

EIR

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From the Editor

Just under one year ago, on Jan. 26, 1994, Lyndon H. LaRouche, Jr. was released from federal prison on parole after having served five years of a monstrously unjust sentence. During the ensuing 11 months, over 5 million copies of a pamphlet summarizing the proof that the U.S. government always knew that LaRouche was entirely innocent of the crimes for which he was convicted, have circulated in the United States, and several foreign-language versions have also been issued. Hundreds of prominent figures worldwide have signed a petition to President Clinton asking for LaRouche's full exoneration. Meanwhile, five associates of LaRouche are political prisoners in the state of Virginia. No one who loves justice can rest until they are free *and* vindicated, and LaRouche's own freedom has been secured.

Here at *EIR*, we have especial reasons to be grateful for Lyndon LaRouche's provisional liberty. Earlier this year, he guided our contribution to a campaign—with significant success—to defeat the genocidal intentions of the International Conference on Population and Development in Cairo in September. He then organized the research and editorial presentation of the most powerful exposé we have ever printed, "The Coming Fall of the House of Windsor." He is guiding, both in the overview and down to many of the details, an unprecedented project of mapping the world's physical geography so as to begin the economic recovery, premised on leaps in scientific and technological progress mediated through the sovereign nation-state. His speech in this issue draws together the threads of these two aspects: the program for a new Renaissance, and the need to defeat an oligarchy which shrinks at no evil in trying to thwart it.

The Christmas holiday is a good time to point, as well, to Pope John Paul II's recent statements (cf. *EIR*, Dec. 9, p. 44-45), defining the "love for life" as "the most intense, most universal, and most widely shared form of love granted to man. Progress in the field of science and technology translates into an impassioned commitment of service to life in every human being, particularly if just conceived or nearing death. . . . Serving life is a basic measure of justice among men." On such principles, and coming off the oligarchy's setback in Cairo, we pledge to work for 1995 to be a year in which the dark age is vanquished and a new era of development begins.

Nora Hamerman

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Correction: In our report on the indigenists and ecologists of Mexico's Southeast (*EIR*, Dec. 2, 1994, p. 48), William Walker was misidentified as a British national (he was American); he became President of Nicaragua in 1856, not 1956.

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Orange Co. files bankruptcy in derivatives-led collapse

by Anthony K. Wikrent

Orange County, California, with 2.6 million people the fifth most populous and among the 10 wealthiest counties in the United States, filed for Chapter 9 bankruptcy protection against its creditors on Dec. 6. It is the latest, and the largest, sign yet that the financial swindles of the past 30 years—from the formation of conglomerates in the 1960s, to the recycling of petrodollars into the Third World debt and Euro-dollar market in the 1970s, to the junk bond mania, program trading, and insider trading in the 1980s, and finally, derivatives in the 1990s—have reached the outer limits. The speculators and usurers, the traders and risk managers, have made their fortunes by bankrupting the society that stupidly allowed them to ply their evil trades.

Up until the day it declared bankruptcy, Orange County, just south of Los Angeles, was assigned the highest possible credit ratings for a municipality by the two major credit rating agencies, Standard & Poor's and Moody's Investors Service. Probate judges in the county earnestly advised heirs to place their inheritances in the Orange County fund, which boasted of annual returns of over 10% a year for the past decade. Robert Citron, the county treasurer, had compiled this admirable record by using the \$7.8 billion entrusted to his care by the county and about 180 other local municipalities and government agencies, as collateral to borrow another \$13 billion to buy securities paying higher interest. About one-quarter of the securities were derivatives. As recently as Sept. 26, Citron wrote in his fund's annual report, "We have constructed a well-balanced portfolio that we believe can withstand the impact of current interest rates."

Well-balanced losses

Not three months later, the fund is worth only 80% of what it once was; Citron has resigned in disgrace; the coun-

ty's creditors are scrambling to sell the collateral they hold; the county is screaming that they can't do that; and teachers, administrators, sanitation workers, policemen, and firemen are wondering if they will see another paycheck soon.

Because California has the most lenient laws in the United States governing investments by local government entities—which were partly written by Citron himself when he headed the Association of California County Treasurers in 1979—much of the operating funds of the county and the 180 other government units is tied up in Citron's fund. Local school districts, in fact, are required by California law to place all their monies with their county's fund.

The rapidly developing legal fight over the disposition of the securities Citron put up as collateral, clearly shows how high the stakes are, as the Orange County bankruptcy moves the world into a new phase of the ongoing financial and monetary collapse which American System economist Lyndon LaRouche has characterized for the past few years as "the great mudslide." The Wall Street investment banks that lent Citron's fund \$15 billion are falling over themselves to sell off the county's collateral securities they hold. The county's lawyers are arguing that the bankruptcy laws prohibit them from doing so. Some of the investment banks have proceeded anyway, pointing to a little-known technical loophole Wall Street had inserted in the 1984 rewrite of U.S. bankruptcy laws. This loophole allows investment banks to sell securities held as collateral in repurchase agreements, the type of deal Citron had borrowed his billions to play with.

CS First Boston dumped the entirety of its \$2.6 billion of Orange County collateral on Dec. 6, no doubt helping to persuade county officials they had no choice but to seek bankruptcy protection. Paine Webber also sold \$300 million

of the \$650 million of the Orange County collateral it held that day. On Dec. 7, the day after the bankruptcy filing, Nomura Securities dumped the entirety of the \$900 million it was holding. The Smith Barney unit of Sanford Weill's Travellers, Inc. tried to sell its \$800 million, but was unable to. The mortgage derivatives-plagued Kidder Peabody managed to unload all but \$100 million of the \$1 billion it held. Merrill Lynch still has \$2.01 billion; Morgan Stanley, \$1.6 billion; and Prudential Securities, \$1 billion.

Ending up with nothing

If the courts rule in favor of the investment banks, then the entirety of the losses will fall on Orange County and the 180 other government units: When the county emerges from bankruptcy, and attempts to reclaim, or even use its \$10 billion in collateral, it simply won't be there.

And despite their having sold off the collateral, the investment banks will no doubt insist that the county still has to pay back every red cent in principal and interest Citron contracted—when it can, of course.

What this means for the residents of Orange County, is that essential services will be cut back. What does a water district or a sanitation district do if its operating funds must go to the greedy investment banks, rather than operations? Taxes supposedly paid for maintenance of essential services have gone up in the smoke of reckless speculation. Will a resident turn on the tap, only to find that there is no longer any water? The bankruptcy laws were supposed to prevent this sort of nightmare from transpiring, but now we find that Wall Street has for years been busily rewriting the bankruptcy laws to suit itself.

Thus the real issue is not whether derivatives were involved or not, or whether leverage was involved or not, or whether the Federal Reserve raised interest rates too high, too fast. The real issue is whether the battered, wheezing, starved physical economy will now be butchered and made an offering to appease the mighty morlocks of money and finance. We have reached the point Lyndon LaRouche began warning about two years ago, that the financial collapse is creating the conditions for the physical disintegration of the United States as a nation-state.

The struggle for survival

Now, as the losses are tallied, the fingers are pointed, and the court papers are filed, comes the end-phase struggle for survival. Will the society rouse from its stupor, and assert justice, forcing a reorganization upon a socially useless, indeed, a *predatory* financial system? Or shall the society now dismantle the very fabric of its existence, selling itself off piece by piece, to meet the ravenous demands of the users that their contracts of debt and speculation be "honored"?

"Orange County," LaRouche said in his weekly radio interview on Dec. 8, "is typical of the situation which has been developing around the United States in publicly con-

trolled private pension funds, in other state and municipal funds, and in this kind of situation you have with the various county and city governments, and school boards that were involved in Orange County. That's found all over the country.

"What I warned, is that, although the speculative bubble can blow out through reverse leverage at almost any time—it could blow out *now*—the thing which would break down all efforts to postpone the explosion, would be a breakout in the political sector.

"That is, as we've seen, when you get into school board funds and public funds of communities, as in the Orange County case, you get something that you *cannot* control in the way you can manipulate a bankruptcy in the private sector; and therefore, these political limits, when Social Security funds or pension funds begin to be wiped out, and you get masses of people screaming about their immediate victimization, even much more so, of course, than in a banking failure, that is the point at which this blowout tends to break out."

Half-measures won't work

"So, the limit is being approached at which the whole system is going to collapse," he continued. "And those who didn't take it seriously, last year or back in 1992, when I warned against this mudslide in my nomination campaign that year, perhaps now wish they had. And those who last year and earlier this year, tried to pretend that the derivatives crisis was not what I represented it to be, are finding out that I was right; and they're going to have to take the kinds of actions which I indicated, going *beyond* what Rep. Henry Gonzalez [D-Tex.] and his [House Banking] Committee was pushing. They're going to have to go all the way, and straighten this mess out.

"So, this is not the final story, *yet*, on the international derivatives bubble. But it's a point of inflection. It warns you of how close the international financial collapse, the blowup, is, and that you cannot sit around and say, 'There is prosperity going on, let's not disturb it,' or you cannot say the kind of things or do the kind of things that Alan Greenspan at the Federal Reserve is doing, believing that he's controlling the situation. He's controlling *absolutely nothing*. He's not even controlling his own mind here. What he's doing, is foolish.

"This is the end of the system; and the question is, as our Founding Fathers knew when they formed the federal Union, that we're going to have to go back to the kind of thinking that shaped the creation of the federal Union in 1787-89 under Washington and Hamilton and Franklin's leadership, and we're going to have to put aside all these kinds of [post-industrial] nonsense: Third Wave, Fourth Wave, and other kinds of 'Hair Wave' nonsense, that Alvin Toffler and [incoming House Speaker Newt] Gingrich are pushing. That kind of stuff is *finished*, even before it starts. We've got to go back to the old hard ways of doing things, and then we can work our way out of this mess."

Water development in the Mideast: source of life, resource for peace

by Muriel Mirak-Weissbach

Water, water every where,
Nor any drop to drink.

—Samuel Taylor Coleridge, *The Rime of the
Ancient Mariner*

The Middle East, whose vast water resources allowed it to be the site of succeeding civilizations over thousands of years, is facing a potentially deadly water crisis. Not only the Pentagon in 1985, but also several think-tanks and government agencies in the region since, have issued the grim prognosis that, unless a comprehensive solution, economically viable and politically fair, is found to provide abundant water for expanding populations and economies, the region will be plunged into war. Thus the crucial issue being discussed in the context of the implementation of the September 1993 Oslo agreement between the Palestine Liberation Organization (PLO) and Israel, the peace treaty signed between Israel and Jordan on Oct. 26, 1994, and the negotiations between Israel and Syria, is the issue of water. The solutions proposed thus far are inadequate, due not only to financial constraints, but to a fundamental flaw in the economic policy thinking behind them.

The background

It is a fact that all the wars waged in the region over the past 40 years have had more to do with water than with territory; or, better, that the territories seized by Israel, particularly in the 1967 war, were taken because of the water sources—defined as “strategic reserves”—they control. This is a fact readily acknowledged by Israeli Foreign Minister Shimon Peres, who said that Israel had fought “wars provoked by the conquest of Arab rivers.”

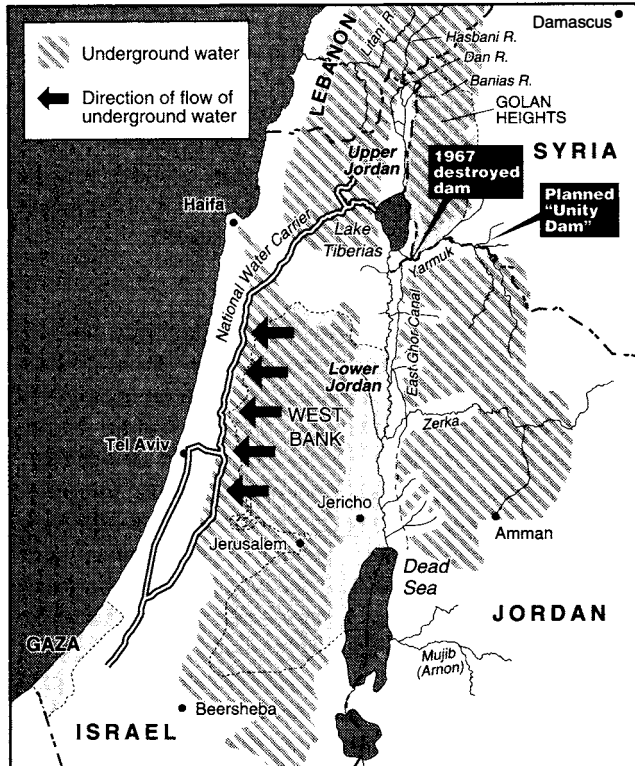
Water for Israel, Palestine, and Jordan, as summarized in a report in the February 1994 issue of *Middle East* magazine, comes primarily from the mountain aquifer covering the West Bank, which receives rainfall that flows both eastwards to the Jordan River and westwards to Israel. In addition there is a shallow aquifer on the coast which includes the Gaza Strip. Prior to 1967, Israel accessed this water through wells, taking 80% of it, which left the Palestinians, then living

on the West Bank under Jordanian sovereignty, with 10%. Palestinians living in the Gaza Strip under Egyptian administration from 1948-1967, relied on water from wells which were rapidly exhausted, as twice as much water had to be drawn than was replenished, to provide for a population which has grown since then from 50,000 to 800,000.

In 1967, following the war, the situation was dramatically aggravated for the Palestinian population and for Jordan, when Israeli water policy further diverted resources. As detailed in *Europa Archiv*,¹ the occupation authorities introduced special laws, whereby Arabs required permits to drill wells; permits were seldom granted, while Israeli settlers were allowed to dig new wells and make existing ones deeper. By 1992, Israel and the settlers were consuming 80% of the groundwater west of the West Bank, which supplied 20% of Israeli water needs, or 475 million cubic meters (mcm). Another 20% of Israel's water supplies come from groundwater under the coast, and the remaining 60% from Lake Tiberias, which feeds Israel's vast “national water carrier” which runs along the coast supplying Israeli cities, but stops short of Gaza. To increase the water into Lake Tiberias, Israel pumped underground water from the Yarmouk River. This combination has reduced the Jordan River to a stream, exacerbating Jordan's chronic water shortage. In terms of usage, this arrangement has made it possible for 100,000 Israeli settlers in the Occupied Territories to have 100 mcm, or 1,000 cubic meters per capita, as compared to the 1 million Arabs on the West Bank who have 137 mcm, or 137 cubic meters per capita.²

As a result, the amount of land actually irrigated by the Palestinians under occupation went from 27% to 4% of available arable land, with obvious, deleterious effects on food production. In Jordan as well, lack of water forced a two-thirds reduction in cultivated land in the Jordan Valley on the east side of the river, in 1991. Due to the influx of 300,000 more Palestinian refugees, expelled from the Persian Gulf countries in the war against Iraq, pressures on Jordan's water supplies increased, forcing the government to divert groundwater north of Amman, otherwise used for irrigation, to supply the capital's needs.

FIGURE 1
Water supply in the Middle East



In Gaza, the water crisis has assumed alarming proportions. Riad al-Khudari, a Palestinian delegate at the April conference on water held in Oman, told *Middle East* (June 1994), that Gaza's renewable water resources were 50 mcm per year, but Gazans were using 115 mcm. "This has led to a fall in the water table and to salt water intrusion [from the sea] which is extending inland." One-half the wells there are saline water, and there are twice as many diseases related to contaminated water in Gaza than in other areas of the Occupied Territories.

Plans for fair sharing of the region's water did not emerge first with the peace negotiations. As far back as 1955, U.S. President Dwight Eisenhower commissioned water expert Eric Johnston to work out a proposal for sharing water from the Yarmouk and Jordan rivers. Israel was to receive 567 mcm, Syria 132 mcm, Jordan and the West Bank were to have 720 mcm, and Lebanon, 35 mcm. The plan was never ratified, although the parties agreed in principle to the apportionment. According to the Aug. 5, 1994 issue of the German business daily *Handelsblatt*, "Today Israel takes 737 mcm from the Jordan and Yarmouk rivers per year, Syria, 170 mcm, while only 120 mcm remain for Jordan." In addition, Lebanon has accused Israel of pumping 320 mcm from the Litani River.

The Arabs have made several attempts to rectify this by building dams which would assure them water from the Yarmouk. One project in 1964 foresaw a canal in Syria, which would have rerouted water from the Hasbani and Baniyas (both of which feed the Jordan River) around the Golan Heights and into the Yarmouk, where a dam would have been built east of the Israeli border. As recalled in a Dec. 20, 1991 dossier published by Germany's *Die Zeit* weekly, "In spring 1965 this led to the first military clashes on the Israeli-Syrian border. In 1966 and 1967, even before the Six Day War broke out, the Israeli Air Force repeatedly bombed construction vehicles, roadways, and the dam construction site. In the war, by conquering the Golan Heights, Israel annexed the Baniyas source, and won control over half the flow of the Yarmouk." Israel destroyed the dam completely, in the last hours of the war. In addition, by controlling the north bank of the Yarmouk, at Hammat Gadar, Israel controlled the flow of water into Jordan's East Ghor Canal.

According to the Johnston Plan, Jordan was supposed to have 377 mcm from the Yarmouk for this canal, which feeds water into the Jordan Valley's rich agriculture. Two years after the 1967 war, Israel resorted to military means, on Aug. 10, to destroy large parts of the East Ghor Canal. In 1976, the water flow was blocked by rocks and sand, reducing the flow into Jordan's canal, and in 1979, a drought year, new military clashes were prevented by American intervention.

In 1986, Jordan and Syria joined in a project called the "Unity Dam" to be constructed farther up the Yarmouk, to provide Jordan with water and Syria with electricity. Israel was to get its share of water as defined by the Johnston Plan, but, according to *Europa Archiv*, Israel's contention that that was insufficient led the World Bank to withhold funds for construction.

The current situation

Against this background of war over water, one can better understand the contending positions in the peace negotiations. Whether it be the Golan Heights, the West Bank,³ southern Lebanon, or even the tiny patch of land which Jordan leased to Israel in its peace agreement, one central issue is water and water rights. In the recent Israeli-Jordanian accord, for example, Israel agreed to give the Jordanians 40 mcm of water back from what they had been diverting from the Yarmouk River. Jordan will reportedly also receive 10 mcm of desalinated water. This 50 mcm corresponds to half of what Jordan had demanded from the Yarmouk. In addition, two dams are to be built as joint projects on the Yarmouk, which should supply Jordan a further 50 mcm in the future. Jordanian consumption of water, which was 800 mcm water in 1993 (with rationing), is only one-fourth the average world consumption of 1,000 cubic meters per person. And, with its yearly population growth of 4%, Jordan will need at least 1,000 mcm of water—ten times as much as what Jordan demanded in negotiations—by the year

2000.

In the case of the Palestinian Authority, the water issue is still not resolved. Reportedly, Israel is to continue pumping water from the West Bank and to sell it to the Palestinians.

Given the increasing population in the region and the perspective of a growing economy, clearly, even when and if the existing water resources are equitably shared, there will be a massive water deficit. The only way to overcome this is to create new sources of water, through desalination.

The most reasonable proposals put on the table thus far are those for massive canal projects linking the Mediterranean and Dead Sea, on the one hand, and the Dead Sea and the Red Sea, on the other. The first, an Israeli project, has been on the drawing boards for decades, the second, elaborated by Jordan, for about 13 years. Recently, the World Bank announced that it was considering partial financing of the \$12 billion Med-Dead Canal. According to press reports, "The canal would be lined with hydroelectric and desalination plants to generate electricity and produce freshwater. Experts estimate that the plants could produce 3.3 billion cubic feet of freshwater a year, half the total now consumed by Israelis and Palestinians."

The second canal project was part of the Jordanian-Israeli peace negotiations and was discussed at length at the Casablanca economic summit in Morocco in November. The World Bank has been cited as willing to put up \$2-3 million for a feasibility study for the \$1.5-2 billion project, reportedly carried out by the Bechtel group. Here, too, desalination plants have been mentioned.

Both projects are among those promoted by Lyndon LaRouche in his "Oasis Plan" for Mideast development; yet neither of the projects as currently defined embodies LaRouche's approach. In the "Oasis Plan" (see *EIR*, May 20, 1994, p. 21), LaRouche proceeds from the standpoint of *physical economic* parameters, identifying a regional concept for revolutionizing the entire economic process through the introduction of advanced technologies, specifically, the high-temperature (HTR) nuclear reactors as the energy source for desalination plants. This is combined with a series of port projects, for example, at Gaza, connected to high-speed train grids, to maximize the efficiency of transportation of persons and freight. In addition, "soft" infrastructure projects are envisioned to rapidly upgrade health, sanitation, education, and communications.

The center of LaRouche's conception is nuclear energy, for important reasons. In addition to being the cheapest and safest available in real economic terms, its application, for both desalination and electricity generation, has the effect of raising the energy density throughput per capita, thus raising the technological level of the economy and the labor force as a whole. The LaRouche proposal for building floating nuclear desalination plants includes a project for one in Gaza, which would serve as a training center for scientists, a research center, and a kind of "living museum" to inspire young minds

with excitement about science.

