saddam Hussein and scared him."

Once the resolution had gone through, Chalabi reported, the operation against Saddam Hussein could be launched. "This resolution had a major impact in America and it was signed by Bill Clinton on July 25, 1998." Then, he went on, "on Aug. 5, Saddam Hussein kicked out the UNSCOM, and the Americans tried for three months to put things back on track, but they failed. Then the Congress came in September to open a dialogue with us and since then they started to work on the Iraq Liberation Act. They realized the American administration's hesitation and reluctance and . . . the Congress wanted to embarrass Clinton. . . . They put this resolution in front of the administration, which found itself face to face with this Act." Chalabi also reported on the amendments made in the text of the resolution at the demand of the Clinton administration: "Many amendments were added later, while I was in Washington. One of the amendments was that the American administration demanded a change in the paragraph which states 'The policy of the American government must be to work to overthrow the regime of Saddam Hussein.' They wanted to change it to 'The policy of the United States must be to act to help, to assist those who want to overthrow Saddam Hussein.' "

Finally, in the interview, Chalabi outlined his strategy for the overthrow of the Iraqi government. First, he commented that "Saddam Hussein does not feel that the Iraqi Army is loyal to him, and he is treating the officers in the Army with strict caution. This puts Saddam Hussein in a state of suspicion all the time. We know the Iraqi Army has three characteristics, from our experience: 1) the Iraqi Army would not defend Saddam Hussein and will not fight against a force which is calling for his overthrow. 2) The Iraqi Army is too weak to overthrow Saddam Hussein alone. 3) The Iraqi Army will join the opposition and become part of any serious effort which the Army believes has any slight chance of success."

Chalabi claimed that in 1995, when his group took up arms against the Iraqi government, they were supported by large parts of the Iraqi Army, including Brigadier Wafiq Assa-

marai, who had defected earlier. But their forces were too small and untrained. Chalabi went on:

"The Iraq Liberation Act has come to treat the weakness in the Iraqi opposition. A well-trained and well-armed Iraqi opposition force, well-equipped to combat Saddam Hussein's tanks and supported by the Americans through a demilitarized zone, can control parts of Iraq and expand [this control,] and can find the manpower which already exists inside Iraq. The people are there, but they should be trained and equipped to become stronger than any of Saddam Hussein's forces. This force will be the first spark, because it can strike and stop any of Saddam Hussein's forces. We believe that the timing is in the range of months and not years" (emphasis added).

The concrete plan, which Chalabi reported he had presented to the U.S. Congress, "is as follows:

"1) to train a military force from the existing groups, to conduct operations inside Iraq. This force should be given high-level training in weapons, anti-tank weapons and other technical means, communications, modern technological equipment and coordination between ground and air forces. It should be given capability for quick movement, and should be prepared to enter Iraq. And we are able to provide tens of thousands of Iraqis who are willing to fight Saddam. But we don't need more than 5,000-8,000 competent fighters; more are not necessary.

"2) A demilitarized zone should be declared in southern Iraq and west of the Euphrates River [on the border with Jordan], and the safe haven in northern Iraq should be renewed. Clinton had recently emphasized the importance of the safe havens and said, 'We have to protect the Kurds.' The important thing is that Saddam Hussein's tanks are not able to reach or attack the Kurdish area, and this means that the zone which would be demilitarized in the south will be a prohibited zone for Saddam Hussein's tanks and artillery. And according to the opinions of military experts, this thing is possible and could very easily be achieved.

"3) The Iraqi opposition forces declare the establishment of an Iraqi national government in charge of the liberation operation, and consisting of all the different active political groups and representing all Iraqi ethnic groups. Its headquarters would be on Iraqi soil, and not an exile government. This government will take charge of the administration of the area or zone, and lead the military force which is trained to defend the zone and assimilate other Iraqi forces which would come over to its side. It will be in charge of exploiting its resources in order to save the Iraqi people and to complete the overthrow of Saddam Hussein's regime."

Chalabi ended by saying that this plan has not yet been accepted by Washington. "The United States so far is not accepting this plan, it's our own plan, and we are ready to discuss it with all the relevant parties. . . . Saddam Hussein's power is in the center, in Baghdad, and we challenge him in the areas which are out of his control. All of the Iraqi people

are with us and against Saddam."

It goes without saying that Ahmed Chalabi's wide-ranging interview represents precisely the thinking of the British geopolitical centers which have been designing Iraq policy for the United States since at least 1990. Chalabi is nothing but a tool of these forces; he functions very much like Baroness Caroline Cox, the British intelligence agent in charge of destabilizing of Sudan. Cox, too, has spent enormous effort and time testifying before the U.S. Congress, with "proof" of Sudanese human rights violations, fabrication of weapons of mass destruction, etc., to justify American military intervention against the country.

Chalabi is no aristocrat, but a small-time thug. He would not be capable emotionally or militarily of taking part in any such operation, nor would he be capable of providing political leadership anywhere. His function is that of a tool, to be inserted into certain locations, to turn certain keys.

#### Chalabi's mission

Most important in Chalabi's mission—like those of Cox—is to ensure that the official stamp of approval of the U.S. President is placed on the military assault which has been orchestrated by the British. So far, London has succeeded in making the continuing air strikes appear as American acts. Significantly, the British have flown far fewer missions with the U.S. planes since the end of Ramadan, than they did in December. Significantly as well, there have begun to appear in the British press, voices of "dissent" against the "American policy" on Iraq. Thus, for example, a Guardian commentary on Jan. 28 titled "Britain Should Not Act as a Puppet of the U.S. over Iraq. France Doesn't." The article argued that Tony Blair, whose "Iraq policy is a disaster," should talk to French President Jacques Chirac, and should shift policy. Britain is accused of behaving, "whenever required, as Washington's lobotomized puppet."

Or, in the *Guardian* on Feb. 5, an editorial titled "Washington's Vassal," argued that Britain should break the special relationship and hook up with France, under whose leadership "Europe is beginning to resist American hegemony." Author Ian Aitken singles out Iraq policy as the test case. Britain has made a mistake in joining the "perilous confrontations now taking place daily in the skies over Iraq," and in "defying the United Nations and humiliating its General Secretary," etc. The piece makes the point that, if Britain were to pull out, Washington would be smashed: "For this is the essential vulnerability of the United States: Without Britain's support, they would be almost completely isolated, and thereby greatly weakened in the exercise of the almost unlimited power they have acquired as a result of the collapse of the Soviet Union."

Perhaps one item Chalabi left out of his scenario is worth considering: What happens if the United States continues with its drive to force a change in government in Baghdad, and the British ally suddenly reconsiders the entire affair?

## Opposition builds to Iraqi 'Contra' schemes

by Jeffrey Steinberg

When the commander of the U.S. Central Command, Marine Gen. Anthony Zinni, appeared before the Senate Armed Services Committee on Thursday, Jan. 28, 1999, to voice his strong reservations about a "Contra"-style program to overthrow Saddam Hussein, he had the explicit backing of a faction of active-duty and retired flag officers, according to a highly placed U.S. military source. *EIR* had been alerted to the Zinni testimony 24 hours in advance by the highly decorated retired military officer, clearly indicating that Zinni's views were shared by a number of leading American military strategists.

But, while General Zinni's remarks before the Senate were clearly aimed at throwing cold water on the Iraqi Liberation Act (a 1998 bill rammed through Congress by neo-conservative Republicans that mandates Clinton administration backing for a ragtag collection of Iraqi opposition groups), momentum nevertheless continued to build toward some kind of military confrontation between the United States and Great Britain on the one side, and the Saddam Hussein regime in Iraq on the other.

Under these paradoxical circumstances, muddied still further by President Clinton's continuing preoccupation with the impeachment trial in the U.S. Senate, it remains for the President to step forcefully into the breach, and "just say no" to those who are pressing for a new military showdown with Saddam before a viable diplomatic solution to the Middle East crisis can be reached.

Over the past weeks, military confrontations between American and British fighter jets and Iraqi air defense units have been a daily occurrence. And, while General Zinni's public statements, buttressed by similar comments from White House and State Department spokesmen, indicate an ebbing of the momentum for a "quick-fix" military confrontation with Saddam, employing opposition "Contra" groups backed by U.S. Special Forces teams, the region remains on a hair-trigger for escalated military confrontation—at least on the scale of the December 1998 "Desert Fox" bombing campaign.

The focal points for such a renewed military showdown are the British government of Prime Minister Tony Blair, and some members of the Clinton administration "Principals Committee," a group of cabinet- and lower-level Presidential advisers who prevailed on the President last December to approve the bombing campaign which he had nixed just one month earlier.

Chief among the Principals Committee hawks is Leon Fuerth, Vice President Al Gore's primary national security adviser, who enjoys the unique position as a full member status on the Committee. A December 1998 profile of Fuerth in the New Republic identified him as the individual most responsible for prodding President Clinton into a military showdown with Saddam.

There is increasing evidence that Richard A. Clarke, recently named as the administration's counter-terrorism czar (he also sits on the Principals Committee whenever national security matters are discussed), is a longtime ally of Fuerth, and another "Get Saddam" advocate. Clarke was the State Department official in charge of the diplomatic side of "Operation Desert Storm," the 1991 Bush-Thatcher war against Iraq; and, according to a recent profile in the New York Times, Clarke was responsible for the Clinton administration's decision to bomb sites in Afghanistan and Sudan, in retaliation for the Aug. 7, 1998 car-bomb attacks against U.S. embassies in Kenya and Tanzania.

In addition to Fuerth and Clarke, the British have in recent days once again launched a campaign to instigate military confrontation with Saddam — a confrontation that would only serve to further isolate President Clinton from key allies in Asia, in the Arab world, and in Russia. British Foreign Office spook Derek Fatchett made a late-January tour of the Persian Gulf and Middle East, pressing for a military showdown and touting the prospects of a successful "Contra" campaign against the Saddam regime. His visit was followed by, in rapid succession, British Foreign Secretary Robin Cook and Defense Minister George Robertson, both key players in last December's pressure campaign on President Clinton that led to Desert Fox.

So, while National Security Adviser Sandy Berger and President Clinton himself have been reluctant to carry out military operations against Iraq that offer little prospect of getting rid of Saddam Hussein, but which would cause severe hardships to innocent Iraqi civilians, there remains a grouping within the national security team that is more closely aligned with hawks in London, on the American right, in the pro-Netanyahu wing of the U.S. Zionist lobby, and in Israel.

It is in this context that General Zinni's remarks provided an important counter to those who are pushing for a disastrous replay of the "Contra" and "Afghansi" irregular warfare programs against Iraq.

#### The general says 'no'

On Jan. 28, General Zinni testified, along with Assistant Secretary of Defense for Policy Walter Slocombe, at Senate Armed Services Committee hearings on Iraq.

In a heated exchange with Sen. John McCain (R-Ariz.), Zinni made it perfectly clear that he has zero confidence in the Iraqi opposition groups' ability to challenge Saddam Hussein. "Sir, there are 91 opposition groups," the general said. "We follow every one of those opposition groups in great detail. I will be honest. I don't see an opposition group that has the viability to overthrow Saddam at this point. I think it would be very difficult and I think if not done properly, could be very dangerous."

Later in the hearings, General Zinni returned to the subject in a response to Sen. Joe Lieberman (D-Conn.): "Senator, I had the unfortunate experience of . . . three tours of duty in Somalia and I have Afghanistan and Iran in my area of responsibility. I've seen the effect of regime changes that didn't quite come about the way we would have liked. And the last thing we need is another rogue state. The last thing we need is a disintegrated, fragmented Iraq, because the effects on the region would be far greater, in my mind, in my judgment, than a contained Saddam.

"Now Saddam is dangerous. Saddam should go," he continued, "... but it is possible to create a situation that could be worse, and that's my concern. These groups are very fragmented. They have very little, if any, viability to exact a change of regime in and of themselves. Their ability to cooperate is questionable. Even if we had a Saddam gone, by any means, we could end up with 15, 20, 30 groups competing for power. The effect that it might have ... could further destabilize the region."

#### Salami tactics

As noted above, the advocates of a U.S. special warfare showdown with Saddam are not idle — particularly the Anglo-Israeli assets in the administration.

Martin Indyk, the Australian-born U.S. Assistant Secretary of State for Near East Affairs, a former executive of the official Israeli lobby, the American-Israeli Public Affairs Committee (AIPAC), just concluded a tour of the Persian Gulf along with Francis Ricciardone, the recently appointed special State Department emissary to the Iraqi opposition

In a Feb. 2 interview with Kuwaiti national television and Al Qabas newspaper, Indyk declared, bluntly, that there exists an ongoing state of war between the United States and Iraq.

Indyk, who was also in London with Ricciardone, meeting with British Foreign Office representatives and the Iraqi opposition groups, said that the Clinton administration has a new policy on Iraq called "containment plus regime change," and cited a statement made by President Clinton in November 1998 to the effect that this is the policy. Prior to that statement, the U.S. policy on Iraq was simply "containment." Indyk clarified the President's orders: The change must come "from inside Iraq" and "the U.S. will maintain . . . the territorial integrity of Iraq."

Both those issues are points of contention with the British, who have no qualms about breaking up Iraq into three separate entities—a Kurdish entity in the north that would further Kurdish destabilizations against neighbors Turkey and Iran; a mini-state around Baghdad; and a Shiite entity in the south.

Indyk also described a kind of "standing order" for military action at any time: "There are four red lines" the crossing of which would be met with military force. First, "if he threatens his neighbors, particularly Kuwait. . . . Second, if he reconstitutes his weapons of mass destruction or deploys them, we will destroy them if we can detect them. . . . Third, if he moves north against the Kurds. . . . Fourth, to enforce the nofly zones." Indyk explained that Saddam Hussein has "crossed the red line" on number four, so "we are using force."

When Ricciardone gave his first interview, jointly with Indyk, to Kuwait's *Al Qabas*, he made clear that even under the terms of the Iraqi Liberation Act, opposition groups will not automatically receive lethal aid.

"I did say to the Iraqi opposition, I did acknowledge that the law has been misunderstood, it has been misreported.... I did say that to the Iraqi opposition that it is not an offer of cash. It's not an offer of military equipment. Such an offer may materialize" from the President, but don't make assumptions.

#### Fierce debates elsewhere

Elsewhere in Washington, the policy brawl over how to deal with Saddam has also been playing out. A Jan. 28 Washington conference on the topic "After Saddam," featuring the director of the CIA's National Intelligence Council, the director of AIPAC's think-tank, and an official from the Middle East Institute (staffed by State Department veterans), was the occasion of fierce debate on U.S. policy toward Iraq. The conference, sponsored by the Middle East Policy Council, an old-school "Arabist" think-tank like the Middle East Institute, drew 100 active and retired government officials and diplomats.