There are forces in the Middle East peace process committed to the idea of nuclear technology in principle. Shimon Peres has gone on record promoting nuclear desalination, in articles as well as in his book *The New Middle East* (New York: Henry Holt, 1993). Yet, the Israelis' regional program distributed at the recent Casablanca conference omits any mention of the technology. Furthermore, at the cited Oman water conference, the head of the Israeli delegation, Avraham Katz Oz, was quoted as saying Israel would participate in a water steering committee set up there by contributing to desalination projects using "solar technology."

World Bank incompetence

The fact is that the World Bank, which has come to assume controlling power over the economic planning of the entire region, is violently opposed to nuclear technology. In its 1993 report on economic development for the region, the World Bank explicitly identified any and all relatively advanced technologies, even modern rail lines, as "low priority." The economic thinking on the part of the World Bank centers around tourism and "get-rich-quick" financial rackets. The hegemony of World Bank insanity in the peace process has led Palestinian Hanna Siniora, president of the Palestinian-European Chamber of Commerce and publisher of the *Jerusalem Times*, to abandon the very idea of food production. At a seminar held in Stuttgart, Germany on Nov. 5, 1994, Siniora said that the agricultural sector, currently one-third of the Palestinian economy, would further shrink due to lack of water. He said that investments should not go into this sector but rather into tourism, which would become the lion's share of the economy.

Those who want nuclear energy, and the economic policy approach that goes with it, are bluntly told they cannot have it. Palestinian spokesmen who have broached the subject with European industrial and political representatives, have been told that it is "too expensive and too controversial." One German government bureaucrat involved in Middle East affairs told *EIR* that "the Palestinians in Gaza don't need nuclear energy, they need waste disposal systems," i.e., there is to be no technology transfer. This was confirmed by Palestinian Minister of Finance Mohamed Nashashibi, who endorsed the nuclear desalination approach, in a recent *EIR* interview: "The programs of technical assistance presented to us from international organizations do not constitute a genuine transfer of technology, which is what we need the most. They promise very ordinary training courses, for technical assistance, at a time when we need to absorb . . . modern and sophisticated technology. This is the main road to achieve genuine economic development: through science and technology" (see *EIR*, Oct. 21, 1994).

Solving the water crisis, which has been the cause of bloodshed and injustice over decades, requires acknowledging the fact that water is not merely a liquid which keeps

animal bodies alive. It is a prerequisite for *human* life, which, different from that of lower species, is dependent on the generation and communication of creative ideas, institutionalized in science and embodied in ever-advancing technologies. If the World Bank, as is clear, does not share this view, it should be excluded from any decision-making process.

Lyndon LaRouche drove the point home in his weekly radio interview with "EIR Talks" on Dec. 1: "The problem now, is the World Bank. First of all, one should look at the case of [French Nobel Prize economist] Maurice Allais's criticism of the World Bank's program. The World Bank has three qualities: It is evil, it is stupid, it is incompetent. When someone talks about a World Bank analysis, the World Bank is using an unscaled set of Von Neumann-style inequalities in a computer. If a human being were in that state of mind, you would put him in a canvas overcoat, stuff him full of Prozac, and have some people take care of him, and you would not particularly pay much attention to his technical or business advice.

"You should have the same attitude on the competence of the World Bank. An unscaled, incompetent set of inequalities, as a global model: You come up with a proposal, they take your proposal, they plug it in to this global model (if they even bother to look at it); and what comes out is a pile of garbage. And then they tell you, that you can't have the money, because your ideas don't look good to their lunatic global model.

"The problem here, is to get the World Bank out of the picture. We *must* provide funding which completely bypasses the World Bank. Going to the World Bank to assist development, is like asking Adolf Hitler to join a Jewish minyan. It's the same thing. So, just cut it out, stop the fun and games, get some money down there fast, some aid down there fast, through, generally, purchase credits, for services and materials, as they need them. The Israelis and the Palestinians know what they need."

Notes:

1. "Wasser als Konfliktstoff: Eine Existenzfrage fuer Staaten des Nahen Ostens," Arnold Hottinger, No. 6, 1992, pp. 153-163. The article also documents how the rebellion in southern Sudan was motivated by a desire to stop the Jonglei Canal project, which would have greatly enhanced Sudan and Egypt's supply of Nile waters.

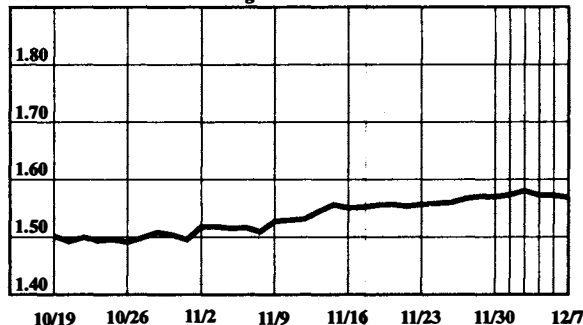
2. Estimates of water usage vary. A U.N. report, cited in *Handelsblatt* on Aug. 5, 1994, said, "Israel takes 67% of its needs from sources lying outside its 1948 borders, of which 37% from the West Bank and the rest from the Jordan River and its sources, as well as the Lebanese Litani River."

3. The *Jerusalem Post* on July 16, 1994 ran an article by Itamar Marcus, who acknowledged that control over the West Bank was related to water needs. The author presented a plan whereby "Israel does not have to hold all of Judea and Samaria in order to control most of the water. There are three regions . . . where pumping affects the water flow to Israel's wells . . . which amount to only 20% of the land. . . . To prevent a destructive loss of water, Israel should retain full authority over these areas during the autonomy period, and annex them to Israel as part of the permanent agreement."

Currency Rates

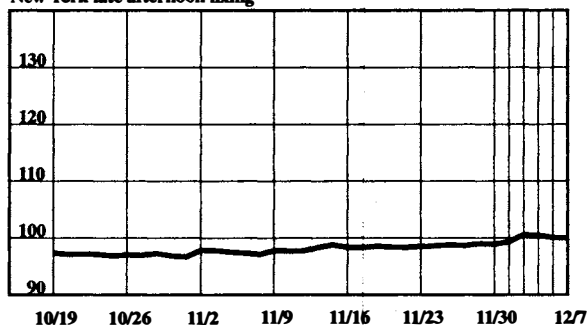
The dollar in deutschemarks

New York late afternoon fixing



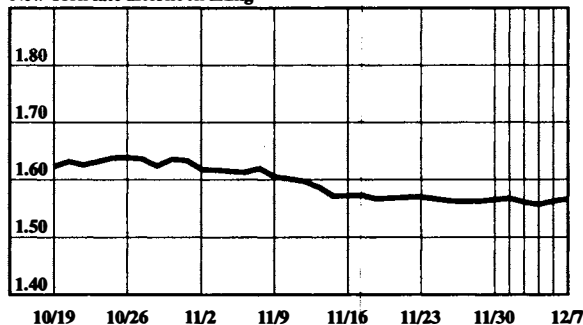
The dollar in yen

New York late afternoon fixing



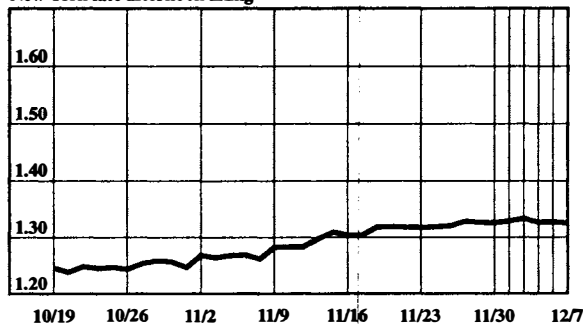
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Business Briefs

Middle East

Italy backs regional development bank

The Italian government officially supported the proposal for a regional development bank for the Middle East, during a Nov. 30-Dec. 1 visit to Rome by Israeli Foreign Minister Shimon Peres. It also confirmed earlier promises to finance a feasibility study for a Red Sea-Dead Sea canal.

Prime Minister Silvio Berlusconi, after meeting with Peres, said that his government is concerned "about possible delays in programs of financial and technical aid to the Palestinian state," the daily *Il Giorno* reported. "Italy follows with attention the initiatives proposed at the Casablanca summit, among them the creation of a regional development bank, conscious that a strong cycle of growth and investment constitutes an effective answer to underdevelopment and frustration, which are at the base of fundamentalism and intolerance," Berlusconi said.

Italian industry, meanwhile, is lobbying for Mideast development projects. The magazine *Il Mondo* reported that Italian state and private industries are promoting the regional development bank and several international consortia which have presented plans for various Palestine development projects.

ENI, the state-owned oil and gas company, is pushing for a pipeline which would bring liquefied gas from Egyptian soil in the Sinai to Palestine and then to Israel and Lebanon; the plan includes a connection to Syria. ENI is offering to finance one-third of the \$1.3 billion project—the second most important project after the canal. After ENI came out with its proposal, British Petroleum announced it would compete.

Another state-owned company, an IRI subsidiary called Garboli-Rep., is preparing proposals for construction of housing, including for Palestinian security forces. A private company, Fioroni Costruzioni, is already in the Occupied Territories with moveable plants for water desalination. Fioroni has also, together with the Dutch firm Ballast Nedam and the French firm Spie Batignoles, signed a contract to build a port in Gaza. Financing is expected to come from the European Union and

the Italian government. A joint Italian-Palestinian consortium is building part of the airport infrastructure, and the Italian state electricity concern ENEL is preparing, along with the Italian subsidiary of ABB, Sae Sadelmi, an integrated plan for water and electrical infrastructure.

Finance

Banker warns of crash bigger than in 1987

A crash bigger than that of October 1987 is in the offing, Johann Philipp Freiherr von Bethmann, a former Frankfurt-based banker who now works as an investment consultant, warned in a letter to the German daily *Frankfurter Allgemeine Zeitung* on Nov. 29.

Despite the recent U.S. Federal Reserve Board move to raise interest rates for the sixth time since February, Bethmann predicted an increase of inflationary trends in the United States and a "farewell to stability."

"This is how it will develop, but not in a lasting way, because the interest rates will have to be lowered again, soon. Then, the new inflation will end in a new crash, likely bigger than 1987," he said.

Egypt

IMF destabilizing the nation, charges Mubarak

Demands by the International Monetary Fund (IMF) for a 10-30% devaluation of the Egyptian pound over an 18-month period would destabilize the nation, President Hosni Mubarak charged, the Swiss *Neue Zürcher Zeitung* reported on Nov. 30. Mubarak "refused to hear talk of any change in the pound rate, characterizing it as an attack against trust in the national economy and in the reform program," the financial daily said.

Several government officials voiced opposition during November to IMF demands, the paper reported. "Experts in government posi-

tions, in the leading National Democratic Party, in Parliament, and in the association of Egyptian businessmen, argued in agreement, that such a devaluation would not lead to the desired increase of Egyptian exports, but rather to a massive increase in the price of imports," the paper said.

Central Bank Vice Governor Mohamed al-Barbari said that the devaluation would raise imports from \$11 billion to \$15 billion, and the trade deficit would rise to \$11.5 billion.

The reason this resistance to the IMF is taking place is that Egypt's collapsing economy is fueling dissent, particularly among the Islamist opposition. As the leader of the parliamentary commission on economics, Mustafa Said, is reported to have remarked, the average Egyptian has seen no advantages in the macro-economic shift ordered by the IMF (including vast privatizations and cuts in subsidies), but rather only a violent depression.

Agriculture

AIDS is threatening food supply, says FAO

A new study by the U.N. Food and Agriculture Organization on the economic costs and social burdens of AIDS in the Third World reports that, especially in parts of African countries south of the Sahara, agricultural production is seriously threatened. This is especially true in those areas which are greatly affected by AIDS and where the number of people becoming sick with AIDS is expected to double within six months.

FAO investigations into the agricultural sector in Uganda, Tanzania, and Zambia show that the decrease of agricultural activities due to AIDS often leads to a further decrease in the productivity of the land, to a point where it is no longer usable. The FAO is calling for help for the survivors to enable them to continue agricultural activities and to increase productivity.

The FAO expects that per capita income will further decrease significantly due to the influence of AIDS in all the affected countries. Moreover, it expects that the child mortality rate will increase by 50% in this decade. One

million more orphans are expected in the next five years in Uganda, where one-fifth of the sexually active population is thought to be infected with AIDS. The indirect costs of AIDS, such as caring for orphans and widows, will also increase.

Petroleum

China, Vietnam agree to talk on Spratly Islands

China and Vietnam agreed to start negotiations on their dispute over the Spratly Islands in the South China Sea, and on sharing the potentially enormous oil and gas deposits in the area, in a joint communiqué issued at the end of Chinese President Jiang Zemin's landmark visit to Vietnam on Nov. 22. The two countries announced that they had agreed to set up a group of experts to discuss South China Sea disputes, including the Spratlys.

However, it is believed by many in Southeast Asia that the agreement reached in Hanoi supports Beijing's insistence that the dispute is a bilateral problem, and will ignore the claims of other countries.

Pending a peaceful settlement, China and Vietnam could start joint development of the island group, Chinese Foreign Minister Qian Qichen said at the end of the talks. Qian said the most important thing to have emerged from the visit was the consensus on the need to shelve political disputes while Hanoi and Beijing develop their economies.

Southeast Asia

Four nations agree to jointly develop Mekong

Cambodia, Laos, Thailand, and Vietnam agreed in principle in November to jointly develop the waters of the Mekong River, and to share the world's 12th longest river for the mutual benefit of all. The four countries pledged to use, manage, and conserve the Mekong's resources for irrigation, navigation, hydro-

power projects, flood control, fishing, and other uses.

Navigation through the main channel of the river will be free "without regard to the territorial boundaries for transportation and communication and to promote regional cooperation and development," they said in a statement.

The four stated that they hope China and Burma (Myanmar), which control the upper reaches of the river, would join the pact. Last January, China, Burma, Thailand, and Laos opened talks in the southern Chinese city of Kunming on developing navigation on the Mekong River, but at that time Vietnam and Cambodia apparently were not invited to the meeting.

Central Asia

Pakistan President to stress trade with China

Pakistan President Farooq Leghari said that he will stress the need to promote economic cooperation with China during his Dec. 2-8 visit to Beijing. Xinhua news agency reported from an interview on Dec. 2, on the eve of Leghari's departure from Islamabad. Leghari stressed the importance of trade and, especially, the opening of the land trade route to Central Asia.

China and Pakistan, he said, have already agreed on a "quadrilateral arrangement involving Kazakhstan and Kyrgyzstan" to open the land route, and make it passable year-round. He said that financial help for building the route will come from the International Development Bank and other institutions.

Leghari was invited to visit China, his first visit there, by Chinese President Jiang Zemin. Leghari said that Pakistan, located at the juncture of four civilizations, including China, Indo-Pakistan, the Middle East, and Central Asia, can play an important role in regional and world affairs.

Leghari claimed that the Pakistani government's current economic policies (which include extensive privatization and budget-deficit reduction) had attracted more private investment to Pakistan in the last six months than in the 47 years since independence.

Briefly

● **THE PALESTINIAN** Authority will receive roughly \$200 million over the next four months, to pay public workers till March, create several thousand construction jobs, and begin projects to improve roads, sewer and electrical systems, donor nations decided in Brussels in November. On Dec. 1, Israel handed over control of taxation and health care in the West Bank.

● **THE NORTHERN IRELAND** power authority said that it plans to start repairs on an electricity link between the Irish Republic and the North, and hopes to have the work done by March 1995, Reuters reported on Nov. 30. Northern Ireland relies on its own resources and, without the link, cannot import electricity.

● **THE GERMAN** Industry Association's new chairman, Hans-Olaf Henkel, said that he wants to introduce more ideas from the World Wide Fund for Nature, in which he has been active, into his new job, in a radio interview on Nov. 30.

● **JARDINE MATHESON** Holdings Ltd. and Jardine Strategic Holdings Ltd. were removed from Hongkong's Hang Seng stock index on Nov. 30, ahead of the delisting of their shares from the stock market scheduled for Dec. 31. The "Noble House" got its start before Hongkong was founded, selling opium to China.

● **A DENGUE FEVER** epidemic is hitting Puerto Rico, with 15,000 cases this year, double the yearly average. The Centers for Disease Control in Atlanta, Georgia is downplaying demands for island-wide spraying for mosquitos, and is advising people to use commercial aerosol products.

● **HIV-2**, a variant of the human immunodeficiency virus which causes AIDS, has been found to be spreading in India parallel to the epidemic of HIV-1, the Fifth German AIDS Congress in Hanover reported in November.

③ Organizing a recovery from the impending collapse

by Lyndon H. LaRouche, Jr.

The following was delivered as the keynote speech to a conference on international development, sponsored by the Schiller Institute in Washington, D.C. on Nov. 30.

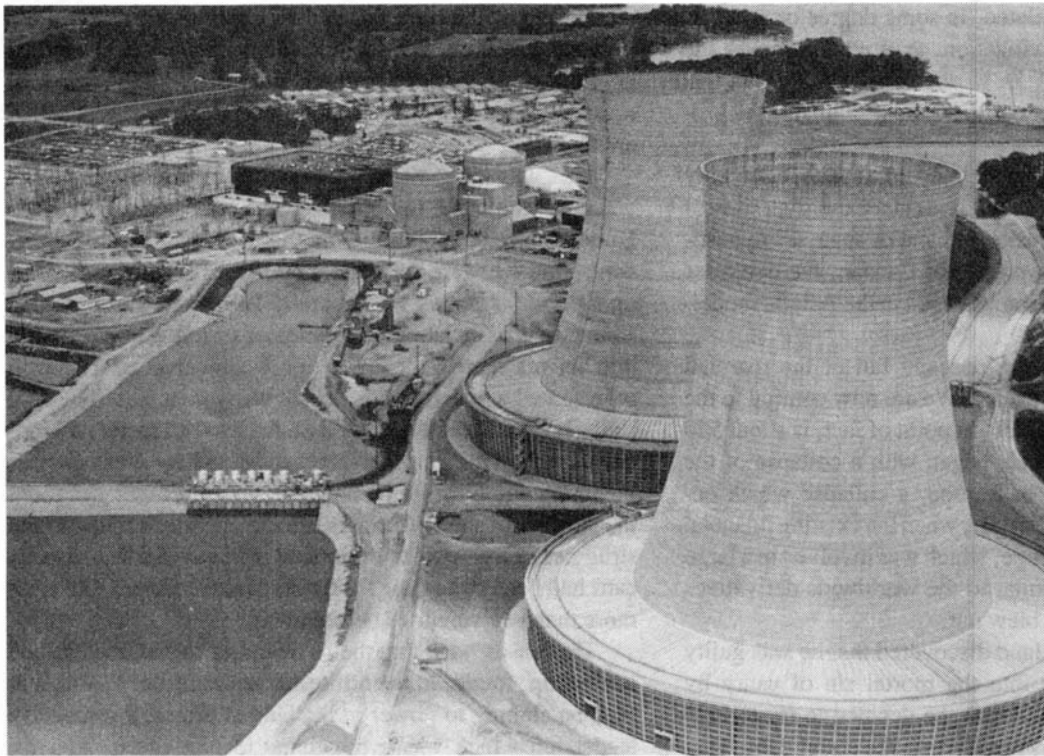
You may have noticed that the United States recently had a mid-term election, which was, from the standpoint of anyone knowing what's going on behind the scenes, really inconclusive. What we've seen surfacing in the United States, behind people like Sen. Phil Gramm [R-Tex.] and others, is a revival of something which we last saw conspicuously in Europe, notably in Germany, during the 1920s and 1930s.

There is a rather famous book written by a veteran of that period, Dr. Armin Mohler, a Swiss former volunteer for the Waffen SS, resident in Munich, in which he brags about his trying to dissociate himself from Hitler, while bragging about what he was a part of, the thing that Mr. Newt Gingrich [R-Ga.] is proud to be a part of today. It was called the "Conservative Revolution." The Nazis in Germany were one part of the Conservative Revolution, of course; but the Nazis were only one of about 100 organizations in Europe, which all belonged, in that period, to the category of Conservative Revolution, which is a much more accurate term than the generic and loosely used term "fascist."

At the end of the war, one branch of the Conservative Revolution was organized under the sponsorship of Winston Churchill in Switzerland. That organization was called the Mont Pelerin Society, and its leader, until 1992 when he died, was a fascist by the name of Friedrich von Hayek, who was the man who confused the word "fascism" with freedom, and "free trade" with prosperity.

The notable feature of the Conservative Revolution, which has been around in the United States, as an endemic problem, for a long time, is fascism. Milton Friedman is an example of a fascist, in the strictest sense of the Conservative Revolution.

But the thing that brought the fascist vote out (not implying that all Republicans



The Sequoyah nuclear plant of the Tennessee Valley Authority, whose creation helped the United States get of the Great Depression of the 1930s. By putting \$1-2 trillion into circulation, on the basis of loans, through a national banking institution, to federal, state, and local public utilities—through work, not through throwing money out in the street—you generate the basis for a general revival of the U.S. economy.

are fascists, by any means), was the fact that the United States, like most of the world, is going through an experience which is comparable to that which Germany went through during the 1920s. Unlike Germany of the 1920s, we have not really lost any wars recently. We may have fought a few we shouldn't have fought, but we have not lost any, conspicuously. We're not under the occupation of anybody but the British and the United Nations Organization.

But economically, culturally, and socially, a growing percentile of our people in the United States are demoralized and enraged, for reasons quite similar to the spread of demoralization and rage in Central Europe, and also in France, during the 1920s and 1930s.

So, we will have, under these circumstances, what I believe you will see, is the temporary eruption of a leading fascist organization, headed by Newt Gingrich, called the "Squeaker of the House." This typifies the fact that we're in a crisis.

What has happened, is that over the recent period, government has stopped working—government *no longer works*. Government generally, in Europe and North America and elsewhere, is a failure. The collapse of the Soviet and Warsaw Pact system in 1989 to 1991, was simply a reflection on the communist side, of what is a worldwide breakdown of the kinds of systems which were built up during the postwar period, but especially a breakdown of the new institutions which began to emerge between 1964 and 1968 in the United States, western Europe, and elsewhere.

The prevailing axioms of politics all consistently fail. The politicians say, "Well, we have to perfect our policy, to be consistent with our axioms. If free trade fails, we've got to have a stronger dose of free trade, even if it kills us."

The policies which people think are the cures or the remedies for our affliction, are in fact the policies which, under these circumstances, are ruining us. It's like the fellow who insisted on taking a certain road to work every day, even after the bridge had blown out.

What we've come to is an indication of what the nature of this crisis is, which grips the entire planet, but most notably those sections of the planet which are deemed the dominant or most powerful sections, including the United States.

One might say that the problem of the U.S. political process, is that the think-tanks and politicians, with a few exceptions, have not got a clue as to what's going on; and everything they do, because of their ignorance, and because of their misguided beliefs, will turn out to be a terrible mistake. And the voters, who were very angry, did not really vote for Mr. Gingrich and his type; they voted *against* anybody who was in office, out of rage, frustration, and hopelessness.

The end of a cycle of civilization

What is actually happening may seem a bit complicated at first, but I hope I can make it clear to you. We're in the middle of the end of an entire dynastic cycle in modern western European civilization, which, of course, has be-

come, because of its power, a worldwide civilization. Every part of the world is assimilated, in some degree or another, into western European civilization, as it emerged over the period from about 1440 A.D. to about 1600 A.D. It is that civilization, that dominant civilization, which is in the process of collapsing.

In ancient and medieval times, one spoke, especially in Asia, of dynastic cycles. We remember the dynasties of China, the dynasties of the subcontinent of Asia, the dynasties of Mesopotamia, the dynasties of Canaan, the dynasties of Egypt. The dynasty of Rome, which is the Asiatic model, again.

We study, of course, the rise and fall or the rise and decline, of these dynastic cycles. We are now coming to the close of a dynastic cycle which, in point of fact, is about 500 or more years old. The cycle began with a collapse of the previous form of society in Europe, a collapse which occurred *officially* about 1350 A.D., when the existing financial and banking system of Europe, which was involved in a large debt bubble somewhat similar to the worldwide derivatives speculative bubble today, blew out.

When the king of England discovered that he was guilty of seducing his creditors into the mortal sin of usury by continuing to pay usurious loans, he decided to try to help save his creditors' souls by repudiating the sinful debt. That resulted in a collapse of the two leading banking houses of Europe at the time, the Bardi and Peruzzi, and immediately, the entire banking system of Europe collapsed. As a matter of fact, it *disintegrated*.

We are now facing something similar. The disintegration of our civilization became obvious from about 1964-68. Those of you who have studied the experience of developing nations—and some have come from there, and so they know something about it—recognize that, in the middle of the 1950s, until the assassination of John F. Kennedy in the United States, at least the lip-service policy of the United Nations and of the leading nations of the world, was the policy which was that of President Franklin Roosevelt during the Second World War.

The policy of Roosevelt was, that what would be called today the developing nations, should be freed from slavery to British and other forms of imperialism and colonialism, and that these nations had the right to develop. They had the right to access to the technology by which they could meet their own needs, and take equal standing in the community of sovereign nation-states.

Churchill violently opposed the policy, and, much to Churchill's gratification, Roosevelt died in 1945, and a man who was more tractable to the ideas of London, Harry Truman, took office.

But, despite the fact that Truman betrayed, in effect, the policies of his predecessor, Mr. Roosevelt, and capitulated to Churchill, nonetheless, as a veteran of that period, coming back from India and Burma at the end of that war, I can attest to the fact that most of we returning veterans, particularly

those who had seen something of Asia as well as Europe, recognized, in the condition and the oppression of the peoples of Asia, that if we did not cure this problem and bring economic and related justice to the peoples of these oppressed areas, that we were leaving one war to plant the seeds of another.

This was the general mood of we among the returning veterans who came to political power and leadership in the United States at about the time that Kennedy became President. And we were for economic justice toward the developing sector, just as we generally supported the ideas that Kennedy is associated with, whether or not we agreed with him on his marital behavior, or whatever else. The man represented a generation of which we were a part. The civil rights legislation in the United States was not merely a product of the civil rights movements, as led by great people, including a genius by the name of Martin Luther King; but the success of the civil rights movement was not due to the struggles of the African-American, because African-Americans had been struggling for freedom in the United States for more than two centuries before then.

The reason was, that the African-American, under good leadership, found, in the returning veteran from World War II, then coming to power in the United States, a responsive leadership which was sympathetic to that cause. And so, during that period of the 1950s and the early 1960s, it was considered *only just* that the people of the developing countries should have a right to access to technology and the other trappings of national sovereignty, to attain their dignity, and to build a community on this planet of sovereign nation-states, which would be the precondition for peace.

This was reflected in the United Nations Organization's First Development Decade. The last gasp of that Development Decade policy appeared in the middle of the 1960s, when U Thant, then the U.N. secretary general, issued a Second Development Decade proposal, which was the last time that anybody in the U.N., in the officialdom, or anybody in the metropolitan countries, in terms of governments, seriously proposed that the industrialized countries of the planet, should make it a mission to bring the underdeveloped countries of this planet, into full access to the technologies, to the science, to the development, which would make them independent nations standing on parity with the other nations on this planet.

Renaissance institutions

During the period 1964-68, the period of the Vietnam War's anti-war movement, and such things, a change occurred. This civilization, whose power rested upon institutions established during the Renaissance in about 1440, had built three kinds of new institutions which transformed this planet. One was the idea of the *sovereign nation-state under law*. Not a nation ruled as a tribe, not a nation ruled by a ruling family, not groups of people who are under the domination of some ruling group, but that the people, the

families, the population of a nation, should constitute themselves collectively as a nation-state under law according to principles of law, and according to a common form of literate language. Because if you don't have a literate language, you cannot communicate important ideas; and if you cannot communicate important ideas in a common language, you cannot deliberate important matters. And if you cannot deliberate important matters, you *cannot rule yourself*, you cannot participate efficiently in government. You can vote for this or that, but you cannot deliberate the policies efficiently upon which the life or death of your nation may depend.

The second thing, in addition to the nation-state form, was the establishment of modern science. Now, modern science actually began, even though it has roots way back, including Plato and the Academy of Athens over the 200 years approximately from 400 B.C. to 200 B.C., in the fifteenth century. Modern science in a general way was established by a book written by one of the founders of the Council of Florence, Nicolaus of Cusa, called *De Docta Ignorantia*, or *On Learned Ignorance*. This book established the principles of method of modern science.

Cusa and the others who established modern science, also established the commitment of the nation-state to the betterment of the condition of mankind, through the fostering and realization of scientific and technological progress, in order to uplift the condition of mankind as an individual, and in families. And it was on that basis, that this curve (see **Figure 1**, top), that you see in the chart, was realized.

Prior to 1440 A.D., on this planet, through the 2 million years or so previously that mankind is known to have existed on this planet, the human race never exceeded a population of about several hundred million persons at the maximum. That is, the potential population density of this planet, was limited both by natural conditions, and by the inability of the human species to make enough progress, to break that barrier of several hundred million.

Much worse, the condition of mankind until the European Renaissance, throughout this planet, was mostly bestial. Ninety-five percent or more of the population of all parts of this planet lived in serfdom, slavery, or brutish toil of a similar form. Man was illiterate, barely surviving, subject to all kinds of cruelties and penalties and abuses. The entire development of mankind out of that condition of virtual bestialization for most of the population was the result of the benefits in the institution of the nation-state, the institution of science and cultural development of a similar type, and the institution of technological and scientific progress generally applied both to increase the productive powers of labor, to change the conditions of community and family life for the better, and a commitment by society to attempt to address its material problems of life, by means of finding the technologies to assist man in gaining the power to overcome disease, to overcome hunger, to increase the potential population density of this planet (see **Figure 1**, middle).

In point of fact, if we fully deployed the level of scientific

knowledge which we had achieved at about 1968-69, we could sustain quite comfortably upon this planet 25 billion people with the standard of life approaching or reaching that which was enjoyed by the standard of a so-called typical American back in those years. We have the means.

The oligarchy versus progress

That's not the limit. There is no limit to what we can do in scientific progress if we put our mind to it. But in 1964-68 there occurred what was called a "cultural paradigm shift." This cultural paradigm shift radiated from the British monarchy to an institution which is called today the World Wildlife Fund or the World Wide Fund for Nature, headed by Prince Philip. This organization is backed by and is an instrument of the most powerful oligarchical assembly in the world today, which is called commonly the Club of the Isles. In the Club of the Isles, the wealthiest and most powerful families in the world are assembled around the British monarchy.

The monarchy itself is very rich, vastly rich, through stealing things. That happened in the nineteenth and twentieth centuries. But the power behind the monarchy, which can kill the monarchs and replace them, is an oligarchy of forces, including the opium traders of the nineteenth century into China, that sort of crowd.

They decided that the time had come to bring to an end scientific and technological progress as a general practice, to bring to an end the desire of the former colonial countries, the so-called developing countries, for parity in development. They used sub-Saharan Africa as a test tube for genocide, and that is no exaggeration.

They introduced, among the youth of the 1960s and 1970s, a dumbing-down process. The students who graduated from universities after 1968, were less intelligent than those before. Not for biological reasons, but for educational reasons, and for cultural reasons. The students who graduated from high schools, universities, in the 1980s in Europe and the United States, are *vastly inferior* in every quality (with a few exceptions, of course, always), generally, to the graduates of high schools, secondary schools, and universities in the 1960s.

As a result of these policies, which were called ecology or post-industrial society policies, not only was the development of the so-called Third World halted; the developing sector was *looted*, denied the right to access to technology and looted at cheap prices. That was the late 1960s.

If you measure productivity and consumption in terms of material consumption, plus education, plus health care, plus science and related services; if you measure that in terms of per capita for labor force, per household, and per square kilometer, the planet as a whole has been devolving economically over the past 25 years.

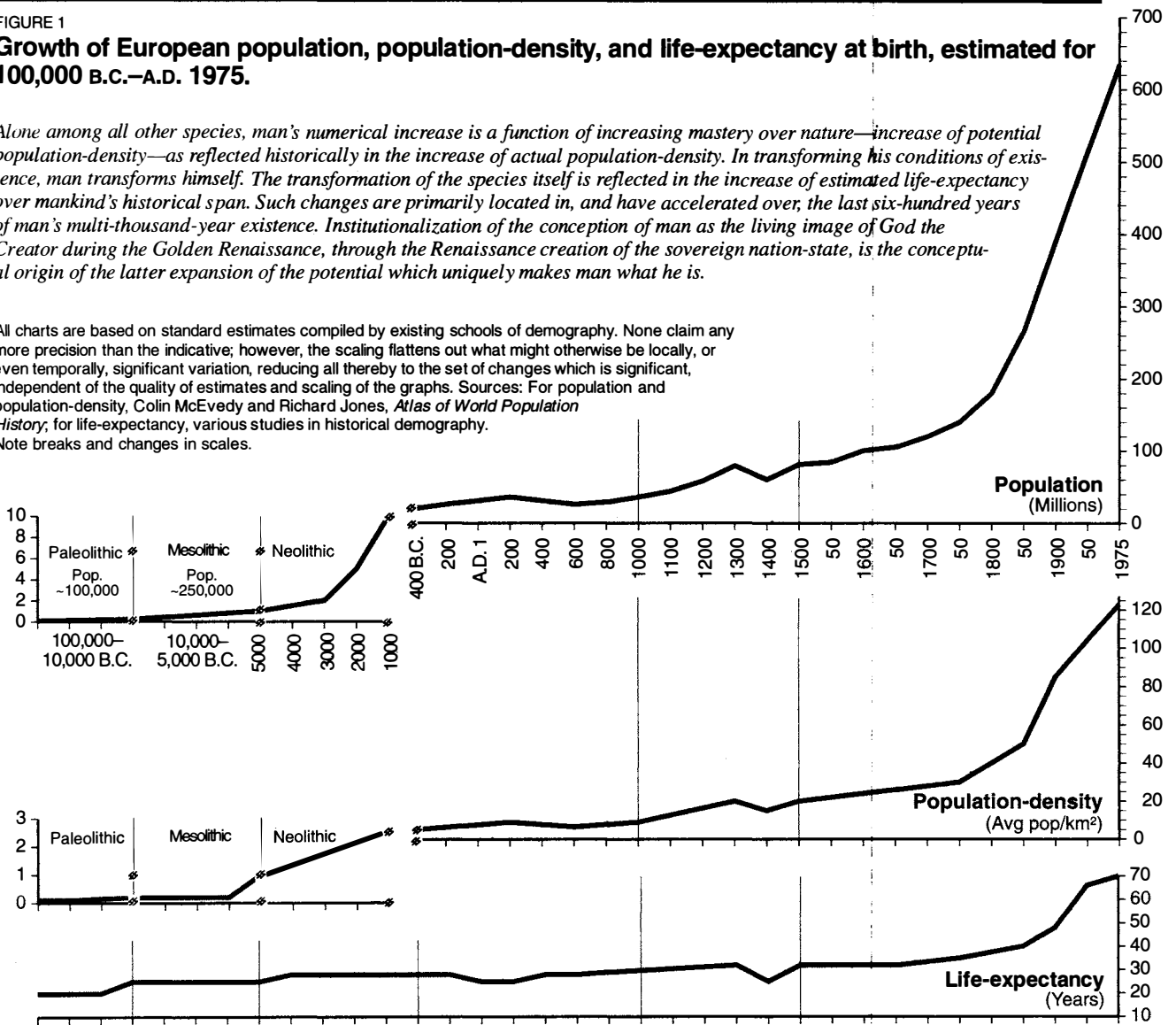
That is, the productive powers of labor, as measured in actual products and services, as opposed to prices, have been declining. The United States is decaying. The United States, by the early 1980s, could no longer have launched the Apollo

FIGURE 1

Growth of European population, population-density, and life-expectancy at birth, estimated for 100,000 B.C.—A.D. 1975.

Alone among all other species, man's numerical increase is a function of increasing mastery over nature—increase of potential population-density—as reflected historically in the increase of actual population-density. In transforming his conditions of existence, man transforms himself. The transformation of the species itself is reflected in the increase of estimated life-expectancy over mankind's historical span. Such changes are primarily located in, and have accelerated over, the last six-hundred years of man's multi-thousand-year existence. Institutionalization of the conception of man as the living image of God the Creator during the Golden Renaissance, through the Renaissance creation of the sovereign nation-state, is the conceptual origin of the latter expansion of the potential which uniquely makes man what he is.

All charts are based on standard estimates compiled by existing schools of demography. None claim any more precision than the indicative; however, the scaling flattens out what might otherwise be locally, or even temporally, significant variation, reducing all thereby to the set of changes which is significant, independent of the quality of estimates and scaling of the graphs. Sources: For population and population-density, Colin McEvedy and Richard Jones, *Atlas of World Population History*; for life-expectancy, various studies in historical demography. Note breaks and changes in scales.



Moon landing; we couldn't have done it. We had shut down whole categories of industry, and put out of business whole categories of technology which were essential to the successful Moon landing by the 1980s.

Today, we're in far worse shape.

All throughout the world, essential industries are collapsed and destroyed, and the per capita consumption in real terms, is far less per capita, per household, and per square kilometer. Our infrastructure, our rail systems, our water systems, our sanitation systems, have been decaying without repair. Our municipalities are becoming hellholes. This is obvious to us in the United States; it's also true in other parts of the world.

We have reached the limit of the ability to control resistant strains of infectious disease by means of antibiotics, and means of immunization; and yet, we have *halted* medical

research. What is being done to the physician in the United States, is criminal. The physician in the United States, as a result of changes introduced in the past 15 to 17 years, is no longer legally permitted to follow his conscience in the treatment of his patients. This has been taken over by the malpractice rules, by the insurance companies, and so forth and so on.

The quality of health care available to the population today, is, by and large, *vastly inferior* to that available earlier, largely because government and other busybody agencies, and malpractice practices, have stripped away from the physician, the physician's right to practice medicine.

Since the percentage of the population which is actually producing wealth, has shrunken to below 20% of the labor force, as compared to 60% of the labor force at the end of World War II, fewer people are actually producing wealth.

More people are simply parasites engaged in occupations which make no contribution to the well-being of society, such as the New York derivatives speculators: Who needs them? Such as these people playing with computers and chaos theory, to speculate and *loot* pension funds, to loot school budgets with their privatization programs, to take over corporations with hostile acquisitions, and to destroy the valuable corporations which are our industries, in order to loot profits to retire the debt which is incurred by the hostile takeover.

The condition of most of the developing world, is unspeakable. We have epidemics which are building up. We face a global biological holocaust potentially analogous to that which brought the population of Europe, in the middle of the fourteenth century, down to *half* of what the population of Europe had been, in the middle of the thirteenth century.

Famine and disease are destroying the populations of the world. What is happening in Africa, through famine, disease, and the activities of the World Wide Fund for Nature, and associated agencies, is a crime far worse than was made notorious in eastern Europe under Hitler. It is ongoing. We have faced a situation in Africa, in which entire nations are about to be eliminated from the political map, by the biological consequences of the policies which have been practiced, in particular, over the past 25 to 35 years. That's the condition of humanity.

The debt swindle

In the early 1970s, another step was taken. The U.S. dollar collapsed in the spring and summer of 1971, when some swindlers advised President Richard Nixon to do a very stupid thing—but it wasn't stupid from their standpoint—to destroy the last remnant of stability of parities of currencies on a gold-reserve basis, and to go to what is called a floating exchange-rate monetary system.

The result of the floating exchange-rate monetary system was manifold, and this became worse and worse, especially over the 1972 period from the Azores Conference, through measures taken in the U.S. Congress in 1982, under George Bush's leadership in the Senate. What has happened, is the creation of an unearned debt against the developing nations and other nations, and to the advantage of speculators in the London market. How does it work?

Under a floating exchange-rate system, the currency of a country such as Brazil, is arbitrarily, through market manipulation, reduced way below its true value in purchasing power. Then the International Monetary Fund and other agencies come in, and tell the Brazilians, "You must reduce the value of your currency. Otherwise, you will not be deemed *credit-worthy* in international markets." The Brazilians say, "Okay, fine, that means you will give us higher prices for our goods, than in our current currency, because they're worth more on the world market."

"No! You will price your goods in your domestic market at the *same* price as before. You will simply have to give us more of those goods now, to pay the debt, to meet the debt

services."

"Well, we can't afford that."

This process began with what London orchestrated with the help of Henry Kissinger, which is called the "oil price hoax," in the middle of the 1970s, in which the price of petroleum was rigged. Developing nations could not afford to continue to pay these jacked-up prices, so they would borrow. The exchange-value of their currency would be dropped, and purely bookkeeping loans would be made, through which the nations received no credit, in fact, whatsoever, but were purely charged.

This is how the entirety of South and Central America has more than re-paid the entire debt it had in the early 1970s. And yet, the remaining debt is higher by far than it was then. This is also true in Africa. It's true in Asia; and it's also true in developed countries, such as the United States.

Debt service, created through a floating-exchange rate system, is eating away at real production. In point of fact, if you look at the U.S. economy and the European economies from a *physical* standpoint—that is, in terms of market baskets of physical consumption, market baskets as the measure of productivity per capita—actually, the economies of the United States, North America, and western Europe are operating at a deficit, at a loss. That is, they are using up more goods to operate than they are producing. These countries are living only by looting one another, by looting old assets, or by looting what we sometimes call the Third World.

From 1982 on, this floating-exchange rate system began to generate a massive bubble, a speculative financial bubble of the same general characteristic as that bubble which caused the collapse of the European banking system in the middle of the seventeenth century in Holland, or like the Mississippi Bubble, or like the South Sea Island Bubble in England and France, the so-called John Law Bubbles of the early eighteenth century. We now have a situation typified by the following: On the London financial market, or any other financial market generally in the world, there is a \$1 trillion a day turnover, approximately, in financial transactions, of which less than 2% is accounted for in terms of commerce and trade.

Ninety-eight percent, 97% of transactions are purely speculation feeding the bubble. The policies of government, including the United States government, is to pay the debt to a Federal Reserve System which is creating fictitious cash to feed these bubbles. So what is happening, is that the real economy, that produces the machine tools, the food, the clothing, the housing, and so forth, that economy is being shrunk by austerity measures which are aiming to provide more wealth, to sustain the bubble. That is, a financial leverage against this stream of wealth, is what is used to keep the bubble alive.

The bubble is getting bigger, the economies are getting smaller; because every economy is *physically* operating at a loss, everything taken out of the economy to pay the bubble, is shrinking the economy.