Leading off the event was Ellen Laipson, vice-chairman and director of the CIA's National Intelligence Council, who laid out what Iraq would probably look like after Saddam is overthrown. Iraq would be united, unstable, and undemocratic, she said, with uncertain relations with its neighbors. According to Laipson, the widespread claim that U.S. efforts to overthrow Saddam would lead to the breakup of the country, is not true. The Kurds and Shiites themselves know that that would not be a viable option. But while Iraq would remain unified, it would not be stable in the short term, by reason of the economic, political, and social consequences of the 1991 war, continuing conflict with its neighbors, and the effects of the overthrow of Saddam itself. It almost certainly would not be democratic, since only the educated classes want democracy.

Laipson then delivered her bombshell, apparently never before publicly stated by a senior U.S. official. The U.S. will impose conditions on any new Iraqi state that comes into being after Saddam, she said, because of Iraq's long history of hostile relations with its neighbors. Such conditions are needed to protect these neighbors from potential Iraqi aggression. In other words, Iraq's de facto loss of sovereignty will continue into the indefinite future, even after a successful U.S.-instigated coup.

Patrick Clawson, the research director of the Washington Institute for Near East Policy (WINEP), the think-tank for

AIPAC, laid out the Zionist lobby's reasons why the U.S. must overthrow Saddam. According to Clawson, eliminating Saddam is the only way to end the possibility of Iraq's developing weapons of mass destruction. Secondly, it would mean the U.S. would be less reliant on Saudi Arabia, and could even leave the region. This is very important, he said, since the U.S. and Saudi Arabia, having different cultures, can never be true allies. Third, it would make Israel more relaxed, and more prepared to make concessions to the Palestinians. Finally, it would allow for U.S. oil companies to move into Iraq, since a post-Saddam regime would welcome U.S. domination of its oilfields.

In the ensuing acrimony, even the conference chairman, former Kissinger aide Charles Freeman, retorted that while Israel has long sought to downgrade U.S.-Saudi relations, that must not be allowed to happen; nor should anyone believe that there is no cultural basis for strong U.S.-Arab relations.

The highlight of the event was the remarks delivered by Andrew Parasiliti, the research director of the Middle East Institute, who sharply denounced as fools all sides in the present policy debate over Iraq. All the talk of overthrowing Saddam is dishonest, and does not reflect U.S. intentions, Parasiliti said. First of all, the Iraqi opposition groups specified for military aid have zero possibility of overthrowing Saddam. Second, since U.S. air power alone would be insufficient to overthrow Saddam under any circumstances, the U.S. government is being dishonest on what it has planned.

Parasiliti then launched into what he said would be required to overthrow Saddam. First of all, the U.S. must announce a Marshall Plan to reconstruct Iraq, to be implemented following Saddam's ouster, to give Iraqis a reason for pressing for his removal. Second, the U.S. must ensure that at least half of Iraq's unpayable debt is cancelled, and that the rest will be suspended until such a time as Iraq has rebuilt itself. Third, the U.S must announce a general amnesty for all top political, military, and intelligence officials, except for a select few closely associated with Saddam, to make clear that there will be no general reprisals. Finally, Parasiliti said it must be recognized that even a democratic post-Saddam regime would necessarily seek to develop weapons of mass destruction, since Israel, Pakistan, and India have nuclear bombs, Iran is attempting to build a bomb, and Syria has chemical weapons. Accordingly, that issue can be resolved only in a regional context, addressing all these other states' programs.

All this, he said, would be U.S. policy, if the U.S. were really serious about overthrowing Saddam. If, however, the U.S. does not want to go down this route, it can adopt an alternative program. That would be to declare a policy of massive retaliation against Iraq, if Iraq were ever again to threaten Kuwait and Saudi Arabia. Having made that threat unambiguous, credible, and clear, unlike the current confusing situation, the U.S. must then lift the embargo—having nothing to fear from a completely terrorized and contained Iraq—and rebuild the region.

# Cambodian Prime Minister seeks reconciliation through reconstruction

On Jan. 18, Gail G. Billington of EIR's Asia Desk and Dino de Paoli of the international Schiller Institute interviewed Cambodia's Prime Minister Samdech Hun Sen at his residence outside the capital, Phnom Penh. The interview occurred on the same day that the Cambodia Daily reported on an earlier interview that the Prime Minister gave to Agence France Presse and the Paris daily Le Monde, in which he outlined his proposal regarding an international tribunal to investigate crimes against humanity in Cambodia. Samdech Hun Sen's proposal calls for a full investigation of three phases of Cambodia's civil war, beginning with the 1970-75 carpet bombings by U.S. B-52s, which killed an estimated 500,000 to 1 million people; 1975-79, the four murderous "Killing Field" years of the Khmer Rouge government, when 1.7 million of Cambodia's 7.5 million population died; and 1979-98, the overthrow of the Khmer Rouge through the 1991 Paris Peace Accords and the UN-monitored peace, to the July 1997 aborted coup attempt by the combined forces of Prince Norodom Ranariddh and the Khmer Rouge, to the racist violence instigated by the "democratic" opposition to Hun Sen following the July 1998 general elections.

In addition, Samdech Hun Sen proposed to UN Secretary General Kofi Annan the possibility of setting up a "truth commission," modelled on South Africa's experience in investigating apartheid, including inviting former Archbishop Desmond Tutu, who chaired the South African commission, to fulfill the same role for Cambodia. Hun Sen's point about any such genocide tribunal is straightforward: "Nobody should escape justice," and "the international community should not forgive and forget certain periods for their political gain." In making this proposal, Hun Sen underscored that any attempt to isolate only the four years of the Khmer Rouge government would run the risk of re-igniting the country's civil war, as Khmer Rouge soldiers, who have since surrendered to the Phnom Penh government, would fight, rather than submit to trial. Unfortunately, the UN Secretary General's special representative on human rights to Cambodia, Thomas Hammarberg, told Hun Sen on Jan. 22 that any UN-sponsored trial would exclusively cover the four years of Khmer Rouge rule, 1975-79.

Following the agreement reached in November 1998 to form the new coalition government in Phnom Penh, accompanied by the almost total collapse and surrender of the Khmer Rouge, Prime Minister Hun Sen has announced an aggressive

campaign of reforms to shift government priorities from military conflict to national reconstruction. On Jan. 15, the government announced an ambitious plan to reduce the size of the police and military, from 208,000 to 79,000 over five years, at a cost of \$154 million, and to redirect funds from defense into education and health care, while also signalling crackdowns on illegal logging and looting of Cambodia's archeological sites, both of which were major sources of funds for the civil war. On Jan. 25, Hun Sen tendered his resignation as Commander-in-Chief of the Royal Cambodian Armed Forces, in a further effort to demilitarize the civilian government and to impose political neutrality on the military.

As Samdech Hun Sen says in the following interview, for the first time in 50 years, the Cambodian government has regained control over "all corners" of the nation. Having won the war, Cambodia now must win the peace, a task that will require the full cooperation and support of those same international forces who have never failed to involve themselves in Cambodian affairs in the past, and must not abandon Cambodia now. The donors' meeting in Japan in February, where Cambodia is seeking \$1.3 billion in aid for the next three years and the lifting of economic sanctions, would be the appropriate occasion for those international players to demonstrate their commitment to winning peace for Cambodia as well.

**EIR:** In early 1997, I spent a month on the southern Philippines' island of Mindanao, and what I have seen so far, both in Phnom Penh and in the drive to Takhmao, looks very good compared to the conditions I saw there.

Hun Sen: Actually, there are two Cambodias. One Cambodia is seen through the foreign media, in which things seem to be very bad. It seems, according to the foreign media, Cambodia is a place of crime and a place where there are mines. Another Cambodia is the Cambodia where you are now. Therefore, we can say that there are two Cambodias.



**EIR:** Trying to cover Cambodia from Washington, one gets



Cambodian Prime
Minister Samdech Hun
Sen during an interview
at his residence outside
the capital, Phnom
Penh. (From left) EIR
representatives Dino de
Paoli and Gail
Billington, Prime
Minister Hun Sen, and
the Prime Minister's
Personal Secretary
Darryl S. Eang and an
aide.

a very contradictory picture, both from what U.S. policy is and what the U.S. press says it is. Your recent statements, particularly your New Year's message [see *EIR*, Jan. 29, pp. 47-48], was an excellent statement on the subject of a tribunal covering the history of the past 30 years.

I don't think the U.S. population has a clear historical memory of the relationship between the United States and Cambodia. Could you address your idea of the process of reconciliation and reconstruction, and how it would be in the mutual interests of both of our countries?

**Hun Sen:** I fear we feel that sometimes there is no mutual understanding, and that obstructs the good relationship between our two peoples. I feel that if the American people were aware of the real situation in Cambodia, they would feel pity for the Cambodian people. They would contribute to develop this nation. I think that some of the opinions expressed in America about Cambodia stem from inadequate—or a lack of information about Cambodia. I hope that we will have some kind of exchange, or share a real understanding of each other, which could improve relations between our two countries.

In the coming days, I will issue an *aide-mémoire* about the trial of the leaders of the Khmer Rouge, so that memo will help an understanding about the complicated situation of Cambodia. I propose that this *aide-mémoire* could indicate in what way justice could be done for the Cambodian people in the context of war and peace, in the context of national reconciliation, which is all one package. You may have seen on CNN and BBC, when I received Khieu Samphan and Nuon Chea here. There was a big ruckus when I welcomed the former President, former Chairman of the National Assembly, and former Prime Minister into my house when they surrendered to my government.

Is there any country in the world where you could summon the former President, the former Prime Minister, the former Chairman of the National Assembly to come to one's house for such a surrender? Only in Cambodia. This is a time when we could put an end to the political and military organization of the Khmer Rouge, a time when we can complete this. But it has been wrongly interpreted as my giving amnesty to the leaders of the Khmer Rouge, or so the foreign press interpreted it. First, I am not entitled, I have no authority to grant amnesty to anyone. Second, these leaders have not been convicted, so it is premature for them to need any amnesty.

For the last two months, we have been discussing a trial of the Khmer Rouge leaders. As I said in my New Year's statement, the trial of the Khmer Rouge is not a new issue, it is a *fait accompli*. At the time, in 1979, when we prosecuted the leaders of the Khmer Rouge, we were condemned. Yet, when we received the Khmer Rouge leaders here [in December 1998], there was a movement calling for the prosecution of the Khmer Rouge leaders, which suggests our policy during the last 20 years is a success.

You see, when we had the trial of the Khmer Rouge 20 years ago, we were condemned, but right now, those people who condemned us for prosecuting the Khmer Rouge then, now urge us to hold a trial for the Khmer Rouge.

If you review the situation during the last two weeks, or the last two months, it seems that Hun Sen has been paying a big price for his honesty concerning the Khmer Rouge problem. But if we review the situation over the last two decades, it suggests not only that Hun Sen paid the price, but that Hun Sen continues to receive negative coverage of what he has done during these last two decades, in putting the Khmer Rouge leaders on trial, which was opposed [in 1979] by those people who now push for the trial.

I would like to state my position that, now, the Khmer Rouge political and military organization has come to an end. But the case of the Khmer Rouge has not yet led to any trial of the Khmer Rouge leaders. My way is different from that of other people, who have only artificial morals. The group with artificial morals would like to choose what fish to bake, what fish to fry, or what fish to broil, at a time when the fish is still in the water. But my way is different. I wouldn't say what fish to bake, or to fry, or to broil unless I had the fish in my hands. I would want to consider myself as a person of genuine morals, who is a pragmatist. Right now, the fish is in our basket, so we can decide how to cook it.

EIR: I think the U.S. population would be very interested in your sense of the future for Cambodia. In specific, what your priorities are now for the new coalition government, in terms of, for example, a bill of materials for what is required for reconstructing the country's infrastructure—water, rail, electrification, schools, hospitals, and so on. And also, your ideas on the reintegration of the Khmer Rouge cadre into society, such that they are participating in this process of national reconstruction and their families begin to share the fruits of that. For example, in the area of education, I know you have taken a very personal interest in this.

**Hun Sen:** I think that there are two paramount priorities which we have to take care of first. The first is peace. According to our experience, without peace and political stability, there would be no chance for development of the nation; even we could not prevent people from being killed. When there is war, there is a high price paid for that, even with the lives of the people. You may see the effort the government exerted since 1996 to put an end to the Khmer Rouge issues, that means to put an end to the war. When we complete the first task, putting an end to the war, then there will be another task for economic and social development. I declared since June of last year that if my party won the election, the next government would be the economic government. The new government was suspended for 48 days, but then we concentrated on these two tasks. I mean we concentrated on putting an end to the Khmer Rouge problem, and at the same time, carrying out reforms for economic and social development.

You may know that, on Jan. 15 of this year, we decided to downsize the military to 79,000. When we cut the number of the Armed Forces, we will reallocate the money for defense into education and public health. But the effect will be even greater. If the demobilized soldiers can participate in agriculture, we can cultivate another 70,000 hectares of rice fields, increasing our production.

We, this new government, will continue the ideas expressed by the old government, and add more ideas. With the latest surrender of the Khmer Rouge leaders, which is very important for peace, we had to be courageous enough to take a step for national development, including the downsizing of the Armed Forces. But social and economic development takes a longer time, not just one or two weeks, or one or two months.

At the same time, we have to solve the problems of the consequences of the society left behind by the Pol Pot regime.

Now, you see that Phnom Penh has a population of more than 1 million, but at the time we expelled the Pol Pot regime in 1979, we met only 70 people in the city. Compare 1979 to 1999, that is, 20 years later, the situation is different, so the solution would also be different. In a modest way, we could say that it is the task of the economic government to reduce the poverty of the people. And there are many reforms needed to serve that goal, including reforms of the Armed Forces, civil administration, and the judiciary system. In order to have sustainable development, we need also to address the process of democracy and human rights.

**EIR:** In the area of regional cooperation, now that Cambodia is a member, or nearly so, of the Association of Southeast Asian Nations, how does membership in ASEAN contribute to the process, or the resources available for reconstruction and reconciliation?

**Hun Sen:** First of all, the participation of Cambodia in ASEAN is a good process, and it is good for Cambodia that we could put an end to Cambodia being isolated within the region, as well as from the world. At the same time, in becoming a member of ASEAN, it is not just the family of ten in ASEAN. We have to keep in mind that ASEAN also has many other partners, like Japan, China, Korea, America, Canada, and Europe. The effectiveness and benefit to Cambodia from being a member of ASEAN is in the fields of politics, diplomacy, and national security. We also benefit from the contribution of ASEAN countries to the development of the human resources of Cambodia.