It's like a situation of a man who has cancer, and the

cancer is growing by eating him; it gets to the point that the cancer is bigger than he is, and unless the cancer can continue to be fed at the same rate, the cancer is going to die. *That* is the situation of the world economy, under the present circumstances.

As a guarantee of that, what we face now, is an imminent collapse of the global monetary and financial system. That collapse will come soon. It's highly probable, that this system will end within two years, by about the time of the next general election in the United States. It could collapse almost any morning. It could possibly be stretched slightly longer; that's a political question. But probably this thing is going to blow *before* the next general federal election in the United States, in 1996.

The system will collapse in any case. *Nothing can save the present global financial and monetary system.* It cannot be saved. It has no assets, it is already bankrupt. We can do nothing to save it. No matter how hard you tried, you couldn't save it. If you try to save it, you're just like the man who's already bankrupt, who starts embezzling to try to keep his firm alive when he can no longer salvage it. He's already bankrupt, he's just going to make it worse if he doesn't admit it, and that's the situation we're in.

Bankruptcy or chaos

Now, the intelligent, rational thing to do, would be to have sovereign governments do their job, and to put the world's central banks, the banking systems, and the financial markets into bankruptcy reorganization under government supervision. That would prevent chaos, just the same way as any good bankruptcy proceeding with a bankrupt company, whether the company is saved or not, is a way of preventing or minimizing the social chaos and disruption which attends a bankruptcy.

The worst thing that can happen in a bankruptcy, is to let it run on, which causes chaos. Bankruptcy is a means of stabilizing a bad situation.

Government can prevent chaos, and keep institutions from being swept away, when government gets the guts to put the existing central banks, including the Federal Reserve System, which is bankrupt, and the International Monetary Fund and so forth, into formal bankruptcy reorganization under government supervision. That is necessary.

If that is not done, then you will have another kind of collapse. You will have a collapse which takes the form of what might be called a chain-reaction implosion, caused by what's called reverse leverage, which takes the following form: On one bright, sunny morning, people go to the markets, and the man on the street assumes that everything will be business as usual that week. Two to three days later, the financial institutions of the world will have virtually all disintegrated, because a collapse has occurred which has no bottom.

So we'll have either bankruptcy, and an orderly bankrupt-

cy, or we will have chaos. And if chaos occurs without remedy, we could plunge the world into a New Dark Age.

Generally, in the history of dynasties, each time a dynasty of a culture has collapsed, there has been a protracted period of decades or even a century longer, in which the people of that culture go into what's called a New Dark Age, as western Europe at the collapse of the Roman Empire, or what happened in the fourteenth century, when the banking system collapsed, and about half the people of Europe died during the 100 years bridging that period, and about 30% of the population of Europe died in that period partly because of the bubonic plague. But the bubonic plague spread under conditions which were caused by the economic collapse.

We can go into a New Dark Age which can last on this planet well into the next century, if we allow chaos to take over. So, the question which confronts us today is: How do we address this crisis? How do we bring ourselves to recognize the failure of this system, that we're at the end of a dynasty, that all the old tricks don't work any more, that the ride is finished, the ship is sinking? If you try to cling to the ship and save it, you'll only drown yourself. You've got to get a new ship; and that's going to be the politics of the coming period.

Building a general recovery program

In my view, we now have to build a general economic recovery program for this planet, and that's what I wish to devote myself to. But let me just make a few more remarks on a couple of points before getting to the recovery program.

Let's look at the principle, first of all, which underlay the success of the Golden Renaissance. I'd mentioned earlier that, in ancient times, 90 to 95% of the population was treated within every culture, as virtually animals, peasant animals, mostly living in rural life.

What are peasants, in the mind of the oligarch? The peasant is the person who is like a little animal. He goes out and he manures a rock, and he grows crops. Ninety-five percent of the population are peasants, or similar people. They grow the food. They live in miserable conditions. But they provide the food upon which the small percentile of the population, with its labor, is able to maintain a culture.

So you have at the top, a very small group, an oligarchy. You have under them, people who help them administer society: military, bureaucrats, what not—lackeys. And under it, you have 95% of the population which is oppressed and bestialized.

Let me just identify why the Renaissance in Europe in the fifteenth century is so important to us today. What happened then? What happened in 1440 A.D., which caused a rate of growth of the population, which had stagnated at several hundred million people, suddenly to take off with hyperbolic growth? What made the growth extend through the development of Europe, despite all the troubles and tribulations which occurred there, such that the benefits of this culture



A parade in 1934 celebrates the fact that Tupelo, Mississippi was the first city to sign a contract with the Tennessee Valley Authority for electric power development, in a program to get the nation out of the depression.

were admired and sought out and adopted, sometimes not successfully, but desired, by most of the part of this planet?

Up until the middle or late part of the 1960s, every developing nation of this planet, no matter what its cultural origins, desired the right to access to the benefits of technological progress, and was being told, for part of the time, "Yes, you have a right, but it's going to be a little slow on delivery," or were then later told, "No." Then Prince Philip said, "No. You black Africans are annoying my animals that I intend to hunt. So you're going to keep your population down," a Prince Philip who said he wished he could be reincarnated as a deadly virus so he could wipe out the excess people. And that's the policy of the World Wide Fund for Nature and the Club of the Isles.

Man in the 'image of God'

So, what happened in the fifteenth century that's so important? Well, the principle here was very simple; very complicated, but very simple in conception. You find it, if you read about the beginning of this era, if you read the writings of a famous Hebrew scholar and also a banker by the name of Philo of Alexandria, Philo Judaeus, who wrote a series of papers which includes one on the account of creation given by Moses.

Philo says correctly and very clearly, that man is created in the image of God, as the First Book of Moses on creation says, by virtue of the fact that man, unlike any beast, has an intellectual power which mirrors the intellectual power of

God. That is, not merely an intellectual power to contemplate, but an intellectual power to create new things, and to create true new things, not merely as ideas, as conversations, as opinions; but to take these ideas, bring them to nature, subdue nature, and produce a beneficial improved state of nature which never existed before. This is how man grew.

If man were an animal, without this intellectual power, the human population of this planet would never have exceeded several million people. Man has biologically, without this power, no more potential for growth of population than a baboon or a chimpanzee, approximately; and therefore, our condition of life, and our population numbers would never have exceeded that of approximately one of the higher apes but for this power.

So we know that every human being in every part of this planet, we can prove historically, has this remarkable creative power which no animal has; that the intellect of man attempts to *imitate* the intellect of God through creativity, to call things into existence physically, states of matter which never existed before, through this creative power. And this is what makes man special and sacred.

Philo and the early Christians taught that. St. Paul and St. Peter undertook an evangelizing mission among the slaves of the Roman Empire, and preached that all men, by virtue of being in the image of God, were equal before God, that you could no longer have categorically a division of society among rulers, lackeys, and slaves, because all men are equal.

Therefore, the just condition of the behavior of man to-

ward man, is to look into the eyes of another person, and recognize that behind those eyes, lies the remarkable intellectual quality which makes that person in the image of God. Well, this was the Christian idea, it was the Augustinian Christian idea which took strong root in western Europe. *But until 1440*, this idea had never been put into practice as a principle of statecraft, of government.

The introduction of the idea of science and a nation-state committed to scientific progress for the benefit of every person and every family, was a new idea—the nation-state with responsibility for all.

For example, look in the U.S. Constitution's Preamble. The most important part of the U.S. Federal Constitution is in the Preamble: "to secure these blessing for ourselves and our posterity," the general welfare clause. What is the function of the individual? Our lives are short. They may be sometimes long for a child but as you get older, as we do, some of us, life gets shorter and shorter. The months spin past. And what's life about? It's for the contribution you make through family and society, to posterity. This is sometimes, as I said, called the general welfare. This does not mean put everybody on welfare; this means that the well-being of society is our concern. The New Age would have everybody on welfare, and then kill them by starving them to death.

So this idea was put into effect with the idea of the nation-state, as Cusa says, for example, that every nation has the right to share in the scientific discoveries of any other nation, free of charge. That's the principle of humanity. And that is what gave western European civilization its great power.

Ah, but it wasn't that simple. The people who represented that which the Renaissance attempted to overturn, the Venetian oligarchy, similar people who had run the old feudal imperialist type of society, objected to giving up their power.

As we know, on every part of this planet, you'll find people who believe that we must perpetuate a system in which 90% or 80% or 60% of the people must be underdogs, an underclass, people who believe that their right to enjoy luxury and idleness at the expense of poor people laboring in bestial or brutish toil, is the natural way of things.

This is the struggle within China. This is the struggle within India. This is the struggle throughout the world: to realize a form of society in which every individual is appreciated as being equal in importance, from the time of birth.

And these forces that didn't want that, fought, and they fought hard. And, as a result of a long history, which is a story in itself, those forces which opposed the Renaissance, which wanted to eliminate the nation-state as an institution, which wanted to create an imperial world government; these people have gained the greatest power, the financial power, and that's what our problem is today.

So, by our not freeing ourselves, as the American Revolution, for example, attempted to do and did with partial success (for which it was much admired in former times, before it began to get British ways and became less admired),

we failed to free mankind of the overlordship of an oligarchy which is typified by the World Wide Fund for Nature and the Club of the Isles behind it today.

That's what our crime is. We have not succeeding in winning the conflict between the oligarchy and that which was good, the impulse to develop mankind, an impulse which was reflected in my generation and our support for the idea of the Development Decades.

But on the other side, the other forces have proven politically more powerful, partly because the ordinary people do not know what is in their own interest. And the ordinary people, as in the recent election in the United States, in many cases, went out and voted for an outright fascist. The senior citizen who voted for Newt Gingrich, unless he's very rich, is committing suicide.

Our problem is that we do not have institutions which have effectively mobilized the average person to understand his own true interest. This problem becomes more difficult when we don't have real education in our schools, because we have people on the streets who we can meet, we can look them in the eyes, and, within, they are good people; but they are so *poorly* educated, so *poorly* informed. They don't know anything. Their minds have not been developed. And they lack the ability to understand their problem.

So, those of us who do know, have the responsibility to act for the benefit of those who do not, and for the benefit of their children, their grandchildren, and the other descendants of those alive today.

There are only a few of us, I suppose, who are really dedicated to that. Most of us tend to get into a Sancho Panza condition at one time or another—we're so concerned with our own belly, we can't govern ourselves. The higher passions cannot seize us and grip us and sustain us. But those who take pleasure in doing good, will look back at the long history of thousands of years of history before us. They will look back to the great gift which was given to humanity by western European Christian civilization in the form of the Renaissance, and the new institutions which were created.

Those of us who enjoy that, will participate and try to continue that process, and re-live it in its proper form for today, because that, to us, is the greatest pleasure. (I'm 72, I'm not going to be around for much longer, and I'd better get about my business, and decide to get the thing done, that needs to be done by me, because I don't have much time to waste.)

Therefore, my interest lies not in myself as such, but in what I do for mankind. And that is the way you reach the richest harvest in your own life, a thing of which your grandchildren can be proud may be the thing which is most vital to your self-interest and true pleasure today.

And that's what makes a statesman. As de Gaulle said in his *Memoirs*, speaking of the condition in which he took over the leadership of France after the disaster of the Fourth Republic when France was about to disintegrate in its own decadence, he found the French people sitting like calves in

the meadow chewing their cud, who mistook the real estate of France, its rivers and mountains and pastures and so forth, for French interests. And he said the true interest of France, was to recognize France's responsibility for the maintenance and improvement of civilization at large, so that France could prove it was a necessary nation for the sake of humanity.

And if each of us can do that, and find that the thing that motivates us, is a recognition of what our necessary duty is toward humanity in our lifetime. That is our true self-interest. The good that we do for others, since we have such short lives, turns out to be our truest self-interest. And our grandchildren and great-grandchildren, will probably share that opinion.

So, it is this conception of mankind which inspired the Renaissance, the few who made the revolution, the good revolution. And, given the condition of mankind, those of us who understand this problem, will have to act as missionaries, and take the responsibility of leadership to bring the poor people of this world into a force that can reestablish the kinds of great institutions which the Renaissance brought us, minus the oppressive oligarchy, such as the Prince Philip and the Club of the Isles entente.

That's where we stand.

The post-industrial debacle

Now, I've indicated what the financial prospects are for us now. I just recommend Figure 1 to your reflection occasionally, to help you recognize what a wonderful gift was given to mankind by the Renaissance, which proved that mankind does not have to live like a beast, either in totality or otherwise. Ninety-five percent of the people do not have to live in brutish toil so that a few can live in privilege.

We've shown in the United States that 2% of the population or less, with modern technology, can, if allowed, feed an entire nation, and part of the rest of the world besides. We have shown that with about 60% of the labor force employed in industry, we can have the highest rate of wealth per capita imaginable, that there is no problem, with the aid of science in this approach, which cannot be addressed. There is a solution waiting for every problem that confronts us out there, if we are mobilized to muster our creativity to solve it.

That is the challenge we must face. That is the problem we must solve. The purpose of today's presentations is to report to you on programs which will aid us in avoiding a long plunge into a world economic depression, programs which rely upon those proven principles which enabled modern western European culture to emerge as a world culture, as the most powerful form of culture which has ever existed.

First of all, I want to introduce to you the way in which the development policies which we will identify here came into being. Some of you know the story. It's of rather historic significance. Some do not. But by identifying it, those who do know it, will put up with the repetition, because it establishes the common ground for understanding.

In 1974, I happened to see something I knew because I

had been involved in my professional work in economics in combatting Norbert Wiener, John Von Neumann, and others. So I knew what the New Age was, and how dangerous it was. I saw, in 1964, some proposals, including the so-called "Triple Revolution," which informed me that the most hideous and most evil movement which could be imagined, was about to be unleashed upon the populations of North America and western Europe, as a mass recruiting project: what became known as the counterculture, the New Age, "post-industrial society."

So, I didn't know what to do. I was only an individual. I was a management consultant privately. I'd worked for corporations, management consulting firms, and I was largely working with people I knew, on projects. What could I do?

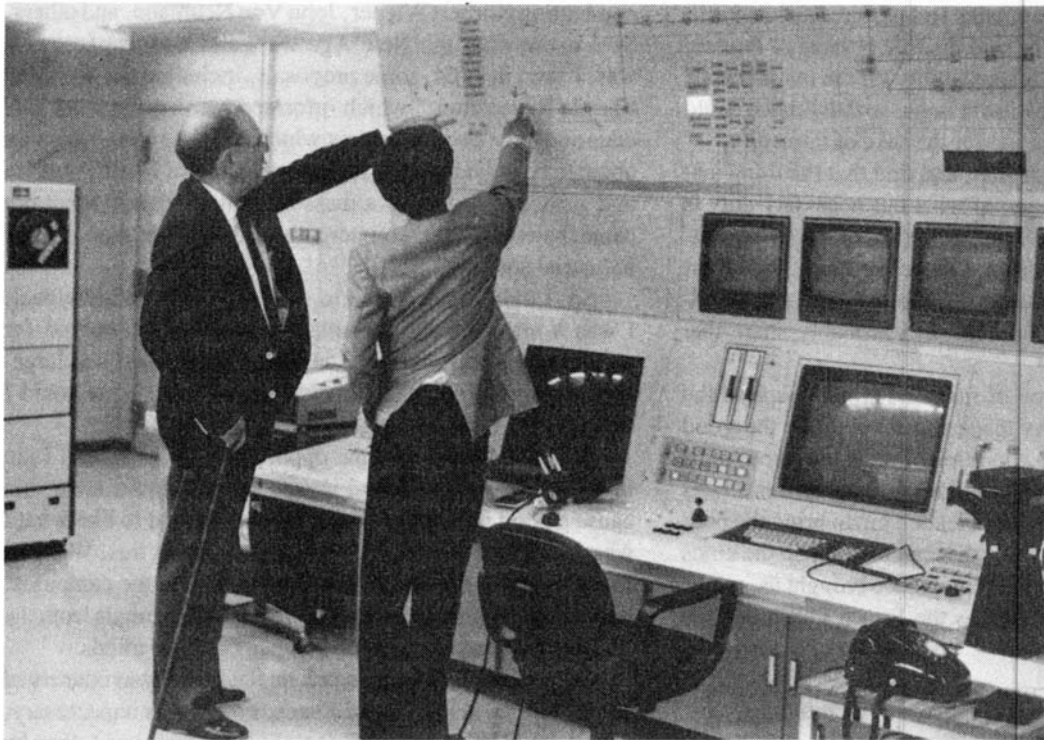
In about 1966, I had the opportunity to teach, and I got into teaching. And I found myself getting into trouble, because a good number of young people seemed to like what I was doing, and what are we going to do about this. Well, all I was trying to do, was to try to intervene on the campuses, hoping that I could help rescue a few talented minds from the garbage that was about to be dumped on those minds.

So, we began to fight on practical issues. I was concerned about poverty in the United States, how it was unnecessary, how it could be understood. Research projects were done by these students, university students, some graduate students. This woman here [moderator Nancy Spannaus] was a student at that time in social work, graduate work at Columbia, and, among others, they did studies of the way the real estate system works in New York, how the tenants are looted in New York City. And they came up with a conclusive case, and learned a good deal in the process. Others did other things.

We organized around the point which I was committed to, of course, as a matter of course, being a World War II veteran, that the solution for the problems of the United States, was that the United States must make a commitment to the technological development of the developing sector. This, even in the narrowest way, would be advantageous to the United States, because if you have a company, and you're manufacturing a product, you don't believe in killing your customers. As a matter of fact, you try to sell them products which will make them more prosperous, because then they'll buy more products. And that was the way we proposed it.

We said, "The people of the developing nations, if they're given the opportunity through infrastructure and investments to develop their own economies, will become bigger customers. So isn't it very stupid to keep them poor, to keep your customers bankrupt? That's not a very good business practice." So, we organized around that.

Well, we got into a lot of trouble, but just to make short and get to this point. In April 1975, I was invited to go to Iraq and spend several weeks there. The occasion of the visit was the Ba'ath Party had its anniversary of its formation every year in April, and I went there, because I liked the



Lyndon LaRouche in the control room of the GEKKO XII laser fusion machine, at the Institute for Laser Engineering at Osaka University in Japan. Third World nations were told to wait for access to high technology, and then were told, "No," by Prince Philip and his minions.

opportunity of talking to the Iraqis, finding out what they're up to, and talking also with many other Arabs and others, who were there, from every part of the Arab world, the Islamic world. And we had some wonderful conversations, and I expressed my views.

I told them that Lebanon was about to be divided by civil war, which some fellows in London and Henry Kissinger were about to unleash. And they said, "No, that can't happen, we've got the situation under control." I said, "You don't know London and Henry Kissinger." And while we were there, in Iraq, if some of you are old enough to remember that, the civil war in Lebanon broke out, orchestrated from London, with weapons supplied in part by Kissinger through the State Department.

Organizing for Mideast peace

So, they became very interested in what I had to say, in that circumstance, and we began to talk about some other things, and I expressed my ideas on a number of subjects, including Arab-Israeli peace. I stated that the only possible basis for peace in a situation such as that between the Israelis and the Palestinians, is to find a common interest, and the only common interest which existed in that circumstance, considering the bloody bitterness which had erupted—it's like the Northern Ireland situation and other situations around the world—is a vital common interest in economic development of the region, to mutual benefit.

If people can share, as separate sovereign peoples, the idea of cooperation to mutual benefit, including economic

development to improve the lives of their people, that common interest can be the mortar which puts the bricks together, and makes peace possible. It doesn't guarantee it, but it makes it possible.

The Arabs said, "Well, if you can pull it off, and get these guys together, we're all for it."

So, when I left Baghdad, on the way home, I decided to make a detour into Germany, to get some jobs done in Europe. So I went to my friends in Germany, and we organized around that, and we had a big mobilization, including a couple of press conferences I gave. My wife was involved in this at the time. We mobilized two things: a general international economic development program to counter the effects of the Rambouillet type of process, of Azores conference; and also, special efforts with both Israelis, the sane Israelis, and our friends in the Palestine Liberation Organization, to see if we could put this together and get some negotiations between Israelis and Palestinians going again on this idea of economic development. Because economic development, *then as now*, in the context of Middle East peace, is vital to the peace of the world.

The Middle East will be an area between Israelis and Arabs, or among Arabs and Arabs. It is the crossroads of civilization. It is where the Mediterranean, which is the heart of Europe, meets the Indian Ocean, which is the gateway to the Indian and Pacific Ocean basins. It's the gateway to India, to Pakistan, to Southeast Asia, to China—the greatest concentration of population in the world, including the population of East Africa. This is the future of civilization, where

the most people are; that's where the most development can occur.

Therefore, it's important that we have peace in the Middle East, and that we have nations in the Middle East which will administer as their business, the things we need to establish—better communications between the Mediterranean and the Atlantic and the Indian Ocean and Pacific Basin, where the great population concentrations of this planet are located.

I saw that then, and it's clearer, of course, now, when there has been a serious effort. And some of the same forces, the forces around Arafat, the forces in Israel which are associated with [Foreign Minister] Shimon Peres and [Prime Minister Yitzhak] Rabin now, these were the forces we talked to in 1975. In 1976, we were very close to pulling something off. It was very difficult. Not "we," but we as a catalytic agent. Then the Likud government came to power, and it collapsed.

In the 1980s, there were efforts to do the same thing.

In 1976-77, I became aware that what was called "Mutually Assured Destruction," the so-called Kissinger-McNamara policy (really, the Bertrand Russell policy), was actually the road to potential thermonuclear destruction of this planet. During that period, it was obvious to me that the weapons systems in Russia and the United States were more accurate, were forward-based, and that, with the development of techniques such as enhanced radiation effects, the so-called electromagnetic pulse (EMP) effect, that a few thermonuclear warheads exploded over the United States could prevent the land-based missile system of the United States from functioning, and that a Soviet submarine, a boomer or two, situated off the Atlantic and Pacific coasts of the United States, could launch a dozen or half-dozen warheads by missiles over the United States, and the United States was out of business. This gave the President of the United States a matter of a few minutes, at most, to decide whether to "push the button."

The forward-basing of NATO weapons toward the Soviet Union, including the submarine-based weapons, created a similar situation on the other side. And what Kissinger and Robert McNamara hailed as the balance of terror as the key to peace, was actually becoming a hair trigger for the potential of first strike. And technologically, the possibility of a first strike occurred.

So I tried to apply to this situation, the same thing we had been applying to many situations, including the Arab-Israeli peace question. This was a featured part of my presidential Democratic Party campaign for President in 1979-80.

I met Ronald Reagan during that period. We had a little chat there, which caused a lot of people to become paranoid, but that's all right. It's good for them. Paranoid people should have a right to exercise their insanity, occasionally.

The time came when, for various reasons, people in the Reagan government asked me if I would be willing to set up

a back-channel, exploratory discussion with the top level of the Soviet government. We discussed it, and I asked them: "How about, if we want to do an exploratory discussion, why don't I present to the Soviet government the proposal which I made as part of my campaign, and see how they react to it, as a way of getting a good discussion going?" And, it was approved.

So, in February 1982, after the agreement was reached to go ahead with this, I organized a conference in Washington, which was actually over two days, on the subject of strategic ballistic missile defense and related problems. Most of the establishment of Washington which is relevant were represented. The intelligence establishment was represented, as were most of the European governments and the Soviet and East bloc governments.

So I put the policy on the table, and then, following that, I met with a Soviet representative in Washington by the name of Yevgeny Shershnev, who is now retired, and we began discussions, where he was reporting to his government what the discussion was, and I was reporting to mine. In the meantime, I was presenting this as an option for discussion.

There was great interest until Andropov was appointed in the summer of 1982 to replace Brezhnev, who was dying. In February 1983, I got a flat turndown on the discussion from the Soviet government, from Andropov, through Shershnev. The point was they agreed that what I had proposed was scientifically sound and militarily sound, but they said the United States would beat the Soviets in a crash program to develop these kinds of systems.

Despite the turndown, the President went ahead with the anti-ballistic missile policy, and it became known as the Strategic Defense Initiative afterward.

The historical opportunity of 1989

Now, in my discussion with Shershnev, what I told him he should relay to his principals in Moscow at that February meeting, was that, if the President of the United States were to adopt my proposal, as he did publicly at the end of March 1983, in the famous television broadcast, and if the Soviet government were to reject that, and to follow an independent course along the track that it was already on, then, your economy will collapse. I said, "Your economy, the Soviet system economy, will collapse within about five years. Your best chance, and the best chance for peace, is not to look for affection and love between the superpowers, but to find a basis in mutual interest, particularly the dangerous threat, where we're both being driven to first strike by this silly system which [Bertrand] Russell dreamed up and which Kissinger and McNamara are noted for. You bought it, it was a mistake. The United States government bought it, it was a mistake. We've got to end it, it's dangerous."

So, these were my policies.

Then, in 1989, something happened. I made an address, as part of my presidential campaign for the Democratic nomi-

nation in 1988. I made it for reasons which are obvious from what you'll see, in Berlin, at the Kempinski-Bristol Hotel. And this is an excerpt of that address [from the videotape]:

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

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

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

"I see the possibility that the process of unification, could occur precisely as de Gaulle proposed. I base this possibility on the reality of a terrible, worldwide food crisis which has erupted during the past several months, and which will dominate the world's politics in every part of the world, for at least two years to come.

"The economy of the Soviet bloc itself, is a terrible and worsening failure. In western European culture, we have demonstrated that the successes of nations of big industries, depend upon the technologically progressive independent farmer and what is called here in Germany, the *Mittelstand*.

"Soviet culture in its present form is not capable of applying this lesson. Despite all attempts at structural reform, and despite any amount of credit supplied by the foolish West, the Soviet bloc economy as a whole, has reached a critical point. At its present time, in its present form, it will continue to slide downhill from hereon, even if the present worldwide food crisis had not come into being.

"I do not foresee the possibility of genuine peace between the United States and the Soviet Union, earlier than 30-40 years from now. The best we can do in the meantime, in the name of peace, is to avoid a new general war among the major powers. This war avoidance must be based partly upon armed strength and our political will. It must be based also, on rebuilding the strength of our economies.

"At the same time that we discourage Moscow from dangerous military and similar adventures, we must heed the lesson taught to us by a great military scientist from about 400 years ago, Niccolò Machiavelli. We must always provide our adversary with a safe route of escape. We must rebuild our economies to the level at which we can provide the nations of the Soviet bloc an *escape* from the terrible and worsening effects of their economic suffering.

"During 1988, the world will have produced between 1.4 and 1.7 billion tons of food, of grain, and that is already a

disastrous world shortage of grain. To ensure conditions of political and strategic stability during 1989 and 1990, we shall require between 2.4 and 2.5 billion tons of grain worldwide, approximately. At those levels we will be able to meet *minimal* Soviet requirements; without something approaching that level, we could not."

What happened, of course, after that address (this was an excerpt of the address, which was broadcast nationwide during the campaign that October), was that, as we subsequently discovered, the Soviet forces were mobilized in East Germany in 1989, to overrun western Europe.

That is, until the Berlin Wall actually fell in late 1989, Moscow was prepared for a military launch, an overrun of western Europe, including the British (which probably would have been fair to them, but I didn't want the rest of the people to suffer).

At the same time, of course, the Wall did fall, and it fell for exactly the reasons that I told Shershnev in 1983, and for the reasons I indicated in that address in Berlin and similar things elsewhere.

So, my response to the fall of the Wall, particularly in discussions with my wife, who did a great deal of the work on this, and who will tell you something about that from her eyewitness experience; she shook the world up a little bit on this one. She can do that. Don't let her deceive you. She can do that. She shakes me up, occasionally.

My response, was to propose what became known in English as the "Productive Triangle" proposal, or "Das 'produktive Dreieck' Paris-Berlin+Wien" in German.

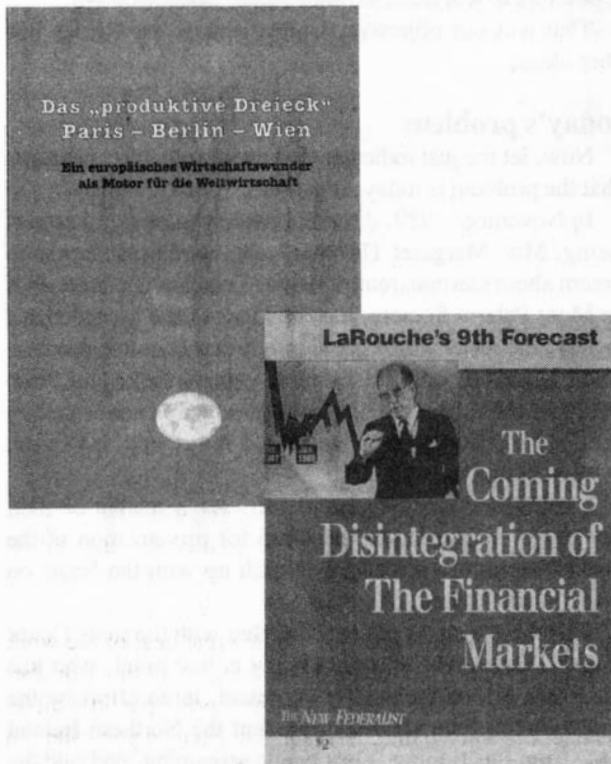
This is the document which was later published (**Figure 2**) which contained (it's a fairly thick document) the plans for a general economic development of Eurasia, starting from an area in Europe, which I called the Productive Triangle.

I want to give a physical-geographic image of this (**Figure 3**). There is an area from Paris, which runs down to Vienna, which runs across Bohemia, into Berlin. From Berlin, it runs back above the Ruhr, and above Lille in France, to Paris. This area of Europe is the most highly developed area of the world. It has the greatest productive potential, in terms of infrastructure, of the world. It has inland waterways, which were started by Charlemagne, on a large scale. We just completed, in 1990, I believe, the last leg of the Rhine-Main-Danube Canal, which was projected by Charlemagne in that period, nearly 1,200 years earlier.

It has the highest concentration of rail transport, per square kilometer. It has the greatest volume of ton-mile-hours of distribution of freight. It has the highest concentration of productive power potential of any part of the world.

Therefore, my proposal was: develop the Productive Triangle, and run from the Productive Triangle, from Berlin, from Vienna, from Paris, what are like the stellar spiral arms of a spiral galaxy. These spiral arms will include high-speed modern rail, preferentially, magnetic levitation rail, including through the development of better superconductors,

FIGURE 2



heavy freight carriage by this high-speed substitute for rail, magnetic levitation. This means [travel speeds of] 300 miles an hour. This means the virtual elimination of air transport, air traffic congestion, for passenger flights, because if you can travel 300 miles an hour, along the route from Boston, Massachusetts down to beyond Washington and Richmond, who's going to take a plane? You can get there cheaper and safer and quicker by rail or by magnetic levitation than you can by air.

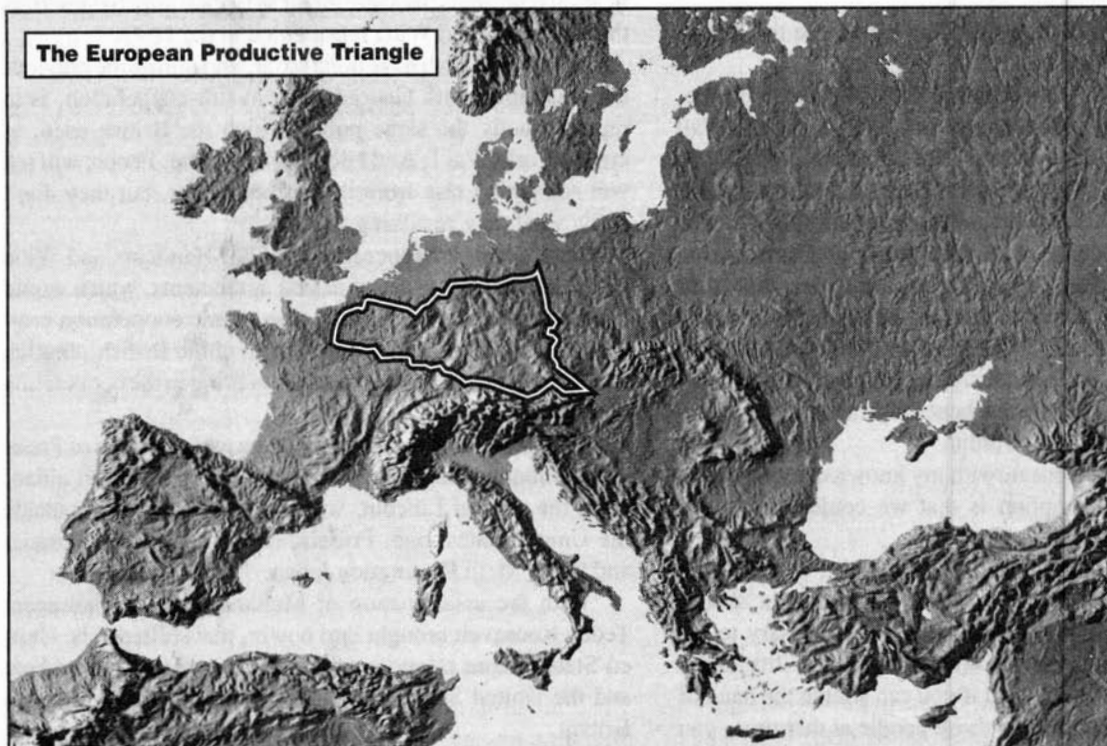
So, develop that system. In the same way, use our inland waterways. Western Europe is rich in standard inland waterways. Barge traffic is the cheapest method of inland freight, especially for bulk freight, for agricultural commodities, for heavy ore, sand, whatever.

There is almost *no* development; there are some big things in Russia, but no general development in eastern Europe of an adequate system of inland waterways, to enable us to have low-cost bulk freight. There's almost no rail system capable of handling the needs of a modern economy.

In western Europe, the Triangle has a great concentration of productive power, energies, including, in France, nuclear energy, and some in Germany. So you want to put up an industry? That's the ideal place in the world to put it, or was at that time. You've got the labor, you've got the power, you've got the transportation, rail transport, cheap truck transport. This is very efficient—though very costly, much

FIGURE 3

European 'Productive Triangle'



more costly than rail—but efficient on short hauls. Also readily available are barge transport, power, sanitation, labor force, educational facilities, and so forth.

The region of the Productive Triangle is the best place in the world to invest. We must begin to develop the areas down through the Balkans, into Italy, into North Africa.

Go to Warsaw from Berlin. From Warsaw, go to St. Petersburg; from the same area, go to Moscow. Go down to Ukraine, to Kiev, and so forth, and so on. And move further. Build across Asia.

The Franco-Russian alliance

This is not a new fantasy. This was actually proposed, in a general way, in the 1890s, by a Russian, Count Sergei Witte, the foreign minister and government leader, at times, in Russia, who was politically a follower of the great Russian ally of Abraham Lincoln, Alexander II; who was a collaborator of Dmitri Mendeleev, the discoverer of the Periodic Table, the great chemist; who also built the railroads of Russia, such as they were. And did some other things; Vernadsky was one of his students.

And then in France you had Leo XIII, the pope, and a French politician, who was better than the average French politician, though I have a lot of complaints about him. His name was Gabriel Hanotaux. And Gabriel Hanotaux and Witte shaped a policy, to build a network of rail and other infrastructure developments, across from Brest in France, to Vladivostok and into Japan, by modern rail systems. The next step was to take these rail systems down into China, to build a rail network from Berlin into Baghdad, and so forth and so on.

This was the cause of World War I, because the British didn't want this to happen.

The point is: We've had hell in Europe since that time, since the beginning of this century. In 1989, the Berlin Wall dropped, the division of Europe, the amputation of Europe from itself by the Wall, by the communist divide, had ended, or at least partly. This was the great opportunity, to take this vastly underdeveloped part of this planet of Eurasia from Berlin to the East, into Japan, down into China, linked to India, and in turn, the rest of Asia, which is the greatest concentration of the world's population, into a workshop of great productivity. And obviously, where you have the most people, you can get the greatest benefit from improvement in productivity, as in China, or India.

So that was my proposal, with my knowledge of modern technology. The assumption is that we could bring these nations into a new era of development.

You know, it's like a death in the family, when even a communist regime falls. The people are living in shock, they're living in a sense of freedom. It is necessary to act then, in some way, to establish a sense of stability under these conditions of shock. And if you can stretch the hand of friendship and cooperation to those people at that time, you

may be able to bring about a great good, which it would not be possible to win them to, under other circumstances.

That was our objective. Unfortunately, the British had other ideas.

Today's problem

Now, let me just indicate what the problem has been and what the problem is today, in politics.

In November 1989, directly contrary to what I was proposing, Mrs. Margaret Thatcher, who is a fascist, began to scream about German reunification. Thatcher is a protégé of the Mont Pelerin Society, has the ideas of the Mont Pelerin Society, the ideas which came out of that brand of fascism, which is associated with Friedrich von Hayek, and those types of people, the type of fascism which is advocated by Phil Gramm, the senator in the United States, and, in a sense, by Newt Gingrich.

I know these people very well. As a matter of fact, they've got an Auschwitz program for privatization of the prison system. They really do match up with the Nazis on these kinds of things.

Thatcher began to scream, together with the same Conor Cruise O'Brien who was her lackey at that point, who just caused the fall of the Irish government, in an effort by the British intelligence service to prevent the Northern Ireland peace from functioning. They began screaming, and said the unification of Germany would constitute an economic threat to the vital interests of Great Britain. It would be a Fourth Reich. It would link up with Russia. It would open up Eurasia—they didn't say this, but they meant it: German reunification represents the same threat to British imperial interests that Hanotaux and Witte represented in the 1890s.

What the British have done so far, and during the previous administration with George Bush in full cooperation, is to repeat exactly the same policy which the British used, to create World War I. And I do not exaggerate. People will tell you something else from the history books, but they don't know what they're talking about.

Here's how it happened. By 1896, Hanotaux and Witte had cemented a number of nested agreements, which would have established these Eurasian economic cooperation projects, to help free China from the grip of the British, through aid of economic development, and to bring in the cooperation of the Japanese.

At that time, prior to 1901 and the assassination of President William McKinley, the United States had been allied, since the time of Lincoln, with three major powers outside the United States: one, Prussia, or Germany; two, Russia; and three, Meiji Restoration Japan.

With the assassination of McKinley and British agent Teddy Roosevelt brought into power, that shifted. The United States' close relations with those countries was broken; and the United States established a close relationship with Britain.

The Entente Cordiale

But something else happened in the meantime.

In Africa, the policy of England at the time, was to run a railroad as a method of conquest from Cairo to Cape Horn. The area which was at risk in this, was what we call today, Sudan. The French policy in that period, was to run a railroad (as it had been from the 1870s on), from Dakar (what we today call Senegal), to Djibouti, in East Africa, a sub-Sahel rail line, which would run through the areas we'd call Nigeria (Nigeria, Chad, and so forth), across Sudan, and across what we'd call Ethiopia or Abyssinia, to Djibouti.

This was 1898. The British were ready to go to war with France on this issue. Lord Kitchener came onto the scene, along with the grandfather of Boutros-Boutros Ghali, who was called Boutros *Pasha* Boutros-Ghali, and was a great assassin of Sudanese people in that time (and, I guess, the present U.N. secretary general maintains that tradition as a British lackey who likes to assassinate Africans). Lord Grey from London controlled a French politician by the name of Théophile Delcassé, and the so-called *revanchiste* faction in France.

Delcassé cut an order, ordering a French captain who was in the area, one Captain Marchand, to surrender to Kitchener. And the policy of France was changed, so that France became the lackey of England from that point on, in an arrangement which became known as the Entente Cordiale, the relationship between a sodomite and a catamite.

The Entente Cordiale was consolidated in 1904. In 1905, the British began organizing the Russian Revolution. Actually, they had already organized it, but in 1905 they called it into action to bring down Witte. Witte's power in Russia was destroyed by the 1905 Revolution, just as a lot of Russian industry was destroyed, and the Baku oil fields. At the same time, the British, through the Dreyfus scandal, and through the surrender of the French at Fashoda in Sudan, ordered by Delcassé, when Marchand surrendered to Kitchener, made France a captive of London.

The British owned the Serbians. The Serbians of that period were complete puppets of the British, *as they are today*. This is not something new, this is an old story. The British had a freemasonic lodge in Salonika. This freemasonic lodge was called International B'nai B'rith. The International B'nai B'rith Lodge in Salonika became a government of Turkey, called the "Young Turk" government. Vladimir Jabotinsky, the founder of the Israeli Likud, was the editor of the newspaper of the Young Turk government.

On this basis, they induced Bulgaria to find itself at war with Greece, and, with the aid of Serbia, set into motion a series of Balkan wars which ultimately became World War I. In the process of this, with Witte out of power, the British managed to manipulate their assets in Russia to activate a Slavophile faction, to move in support of Britain's puppet Serbia, against the Croats, Slovenians, Bosnians, and so forth, as they have done today. Out of this arrangement, the

British organized what became known as the Triple Entente. World War I began when the Russian Army was called up in a general mobilization for the purpose of launching a war, a military attack on Austro-Hungary and Germany.

The Germans attempted to get the Russians to call off the mobilization, because the mobilization would require *them* to mobilize. The Russians refused to call off the mobilization, the Germans mobilized; and World War I was on.

What Mrs. Thatcher and George Bush did, *was the same thing*. Thatcher organized, with [President François] Mitterrand and other forces in France, a revival, as the British press and British government said, of the Entente Cordiale. The same faction of British intelligence today says this openly; the same faction is out to kill President Clinton, and that's a fact. They are organizing a Triple Entente with Moscow, against Germany in the lesser part, but primarily against the United States.

The destruction of eastern Europe

Instead of opening up eastern Europe, Russia, Ukraine, and so forth to development, as we should have done, which would have led to the greatest economic boom in this planet's history, if we'd done it, what they did, was to impose so-called reform, through a virtual British-shared puppet, Mikhail Gorbachov, and his successor, who has the same politics, Boris Yeltsin.

As a result of these reforms in Poland, in the Czech Republic, in Hungary, Romania, and Ukraine, the level of per capita, per square kilometer, and per household production of wealth, in the former Soviet bloc, is now today *less than 30% of what it was in 1989*.