In the field of economy, there are some aspects that we need to encourage, but there are also some aspects where we need to be careful. You see, we need to encourage investment from ASEAN into Cambodia. Cambodia has potential, in that it has a large amount of arable land, which we could use to complement ASEAN countries. In some ASEAN countries, there is a shortage of foodstuffs, whereas in Cambodia we have land for agriculture, but we are interested in funding for technology to develop it.

Where Cambodia needs to be concerned is on the ASEAN Free Trade Agreement, AFTA, which is related to commerce. We are now reviewing whether we should go into it in the near term, or in the long run. Under AFTA we will have to lift all tax barriers, but at the present time, Cambodia really needs tax revenues. Our ASEAN friends have industrial potential, such that they could dump their consumer goods onto the Cambodian market, killing Cambodian industry. We have no commodity goods or consumer goods to exchange with the ASEAN countries. There is a certain grace period for Cambodia to put into practice the regulations within AFTA; however, we have to be careful on this point of commerce, and consider carefully when to put that into action.

**EIR:** What positive input can the United States have in this situation?

Hun Sen: America has big potential as a country that could



Kingdom of Cambodia's Prime Minister Samdech Hun Sen (holding baby) campaigning during summer 1998 National Assembly elections. The Prime Minister has announced an aggressive campaign of reforms to shift government priorities from military conflict to national reconstruction.

help in many ways a poor country like Cambodia. Everyone is well aware that America is a big economic power. So, America can help Cambodia in many ways for its social and economic development. That is not to say that America has done nothing to help Cambodia; it has been helping to develop Cambodia. Assistance from America in the form of infrastructure, like the renovation of National Road #4 and other projects, has helped Cambodia a lot. The General System of Preferences and Most Favored Nation status that America conferred on Cambodia, have brought many good job opportunities for the Cambodian people. The garment industry is now very popular in Cambodia, which exports to America, and also provides jobs for tens of thousands of Cambodians.

At the same time, America has helped Cambodia to develop in the fields of democracy and human rights. But we can also take note that, compared to American assistance to other countries, what has been given to Cambodia is very small from a country of such economic power as the U.S. So I feel that, if America can increase its assistance for Cambodia to maintain peace, political stability, as well as the development of human rights and democracy, and, at the same time, help the infrastructure of Cambodia, it will contribute to developing the social and economic situation of Cambodia.

If we received just the money Mr. Starr has been using for the Clinton scandal, it would do a lot of good in Cambodia.

**EIR:** Better spent here than it's being spent in Washington right now!

**Hun Sen:** If such money were spent in Cambodia, it could help tens of thousands of people.

Yesterday, after watching the boxing match in which

Mike Tyson fought Stephen Botha from South Africa, I talked to an old veteran, who has been in the Japanese Diet [Parliament] for 50 years. If we had only 10% of the money Mike Tyson won, of his \$20 million, that would mean \$2 million for building schools in Cambodia, and we would have many, many schools for the children.

**EIR:** That's a great idea.

**Hun Sen:** That way we would not have to count on the American national budget to help Cambodia, but we could call on wealthy individuals in America like Mike Tyson; that would do a lot for Cambodia. And so, if the American people understand Cambodia, and would like to help Cambodia, it is easy for them to do so, because Cambodia is small, it's not like helping Europe.

EIR: Since EIR was founded, it has promoted reform of the international monetary system, the idea of a just new world economic order, equality of access of nations to science and technology, and the promotion of great infrastructure projects. In Asia, increasingly since 1990 and the collapse of the Soviet Union in 1991, the idea of the Eurasian Land-Bridge project has gained support. Cambodia sits right in the middle of the intersection of several of the major railways, major water projects, and it seems to us that this is really the project of the future for the world's economy. Given the world financial crisis that first erupted in Asia, how do you see the effect of this financial crisis on Cambodia, and how do you see the appropriateness of such big projects as the Land-Bridge in contributing to the integration of the Asian continent?

**Hun Sen:** In the 1980s and 1990s, much attention has been

paid to the globalization, as well as the internationalization of the economy, of the society, as well as information. With the progress of science and technology, it makes the world even smaller. There are many projects that have been considered, to link every place of the world together. In Southeast Asia, there was a project called the Mekong Subregional project. This project would link up the six countries in the Mekong basin.

But, with the Asia-Pacific economic crisis, it makes this dream not really feasible. The Asian economic and financial crisis has also had an impact on Cambodia. Some investment projects could not be carried out in Cambodia; some of the assistance to Cambodia has been reduced, not because of the situation in Cambodia, but because the donor country has also been affected by this crisis. So, we need the concerted consideration of all countries of the region in order to solve this problem.

We wish that this crisis would not increase to the point that there would be devaluation of the Japanese yen or the Chinese yuan. And we wish that this crisis would not spread further. It is hard to foresee what will happen, and this needs the concerted efforts of all concerned. Do you think that, in the last 10 years, anyone could have foreseen the collapse of the Soviet Union? Up until 1995-96, people were talking about the 21st century as the century of the Asia-Pacific. Some countries were turned into dragons, but with the economic crisis, they have become non-poisonous snakes.

So, we need to become more cautious, to foresee what will happen in the region. And, this also becomes a point of consideration when I prepare the political program of this new government. In the context of the situation in 1997 and 1998, Cambodia should be worse off than it is today, but with the growth strategy of the government, which is based on food security, we can lessen the impact of the regional economic, financial crisis on our country. So we should learn the lesson that, if there is any crisis, we have to be prepared to avoid it, or at least to suffer less impact from it.

**EIR:** You have spent the last 30 years of your life fighting for the salvation and liberation of Cambodia. What is your dream for Cambodia in the next 30 years?

**Hun Sen:** I started to build my nation with bare hands. At the time [in 1979], there were no people in the city of Phnom Penh, but today you have more than 1 million. During those 20 years, starting with bare hands, for half of that time Cambodia was under an economic embargo. If you were not aware or had no knowledge of that situation before, coming to Cambodia now, you would think that it's just normal, like other

I do not really have ambition for the future of Cambodia, but only that I could use my experience for its development. Based on my experience, I don't see that it is difficult for me to tackle the problem of my country. Compared to the last 20 years, what the Pol Pot regime left behind was no city, no schools, no hospitals, no anything—the human resources had been destroyed. In 1979, then at the age of 27, I was the Foreign Minister of this country, but we did not receive any salary, only a food ration of 10 kilograms of rice and 6 kilograms of maize. We did not begin printing money again until 1980.

Then it was a time of despair. I did not really have a proper idea of how to develop Cambodia at the time that we had nothing at all. And the war continued, and the Khmer Rouge continued to be an internal threat. Only a few countries provided assistance to Cambodia, whereas the rest imposed economic sanctions. And with the support of the government and the people, we could bring the country up to what you see today, which, if you did not have the memory of the past, you would think everything is just normal.

To talk about this in the history of Cambodia, it is the first time that the Cambodian government could control all corners of its territory. And more than that, we now have to downsize the Armed Forces, allocate or transfer the money from national defense to social development. Our resources, in the form of human and material resources, are much better than in 1979, when we started the country again. In international relations, Cambodia now has no enemies. We have only assistance from donor countries, from international financial institutions. We also learn the lessons of the past; we also learn from the experience of many countries that had problems. So, learning from other countries allowed Cambodia to avoid making mistakes made by others. It took not 30 years, but only 20 years for me to bring the country from having nothing to what we have today. The paramount factors are peace and political stability.

**EIR:** Would you endorse what has been proposed as reform of the international monetary system, as Lyndon LaRouche has proposed, which would reduce short-term speculation in favor of long-term investment?

**Hun Sen:** I think we would contribute to a system to maintain monetary stability. The amount of money outside the banking sytem is still a huge amount. It is the source of instability, not only monetary instability, but as the source of funding for money-laundering, narcotics-trafficking, and terrorism. In order to curb terrorism and narcotics-trafficking, we need to bring all the money in circulation into the monetary system, into conformity with the country's need for development. You see, drug-traffickers, mafia groups, terrorist groups, they always used the money outside the banking system. So, strengthening the monetary system could also contribute to reducing terrorism and narcotics-trafficking.

**EIR:** A lot of the money which comes from drugs is recycled into the banking system to destabilize economies?

**Hun Sen:** Losing stability affects not only economies, but it could create terrorist activity.

**EIR:** I discovered from an interview you gave last year that you have two sons, one of whom is a cadet at West Point and another who is a cadet at St. Cyr. From the standpoint of thinking about Cambodia's future, it seems that they would be highly qualified candidates to become, perhaps, Cambodia's first astronauts in the International Space Station. What would you think of that?

**Hun Sen:** Right now I have three sons, not only two, one in West Point and two in St. Cyr. This school year, the younger brother joined his brother at St. Cyr. I am not sure about the two sons who have just started at St. Cyr, but I know very well about the eldest one who is now at West Point. It is the first time in the history of Cambodia that there is a Cambodian who is attending the famous military academy of America, a place which requires high quality with high discipline. In four months, he will complete his schooling at West Point, and so, based on the results of his parachute training in the last two years, especially in 1998, I feel that he would be the appropriate candidate for the space program. The person who can do parachuting, who is still conscious and without mishaps, I think he has a firmer spirit than me. I also have the intention that he would be involved in the space program. But the problem is not with him, but with my wife.

I would like my son also to be a pilot, but my wife objected. You see, when he tried parachuting, I informed my wife only after he did it. So, there is an obstacle within our family, in which my wife objected even to his parachuting or piloting a plane. So, I fear that there would be more obstacles if I would like him to be an astronaut.

**EIR:** Well, I invite you and your wife to the Air and Space Museum in Washington, and we'll take her to see the movies there, and she'll get the idea that it would be a lot of fun.

**Hun Sen:** You see, when there is such a show on CNN or CNBC, I always ask my wife to watch it. However, I have not yet succeeded in getting her to do so.

EIR: Gen. Charles de Gaulle once identified the nation of France as an idea, rather than just a geographical area, and insisted that the role of the nation is to be guided by a conscious sense of having an historical mission. What do you see as that idea—what is the idea that is Cambodia? And what do you see as Cambodia's mission both for its own people, for Asia as a whole, and for the world?

Hun Sen: Because Cambodia has undergone leadership driven by ideology—that ideology has led Cambodia into genocide. Therefore, when I came into power as Prime Minister in 1985, I started with reforms of our country. We have been undergoing three stages of reform. We started with the planned economy, and then we went through a transitional period with planned economy plus the free market economy, and now we are at the third stage, or a free market economy. We have to be flexible in order to respond to the needs of the people. For the government, we also have been undergoing three stages of reform. From 1985 to 1993, I was the Prime Minister of a government with one political party. And then, from 1993 to 1998, I was one of the two Prime Ministers of

the government of Cambodia in which four political parties participated. And right now I am the only Prime Minister of a government of two political parties. Through all this social, political, and administrative experience, I could see that we cannot learn the lessons from any college, from any ideologies, to be Prime Minister. There is no university in the world that can educate people to become Prime Minister or President. So, we have to learn from experience, and issue the measures that respond to the needs of the people. Any measure that would be counter to the interests of the people, would receive no support. In so saying, you can decide whether Hun Sen is a political opportunist. We can survive only when we become the "opportunist" acting for the interests of the people.

**EIR:** What final message would you like to deliver to the citizens of the United States?

Hun Sen: Our main idea is to be a good friend to the American people. Even though there are black, white, or yellow people, holding different religions, we have a common goal, which means peace and development of democracy and human rights. Globalization or internationalization makes the world even more interdependent. And in that context, the people of Cambodia would become good friends to the people of America, and then there would not be any misunderstanding between the two. And we would like the civilized people of America and other powerful countries to contribute even more to help develop this poor country of Cambodia.

**EIR:** On a personal note, I was stunned when I learned that you are only four months older than I am, to think about what the last 30 years of your life has been compared to mine, and that we are now in a situation in which we must work together to accomplish what I think we share as mutual objectives, for our individual nations, but also for every nation on this planet. **Hun Sen:** I think that people who are now less than 50 years old share more common goals than the previous generation. According to my experience in travelling to many countries, meeting with many people, I note that people who are now less than 50 years old share more common goals with each other. I draw one conclusion from such experience, which I'm not sure whether you share with me or not: We share a more common viewpoint, more common goals, because we have not been bribed or stained by the ideology of the Cold War.

So, it is easier for our generation to share the perception, because we are more pragmatists, rather than the older people, who are stuck too much in ideology, in the ideology of the Cold War. So it would be more beneficial that we discuss with each other. Yesterday, I had a meeting with a member of the Japanese Diet, who is now 90 years old; he advised us to talk to the young generation of Japan. In Japan, when they refer to young people, they refer to those who are 50 years old. In China and Vietnam, when they refer to young people, they refer to people who are 55 years old, but I am still in my 40s.

### Stand by moral truths, Pope urges during visits to U.S. and Mexico

#### by Elisabeth Hellenbroich

During his Jan. 22-26 visit to Mexico, which was followed by a brief visit to St. Louis, Missouri on Jan. 26-27, Pope John Paul II delivered a strong message, which was particularly addressed to the leadership of the respective countries. The underlying message in all the speeches and homilies of the Pope was loud and clear: On the eve of the next millennium, and facing the gigantic challenges which the nations of the world are confronted with, the Pope strongly reaffirmed the values and inalienable rights of man—i.e., the respect for human dignity, the right to life, the right to develop, and the right to progress — without which there can be no peace and economic development.

In Mexico City, the Pope was greeted by Cardinal Norberto Rivera who, in his speech, without explicitly naming the International Monetary Fund (IMF) and the World Bank, attacked the policies of those institutions which, under the name of "globalization," have ruined entire nations (as the recent example of Brazil illustrates). "We have fallen prey to the inhuman interests of international capital flows and to our own internal dishonesty," the Cardinal said. "People suffer and grow desperate because they cannot see an immediate solution to their calls for justice, food, health care, and justly paid work. Peace seems not to be at hand and at times we feel like a puppet manipulated not only by visible strings but by remote levers."

The reason for the Pope's five-day trip to Mexico City, was the presentation of the formal conclusions of the Nov. 16-Dec. 12, 1997 Synod of the Bishops of America (from North and South America). During his visit, more than 3 million people attended his six public events, and he was hailed by millions more who lined the streets to greet his "Popemobile." Some 500 Roman Catholic cardinals, archbishops, and bishops, plus 5,000 priests from the Americas, came to Mexico City for the visit.