What you have in these countries, are former U.S. Ambassador to the U.S.S.R. Bob Strauss's friends, a mafia composed of elements of the old state apparatus, which is stealing the country blind from the inside in Russia, and hawking the proceeds for nickels, like people who steal television sets out of your apartment, on the streets of London, for pennies. Russia is being bled dry. Poland is being looted dry. The Czech economy, which is the so-called glorious example of reform, is in dangerous trouble. Hungary is suffering.

The British, in order to prevent development, in 1991 launched their Serbian fascist puppets (and Serbian President Slobodan Milosevic is *owned* by the British psychological warfare division), first of all against Croatia and Slovenia, then against Bosnia-Herzegovina, with the intention to broaden the war generally.

The United Nations, through the Franco-British Entente Cordiale, and a British agent as U.N. secretary general, and a Yeltsin who is playing ball with the British (up to a point, he may be overthrown any minute, who knows, he's not long for this world), have orchestrated a bloody war, and have run the war as a war against the present government of the United States. Not a shooting war against us; but every Bosnian shot, is really a bullet aimed at the policy of the United States

government.

If this continues in eastern Europe, you can imagine what the consequences could be. The Russians have not been conquered by anyone since they escaped the Mongol occupation in the course of the fifteenth century. They have not been conquered. They are not a people like some of the other nations of Europe, who are used to being defeated and occupied for a time by other powers. They have a distinct culture, with distinct problems, and they cannot accept defeat.

These idiots in London and in Washington and elsewhere, are driving the Russian people and the Russian military and other forces into a state of desperation which can lead to an explosion. They are committing crimes in the Balkans, with the endorsement and backing of the British government and the French government and the United Nations, which are *crimes as bad as those committed in the field, by any stretch of the imagination, by the Nazis in World War II.*

What they are doing in Africa, is worse. But that doesn't make the headlines. What they are doing in other parts of the world, is similar. And so *that is our problem.*

We can fix it, still, if we can stretch out the hand of friendship and economic cooperation to these troubled areas of the world. We will say, "Look, we're all in trouble, terrible mistakes have been made. *Let's fix it.*" And we can have peace. And that's what I'm at.

I believe in the principles which I tried with the Arab-Israeli peace, which are very important to me, that Mr. Peres and Mr. Rabin pulled off as well as they did; because that is a touchstone of an example of what can be done in the way of building peace between peoples who are separated by rivers of blood. And if you can build peace between people who are separated by rivers of blood, you can build peace anywhere, through economic and related cooperation. To solve hunger, to solve the problems of the individual, of the family household, and so forth.

Okay, we have the political map of Europe. We've gone through this. And you know the Ninth Forecast [pamphlet published by *New Federalist* newspaper, see *EIR*, June 24, 1994, p. 24 (**Figure 2**)]. In this pamphlet, I indicate what I described before, the nature of the impending global financial and monetary collapse.

Build infrastructure

So, the question is: Given these facts, what do we do? And one would hope that we could induce some people around Washington and elsewhere, to support the President of the United States, and to push such a policy now.

Forget the fact that this system is going to blow. My policy, in every part of the world, is to build infrastructure. When our friends or governments or other people ask us, "What shall we do?" I say, "Start the infrastructure-building projects now. Start them on a small scale, because you have to start large projects on a small scale, to bring together the cadres of people who are going to do the job, and then you

can expand the project on a larger scale, once you've got a nucleus which is functioning and is a proven administration and initial core."

They should be done in all parts of the world. Water systems: in Africa, for example, fresh well water, potable well water, is a crucial factor. You can always do something good, in every part of the world, if you just put your mind to it. Let's get these projects going, especially large railway, pipeline, power line, infrastructure-building corridors.

The way we finance this is simple. When we go into a bankruptcy, as we will, either through chaos or through orderly bankruptcy, it is obvious that anybody who is talking about free trade, *has to be a lunatic*, living in virtual reality. Because when the central financial and monetary systems of the world are in bankruptcy reorganization, there is no large source of private capital for large-scale investments. In a bankruptcy reorganization, you're lucky to keep the doors open. You do not have abundant internal resources.

There's only one way you can approach this effectively, and that is to replace the present world system of central banking, that is, central banks controlled by private interests, like the Federal Reserve System, which is chartered by the federal government, but it's owned by private financial interests. They have a monopoly over our money and credit, not the government. If you want to cure the problem of the burdens of taxes, put the Federal Reserve System back into bankruptcy, and you'll find out how wonderfully the problem can begin to be solved.

We saw that with the way that George Washington and Alexander Hamilton solved the problem of a bankrupt United States in 1789-91. Go to Article I of the U.S. Constitution. The Congress of the United States has the authority, under the Constitution, of a monopoly on the creation of money.

So, what do you do? You can get the money you will need in the United States for projects as I indicated, about \$1-2 trillion, just to get the United States moving in public works and related projects, to keep it from going into a depression.

You put the money into a depository called a national banking institution, which is connected to all the significant banks in the country. This institution loans this money to approved investments, such as by federal, state and local public utilities. These public utilities can borrow at the preferred rate, and they get payment on the same basis that a building contractor gets progress payments for salaries, payroll, and for materials, as he goes along and does phase-in of the job. That way, you're not putting a big chunk of money into circulation, except as the work is done.

So then you have contractors who go to work as bidders who win contracts to assist these agencies in building these projects. They, too, get credit, the way we used to give credit out for war contracts. When you got a war contract, you could take it to a bank, and you could discount that contract for lending, and you could get the money to keep your project going.

On that basis, by putting \$2 trillion, for example, into circulation in the United States—*through work*, not through throwing money out in the street—you then generate the basis for a general revival of the U.S. economy. And that is the *only way* that any part of the world is going to recover from the kind of crisis which we're going into now.

There is no hope of getting out of this crisis, until we get rid of central banking, and replace it with a kind of national banking which the United States used in its first federal administration, to get the United States out of bankruptcy, to become one of the most prosperous, productive economies in the world. That, of course, was also used in Germany with Friedrich List.

So, that is the authority which the Congress has under Article I, the authority which the President can invoke with the consent of Congress to provide the money as credit through national banking, to get essential projects going. And we have a need for massive rail, power, and water projects, as well as cleaning up these cesspools which we call our cities in the United States today. Remember, an urban community is a piece of infrastructure. And if it's rundown and destroyed, it's just like a railroad or a water system, or a sanitation system broken down. You cannot have industry, you cannot have production, without these kinds of things.

So, that's the method around the world.

The Great Projects

Now, on that basis, let me indicate what some of these projects are. What we proposed originally, of course, was to go from the Triangle in Europe, across Eurasia. This has two features.

Back in 1983-84, we did a proposal which is called the Indian-Pacific basin development program, which addressed the fact that the Pacific region, with the Indian Ocean region, its littoral, will become the center of the world economy in the coming century. That's where the population is concentrated. If you look at North America, South America, Central America, bounding on the East; you look at Africa, East Africa, bounding on the West; if you consider the Antilles, Japan, Taiwan, and so forth, the Philippines, down into Southeast Asia, Indonesia, Malaysia, and so forth. The Indian subcontinent.

In China, you're talking about over 1.2 billion people in that region. You're talking about a similar, actually a larger number, in South Asia, if you include Pakistan, Bangladesh, India, in that region. You're talking about something going up toward a half-billion people in Southeast Asia alone.

Look at the population of the United States and Canada, the population of the nations which are on the Pacific Coast of South America. You envisage a new sea-level canal through the region of Panama, which brings the Atlantic into the Pacific much more efficiently than now, and you can see very quickly that with high-speed ships using new techniques, magneto-hydrodynamic drives, we now have a com-

pletely new picture of the world, in which the maps no longer center around the Atlantic Ocean, as they used to, but the maps of the world center about the Pacific Ocean, and the Indian Ocean. So now, Europe has access to this region, through the Mediterranean, the canal, and the Middle East.

The object is to build a land bridge to and from Europe into China, into Japan, and into Southeast Asia, so that the littoral development, the coastal waterway system in Eurasia, in Asia in particular, is supplemented and integrated with a rail bridge situation.

Now, there are three rail bridges from China into Europe (Figure 4). One goes North directly, to intersect, through Kazakhstan, the trans-Siberian artery. Another goes along a more southerly route through Iran, and goes up into Turkey. A third route, goes down, through a link, through an area where I served back during World War II, into the area near Bamu from Kuoming. And that link goes across to Dhaka in Bangladesh, goes across into Egypt, across that region.

So, there are three major rail arteries potentially from China into Europe, and vice versa.

This means that the entire area of Siberia, if we do some major engineering on freshwater, and there's plenty there, the center of water for Eurasia is right there, if we do major engineering, then this whole area opens up seriously for development; and the development of trade, power, inland waterways, and so forth, ensures that.

Obviously, this kind of planning has to be controlled in some way. You have to have some scorecard, some meters and measuring devices to determine what works and what doesn't work. Generally, I use my specialty, which is called physical economy. In physical economy, we may use prices in a certain phase of our work, but we do not base our estimates of national performance on prices. We study the flow of price movements, but we do not base the estimate of the performance of the economy on prices.

What we base it on, is values of essential consumption, in infrastructure by producers, essentially, and by households, of material consumption, the material consumption required to maintain a certain standard of living, which generally corresponds with a certain level of technological development, *plus* education, *plus* the health care, *plus* the science and related services.

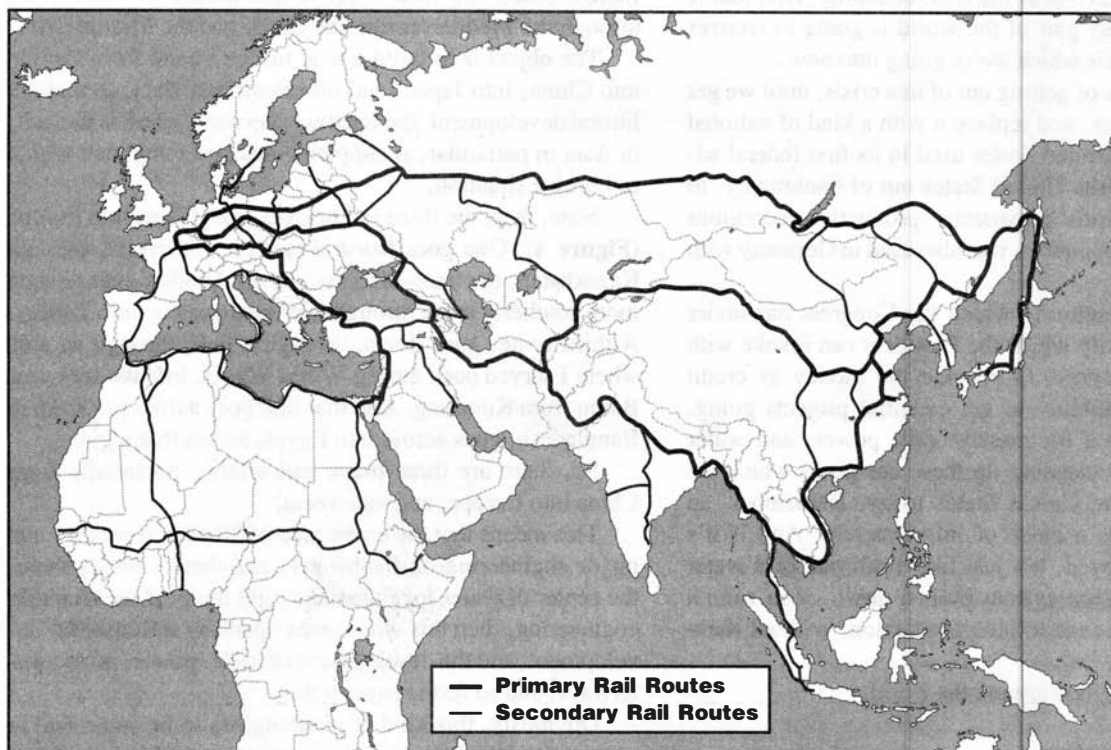
That is what people consume, that's what industries consume, that's what infrastructure consumes: physical product *plus* these things. We measure the market basket per capita and per family of consumption, we measure the consumption in industry per capita, we measure the productivity in these terms per capita, in the labor force.

We measure that in terms of per capita for labor force, household, including accounting for household demography, and also per square kilometer. We measure things like ton-mile-hours against relative physical cost, from media of transportation, such as inland waterways, ocean freight, coastal freight; that sort of thing.

And we measure also the water, in terms of liters or cubic

FIGURE 4

Eurasian land bridge (the Silk Route)



meters per capita, per hour, and so on and so forth, for human consumption, for industry; and the water requirements of a society *increase* as the level of productivity increases.

We measure not only the kilowatt hours of energy required for a level of technology and productivity. We must measure what was called the energy-flux density of that power. As you go to much higher technologies, you acquire better-focused power at higher localized energy-flux densities. Higher energy-flux densities of the type you get with hydrogen fusion, for example, give you much higher, vastly higher efficiency throughout your entire system, than you could get with a low-temperature source of heat.

So, all these factors are taken into account.

We will then figure out what the price is of a wage, and we will then trace the price movement of trading and so forth through the economy, but we measure primarily in physical economy.

Measuring economies

Now, therefore, in measuring, we have two things to do. I won't go into the details here, but indicate that the basic way in which you measure economy and physical economy is by what is called a *system of inequalities*—what has to relatively increase, what has to relatively decrease. But you must scale it. So, what I had to do years ago, was to define an approximate scaling.

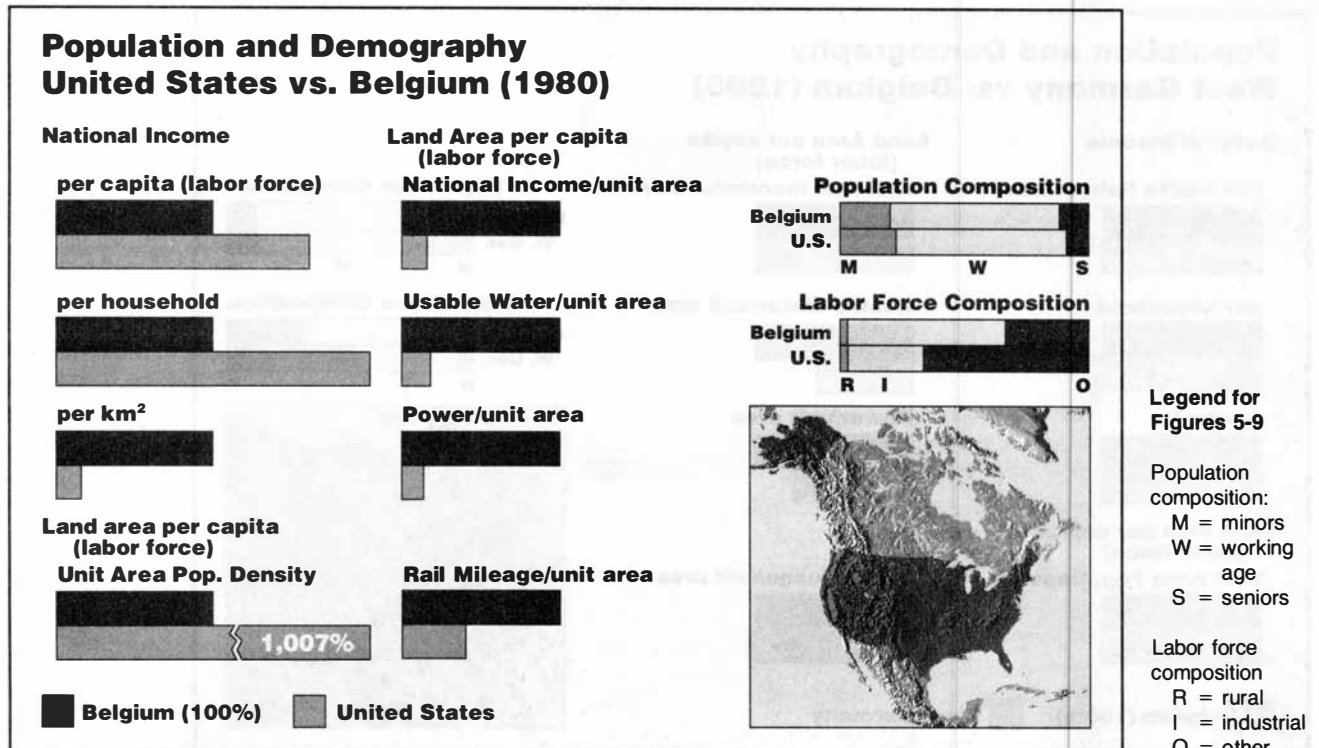
When it comes to scaling, if you want to build a ruler, you can pick an arbitrary measure, if it's a linear ruler. You can make your ruler up of anything: cubits, feet, centimeters, whatever you want to make it of. Except it has to be consistent.

Now you go out and measure things, and that's called scaling. What I needed, was a *standpoint* of reference for scaling economies upon which this kind of long-range planning among different kinds of economies and different conditions, could be correlated without subjecting them to these so-called misleading price calculations.

So, what I did, was to take three economies which were industrialized, and two which were underdeveloped. The three I chose which were industrialized were Japan, West Germany, and the United States. As my baseline, I used 1967-69. The reason I chose those years, is that at that time, the technology and productivity of the three economies was at the same level, approximately, because after 1968-69, the U.S. economy began going into the sewer bucket, and Europe began to decline more rapidly than Japan, so disparities developed after that.

I then compared 1967-69 with 1980 figures. Against these three industrialized economies, each having different population densities and therefore different infrastructural characteristics, I compared the two major developing economies: China and India.

FIGURE 5



Therefore, by exploring the *gap in development* between India and China on the one side, and these three industrialized countries on the other, I established an arbitrary ruler of arbitrary length, to compare different economies around the world, and to reference which one is improving, and which one is going into the bucket, so to speak.

So, that's what these are.

I'll just run through these slowly, so people can see (Figures 5-9). You see the factors we've listed here, just to give some indication. The world is *not* overpopulated. If you want to say the world is overpopulated, you should go first of all to Singapore or Hongkong, but then you would go to Belgium.

Africa, by the way, is vastly underpopulated. If somebody tells you differently, they don't know what they're talking about. As a matter of fact, there's vast agricultural land there, if it were developed, if people had fresh water, if babies could live long enough to have babies. Things like that.

So, these are the kinds of measures we used, a set of inequalities, plus, as a yardstick, a comparison with Belgium as a common unit of relevance, comparison. And comparing Japan, Germany, and the United States with China and India, because in that, you will find all the problems stated that you need to know, in studying how things are going in the western world.

What we really need to know is, for a level of technology

and productivity, what standard of living do you have to provide for a household to sustain that productivity? What standard of living do you have to have, to maintain a demographic model which will make the economy work?

If you have an economy in which the altitude is life-expectancy by years, the baseline is the percentile of the population in that age interval. If you get into economies like very poor developing economies, it's a very flat triangle.

In the case of China, what they're trying to do, is to make it like that, so you have almost no babies, and a lot of old people. So the solution is to control your problem by killing the old people, which is pretty much the idea that Newt Gingrich has for the United States these days.

The point is, in this case, there is a tremendously large population in Asia, admittedly poorly educated in large part, in particular the part we have to reach. But also the land is very poor, and, when someone says, "We don't want to invest in infrastructure, we just want to put industries out there," take them to the nearest loony-bin, get them canvas waistcoats, the ones that tie the arms behind or something, and just keep them out of economics, because the *first requirement of any modern industry* is an adequate development of infrastructure, transportation, ton-miles-per-hour. That sort of thing. Measured per square kilometer.

Water: liters per square kilometer per capita per household.

Power: kilowatt hours.