#### Man must be at the center of economy

In his speeches, the Pope made very clear that Mexico, together with the other nations of the world, will not be able to meet the challenges of the next millennium, unless it fights for the creation of a "just," "reconciled society" which is "open to progress" that is "convergent with the necessary moral progress"—i.e., a society which puts man in the center

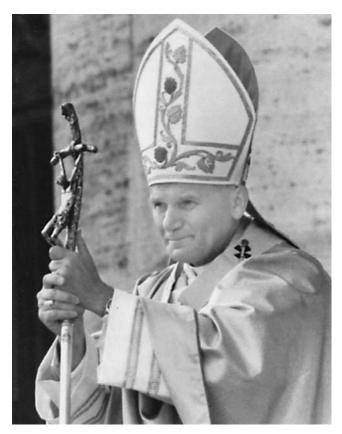
of the economy. "May Gospel values inspire its rulers to serve their fellow citizens, taking special care of the most needy," the Pope said. "It is necessary that each and every one of the children of this country have all that is necessary to live a decent life. All members of Mexican society are equal in dignity . . . deserve full respect, and have the right to complete fulfillment in justice and peace."

Yet, "the present-day world sometimes forgets the transcendent values of the human person: dignity and freedom, the inviolable right to life, and the inestimable gift of the family within a climate of solidarity in social life," the Pope warned. "Relationships between people are not always founded on the principles of charity and mutual help. On the contrary, other criteria predominate, endangering the harmonic development and integral progress of the individual person and of peoples."

The cause of economic and social injustice lies, according to the Pope, in the lack of moral leadership, "moral disorder," and the "contempt for man." The Pope said, "Because some of the powerful turned their backs on Christ, this century which comes to a close, sits by helplessly while millions of human beings die of starvation, although paradoxically agricultural and industrial production increase; refuses to promote moral values, which are progressively corroded by phenomena such as drugs, corruption, unbridled consumerism, or widespread hedonism; idly contemplates the growing abyss between poor, indebted countries and strong, opulent ones; continues to ignore the intrinsic perversion and the terrible consequences of the 'culture of death'; promotes ecology but ignores the fact that the deeper roots of all attacks against nature are found in moral disorder and man's contempt for man."

#### 'The Spirit of St. Louis'

A just society is not possible without "compassion" and love. This was the recurring theme which marked all of the Pope's speeches during his stay in Missouri. In St. Louis, the Pope met President Clinton and clearly signalled to him his moral support. The Pope stressed the need "to reassert the genuine truths and values of America's experience," and reminded people of the "Spirit of St. Louis," after the plane that the pioneer Charles Lindbergh flew from New York to Paris



Pope John Paul II

in 1927, in the first transatlantic solo flight.

Without directly referring to the ongoing impeachment trial against President Clinton, the Pope made clear that a fight for a more just society in America, is in vain unless there is a fight against those who, in the tradition of the modern-day racist Confederates, commit flagrant violations against the spirit of the U.S. Constitution.

The Pope referred to what he considers one of the most painful chapters in American legal history, the infamous *Dred Scott* decision—a black slave who, during the 1850s, was denied the most basic human and constitutional rights by U.S. Supreme Court Chief Justice Roger Taney. Ironically, current Chief Justice William Rehnquist, who is presiding over the Senate impeachment trial, has publicly hailed Taney as an outstanding figure in U.S. legal history.

"There are times of trial tests of national character, in the history of every country," the Pope said. "America has not been immune to them. One such time of trial is closely connected with St. Louis. Here the famous *Dred Scott* case was heard. And in that case the Supreme Court of the United States subsequently declared an entire class of human beings—people of African descent—outside the boundaries of the national community and the Constitution's protection. After untold sufferings and with enormous effort, that situation has, at least in part, been reversed."

America, the Pope said, "faces a similar trial today . . . between the culture that affirms, cherishes and celebrates the culture of life and a culture that seeks to declare entire groups of human beings—the unborn, the terminally ill, the handicapped, and others considered 'unuseful' — to be outside the boundaries of legal protection. Because of the seriousness of the issue involved and because of America's great impact on the world as a whole, the resolution of this new time of testing will have profound consequences for the century whose threshold we are about to cross." To choose life, according to the Pope, means the rejection of every form of violence: the violence of poverty and hunger, the violence of armed conflict, the violence of abhorrent weapons such as anti-personnel land mines, of drug trafficking, as well as the violence of racism. The Pope also strongly condemned the death penalty, which, he said, "is both cruel and unnecessary."

Seeking to put an end to every form of racism—a plague which is considered by the American bishops as "one of the most presistent and destructive evils of the nation"—the Pope ended his visit with a powerful appeal directed to that about which every American feels proud—the spirit of the Constitution and the Declaration of Independence: "America first proclaimed independence on the basis of self-evident moral truths. America will remain a beacon of freedom for the world as long as it stands by those moral truths which are at the very heart of its historical experience. And so America: If you want peace, work for justice. If you want justice, defend life. If you want life, embrace truth—truth revealed by God."

#### Documentation

### 'There is no freedom without truth'

What follows are selected excerpts from Pope John Paul II's remarks and homilies during his Mexican and U.S. visits.

#### 'Mexico, always faithful'

Welcoming ceremony at the Benito Juárez International Airport, Mexico City, Jan. 22:

...From the time 20 years ago when the Mexican people received me with open arms and full of hope, they have accompanied me in many of my journeys. I have encountered Mexicans at my Wednesday general audiences and in the great events that the Church has celebrated in Rome and other places in America and the world. The greeting with which you always salute me still resounds in my ears: "Mexico, always faithful, always present!"

I come to a country where the Catholic faith served as the

basis for racial mixing which transformed the ancient ethnic pluralism and antagonism into a fraternal unity and destiny. It is not possible, then, to comprehend Mexico without the faith brought from Spain to these lands by the first 12 Franciscans and cemented later by Dominicans, Jesuits, Augustinians, and other preachers of the saving Word of Christ. In addition to the evangelical work that makes Catholicism a fundamental and integral part of the soul of the nation, the missionaries left a profound cultural impression and prodigious artistic examples that today are cause of legitimate pride for all Mexicans and a rich expression of their civilization.

I come to a country whose history runs like a river at times hidden but always flowing abundantly, realities which sometimes meet and at other times reveal their differences, and that never unite totally: the ancient and rich sensibility of the Indian people that loved Juan de Zumárraga and Vasco de Quiroga, whom many of these peoples still call Father; the Christianity rooted in the soul of Mexicans and the modern European rationalism that has exalted independence and freedom. I know that there are many visionary minds that work hard so that these currents of thought and of the culture may make better use of this wealth through dialogue, social-cultural development, and the will to construct a better future.

#### All are equally children of God

Homily for the Eucharistic celebration at the Rodríguez Brothers Racetrack, Jan. 24:

. . . I likewise wish to greet with special affection the great number of indigenous people from different regions of Mexico who are here in this celebration. The Pope feels very close to all of you, admires the great value of your cultures, and encourages you to overcome with hope the difficult situations you are going through. I invite you to strive to achieve your own development and work for your own advancement. Build your future and your children's future with responsibility! This is why I am asking all the faithful of this nation to make a commitment to help and promote the most needy among you. It is necessary that each and every one of the children of this country have all that is necessary to live a decent life. All members of Mexican society are equal in dignity, because they are children of God, and therefore deserve full respect and have the right to complete fulfillment in justice and peace.

The word of the Pope also wants to reach the sick people who have not been able to be here with us. I feel very close to them, so as to convey Christ's peace and consolation. I ask them, while they seek to recover their health, to offer their illness for the Church, knowing the salvific value and the evangelizing power that human suffering has when associated to the suffering of the Lord Jesus....

As the Second Vatican Council reminds us, "Christ is the Light of peoples" (Lumen gentium, 1). May this Light enlighten Mexican society, its families, schools and universities, countryside and cities. May Gospel values inspire its rulers to serve their fellow citizens, taking special care of the most needy. Faith in Christ is an integral part of the Mexican nation, being engraved, as it were, indelibly in its history. Do not let this Light of faith be extinguished! Mexico still needs it in order to build a more just and fraternal society, in solidarity with those who have nothing and hope for a better future.

The present-day world sometimes forgets the transcendent values of the human person: dignity and freedom, the inviolable right to life and the inestimable gift of the family, within a climate of solidarity in social life. Relationships between people are not always founded on the principles of charity and mutual help. On the contrary, other criteria predominate, endangering the harmonic development and integral progress of the individual person and of peoples. That is why Christians are to be the "soul" of this world: to fill it with spirit, to infuse it with life and cooperate in building a new society, governed by love and truth. . . .

When one embarks firmly on the road of faith, one leaves behind the seductions that tear at the Church, Christ's mystical body, and pays no attention to those who, turning their backs on Truth, preach division and hatred (cf. 2 Pet 2:1-2). Sons and daughters of Mexico and of the whole of America, do not seek the Truth of life in fallacious and apparently novel ideologies....

#### 'Reaffirm the faith'

Meeting with representatives of all the generations of this century, in the Aztec stadium, Jan. 25:

. . . In this significant hour, you are called to a renewed awareness of your role as depositories of a rich human and religious tradition. It is your task to hand on a patrimony of values to future generations to nourish their vitality and hope...

. . . The last five centuries have left a decisive imprint on the identity and the destiny of the Continent. Five hundred years of common history woven between the indigenous peoples and those who came from Europe, and those who later arrived from Africa and Asia. With the characteristic phenomenon of the mixed race it is brought into relief that all races are equal in dignity and have a right to their proper culture. In all this complex and broad development, Christ has been constantly present in the journey of the American peoples, giving them besides as mother his own mother, the Blessed Virgin, whom you love so much.

3. As the motto with which Mexico has wished to receive the fourth Papal visit—"A millennium is born. We reaffirm the faith" - suggests, the new epoch which approaches should bring us to consolidate America's faith in Jesus Christ. This faith, lived daily by so many believers, will enliven and inspire the programs needed to overcome the deficiencies in the social progress of the communities, especially among peasant farmers and the indigenous peoples; to overcome the corruption which stains so many citizens and institutions; to eradicate drug-trafficking based on a lack of values, desire for easy money, and the inexperience of young people; to put an end to the violence that confronts brothers and social classes in a bloody way. Only faith in Christ gives rise to a culture contrary to egoism and death.

Parents and grandparents here present: It is up to you to pass on to the next generations deeply rooted convictions of faith, Christian practices, and healthy moral customs. In this you can find help in the teachings of the Council.

4. The Second Vatican Council, as an evangelical answer to recent world development and as the beginning of a new Christian springtime (cf. *Tertio Millennio Adveniente*, 18), has been providential for the 20th century. This century has witnessed two world wars, the horror of the concentration camps, persecutions and killings, but has also witnessed hopeful progress for the future, such as the birth of the United Nations and the Universal Declaration of Human Rights. . . .

Because some of the powerful turned their backs on Christ, this century which comes to a close sits by helplessly while millions of human beings die of starvation, although, paradoxically, agricultural and industrial production increase; refuses to promote moral values, which are progressively corroded by phenomena such as drugs, corruption, unbridled consumerism or widespread hedonism; idly contemplates the growing abyss between poor, indebted countries and strong, opulent ones; continues to ignore the intrinsic perversion and the terrible consequences of the "culture of death"; promotes ecology but ignores the fact that the deeper roots of all attacks against nature are found in moral disorder and man's contempt for man. . . .

12. You, Mexican and American youth, have to procure that the world that one day will be confided to you, be oriented towards God, and that the political or scientific, financial or cultural institutions be authentically at the service of man, without racial or social discrimination. Tomorrow's society, thanks to you, must know, through the joy that emanates from your Christian faith lived to the full, that the human heart finds peace and fullness of happiness only in God. As good Christians, you have also to be exemplary citizens capable of working together with all men of good will, in the transformation of towns and countryside, with the power of the truth of Christ Jesus and the hope that does not weaken in the face of difficulties. Try to put into practice the words of St. Paul: Do not allow yourself to be conquered by evil; rather conquer evil with good (Romans 12:21)....

#### America faces a time of trial

Welcoming Speech at St. Louis Airport, Jan. 26:

I express my friendship and esteem for my fellow Christians, for the Jewish community in America, for our Muslim brothers and sisters. I express my cordial respect for people of all religions and for every person of good will.

As history is retold, the name of St. Louis will be forever linked to the first transatlantic flight, and to the immense human endeavor and daring behind the name: the "Spirit of St. Louis."

You are preparing for the bicentennial of the *Louisiana Purchase* made in 1804 by President Thomas Jefferson. That anniversary presents a challenge of religious and civic renewal to the entire community. It will be the opportunity to reassert the "*Spirit of St. Louis*" and to reaffirm the genuine truths and values of the American experience.

There are times of trial, tests of national character, in the history of every country. America has not been immune to them. One such time of trial is closely connected with St. Louis. Here, the famous *Dred Scott* case was heard. And in that case the Supreme Court of the United States subsequently declared an entire class of human beings—people of African descent—outside the boundaries of the national community and the Constitution's protection.

After untold suffering and with enormous effort, that situation has, at least in part, been reversed.

America faces a similar time of trial today. Today, the conflict is between a culture that affirms, cherishes, and celebrates the gift of life, and a culture that seeks to declare entire groups of human beings—the unborn, the terminally ill, the handicapped, and others considered "unuseful"—to be outside the boundaries of legal protection. Because of the seriousness of the issues involved, and because of America's great impact on the world as a whole, the resolution of this new time of testing will have profound consequences for

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the century whose threshold we are about to cross. My fervent prayer is that through the grace of God at work in the lives of Americans of every race, ethnic group, economic condition and creed, America will resist the culture of death and choose to stand steadfastly on the side of life. To choose life—as I wrote in this year's Message for the World Day of Peace—involves rejecting every form of violence: the violence of poverty and hunger which oppresses so many human beings; the violence of armed conflict, which does not resolve but only increases divisions and tensions; the violence of particularly abhorrent weapons such as antipersonnel mines; the violence of drug-trafficking; the violence of racism; and the violence of mindless damage to the natural environment.

Only a higher moral vision can motivate the choice for life. And the values underlying that vision will greatly depend on whether the nation continues to honor and revere the family as the basic unit of society: the family—teacher of love, service, understanding, and forgiveness; the family - open and generous to the needs of others; the family—the great wellspring of human happiness.

Mr. President, dear friends: I am pleased to have another opportunity to thank the American people for the countless works of human goodness and solidarity which, from the beginning, have been such a part of the history of your country. At the same time I know that you will hear my plea to open wide your hearts to the ever increasing plight and urgent needs of our less fortunate brothers and sisters throughout the world.

This too—the spirit of compassion, concern, and generous sharing — must be part of the "Spirit of St. Louis". Even more, it must be the renewed spirit of this "one nation, under God, with liberty and justice for all." God bless you all! God bless America!