FIGURE 6

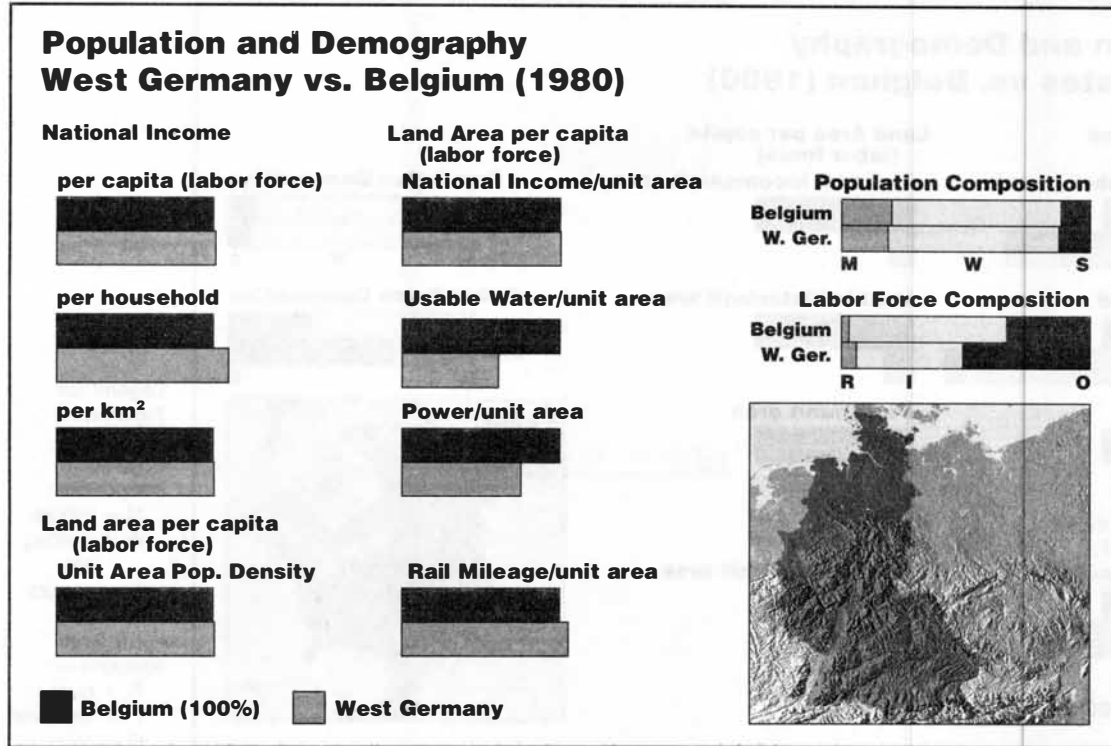


FIGURE 7

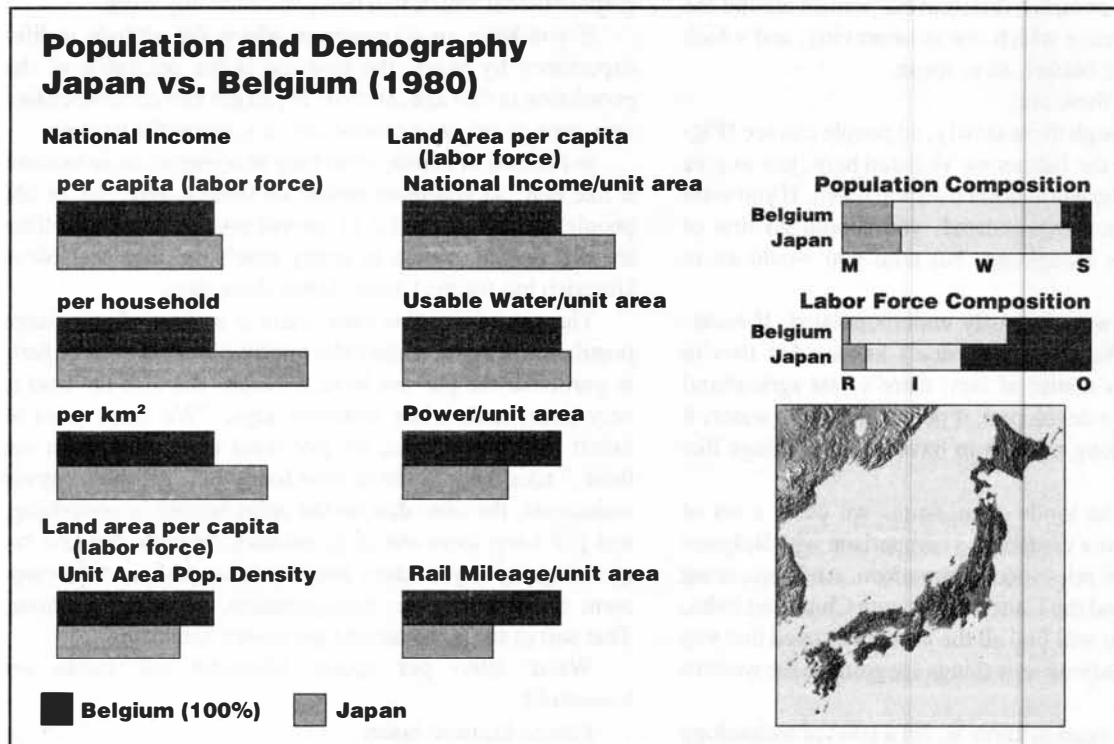


FIGURE 8

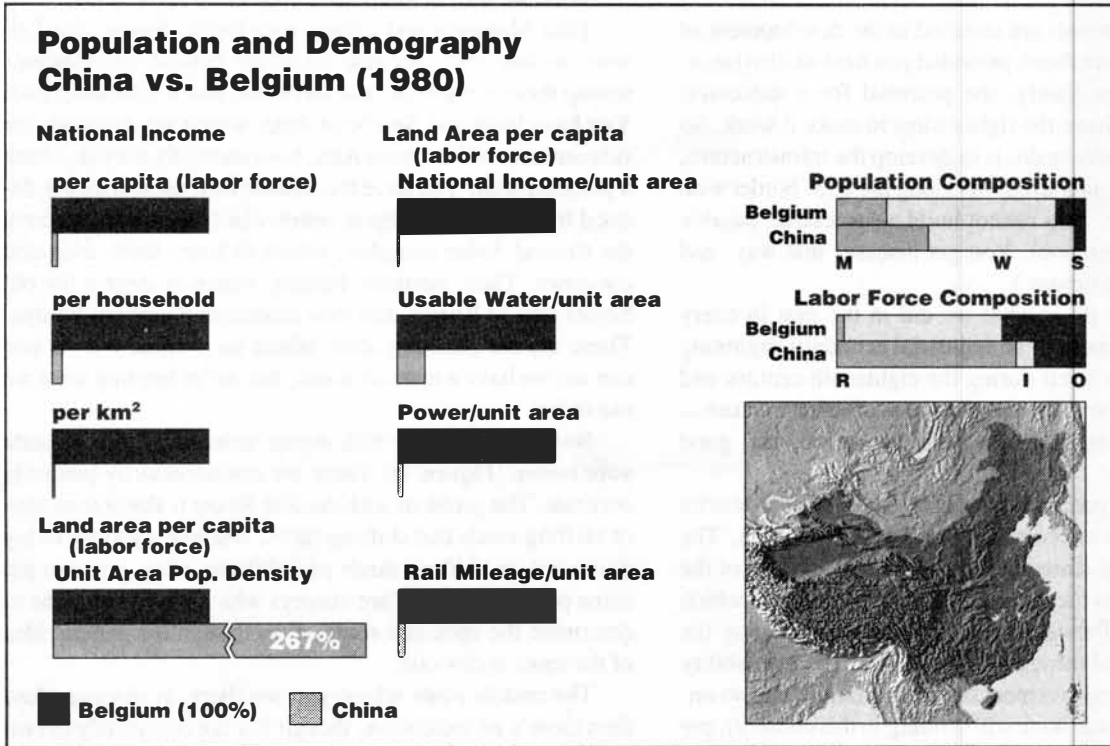
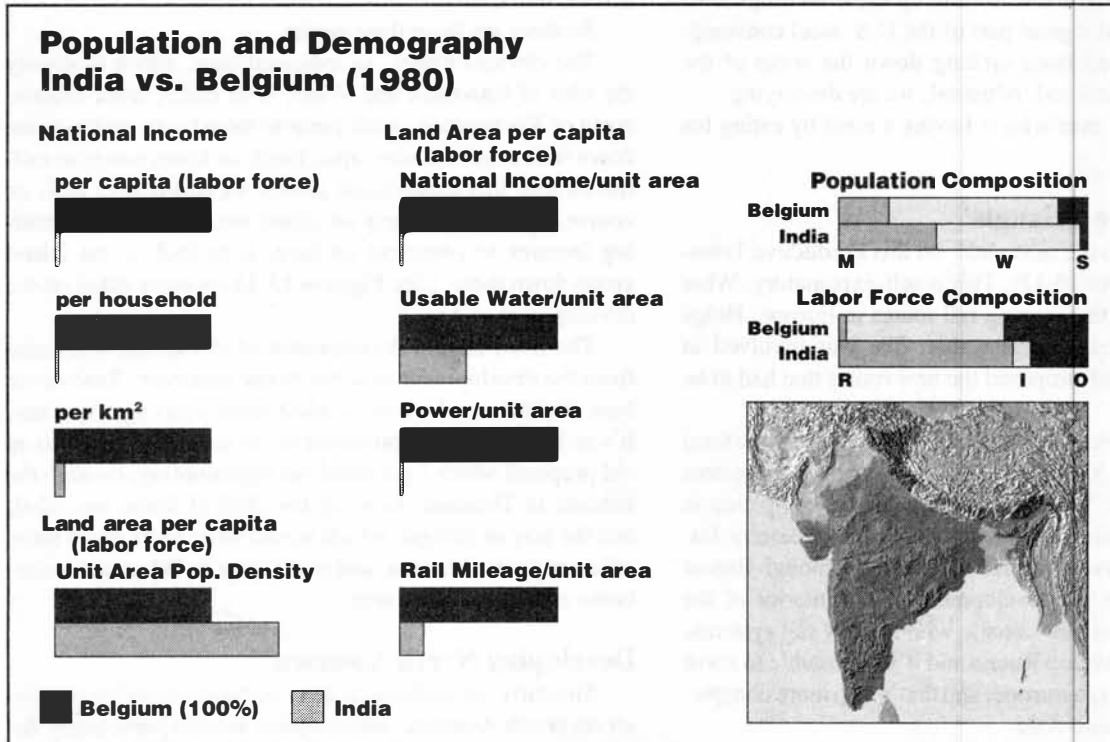


FIGURE 9



Energy flux-density: same thing, for each mode of production you require.

If these requirements are satisfied in the development of an area, then you have there, provided you have skilled labor, automatically, immediately, the potential for a successful investment, if you have the right cadres to make it work. So the first thing you have to do, is to develop the infrastructure, *first*. (Ideas like the *maquiladoras* along the U.S. border with Mexico, are *insane*. You cannot build a successful, durable plant on top of a cesspool. You get diseases that way, and you get poor infrastructure.)

Then what you do is what we did in the past in every successful development of an industrial economy beginning in the United States itself during the eighteenth century and the nineteenth century: the development of infrastructure—canals, ports, power facilities, rails, sanitation, and good urban organization.

These were the preconditions of the successful industrial revolution, and the successful agricultural revolution. The biggest factor in the American agricultural revolution of the postwar period, was the rural electrification program which was started under President Franklin Roosevelt during the 1930s and continued throughout the 1940s. The availability of electricity, the improvement of transportation, and so on. Farms (when there was still farming in this country), per hectare were *greater consumers of steel* than most industries. When they began to liquidate the farm, they were ripping the steel out of the soil, pipeline, everything else. And you had the people who were doing the looting, like Cargill, the great grain cartel trust, which loots the farmers here and loots the farmers in Africa, out there, setting up these melting-down scrap facilities. And a great part of the U.S. steel consumption today is derived from melting down the scrap of the economy, agricultural and industrial, we are destroying.

We are like the man who is having a meal by eating his own left leg.

The 'Productive Triangle'

Now, let's go to the next slide, on this Productive Triangle program (Figures 10-12). This is self-explanatory. What we did, is we took the existing rail routes in Europe. Helga [Zepp-LaRouche] can describe this. She was involved in this, heavily. And we proposed the new routes that had to be added.

We did the same thing with the water system, defined the water systems. You see the difference between western Europe and Russia? What are your chances in competing in productivity with western Europe, in Russia or eastern Europe today? You have a limited access, even though Russia has giant rivers, to the development of the interior of the country. So, without new canals, without new rail systems, it's impossible to develop Russia and it's impossible to solve the problems of eastern Europe, and that's also more conspicuous when you get into Asia.

Development of Asia

What we did, is to divide Eurasia into these areas.

Take Mongolia and China, with Japan, Korea, and Taiwan, as one unit, because there are natural interrelations among these economies, and therefore, that's a planning unit. You have India and Southeast Asia, which are different, the subcontinent of Southeast Asia, but essentially they also form a planning unit. You have the Middle East area, which is defined by Sudan, the largest country in there. And you have the Central Asian complex, which includes those indicated countries. Then, northern Siberia, which is largely the old Soviet area of Russia, and then eastern and western Europe. Those are the planning areas which we worked on. As you can see we have a mass of slides, but we're limiting what we use today.

Now, we have the Silk Route railroad. These indicate your routes (Figure 4). These are not necessarily precisely accurate. The problem with the Silk Route is that it is an area of shifting sands and shifting lakes, and when you try to lay down rail on shifting sands and shifting lakes, you can get some problems. There are surveys which have been done to determine the optimum route, even though the general idea of the route is obvious.

The middle route which you see there, is obvious. And then there's an indication, though it's not completely drawn on this map, that if you go from Kunming, into this little area where Khun Sa, the drug lord bandit, is now operating in Burma afresh, you'll find there's an area which leads into my old area, Bamo and Mishina, in Burma. This railroad can lead across into Dhaka, in Bangladesh, into India, and then across, into Cairo.

So there are these three routes.

The obvious routes, as indicated here, which is already the idea of Hanotaux and Witte, is to make, from Siberia, north of Vladivostok, a rail jump to the islands, and to come down with a rail link into Japan itself, so Japan would be rail-linked into this trans-Asian group. In addition to that, of course, this area is largely an inland sea. One of the interesting features to comment on here, is to look at the island group down there. [See Figures 13-14 for more detail on the development of Asia.]

The most natural development of Indonesia, will come from the development of water-borne transport. That whole base area there, which we worked some years ago, is water. It's an inland sea. We proposed to cut a canal, which was an old proposal which I got involved in promoting, through the isthmus in Thailand, between the Gulf of Siam, so-called, and the Bay of Bengal, which would bring India much more efficiently into this area, and to develop an integrated water-borne economy in that area.

Developing North America

Similarly, in addition to this, we have extensive proposals on North America, which center around particularly de-