#### Appeal to end the death penalty

Papal Mass at the Trans World Dome in St. Louis, Jan. 27:

. . . The new evangelization must also bring out the truth that "the Gospel of God's love for man, the Gospel of the dignity of the person and the Gospel of life are a single and indivisible Gospel" (Evangelium Vitae, 2). As believers, how can we fail to see that abortion, euthanasia, and assisted suicide are a terrible rejection of God's gift of life and love? And as believers, how can we fail to feel the duty to surround the sick and those in distress with the warmth of our affection and the support that will help them always to embrace life?

The new evangelization calls for followers of Christ who are unconditionally pro-life: who will proclaim, celebrate, and serve the Gospel of life in every situation. A sign of hope is the increasing recognition that the dignity of human life must never be taken away, even in the case of someone who has done great evil. Modern society has the means of protecting itself, without definitively denying criminals the chance to reform (cf. Evangelium Vitae, 27). I renew the appeal I made most recently at Christmas for a consensus to end the death penalty, which is both cruel and unnecessary.

As the new millennium approaches, there remains another great challenge facing this community of St. Louis, east and west of the Mississippi, and not St. Louis alone, but the whole country: to put an end to every form of racism, a plague which your Bishops have called one of the most persistent and destructive evils of the nation....

#### Power is service, not privilege

Evening Prayer at the Cathedral Basilica of St. Louis, Jan. 27:

At the end of this century—at once marked by unprecedented progress and by a tragic toll of human suffering radical changes in world politics leave America with a heightened responsibility to be for the world an example of a genuinely free, democratic, just, and humane society. There is a lesson for every powerful nation in the Canticle from the Book of Revelation which we have recited. It actually refers to the song of freedom which Moses sang after he had led the people through the Red Sea, saving them from the wrath of the Pharaoh. The whole of salvation history has to be read in the perspective of that Exodus: God reveals Himself in His actions to defend the humble of the earth and free the oppressed.

In the same way, in her Magnificat Canticle, Mary, the Mother of the Redeemer, gives us the key to understanding God's intervention in human history when she says: the Lord "has scattered the proud in the conceit of their hearts . . . and exalted the lowly" (Luke 1:51-52). From salvation history we learn that power is responsibility: It is service, not privilege. Its exercise is morally justifiable when it is used for the good of all, when it is sensitive to the needs of the poor and defenseless.

There is another lesson here: God has given us a moral law to guide us and protect us from falling back into the slavery of sin and falsehood. We are not alone with our responsibility for the great gift of freedom. The Ten Commandments are the charter of true freedom, for individuals as well as for society as a whole.

America first proclaimed its independence on the basis of self-evident moral truths. America will remain a beacon of freedom for the world as long as it stands by those moral truths, which are the very heart of its historical experience. And so America: If you want peace, work for justice. If you want justice, defend life. If you want life, embrace truth truth revealed by God....

#### A Jubilee in the spirit of Leviticus

From the Post-Synodal Apostolic Exhortation, Ecclesia in America:

... 19. There can be no rule of law, however, unless citizens and especially leaders are convinced that there is no freedom without truth. ... The Synod Fathers rightly stressed that "the fundamental rights of the human person are inscribed in human nature itself, they are willed by God and therefore call for universal observance and acceptance. No human authority can infringe upon them by appealing to majority opinion or political consensus, on the pretext of respect for pluralism and democracy. Therefore, the Church must be committed to the task of educating and supporting lay people involved in law-making, government, and the administration of justice, so that legislation will always reflect those principles and moral values which are in conformity with a sound anthropology and advance the common good."

#### The phenomenon of globalization

... 20. A feature of the contemporary world is the tendency towards globalization. ... The ethical implications can be positive or negative. ... However, if globalization is ruled merely by the laws of the market applied to suit the powerful, the consequences cannot but be negative. These are, for example, the absolutizing of the economy, unemployment, the reduction and deterioration of public services, the destruction of the environment and natural resources, the growing distance between rich and poor, unfair competition which puts the poor nations in a situation of ever increasing inferiority. . . .

And what should we say about the cultural globalization produced by the power of the media? Everywhere the media impose new scales of values which are often arbitrary and basically materialistic, in the face of which it is difficult to maintain a lively commitment to the values of the Gospel....

The Church in America must encourage the international agencies of the continent to establish an economic order dominated not only by the profit motive but also by the pursuit of the common good of nations and of the international community, the equitable distribution of goods and the integral development of peoples. . . .

#### Social sins which cry to heaven

... More and more, in many countries of America, a system known as "neo-liberalism" prevails; based on a purely economic conception of man, this system considers profit and the law of the market as its only parameters, to the detriment of the dignity of and the respect due to individuals and peoples. At times this system has become the ideological justification for certain attitudes and behavior in the social and political spheres leading to the neglect of the weaker members of society. Indeed, the poor are becoming ever more numerous, victims of specific policies and structures which are often unjust. . . .

#### Foreign debt

59. The existence of a foreign debt which is suffocating quite a few countries of the American continent represents a complex problem. While not entering into its many aspects, the Church in her pastoral concern cannot ignore this difficult situation, since it touches the life of so many people. . . . I too have frequently expressed my concern about this situation, which in some cases has become unbearable. In light of the

imminent Great Jubilee of the Year 2000, and recalling the social significance that Jubilees had in the Old Testament, I wrote: "In the spirit of the Book of Leviticus (25:8-12), Christians will have to raise their voice on behalf of all the poor of the world, proposing the Jubilee as an appropriate time to give thought, among other things, to reducing substantially, if not cancelling outright, the international debt which seriously threatens the future of many nations"....

On the broadest level possible, it would be helpful if "internationally known experts in economics and monetary questions would undertake a critical analysis of the world economic order, in its positive and negative aspects, so as to correct the present order, and that they would propose a system and mechanisms capable of ensuring an integral and concerted development of individuals and peoples". . . .

### Cardinal hits Soros's human rights mafia

On the eve of Pope John Paul II's visit to Mexico, the Cardinal of Guadalajara, Juan Sandoval Iñiguez, set off a storm, with a devastating blow against George Soros and his international human rights mafia. In early January, Cardinal Sandoval caused an outcry locally, when he charged that the state's Human Rights Commission was protecting criminals, and that he had dates, places, and names of people who have been harmed by them—and, furthermore, that the Commission does not act alone, but with international organizations. When local press demanded proof on the international networks, the Cardinal responded that he would release the details later.

This he did, in an interview with the Guadalajara newspaper Mural, published on Jan. 14, excerpts of which we publish here. Emphasizing the importance of this campaign, the newspaper of the Cardinal's diocese, the Guadalajara Diocese Weekly, published excerpts of the attack on Soros in its Jan. 24 issue. That a Cardinal dared "name the names" provoked hysteria in the Zapatista-linked daily La Jornada, which was very concerned that the attack came from "the rapporteur of the Synod of America, whose conclusions Pope John Paul II signed and promoted in past days in Mexico." Excerpts of the Mural interview follow.

**Q:** Can you explain to us conceptually how you conceive of human rights?

**A:** Human rights are consecrated in the Gospel. Love of one's fellow man, is the essence of Christianity. Do unto others as you would have others do unto you. And at the Final Judgment, God says, what you do unto the least of my brethen,

you do unto me. Every human being has human rights because he is created in the image and likeness of God and should be respected. That is something beyond question. What is under discussion here, is not human rights, but rather this human rights organization which has carried out a practice which is not advantageous for society, as I have already said. . . . Cases will come out, of how they have systematically defended criminals, and when some worthy person calls them - some bank employee who is not getting paid, calls them, and the State Human Rights Commission does not pay any attention. There are going to be cases of this sort. . . .

[Questions have been raised] about where I got this idea that human rights are internationally linked. Where did I get it? From the Internet. The largest human rights organization based in the United States, which could be described as the mother of all NGOs [non-governmental organizations], Human Rights Watch, declares in its own Internet pages: "Our goal is to make governments pay a heavy price in reputation and legitimacy if they violate the human rights of their people."

"Frequently our best tool"—this is they who are speaking, the Cardinal noted—"is to publicize a government's abuses, to embarrass it in the eyes of its citizens and the international community. Human Rights Watch also pressures for the withdrawal of military, economic, and diplomatic support from governments which are traditionally abusive."

Could this not be called destabilization, coup plotting? . . . Would there not be manipulation by powerful governments and international organizations involved, when they state: "Traditionally, Human Rights Watch seeks to line up the influence of the United States government, on behalf of human rights the world over. In recent years, we have expanded" they say this, the Cardinal points out—"these efforts to other centers of influence such as the United Nations, the European Union, the World Bank, and Tokyo."

Would they not be meddling in other local organizations, when they themselves say: "Our tenacious defense and punctual recommendations permit us to be heard by influential powers, to assure concrete improvements, working closely with a global network of human rights activists," and when, for example, ITESO [the Jesuit university in Guadalajara] declares that its Dean [David Fernández, S.J.], previously the director of the Agustín Pro-Human Rights Center, promoter of guerrillas and divisionism in Chiapas, received Human Rights Watch's recognition, in New York City in 1996, for his outstanding efforts in defense of human rights?

The great question is: How is it possible that these "defenders of human rights" are being financed by multimillionaire families, individuals, and organizations, amongst which are found the Jesuits themselves, and criminals such as George Soros, the megaspeculator wanted by the Italian courts and publicly denounced by the Prime Minister of Malaysia as responsible for the financial collapse of Southeast Asia, promoter of drugs, etc.?

And yet no charges have ever been brought against these individuals for violation of the human rights of the millions of unemployed, impoverished, and starving human beings on the planet.

Those enrolled in the NGO ranks are frauds or useful idiots. They behold the mote in the foreign eye of the governments, but are incapable of seeing the beam in the eye of their masters, the international bankers. These NGOs have de facto become a supra-government over democratically elected governments. They are the Robespierres of the end of the 20th century....

And there is all the documentation you want right here. ... All this is on the Internet. The report on Mexico. It's funny, all this about the Zapatistas, all this about Chiapas, is supervised by Human Rights [Watch].

**Q:** This document you read, whose is it?

A: This was passed to me; it's by an anonymous person, it's not mine.

**Q:** But you share its view?

A: No, I don't share it, I'm just giving you material.... It's a point of view which is available on the Internet. The only thing I do share, is that Human Rights [Watch] is an international organization, that all the human rights groups from different places are linked to them, and take their slogans and orders for action from them; that is what I am saying. And this I can prove, and is proven. Here are the documents. . . .

[These human rights organizations] since they already exist, should not be the instruments of international bodies to pressure governments, to force them to their knees, that they instead should be instruments to defend human rights, and that they give sufficient freedom to each local organization to proceed in accordance with the circumstances. That is why I said from the beginning, that I am for human rights, I have always defended them, I love my freedom and that of others, and have always defended it. I am not against this, but against the actions of this Commission. . . .

I have already told you three things—so that afterwards you don't get it wrong in your newspapers, as usually occurs: First, that human rights form part of the Gospel, that I am not against human rights, nor do I approve of torture as a method of investigation. This is clear. Second, that here, the Commission has dedicated itself to defending criminals.

And third, that these human rights commissions are not autonomous, they belong to an international organization from which they receive their directions. And for the proof, go to the Internet. . . . I am talking about an international organization with vast resources, with a lot of money, so as to infiltrate every corner, above all of the peoples in the Third World, thereby controlling them. This is what I'm talking about.... I am talking about the fact that it is time that this were known, and, it would be good if you, who surely love freedom and love your country, spoke up. Unless you already have interests, and have been bought, and are going to keep quiet.

## Death camps are set up in Rwanda

by Linda de Hoyos

Rwanda is now the third country in eastern Africa to have established what can only be described as concentration camps on its territory for its own citizens—the first two being Uganda and Burundi. In each case, the reason for the herding of civilians—mostly women and children—into the camps is insurgencies in the country. But the conditions in the camps are so deadly, that their establishment points to the direct targetting for extermination of the population being "protected."

According to reports from Human Rights Watch, Rwandan refugees in European capitals who receive slivets of news from home, and other agencies, there are 630,000 to 700,000 people in camps in northern Rwanda in the two districts of Ruhengeri and Gisenyi. The camps lack food, clean water, sanitation, medical services, or educational facilities.

In Rwanda, the ruling Rwanda Patriotic Front (RPF), a political subsidiary of the British-backed warlord, Ugandan President Yoweri Museveni, began herding the civilian population of the two northern districts of Rwanda into camps in the late fall of 1998. The two districts are almost 100% Hutu. The ostensible reason was to protect the civilians from the Hutu rebels who have been confronting the RPF military especially in that area. In reality, it is to force the separation of the rebel force from the civilian population, and hence from its ostensible logistical support. Additionally, given the conditions in the camps, the civilians are in effect being held as hostages.

"Most of the people in the camps," reported one well-informed Rwandan, "are women and children, and the elderly. This is because most of the able-bodied men have either been killed by the army, or have joined the rebel force." This source also pointed out that many in the camps are precisely those Hutu refugees who had been in eastern Zaire in November 1996, and were driven back toward Rwanda when the RPF and Laurent Kabila's forces attacked the Muzungu refugee camp, and others along the border. "So, these people have now gone from camps in Zaire to camps in Rwanda, but the camps in Rwanda are worse," the source said.

The death rate is estimated to be at 50 a day per camp, with approximately 50,000 people in each camp. People are dying mostly of diarrhea, from lack of sanitation and clean water, and from malaria.

The precise location or exact number of camps is unknown. This is because the camps are moved from place to place, and the area is sealed off from most non-governmental organizations, relief agencies, and reporters. Some are known to be in the mountainous area near the border with Uganda, where it is nearly impossible to travel. According to one letter from Rwanda, "We are not surviving here. We are dying." The biggest killer in these camps is reportedly cholera.

Some relief is going into the camps, say sources from the World Food Program and other agencies, but it is far short of the amount required to sustain lives. The delivery of relief is carefully guarded by RPF soldiers, and there is no interaction between the camp prisoners and the relief agency workers, so reporting is difficult.

#### Some reports in the Western press

There has been scant reporting of the camps in the Western press. However, the London Economist did take note of the process which is being euphemistically called "villagization." "After its army has destroyed most of the houses in the region since the beginning of the anti-guerrilla campaign in 1997, the Rwandan government is asking Western aid donors to pay for it"—by contributing supplies to construct the "villages." "The people to be put in villages are mainly the rest of the Hutu peasants, a group still uncertain of their place in the new Rwanda and not entirely trusted by the Tutsi-led government." The Economist notes that "the government army responded [to rebel attacks] by launching fierce, sometimes indiscriminate counter-insurgency operations. Houses and crops have been destroyed. Many villagers have been killed, especially those being parents to members of the militia or those whose parents or children are refugees abroad.... Meanwhile hundreds of thousands of Hutu survivors have fled their homes and been gathered into a dozen temporary camps. In fact, there was not much voluntary about it, as the army swept cross the hills, killing people and forcing the rest, mainly Hutu widows and children to the valley below."

This is precisely the *modus operandi*, used since late 1996 by the Burundian Tutsi military, which resulted in the forced resettlement of 850,000 Hutu civilians into such camps, which then spawned in 1997 the biggest typhoid epidemic since World War II. Although Human Rights Watch and Amnesty International have published reports on these camps, the camps still exist under a veil of silence from the Western governments.

In northern Uganda, as the *New African* reported in its January issue, the government has set up "protected villages." The government refuses to negotiate with the Lord's Resistance Army (LRA), which maraudes against the population in the two districts of Kitgum and Gulu, killing, looting, and abducting children. But the government also has never set about to defeat the LRA, leaving the population defenseless in the pointless crossfire. In the camp visited by *New African* reporter David Blair, at Amuru, the largest "protected village," "most of the children are malnourished. There is much hunger. If people cannot dig, then they have to starve to death." Blair notes: "No one volunteered to live in Amuru: People had to be forced out of their villages."

### **International Intelligence**

### N. Korean food crisis is like Ethiopian famine

David Morton, head of the UN World Food Program in North Korea, said in Beijing on Jan. 30, that the food disaster in North Korea has produced a generation of stunted and dramatically underweight children, and has forced scores of adults to leave their jobs in search of nourishment. Returning from Pyongyang, Morton said that the famine in North Korea is comparable in scale to the Ethiopian famine of the mid-1980s, and massive foreign assistance will be needed for at least three years to turn the situation around.

The UN has appealed for \$376 million in aid in 1999 to alleviate the food shortages and health problems resulting from prolonged malnutrition. While there is enough grain to last through June, North Korea is very short of beans, edible oils, and other items needed to supplement existing supplies of maize and rice, Morton said.

Morton's report echoes the results of a nationwide nutritional survey conducted last year by international aid donors, which found that 62% of children under age seven have stunted growth and that large numbers face developmental problems. Morton stressed the social and economic dislocation caused by people searching for food. In hospitals and schools, 25% of the staff is gone at any time. "When you ask why, the explanation will be given usually that, well, they have asked for time off to go and secure food for their families," he said.

#### 'Sowetan' paper calls for Mugabe's overthrow

In the most lurid attack on Zimbabwe's President Robert Mugabe yet to come from South Africa, the *Johannesburg Sowetan* on Jan. 28 demanded that "the slow but precipitous slide into military dictatorship in Zimbabwe needs to be checked before it compromises democracy in the region." The editorial claimed that the Zimbabwe military "has taken upon itself to act above the law, detaining journalists and threatening the

military. Democracy cannot be held hostage to the whims of sovereignty." The editorial then held up the South African military intervention into Lesotho in September 1998 as what might be required for Zimbabwe.

The South African press has been going after Mugabe ever since his forces came to the defense of the Democratic Republic of Congo, and also because of his designs for Zimbabwe to have a strong economic and financial presence in Congo.

In mid-January, the Zimbabwean military police arrested, detained, and reportedly tortured Mark Cavunduka, editor of the Sunday Standard, which had reported on Jan. 11 on an alleged military coup against Zimbabwe. The Standard is owned by Clive Wilson, a former British subject and now a naturalized Zimbabwean. His detention became a cause célèbre among the human rights lobby, who nonetheless kept mum when a Ugandan editor was arrested about the same time. Zimbabwean military officers say that the coup report is not true, and, said one officer, "There were reports in the South African military about the coup 24 hours before the report hit the streets."

In December, Robert Rotberg, coordinator of the Southern Africa Program at the Harvard Institute for International Development, wrote a commentary for the *Christian Science Monitor* proclaming, "Gracefully or By Force, Zimbabwe Leader Must Go." Rotberg, a leading Pan-Africanist ethnologist, predicted that Mugabe will be driven out of office by a combination of "urban protests fueled by economic discontent, cascading army mutinies, and the alarm of even the many intimidated members of his cabinet. President Nelson Mandela of South Africa would not be sorry to see his neighbor ousted. Nor would Washington and London."

### Historian Medvedev calls for Russian unity

Leading Russian historian and Soviet-era dissident Roy Medvedev called for national unity around Russian Prime Minister Yevgeni Primakov, and denounced those who were urging Primakov to seize power because of Yeltsin's current illness, in an arti-

cle in the Jan. 28 Rossiskaya Gazeta.

In his accompanying letter of transmittal, Medvedev said, "The accord among the branches of power that emerged almost spontaneously during the most dramatic days of the September crisis started to fall apart as soon as the situation in the country and society improved a little. In the past few days Primakov's attempt to strengthen this accord by the adoption of a number of agreements and laws has come up against vicious polemics and rabid resistance from a number of people and groups who are creating precisely an atmosphere of crisis and chaos evidently the best conditions for their political activity. In an election year this is a dangerous position."

After reviewing Primakov's career, Medvedev's article concludes: "What the people put first is not a politician's age, but the stability, predictability, and honesty of that politician and his statesmanlike wisdom.....

"The Russian ship of state, when steered by the young radicals, suffered disaster, began to list dangerously, and took on a good deal of water. Yevgeni Primakov corrected the list, helped to pump out a large part of the water, and directed the ship onto a calmer path, but still toward the same goal—the well-being and prosperity of Russia. In this the Primakov government can only be wished success."

### Probe of Diana's death completes major phase

Through the Paris prosecutor's office, Judge Hervé Stephan confirmed on Jan. 29 that he has completed another major phase of the probe into the crash that claimed the life of Princess Diana, Dodi Fayed, and driver Henri Paul. On Jan. 29, Stephan met with several of the paparazzi who were on the scene when the crash occurred, including Fabrice Chasserie, to determine whether any of them knew what Diana's schedule would be while in Paris, and what the couple's destination was when they left the Ritz Hotel shortly before midnight on Aug. 30, 1997. According to Stephan, Chasserie had three phone discussions with the owner of

the Ritz Hotel limousine service during the day of Aug. 30.

Under the procedures of the 17-monthlong probe, once Judge Stephan has completed his preliminary finding, all of the civil parties to the case, including Mohammed Al Fayed, Dodi Fayed's father, will have several weeks to ask him to take up unexplored areas of inquiry, which could extend the investigation for several more months. Stephan will then submit a report on his completed investigation to the French prosecutors, who will then determine whether to proffer criminal charges. Judge Stephan has final oversight over the prosecutors' decisions.

A major question continues to center on the white Fiat that collided with the Mercedes in which Dodi Fayed, the Princess, and Paul were riding. The Fiat is still missing, and there is no information on the driver. In mid-January, Mohammed Al Fayed announced a large reward to anyone with information leading to the location of the Fiat or its driver.

### Turbulence causes Polish Premier to cancel trip

Poland's Prime Minister Jerzy Buzek called off his planned visit to Morocco, "in light of important events domestically," his spokesman, Jaroslaw Sellin, announced in Warsaw on Jan. 28. The continuing protests and transit blockades by farmers and radicalized supporters, which affect 120 roads, and a nationwide strike of anaesthetists, which was scheduled to end on Jan. 28 with an agreement on wage increases signed by the government, are two aspects that have kept Poland turbulent through the past weeks. An agreement on the situation in the farming sector still is far off.

Moreover, a crisis broke out within the government coalition, when a "watchdog bill" to control privatizations, which was pushed by Buzek's Solidarity Alliance, was vetoed by President Aleksander Kwasniewski, who pointed out that the Freedom Union, Buzek's minor coalition partner, opposes the bill, and argues in defense of "full market freedom" for privatizations. Also on

Jan. 28, Deputy Economics Minister Jerzy Eysymontt admitted that the Polish economy has moved into a "danger zone," which got the appropriate message across, although he hastened to declare that there was no reason to resort to "catastrophic forecasts."

### China promotes ties with India

To the extent that formal greetings provide a signal, the messages of congratulations that India received from China on Jan. 26, for India's Republic Day, are notable for their positive tone, and for the desire to work for promotion of "healthy and smooth development" of relations between the two countries. China's President Jiang Zemin sent a message to President K.R. Narayanan, saying: "As the two most populous developing countries in the world with long histories and ancient civilizations, China and India should treat each other with sincerity, strengthen the understanding and cooperation between the two countries, and seek common development. These are the wishes shared by our two peoples and [they] are in conformity with the fundamental interests of our two countries. I am ready to work with you to promote the healthy and smooth development of Sino-Indian relations so as to benefit our two peoples."

Equally positive is the tenor of the message from Chinese Prime Minister Zhu Rongji, to India's Prime Minister Atal Behari Vajpayee: "As the initiators of the Five Principles of Peaceful Coexistence, China and India enjoyed long-term friendly exchanges in history. Harmonious coexistence and common development are the shared wishes of our two peoples. The Chinese government has always worked to establish and develop good neighborly, mutually beneficial and cooperative relations with India on the basis of the Five Principles of Peaceful Coexistence. I am deeply convinced that as long as China and India strictly follow these principles in practice, a cooperative and constructive partnership into the 21st century between the two countries will be realized."

### Briefly

#### 'AL-ARABINTERNATIONAL,'

a London-based Arabic daily, published the call by the "Women's Committee for the New Silk Road," in its Jan. 20 issue, under the headline, "The New Silk Road: A Bridge to Re-Integrate Asia and Europe for the Next Millennium." The call was initiated by Helga Zepp-LaRouche to lift the sanctions imposed on Iraq, in the context of creating a new, just world economic order.

LAOS Prime Minister Sisavat Keobounphan visited Beijing, where he met with Chinese President Jiang Zemin on Jan. 26 and Prime Minister Zhu Rongji the day before. Laos and China are developing "a long-term, stable, and co-operative good-neighborly relationship of mutual trust oriented towards the new century," the leaders have stated.

NEW ZEALAND Prime Minister Jenny Shipley had lunch with Queen Elizabeth at the royal country estate at Sandringham in January, but has refused to reveal what was discussed, saying it "wasn't appropriate." Shipley, whose free-market paradise is U.S. Vice President Al Gore's model government, was met by five members of the royal family.

THE MUSLIM LEAGUE'S semiofficial mouthpiece, the *Pakistan Observer*, denounced the British government for granting asylum to Mohajir Qaum Movement chief Altaf Hussein. Although filed in 1992, Hussein's request was only accepted in December 1998, shortly after the Pakistani government imposed emergency rule in Karachi and moved to crush the terrorist MQM. Wrote the *Observer*, "Its timing is certainly significant, and is not free of the traditional British mischief in its dealings with . . . its former colonies."

**RWANDA** has applied to join the East African Community, which is currently comprised of Uganda, Tanzania, and Kenya. Rwandan President Pasteur Bizimungu said on Jan. 21 that Rwanda will now align itself with English-speaking countries.

### **ERNational**

### Assault on the Presidency will go on and on

by Edward Spannaus

Whether or not the Senate impeachment trial of President Clinton comes to a quick conclusion, it is evident that the ongoing assault on the Presidency will not end any time soon. Kenneth Starr and the President's enemies have made it crystal clear that the efforts to keep the President distracted and paralyzed will not abate for the foreseeable future.

Kenneth Starr's open threat to indict the President before he leaves office, and the build-up around the spurious China technology-transfer issue, are two indications that the forces behind the impeachment—the British-American-Canadian financial oligarchy — will do everything in their power to keep Clinton in a weakened condition. The objective is to continue to increase Vice President Gore's unprecedented power as a "co-President"—or "Prime Minister," as the treacherous Dick Morris describes his ally Al Gore (see Feature, in this issue).

With the Brazil crisis inaugurating Phase III of the global financial crisis that emerged 18 months ago, with the threat of an outbreak of potential nuclear war in the Middle East, and with the "new Cold War" factions trying to roll back President Clinton's strategic achievements in respect to Russia and China, the U.S. and the world cannot afford to have the President of the United States disabled, and Al Gore moving into the driver's seat.

#### Dick Morris's plea

Former Presidential adviser Dick Morris has been a key grand jury witness for Starr, serving as the "insider" who can give the independent counsel a road map of who's who and what's what in the White House. Morris was also in line to be the fourth witness (in addition to Monica Lewinsky, Vernon Jordan, and Sidney Blumenthal) depositioned by the House Managers, but for a 6-6 tie vote among the Managers.

While the Managers were debating whether or not to call him as a witness, Morris was sending his own message to House and Senate Republicans. In a Jan. 27 column in Rupert Murdoch's *New York Post*, Morris outlined how Starr intends to bring Clinton down, "one step at a time"—and he begged the Senate to give Starr more time.

Morris wrote that what the Senate Republicans and the House Managers have to do is to hold out, while Starr proceeds to attempt to "crack" Webster Hubbell, or Hubbell's wife Suzy, or Susan McDougal. Starr might also try and go after White House secretary Betty Currie, threatening her with conflicting testimony from Monica Lewinsky, Morris suggested. Starr may be able to come up with more evidence against Clinton, Morris writes, if the Republicans in the Senate can just hold out for a few more weeks. "As they buy time, Starr can increase the pressure," Al Gore's buddy Morris concluded. "That's the only way Clinton will leave office early."

During the debate over witnesses in the Senate on Feb. 4, White House counsel Greg Craig indicated the White House's awareness that the tactic demanded by Morris was in fact being used by the House Managers. "Those of us who have made a career out of being lawyers and trying cases probably understand better than anyone else, why the House Managers are so adamant in their desire to call witnesses; it keeps the door open, if only for a few more days," said Craig. "As Mr. Kendall [the President's personal attorney] observed last week, like Mr. Micawber from David Copperfield, they hope against hope that something may turn up."

#### Starr's threat

Meanwhile, Starr sent his own message to the Senate via the front page of the Sunday New York Times on Jan. 31, in the form of a public threat to indict the President on criminal charges before he leaves office; the implicit blackmail against the Senate was that if they let the President off the hook, Starr is prepared to create a constitutional crisis by indicting a sitting President.

The article reported that "several associates of Mr. Starr" told the *Times* that Starr has concluded he has the constitutional authority to seek a grand jury indictment of Clinton before the President leaves office.

Starr's leak to the *New York Times*—and according to knowledgeable Washington sources, there is no doubt that the leak did come directly from Starr—was a reflection of the fears of Starr and those in the "Get Clinton" cabal around him, that the Senate was paying too much attention to the polls, and rushing for the exits before throwing Clinton out of office.

At week's end, as the Senate rejected hearing live witnesses and appeared headed for a Feb. 12 final vote, Morris struck again, petulantly demanding that Starr go after two of the Senate's witnesses, Lewinsky and Jordan, by threatening to indict them for perjury. In a *New York Post* column entitled, "Starr Is Hidden Reason Behind Debacle," Morris asked, "Why is he [Starr] so silent when key witness are committing such blatant perjury? . . . Why is he letting the impeachment case go up in flames rather than open his mouth?"

Of course, Starr is *not* sitting quietly in the background. He has a number of active criminal prosecutions, and likely more to come.

First, he has pending criminal trials of both Webster Hubbell and Susan McDougal. His repeated indictments of both of those friends of Bill Clinton guarantee that Starr will be in business for at least another two years.

Secondly, on Jan. 7, Starr issued his first indictment growing out of his takeover of the Paula Jones case a year ago. Julie Hiatt Steele was charged with obstruction of justice for refusing to corroborate the highly suspect tale told by Steele's former friend Kathleen Willey, who suddenly started claiming in early 1997, that President Clinton had sexually assaulted her in 1993. Indicating that there is more to come, Starr recently sought a highly unusual protective order in the Steele case, to prevent Steele from disclosing materials obtained from Starr's office in the course of preparing for her trial. In asking for the order, Starr told the court that his office "still has pending investigations" related to the Lewinsky matter, and that disclosure of information could jeopardize those investigations.

And reports persist that Starr has already obtained sealed indictments against the President and/or the First Lady. Interestingly, at an American Bar Association meeting in Los Angeles on Feb. 4, Starr's associate independent counsel Mike Emmick, and two former Starr prosecutors, were strangely silent when asked if there is a sealed indictment against the President—although they apparently freely answered all other questions thrown at them while participating in a panel discussion.

#### 'Media food chain' strikes again

Indicating the desperation of the "Get Clinton" gang, an orchestrated campaign has been under way to promote the story that Bill Clinton raped a woman in Arkansas in the 1970s. The *Washington Times* ran this piece of fakery as its top-of-the-front-page story on Feb. 4, just as the U.S. Senate was preparing to vote on whether or not to hear witnesses. The allegations are part of the "secret evidence" which has been widely touted by House Managers. The alleged victim, Juanita Broaddrick, was interviewed by NBC a couple of weeks ago, but there has been a major fight within NBC as to whether to run the story. Reportedly, Rupert Murdoch's Fox TV has also recently interviewed Broaddrick.

This story was first surfaced during 1992 Presidential campaign by political enemies of Bill Clinton in Arkansas. It was revived when one of Paula Jones's lawyers, T. Wesley Holmes, filed a public affidavit in the Jones case in March 1998; Broaddrick herself filed an affidavit denying the allegations. Within weeks, Broaddrick was interviewed by Starr's investigators, and she was again interviewed in November by House Judiciary Committee investigators.

The story has been swirling around with increasing intensity, running in the *Sunday Times* of London on Jan. 10, and in the *Daily Telegraph* of London on Jan. 29.

Around Jan. 27, cyber-gossip Matt Drudge (who is also a commentator for Murdoch's Fox News), reported that NBC was sitting on the interview, which led to a frenzy of activity by right-wing "Get Clinton" networks. It was raised at White House press briefings on Jan. 29 and Feb. 3, the latter being the same day the story was featured on the *New York Post* gossip page; the contrived Feb. 3 exchange at the White House briefing, led by a *Washington Times* reporter, provided the pretext for the Feb. 4 *Washington Times* story.

#### 'Chinagate' waiting in the wings

A growing clamor is also being raised around the socalled "Cox Report," a classified report issued in December by a "bipartisan" committee investigating alleged technology transfers to China. This is the fallback issue for many of the die-hard Clinton haters, and it can be expected to hit the President full force within weeks after any dismissal of the impeachment charges against him.

Both Rep. Chris Cox (R-Calif.), who chaired the committee, and Judiciary Committee chairman Rep. Henry Hyde (R-Ill.) are members of the advisory board of the Center for Security Studies, run by Frank Gaffney, a former Defense Department analyst and part of the circle suspected of being behind convicted Israeli spy Jonathan Pollard. Gaffney and the CSP believe that the sex-and-lies case against Clinton is a sideshow: that the real charges on which Clinton should be impeached are bribery and treason around the China issue. That both Cox and Hyde sit on the advisory board of an organization leveling such wild charges, suggests that the six-year assault on the Presidency is far from over.

### LaRouche movement mobilizes to stop Gore coup against Clinton

#### by Nancy Spannaus

Will the 70-80% passive support which President Clinton has among the American population be turned into an effective political movement to reverse the ongoing coup against constitutional government? That is the question which the mobilization of the LaRouche political movement in the United States is seeking to answer in the affirmative.

Since early January 1999, when the U.S. Senate decided to go ahead with the lynch mob proceedings against the President, more than 2 million leaflets have gone out calling on citizens to "stop the coup." These leaflets have been supplemented by circulation of the *New Federalist* weekly newspaper, and special offprints of EIR, which have saturated meetings held on the farm crisis, the impeachment crisis, and many of the nation's state legislatures.

The results of this activity are not directly quantifiable, but the following can be said for sure. An increasing number of leaders from the core constituencies of the Democratic Party—labor, African-Americans, Hispanic-Americans, and small farmers — are sufficiently fed up with the lack of leadership from their own institutions, that they are turning to the LaRouche political movement for direction. This is reflected in an increased pace of signatures being gathered on the LaRouche's movement appeal for Clinton to bring in LaRouche as his economic adviser, but in many other ways as well.

LaRouche has long anticipated that it will take a substantial financial shock here in the United States, to move President Clinton, and larger social forces, decisively in the direction of reversing the disastrous economic and social measures of the last 30 years. But, whether that shock provokes an effective reaction, relies heavily on the success of the work which serious constituency leaders are doing right now. And that's what you see building in the LaRouche movement's activity.

#### Organizing a change

Many meetings of 40 to 100 people have been convened to discuss the urgency of turning around the coup against President Clinton during the last month. While a few of the meetings have featured celebrities - including former South Carolina Congressman James Mann, former California Congressman Mervin Dymally, and Pennsylvania State Legislator Harold James, among others - most of them have brought together ordinary citizens who have finally decided to act.

Every meeting has dealt with the constellation of three crises: the world financial crisis, the growing war danger arising particularly out of the Middle East, and the British-inspired coup against President Clinton.

One of the more exceptional events occurred over the last weekend of January, when more than 90 people attended a town meeting in Los Angeles, which was addressed by the Mexican leader of the LaRouche movement, Marivilia Carrasco. Carrasco brought the Americans a vivid report on both the reality of the economic collapse directly to the south of the United States, and the tremendous growth of Lyndon LaRouche's influence. She then presented a challenge.

"While the world is looking to the U.S. for leadership, President Clinton is under attack from a foreign insurrection. Most of the world recognizes that attack against Clinton is a fraud. The ones behind it are the financial oligarchs, who fear that he might turn against the bankrupt IMF [International Monetary Fund] system, and toward the ideas of LaRouche. That's why they want to destroy him, and destroy the U.S. Constitution.

"The forces moving behind LaRouche's policies internationally," she concluded, "are therefore looking at you—you must now take historic responsibility. . . . The U.S. is next, you won't escape the next financial explosion."

The response was animated discussion of how those attending the meeting could mobilize their friends and neighbors.

#### Labor and minorities

Generally, the labor unions and the civil rights organizations are sitting on their hands, when it comes to defending the Presidency. But the members of these organizations are anxious for leadership, and are getting involved with the LaRouche movement.

This is lawfully related to the fact that these constituencies are the most attuned to the reality of the financial collapse as well as the understanding that the assault on President Clinton is politically motivated. The "outsider" Clinton has been seen as the most pro-African-American President in decades. And while labor has been decidedly unhappy with the President's decision to go with the North American Free Trade Agreement and the welfare reform bill, many unionists think the President's heart is in the right place, especially compared to Vice President Al Gore and the Conservative



The Schiller Institute banner at the Martin Luther King Day Parade, in Houston, Texas on Jan. 16. The way to save the U.S. Presidency, is to destroy the oligarchs' option of a President Al Gore.

Revolutionary Republicans.

It is among these constituencies that the elimination of more than a quarter-million manufacturing jobs over 1998 has had a sharp impact, countering the propaganda about the "eternal bull market." These are the people who have lost their health care, lost their subsidized housing, and have been thrown into the slave labor jobs which "workfare" offers.

LaRouche organizers have found that trade unionists have become increasingly willing to circulate material in defense of the President, and to study the dossiers which *EIR* has put together on Al Gore. Numerous African-American pastors have begun to come to meetings to discuss how to organize, and are taking reams of literature out into their communities.

Here and there, one finds an official of a Democratic Party organization who is willing to step forward to fight for the Presidency, but such are shockingly few and far between. Thus, it was quite an unusual event when a Maryland Democratic state delegate introduced a resolution in late January "for the purpose of urging the U.S. Congress to dismiss the impeachment trial in the absence of impeachable evidence or to consider censuring the U.S. President if the record demonstrates improprieties by the President, but does not show any impeachable offense." A LaRouche movement representative was one of the few to testify on the resolution's behalf.

#### **Institutional saturation**

The LaRouche movement has also saturated Washington, D.C. and state legislatures around the country with literature documenting the nature of the coup in process, and the dangerous character of Al Gore. More than a dozen state legislatures have been blanketted, and the degree of interest is great. The alliance between the Confederate Republicans and Gore has

also become a very hot topic on numerous talk shows around the country.

This phase of the mobilization is building upon almost five years of educational effort by the LaRouche movement, which began with the LaRouche Presidential campaign's "Assault on the Presidency" pamphlet from March 1994. The hundreds of thousands of pieces of written material have been supplemented by tens of thousands of videotapes, which have circulated both in political centers, and among ordinary people, over the last year.

As the impeachment crisis escalates, and Al Gore takes a more prominent position in his pursuit of the Presidency, more and more people will be reminded of LaRouche's warnings. Even the sight of a stony-faced Gore sitting behind President Clinton during the State of the Union address on Jan. 19, provoked many to tell LaRouche organizers that they found *EIR*'s characterization of Gore's evil to be more credible now.

Even more striking to many will be the blatant endorsements of Gore now coming out of the mouths of so-called conservative personalities, which proves the point which the LaRouche movement has been making. On Feb. 1, no less a Clinton-hater than Jerry Falwell came forward on CNBC's "Hardball with Chris Matthews," to say that it would be better if Gore were in the White House. On Jan. 31, it was the McLaughlin show which featured a section entitled "President Albert Arnold Gore Jr.," weighing the so-called pros and cons, and coming out with a picture favorable to the Vice President.

There is no doubt, of course, that Gore continues to be unelectable in the year 2000 elections. But will the American population wake up to stop his ascendancy to a co-Presidency, or worse, in the period between now and then?

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#### Congressional Closeup by Carl Osgood

#### MF denounced by Steelworkers president

The global economic crisis is now becoming the backdrop for almost any policy discussion that takes place on Capitol Hill. The Jan. 27 Senate Finance Committee hearing on U.S. trade policy and the crisis in the steel industry, was no exception. Finance Committee Chairman William V. Roth (R-Del.), in his opening remarks, called the steel industry "a litmus test for the conduct of American trade policy," and said that "the remarkable events that have unfolded beyond our borders in recent months have led to a dramatic surge in imports of certain steel products. And despite recordhigh U.S. demand for steel, the industry is faced with layoffs, bankruptcies, and idle capacities.'

For United Steelworkers of America president George Becker, there is no doubt as to where the responsibility for this situation lies. He told the committee that the crisis, which has already caused 10,000 layoffs, if it is allowed to continue, is "going to eliminate the steel industry as we know it today." He said that the crisis had been foreseeable at least since the time the currency crisis erupted in Asia in 1997, when it was forecast that the Asian crisis would cost 1.1 million American manufacturing jobs.

Becker said that the policies of the International Monetary Fund demanded "an austerity program of their domestic economy and a focus on export, so they could get dollars and pay back loans. I mean, this is why this was so very predictable as to what was happening."

In a rather pungent conclusion to the hearing, Becker ridiculed proposals to support the World Trade Organization, "fast track" trade liberalization, and so forth. He said that those who set trade policy are working for the interests of Wall Street and not of workers. "It may make a healthy stock market," he said, "but we do have a stagnant standard of living in the United States, in many cases eroding. In most cases [where] both spouses have to work today, between the two of them they can't equal what one family-supporting job paid back in the mid 1970s."

### Clinton challenges GOP tax cuts with budget

The budget plan that President Clinton sent to Capitol Hill on Feb. 1 continues to escalate the battle between Congressional Republicans and the White House over what to do with the projected budget surplus (which doesn't exist, see *EIR*, Feb. 5, pp. 19-21), now estimated to be some \$4.2 trillion over the next 15 years. The President's plan proposes to transfer 62% of this surplus to Social Security (which generated that money in the first place). Fifteen percent would be used for shoring up Medicare and 12% for creating Universal Savings Accounts, described as a "\$536 billion tax cut for working families." The remainder would go into strengthening the military budget and "pressing national domestic priorities, such as education, research, and the security of Americans at home and abroad.'

Republicans responded with their usual anti-government, pro-tax cut rhetoric. House Budget Committee Chairman John Kasich (R-Ohio) called the \$1.8 trillion plan "the first of what will be several lame-duck budgets." "We don't treat this," he said, "as a really powerful offensive, where we are going to have a big debate of the day about whether we're going to have more government or whether we're going to have less."

Senate Budget Committee Chairman Pete Domenici (R-N.M.) complained that Clinton's budget submission contains "scores" of new programs and \$46 billion in new taxes and user fees, as well as a \$34 billion tobacco tax. "I did not work so hard to

get a balanced budget," he said, "to see government grow larger with the surplus and to spend it all."

### Senate Finance Committee pursues free-trade agenda

Senate Majority Leader Trent Lott's (R-Miss.) set the tone for what will be the Senate GOP's 1999 trade agenda. at a Senate Finance Committee hearing on Jan. 26. "We do want to work aggressively together between the Legislative branch and the Executive branch to develop a consensus around a new trade agenda and a renewed commitment to open markets and expand trade," Lott said in his opening remarks. Part of this agenda is to give the Clinton administration trade negotiating authority (formerly known as fast track), and to enhance other measures, such as the Caribbean Basin Initiative.

Committee Chairman William V. Roth (R-Del.) said that a thorough review of trade policy is essential to "the broader effort to rebuild a bipartisan consensus on trade." He added that "if we expect the American people to join us in support of a forward-looking trade agenda, we must demonstrate the concrete benefits of open markets and a policy of free and fair trade."

The administration witnesses that appeared before the committee agreed with Lott's and Roth's remarks in general principle, although they allowed more consideration for the global financial crisis. Treasury Secretary Robert Rubin warned against withdrawing from globalization, and fretted that "if the United States, with its very healthy economy, is seen as moving toward restricting markets, that could well increase the risk that the newly vibrant voices of protectionism in countries around the world whose economies are struggling or less successful than our own, would prevail, and that could be enormously damaging to our economic well-being."

#### **National News**

### Arafat to attend prayer breakfast

Palestinian Authority President Yasser Arafat accepted the invitation to attend the Feb. 4 National Prayer Breakfast, sparking howls of protest from the Christian Coalition and the Traditional Values Coalition, which demanded he be "disinvited" because he is an "unrepentant terrorist." The two groups, close to Pat Robertson and Jerry Falwell, are allied with the Israeli right wing of Prime Minister Benjamin Netanyahu and Foreign Minister Ariel Sharon. The groups are also up in arms, because Arafat has planned to meet with President Clinton, to discuss getting the peace process, which Netanyahu et al. have all but derailed, back on track.

The two groups have said that they will boycott the breakfast, and they are are putting pressure on this year's host, Rep. Steve Largent (R-Okla.), to disinvite Arafat. Largent has refused to withdraw the invitation (which he did not extend, but supports). The Christian "conservatives" are heating things up with statements like "inviting Arafat means embracing a man with blood on his hands."

This is the third time that Arafat has been invited, and the first time he has ever accepted. So far, none of the Zionist lobby groups have protested Arafat's attending the prayer breakfast.

### Virginia parole rates kept low to fill prisons

Parole rates in Virginia under Gov. Jim Gilmore (R) have fallen far below what they were even under his predecessor Gov. George Allen (R), and the American Civil Liberties Union (ACLU) and Citizens United for Rehabilitation of Errants (CURE) have charged that the rate is being deliberately kept low in order to fill five new prisons that have been recently built. Under Allen, the parole rate averaged 18%, down from 40% under Gov. Doug Wilder (D). Under Gilmore, and a new parole board, the rate has dropped to 5.4%, among the lowest in the nation. The number of inmates considered for parole has also dropped from an av-

erage monthly of 1,200 to only 261 last June.

Kent Willis, executive director of the state ACLU, told the Feb. 1 *RichmondTimes-Dispatch*, that "it is a possibility that because Virginia has so grossly overbuilt its prison system, whether consciously, or unconsciously, the parole board is making decisions that will help maintain an adequate prisoner population." Jean Auldridge, director of Virginia CURE, agreed: "To me, it seems obvious, that if we build them, we have to fill them up to justify the expense.... Denying parole coupled with longer prison sentences help fill up these supermax prisons."

Under Conservative Revolutionaries Allen and Gilmore, Virginia has built two "supermax prisons," a new women's prison, and two new maximum-security prisons. They were built to accommodate a rising prison population, which never materialized, because violent crime rates have dropped.

### Did Tom DeLay lie in civil court deposition?

Rep. Tom DeLay (R-Tex.) has been accused of lying in financial disclosure inquiries, according to a front-page exposé in the *Houston Chronicle* on Jan. 30. The *Chronicle*, after characterizing DeLay as the "House Majority Whip, who wants President Clinton ousted on charges of lying under oath," details the contradictions in DeLay's statements that closely parallel what DeLay claims was Clinton's crime in the Paula Jones deposition.

The conflict concerns a lawsuit against the Albo Pest Control Co., when DeLay was chairman, filed by one of the firm's ex-partners, Robert Blankenship. In a 1994 deposition taken by Blankenship's attorney Gerald DeNisco, DeLay claimed that he had not been an officer of Albo "for two or three years." But, his signed financial disclosure documents for the House of Representatives, just three months *after* the 1994 deposition, list him as the chairman of the company. The *Chronicle* notes that the annual financial disclosure is a "U.S. House document" that is signed "under penalty of fine and imprisonment."

DeNisco said that he was not aware of the conflict when he took the deposition, and that DeLay "either lied in the deposition or lied when he filled out that disclosure form." He believes that the matter should be pursued as a possible perjury case, and that his testimony would have been an issue if the case — which ended in an out-of-court settlement — had gone to trial.

### Hillary Clinton invokes optimism for millennium

First Lady Hillary Rodham Clinton invoked a spirit of optimism against apocalyptic pessimism for the Third Millennium, in her Jan. 29 address to the U.S. Conference of Mayors. In speaking of the Millennium Community, a national initiative for communities to participate in celebrating the millennium, she pointed to the treasures in our country which should be saved, citing such examples as Thomas Edison's laboratory in New Jersey and Harriet Tubman's home in Auburn, New York. Some communities, she said, might want to "join the Mars Millennium Project, which is challenging schoolchildren around the nation in conjunction with NASA to design a community that they would want to live on on the planet Mars in the year 2030."

Mrs. Clinton continued, "If you try to think back 1,000 years, there were many differences, of course; but there were some similarities that we might also overlook. People even at that time were imagining the future. They were creating new art forms, they were building cities, they were forming reading groups—those who could read. They were designing new systems of cultivation, they were spreading religion from every corner of the globe. They were remapping the world as they were discovering it.

"And they were—importantly—saying 'No!' to the doomsayers. You know, there's always a split when there is an important point in time.... Well, we know that there are those among us in our country who are stockpiling water and canned goods and worrying about Y2K....

"People are much more likely to come together across racial or ethnic or linguistic lines if they feel hopeful about the results that would flow from their taking what they see as a risk to try to be vulnerable and work with others unlike themselves. . . . People who are hopeful are really those Americans who are true to our tradition of hopefulness."

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#### **Editorial**

### Signs of a phase change in Russia

In a major development on Feb. 4, the Primakov government launched a determined crackdown on the Russian financial oligarchy. Within hours of sacking the current Prosecutor-General of Russia, with the full agreement of President Boris Yeltsin, a series of raids was carried out against Boris Berezovsky's holdings. More than 20 offices and apartments of personnel from Berezovsky's Sibneft Oil Co. were raided, as was the Berezovsky-linked security company, Atoll.

Berezovsky, a financial magnate up to his neck in corrupt operations with the likes of former Prime Minister Viktor Chernomyrdin, has been a mortal threat against the nation-saving policies of the Primakov government. Prior to Primakov's accession to power, the thug had free rein in the Kremlin offices. It has been reported that, at one of Primakov's first cabinet meetings, Berezovsky showed up, only to be told by the new Prime Minister that he had not been invited.

While the charges against Berezovsky's entities have not been broadly spelled out, Western press sources report that some of the offenses occurred in the realm of the government's regulations governing foreign exchange. This would make sense, in that the Primakov government has been moving to impose more regulations on foreign capital, especially speculative capital—a direction which oligarchs like Berezovsky, who work hand-in-glove with the foreign looters, intensively oppose.

The Primakov government has clearly been preparing for this crackdown for some time. The circle of advisers around Primakov knows that Berezovsky and company, whom they dub a mafia grouping, are determined to weaken, if not liquidate, Russian sovereignty, as a guarantee of their own security and maintenance of the enormous quantities of wealth which they have been able to accumulate under International Monetary Fund (IMF) "free market reforms." Breaking the power of this group, which are called "oligarchs," has therefore been a priority.

Immediately preceding these moves, Prime Minister Primakov went on TV on Jan. 31, and charged that

"some groups of people" are "plundering the state." At that time, Primakov disclosed a government plan to give amnesty to 94,000 small-time criminals, in order to make room in the prisons for those "who are plundering Russia and robbing society." Berezovsky, who knew he was among those Primakov was speaking about, immediately issued protests, claiming that the Prime Minister was taking "us back to Soviet times."

That political line is geared to mobilize friends of the Russian oligarchy internationally, but it is a lie. In fact, Prime Minister Primakov and his economic team are seeking to save Russia, and rebuild its physical economy. That requires measures of regulation, directing credit, and prohibiting economic crimes. Just a look at what Franklin Roosevelt had to do in the Depression, gives you a good idea of how any responsible government has to deal with economic crisis.

The Primakov government's move against the oligarchs comes on the heels of its resistance to new IMF demands, which we reported in our last issue. Indeed, the Russian government is faced with war on many fronts, as the IMF-sponsored destruction of its economy also makes it unable to pay much of its international debt.

What will be the next step? It is the evaluation of economist Lyndon LaRouche that the Primakov government is very close to the point where it will be forced to implement capital and currency controls. Such a move, unlike that in Malaysia, would have major financial and political ramifications internationally, possibly pushing other nations, like Brazil, into taking the same kind of defensive measures for its national sovereignty.

Then the question will be: What will the United States government do? If Vice President Al Gore is co-President, or worse, we would be headed for a direct confrontation—and worldwide disaster. If President Clinton remains President in fact, we will have the golden opportunity for the shift into a New Bretton Woods policy that has been overdue for so long.

It's good news from Russia this week. Let's prepare for more to come.

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Daily—8 p.m.
LITTLE ROCK—Comcast Ch. 18
Tue. or Sat.: 1 a.m., or
Saturdays—6 a.m. Fridays—7 p.m.
• PRINCE GEORGES—Ch. 15 Mondays—10:30 p.m.

• W. HOWARD COUNTY—Ch. 6
Monday thru Sunday— Mon.—8 pm; Thu.—9:30 pm
Saturdays—4 p.m.
JOHNSTOWN—Ch. 7
Tuesdays—4 p.m.
• MANHATTAN—MNN
TW Ch. 34; RCN Ch. 109
Sun., Feb. 21: 9 a.m.
Sun., Mar. 7 & 21: 9 a.m.
Sun., Mar. 7 & 21: 9 a.m.
N. CHAUTAUQUA COUNTY
Gateway Access Ch. 12
Fridays—7:30 p.m.
• ONEIDA—PAC Ch. 10
Thursdays—10 p.m.
• ONSINING—Ch. 19/16
Wednesdays—3 p.m.
• PENFIELD—Ch. 12
Penfield Community TV\*
• POUGHKEEPSIE—Ch. 28
1st & 2nd Fridays—4 p.m.
• QUEENSBURY
Harron Cable Ch. 71
Thursdays—7 p.m.
• RIVERHEAD—Peconic Ch. 27
Thursdays—12 Midnight
• ROCHESTER—GRC Ch. 15
Fri.—11 p.m.; Sun.—11 a.m.
• ROCKLAND—T/W Ch. 27
Wednesdays—5:30 p.m.
• SCHENECTADY—SACC Ch. 16
Tuesdays—10 p.m.
• STATEN ISL.—CTV Ch. 24
Wed.—11 p.m.; Sat.—8 a.m.
• SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.
• SYRACUSE—T/W Ch. 3
Fridays—4 p.m.
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Fridays—4 p.m.
• SYRACUSE (burbs)
T/W Ch. 12—Sat.: 9 p.m.
• UTICA—Harron Ch. 3
Thursdays—6 p.m.
• WEBSTER—WCA-TV Ch. 12
Wednesdays—8:30 p.m.
• WESTFIELD—Ch. 21
Mondays—12 CALIFORNIA

• CONCORD—Ch. 25
Thursdays—9:30 p.m.
• LANCASTER/PALMDALE 1:30 a.m., 11:30 a.m., 4 p.m., 8:30 p.m. TEXAS • AUSTIN—ACT Ch. 10\* • EL PASO—Paragon Ch. 15 LANCAŚTER/PALMDALE
Jones—Ch. 16
Sundays—9 p.m.

MODESTO—Access Ch. 8
Mondays—2:30 p.m.

SAN DIEGO—SW Cable Ch. 16
Mondays—11 p.m.
SAN FRANCISCO—Ch. 53
2nd & 4th Tues.—5 p.m.

SANTA ANA—Ch. 53
Tuesdays—6:30 p.m.

SANTA CLARITA
MediaOne/T-W Ch. 20 MASSACHUSETTS EL PASO—Paragon Ch. 15
Wednesdays—5 p.m.
HOUSTON—Access Houston
Mon., Feb. 15: 5-7 p.m.
Wed., Feb. 17: 7-8 p.m.
Thu., Feb. 18: 5-6 p.m.
Mon., Feb. 22: 7-8 p.m.
Thu., Feb. 25: 3-6 p.m. BOSTON—BNN Ch. 3
 Saturdays—12 Noon
 WORCESTER—WCCA Ch. 13
 Wednesdays—6 p.m. MICHIGAN

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MediaOne Ch. 18: Thu.—6 p.m.
DEARBORN HEIGHTS
MediaOne Ch. 18: Thu.—6 p.m.
GRAND RAPIDS—GRTV Ch. 50 UTAH • GLENWOOD, Etc.—SCAT-TV Channels 26, 29, 37, 38, 98 Sundays—about 9 p.m. GRAND RAPIDS—GRTV Ch. 50 Fridays—1:30 p.m.
PLYMOUTH MediaOne Ch. 18: Thu.—6 p.m. MINNESOTA
DULUTH—PACT Ch. 24 Thu.—10 p.m.; Sat.—12 Noon MINNEAPOLIS—MTN Ch. 32 Wednesdays—8:30 p.m.
NEW ULM—Paragon Ch. 12 Fridays—7 p.m. MediaOne/T-W Ch. 20 Fridays—3 p.m. • TUJUNGA—Ch. 19 VIRGINIA VIRGINIA

• ALEXANDRIA—Jones Ch. 10\*

• ARLINGTON—ACT Ch. 33
Sun.—1 pm; Mon.—6:30 pm
Wednesdays—12 Noon

• CHESTERFIELD—Ch. 6
Tuesdays—5 n m Fridays—5 p.m. COLORADO

• DENVER—DCTV Ch. 57
Saturdays—1 p.m. CHESTERFIELD—Cn. b
Tuesdays—5 p.m.
FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
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LOUDOUN—Cablevision Ch. 59
Thursdays—7:30 p.m. & 10 p.m.
P.W. COUNTY—Jones Ch. 3
Mondays—6 p.m.
Mondays—6 p.m. CONNECTICUT

BRANFORD—TCI Ch. 21
Thursdays—9:30 p.m.
Fridays—9 a.m.

NEWTOWN/NEW MILFORD Fridays—7 p.m.

PROCTOR/HERMAN.—Ch. 12
Tue.: between 5 pm & 1 am

ST. LOUIS PARK—Ch. 33 Charter Ch. 21
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Tue.—2 pm; Wed.—8 am

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Wednesdays—9:30 p.m.

WEBSTER—WCA-TV Ch. Wednesdays—8:30 p.m.
WESTFIELD—Ch. 21 Mondays—12 Noon Wed. & Sat.—10 a.m. Sundays—11 a.m.
WEST SENECA—Ch. 68 Thursdays—10:30 p.m.
YONKERS—Ch. 37 Saturdays—3:30 p.m.
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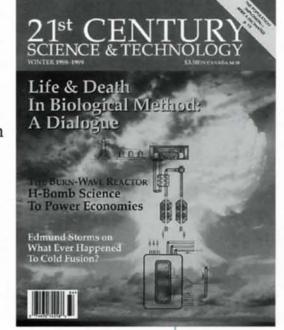
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