FIGURE 10

Productive Triangle, rail projects

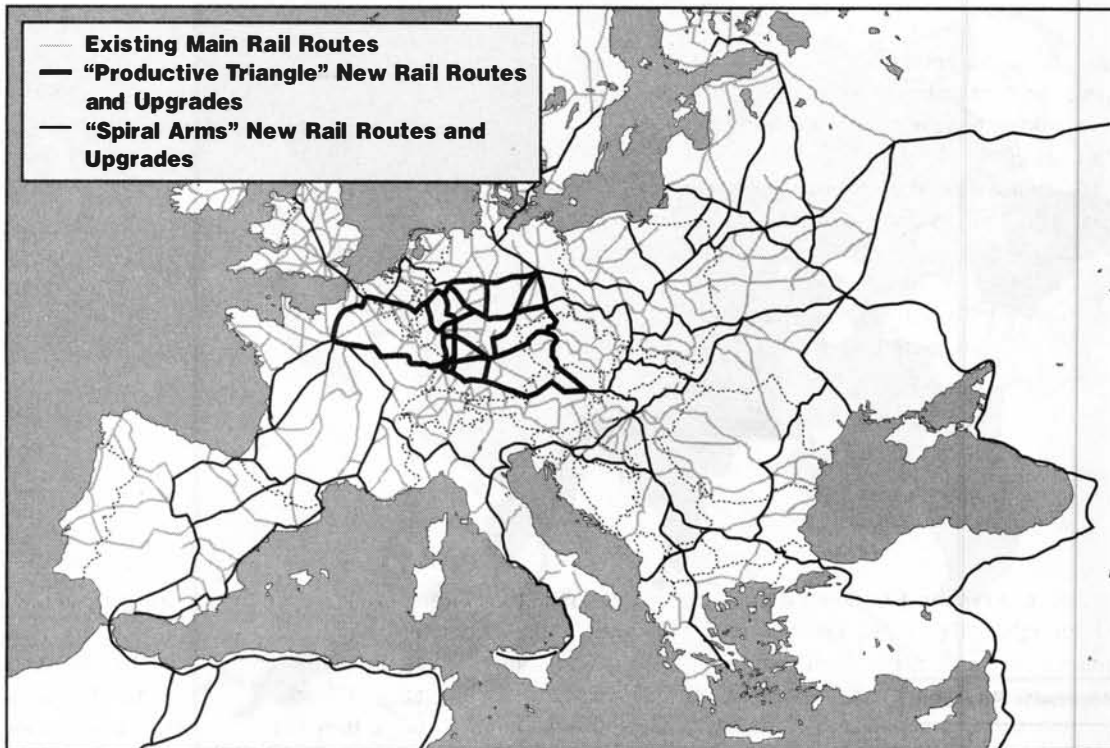


FIGURE 11

Productive Triangle, water projects

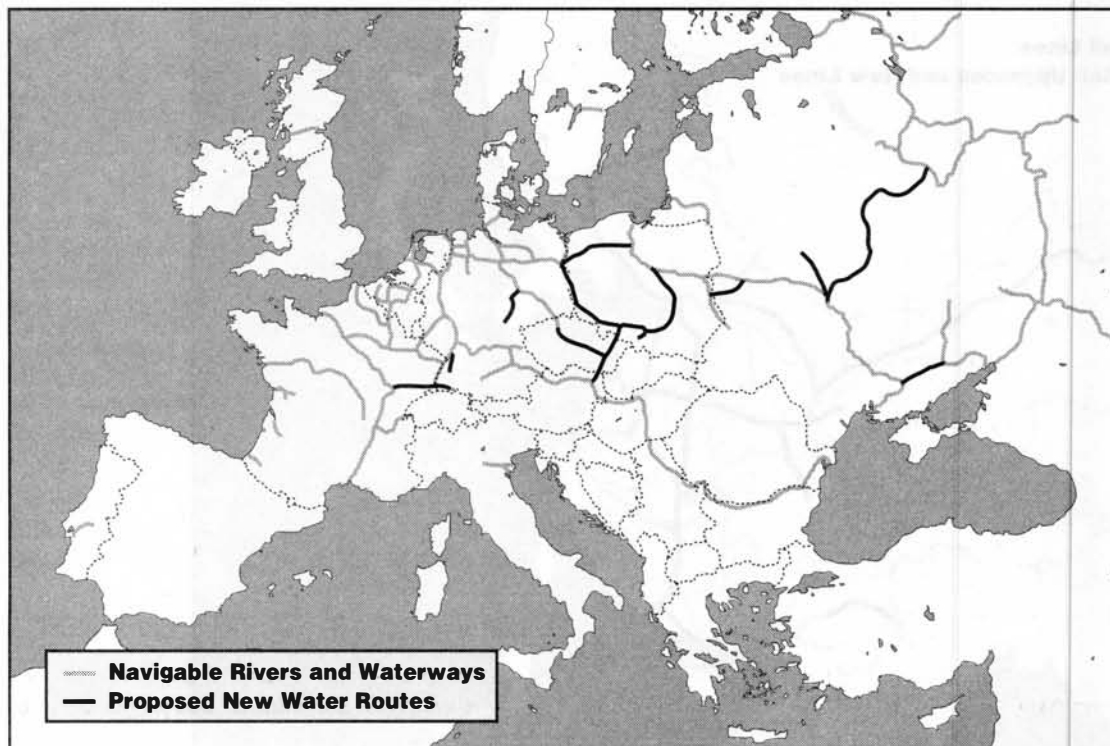


FIGURE 12

Eurasian development zones

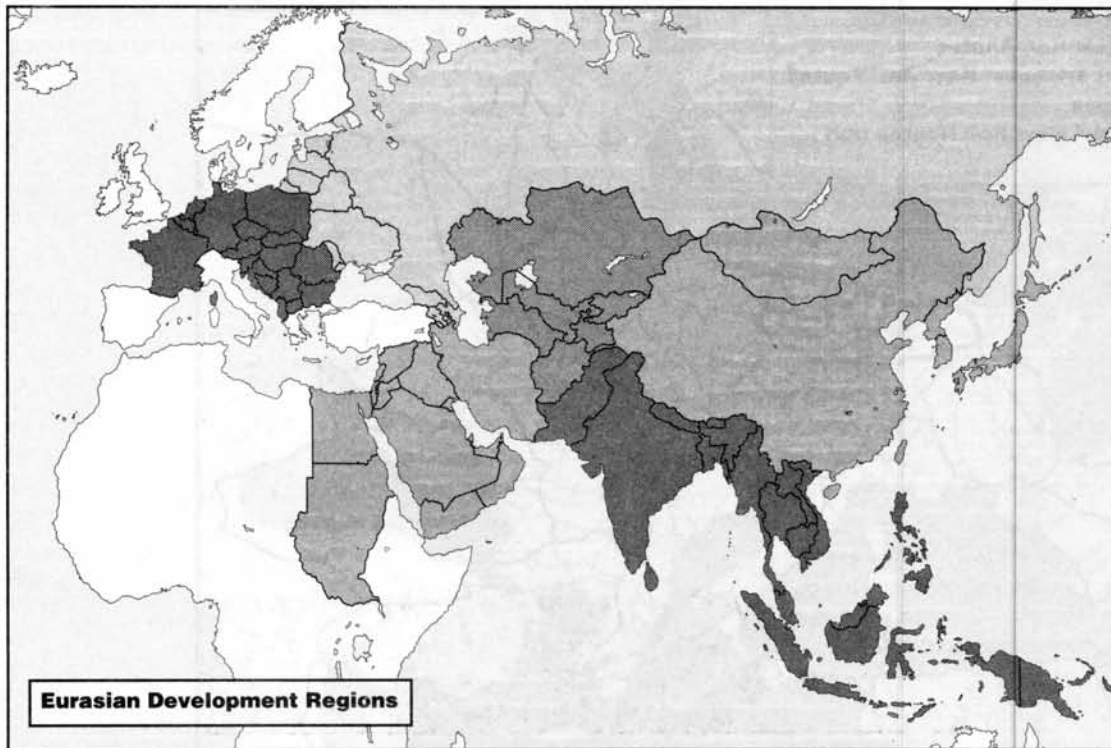


FIGURE 13

China, rail projects

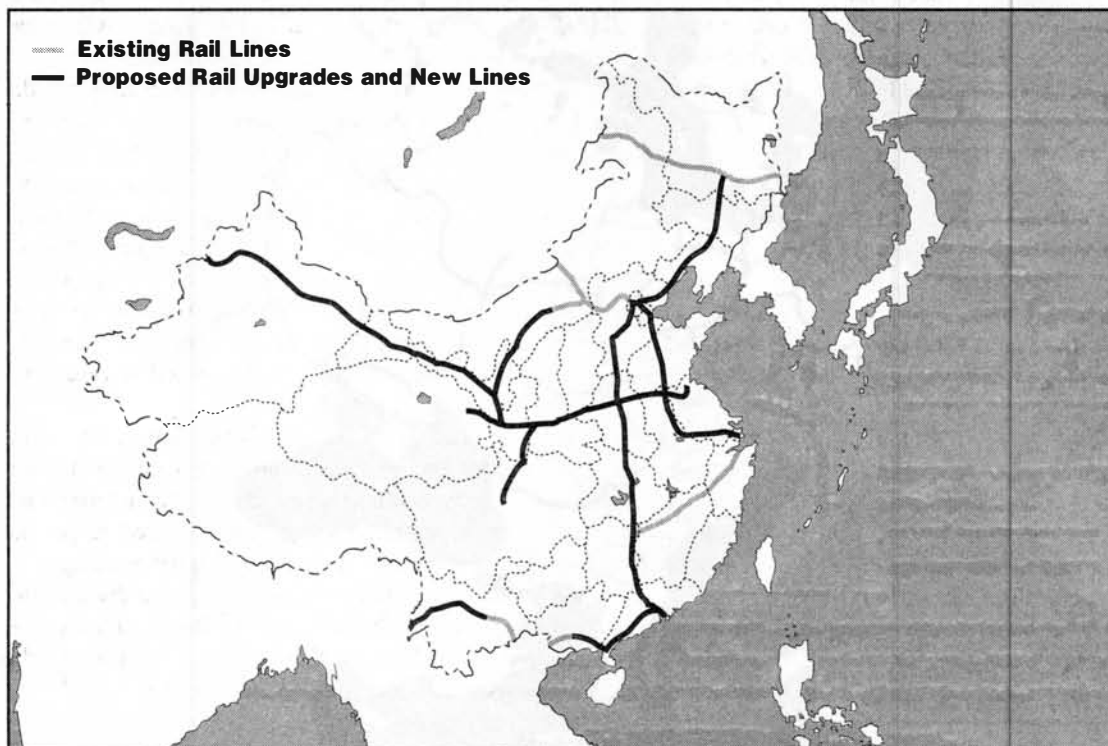
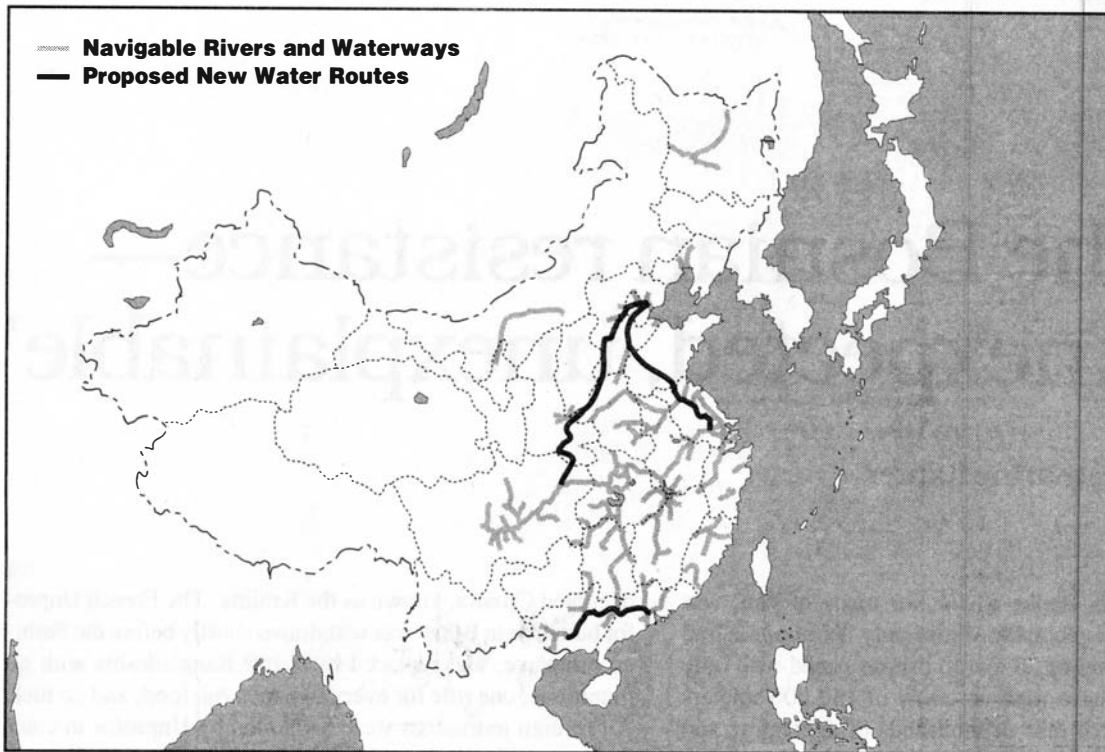


FIGURE 14

China, water projects



veloping the eastern area of the Pacific Basin (moving from Japan and Indonesia, to the eastern part of the Pacific Basin which is California, which Teddy Roosevelt shut down). It would be interesting for you to check old maps, and ask yourself how many new cities have been developed in the United States, apart from suburban mushrooms or whatever you call them, since 1911, or since Teddy Roosevelt became President. Find me and tell me how many new cities came into existence in the United States as functioning cities since Teddy Roosevelt became President. Virtually *none*.

Now, look at the western lands, between the 20-inch rainfall line and into California. Show me how much development of this precious land area has been done. You've got people out there in California, idiots, worrying about Proposition 187, about trying to kick the immigrants out. We've got a tremendous amount of land that needs to be developed, right in that area, which is the great American desert, and so forth. *We have the water*. We have the design for the project which would deliver the water where it's needed. We can solve these problems.

We can take our poor youth off the streets, stop them from killing each other, and give them a future in a youth work program to assist in this kind of project. We can do that. We can build new power systems. We can rebuild this country, we can clean up the garbage, and make this country one we're proud of again.

There are great opportunities also in Mexico. Mexico has projects which have never been scratched yet, and they're good projects, I've seen a number of them. They're sound. Colombia has great potential. Venezuela, Brazil, Argentina, Peru. We've done studies on all of these areas. Africa has tremendous potential. We've studied these areas.

There is much work to be done to bring humanity into the kind of condition which would have satisfied my dear friend, Cardinal Nicolaus of Cusa. There's no want of employment. We can do with a lot fewer stockbrokers who do nothing but steal our pension funds and raid our corporations; but we do need skilled people, engineers, scientists, and skilled labor.

We do need the opportunity to take the young children who are destroying each other with drugs and whatnot on the street, and enable them to get a second chance to become real human beings, with work and education and some caring, and a prospect of hope.

We can do that not only in the United States, we can do it in the world. And I've just limned over this, and given some of the concepts which are essential within a time which is already, in a sense, too long, but I wanted to get the essential concepts across. And that's what we're doing.

We know certain things. A lot of things we don't know, a lot of things we have yet to find out. But what we know, we know. And it will work. Shall we say, "I have seen the future and it works"; and it wasn't communism.

The Bosnian resistance— 'unexpected, unexplainable'

by Katharine Kanter

"We have shown resistance which, for many of you, was unexpected and unexplainable. From only about a hundred small groups made up of 20 to 150 people armed with only light guns . . . we have made an army of 150,000 soldiers which has neutralized tens of thousands of aggressors and has destroyed a thousand of their armored vehicles.

"On the wars of liberation, there is some undefinable dimension, which resists all analysis. As a consequence of this factor, military and political analysts issue wrong prognoses. Our people are fighting for their freedom, and for their survival. Such a battle is difficult to wage, but it is also difficult to lose. No war of liberation has been lost in the last 50 years. I do not know why ours would be lost. No one can force our 150,000 soldiers to hand over their weapons. I would suggest everyone take account of this fact, as much for us, as for themselves."

So spoke Alija Izetbegovic, President of Bosnia-Herzegovina, to the summit of the Conference on Security and Cooperation in Europe (CSCE), in Budapest on Dec. 5, 1994. Look no further for a suitable Christmas gift for the person most beloved to you, but obtain for that man or woman a full version of the speech we have quoted from above. Neither tearful, nor embittered, the Bosnian President's words are both a clear statement of the strategic truth, and a marshaling of forces in the world which he himself may not yet see or reckon with. By resisting as it has done, against all odds and for nearly three years, Bosnia has won precious time for the enemies of its enemies to regroup themselves in battle order.

Since the massive Serbian offensive on Bihac in western Bosnia began in mid-November, the British and the French have dropped all pretense of "fair play" toward Bosnia—and toward the Clinton administration. The main thrust of the offensive was carried out from the Unprofor zone in Serbian-

occupied Croatia, known as the Krajina. The French Unprofor battalion in Bihac was withdrawn shortly before the Serbian offensive, and replaced by 1,200 Bangladeshis with no munitions, one rifle for every five men, no food, and no fuel. All foreign journalists were forbidden by Unprofor to enter the Bihac area, and at this time of writing (Dec. 7), there is *no* source of confirmation on conditions in the enclave save short-wave radio operators inside the besieged city. There is virtually no food, because Unprofor claims that forcing aid convoys through only "provokes" the Serbians.

The last ten days have seen intense diplomatic activity, in a general configuration which can only be described as degenerative. For example, NATO spokesmen in Brussels said on Dec. 5 that over the preceding week alone, there were nine separate incidents of Serbian surface-to-air missiles being fired at NATO aircraft over Bosnia, and 15 incidents of radar attached to the Serbian missile networks locking onto aircraft.

Unprofor sources now say that there are about 100 high-altitude SAM-2 and medium-altitude SAM-6 missile batteries deployed throughout Serbian-occupied Bosnia; Unprofor's director of air operations, British Wing Commander Timothy Hewlett, told the press, "We have known of their existence for a long time." How long? According to Bosnian Vice President Ejup Ganic, these systems were not on line in ex-Yugoslavia; they have, he said, been brought in from Russia *recently*.

The first week of December, Unprofor says it "asked" NATO to stop air patrols over Bosnia because the entire radar apparatus pertaining to the SAMs was switched on; Unprofor claimed NATO should "cool off" after the Nov. 23 anti-missile pinprick raids. Chaos broke out at NATO headquarters in Brussels over the weekend, as Hewlett claimed that "NATO has stood down, at [Unprofor's] request." Only min-

utes later, a spokesman for NATO's Southern Command said: "We have not stopped enforcing the no-fly zone." Apparently, what happened in fact is that only the AWACS (radar surveillance aircraft) were actually patrolling Bosnia—somehow or other, the French and British in NATO headquarters had managed to ram through orders that all other aircraft should be pulled off. By Dec. 5, Washington had woken up, and the planes were sent back in.

But the implications are mind-boggling. England and France, purporting to be members of the same NATO military alliance as the United States, rushing into NATO headquarters, pushing the U.S. President aside, and slamming their fingers down on every button, knob, and lever simultaneously to prove, as Al Haig said the day they tried to kill Reagan, "I'm in charge here."

Egging on Russia against the U.S.

Among the buttons these people are pushing is the Russia button, a messy, slippery button. At the NATO foreign ministers' meeting on Dec. 2, Juppé made a plea to throw Hungary, Poland, etc. to the dogs, chapter and verse being supplied as to why enlarging NATO to the former East bloc nations should be put off till some hazy future date. Then he pulled the Russian rabbit out of his hat: Aleksei Kozyrev, who made statements seeming to have come from the previous week's British Foreign Office policy guidelines printout. NATO, he said, was too "transatlantic"; the thing now is military cooperation between Russia and the Western European Union.

Leaving aside what Kozyrev proposed as the details of such cooperation, most of which Russia will never deliver on because it involves the transfer of military secrets, the outline of the proposal is a revival of the World War I Triple Entente. England is putting up the bugabear of Russian "intransigence" over Serbia, to try and bully the United States into submitting to British designs on Central Europe. On Dec. 4, the French and British foreign ministers flew to Belgrade to meet with Serbian President Slobodan Milosevic. All this travel may be bad for their health, but Messrs. Juppé and Hurd are in a hurry. A French diplomat told *Le Figaro*: "We're in a race against time. We have only one to two months at the outset. Clinton has a little leeway before Congress resumes in January. Then, it's curtains! So we have to move now . . . or by March, the U.S.A. may really lift the arms embargo."

According to *Le Figaro*, the same diplomatic sources moot reducing Bosnia to a "Grand Duchy of Sarajevo" and handing over Tuzla and eastern Bosnia to the Pale ("Bosnian Serb") regime. What is certain is that Hurd and Juppé offered Milosevic a confederation between Serbia-Montenegro and the Serb-occupied areas of Bosnia, which confederation, however, neither England nor France are in a position to deliver, because they *own neither* Bosnia, nor the United States.

Although Hurd and Juppé had, as they winged off to beauteous Belgrade, left instructions to blacken the U.S. ad-

ministration by playing up Defense Secretary William Perry's statement on the Serbian "victory" as the final word on U.S. policy, a bright spot emerged on the horizon with Sen. Robert Dole's (R-Kan.) trip to Europe prior to the formal NATO meetings. The London *Times* commented that the senator had "exasperated and infuriated" the British government in "polarized and fractious" talks. Losing not a single opportunity to sally forth, he said, on leaving Downing Street, "British policy on Bosnia is wrong." He described the U.N. record in Bosnia as "abysmal," and decried the "dual key" approach over Bosnia which requires that NATO seek U.N. approval for any action. Dole's comments were echoed on Dec. 4 by incoming House Speaker Rep. Newt Gingrich (R-Ga.).

Throughout the Bihac offensive by Serbia, Dole was in direct contact with the Bosnian President and Prime Minister Haris Silajdzic, by satellite telephone.

Perry's statements gave rise to a massive campaign by the news media claiming a major "policy shift" in the United States. However, President Clinton and the White House repeatedly denied that any such shift had occurred. Bosnian Vice President Ganic told *Le Figaro* that the Pentagon had immediately sent the Bosnian government a letter denying any shift, and Ganic added that "the Bosnians have no evidence that the Americans had abandoned their moral support for a multi-ethnic Bosnia." Silajdzic read a letter sent by Clinton to Izetbegovic on Dec. 4, which said that the United States "remains committed to the preservation of Bosnia-Herzegovina as a single state within its existing borders," and that "we do not favor a Bosnian Serb confederation with Serbia."

The fact is, as Lyndon LaRouche underlined in a radio interview, that the "French and British governments have cooperated to organize the Serbian slaughter of the Croats, the Bosnians, and so forth in the Balkans, solely as a part of an operation against the United States and Germany." Secondly, "the British are attempting to organize a strategic conflict between two nuclear powers, Russia and the United States," he stressed. This is the background to conflicts inside the U.S. Congress and administration over Bosnia policy.

The United States can be helped to distinguish its policy interests from those of Britain. A thousand people demonstrated in Copenhagen, another thousand in Stuttgart, outside the British Consulate, carrying banners against the Entente Cordiale and the Triple Entente, as the London *Times* reported laconically on its front page that a demonstration against British policy in Bosnia had also taken place outside the British Embassy in Washington. Meanwhile, casting all "Allied niceties" overboard, Germany's Gen. Count Johann Adolf von Kielmansegg, until 1993 Chief of Staff for NATO's Northern Group, told the Croatian press that he had been assigned, in 1992, to transfer that group to Bosnia to function as the military headquarters of Unprofor. England and France, he said, sabotaged this plan, as they did *not* want a NATO headquarters in Bosnia. Today, he said, Unprofor in Bosnia is in no way neutral, but supports the Serbian war of aggression.

What else can we do for you, Mr. Milosevic?

by Nasan Roncevic

EIR's Wiesbaden bureau received the following contribution from Nasan Roncevic, the British correspondent for the Bosnian weekly Ljiljan. Subheads have been added.

Despite a blatant failure of western European policy in Bosnia, headed primarily by Britain, its Foreign Office's policy toward the legitimate Bosnian government remains unchanged. Even the recent visit of American Republican Sen. Robert Dole to Brussels and London and his public objection to this kind of policy could not thwart British State Secretary Douglas Hurd from his persistence in destroying Bosnia and its people. What remained after their talks were pride and prejudice, arrogance and cynicism.

The British media have continued to back their government's policy in Bosnia with such an ardor that one gets an impression that Britain itself is at war against Bosnia. Keeping the exclusive right of interpretation of the current events on the territory of the former Yugoslavia, the British media reiterate Mr. Hurd's view that what is going on in Bosnia is an "ancient hatred" coming from the depths of a volcano overflowing its people, uncontrollable and unrestrained.

A cynical policy

For the purpose of proving this policy and appeasing the public, pro-Hurd representatives of public and political life are invited to give their judgment on TV channels or in the press. These opinions are founded on "historic facts" written by British romantic military strategists between the two world wars. Recently published books and evidence by some proven historians and politicians are not taken into account. The most appalling fact is a cynical explanation by these humanists that lifting the arms embargo would do worse to the "Muslim-led government" and its people and that the peace should come only by negotiated settlement, though history does not know any case of negotiation where one side was armed to the teeth and the other was far from being adequately armed.

Despite Senator Dole's indication of this fact, and the U.S. Congress giving up a greater cooperation with the U.N., which was invented and started by former President George Bush and former Prime Minister Margaret Thatcher, and

the decision to cut the funds to this international conspiracy organization whose Secretary Secretary Boutros Boutros-Ghali pretends to be military commander of NATO, as intended primarily by London, Mr. Hurd assiduously views the U.N. as a savior of peace and stability in the world. He rejects any blame in allying with [Serbian] President Milosevic, a generator of genocidal events, first in Croatia and then in Bosnia. Mr. Hurd rejects all consequences of his perilous policy of shaping the Balkans, and probably the world, according to his colonial wishes. While innocent Bosnian civilians, the old and children, are subjected to daily shelling by [Bosnian Serb leader Radovan] Karadzic's troops in the face of Unprofor [the U.N. Protection Forces], he continues doggedly to claim that Britain has alleviated the plight of the Bosnians and saved millions of lives of people who would be dead. "We have no reason to be ashamed," he says.

'America is right'

In his article, "America Is Right," published by the daily paper the *Times*, former defense minister John Nott questions this strategy in Bosnia:

"Is it really a civil war, as we are told in government propaganda, or are Bosnian Muslims the victims of Serb aggression? Is the ideology of a Greater Serbia, advocated by Milosevic, the author of this calamity and now an ally of the Foreign Office, a force for stability and peace in Europe, or does he advocate a new form of European fascism? Are the Russians really advocates of a fair peace in Bosnia, or do they merely see the Serbs as their surrogates in a policy of Slav expansionism and hegemony? Are the French wedded to NATO, or are they more concerned with an autonomous European defense arrangement?"

The Russian veto in the U.N. Security Council on preventing Bosnian Serbs from getting fuel from Serbia revealed the several months' coverup of the allegedly broken relationship between Milosevic and Karadzic and the "thorough sealing" of the Serbia-Bosnia border by international monitors, being claimed by most of the British media. Washington wants to know who has supplied paramilitary Bosnian Serb troops with anti-aircraft missiles of Russian production, and how.

Yet, this is not enough for Mr. Hurd to keep on to opposing the lifting of the arms embargo to the legitimate Bosnian Army under the cynical pretext of preventing "level killing." Instead, he and [French Foreign Minister Alain] Juppé, unauthorized by the contact group, paid a visit to President Milosevic—confirming once again the unbroken link between those two war criminals—in an attempt to persuade him to exert pressure on Karadzic to accept another, new, "final" concession given by the contact group.

At the Belgrade dinner with Mr. Milosevic, Mr. Hurd and Mr. Juppé might have asked him, "What else can we do for you, Mr. Milosevic?"

Mexican President faces down terrorists

by Valerie Rush

In his very first week in office, Mexican President Ernesto Zedillo was forced into a showdown with the narco-terrorist Zapatistas in the southern state of Chiapas. The government stood its ground, and won, but the foreign-sponsored insurgency still threatens to spread nationwide.

The focus of the confrontation was whether Eduardo Robledo, the ruling PRI party's gubernatorial victor in last August's national elections, would be inaugurated as governor of Chiapas on Dec. 8. The opposition PRD party and its Zapatista-backed candidate, Amado Avendaño, charged that Robledo's clear-cut electoral victory had been "stolen," and that a "civil resistance" movement would be launched to force his resignation and Avendaño's accession to the governorship. Dire threats of civil war were sounded, and the pace of land invasions and violent confrontations with non-Zapatista farmers and cattlemen intensified.

In an effort to defuse the situation, President Zedillo sent newly named Government Secretary Esteban Moctezuma to Chiapas to negotiate a return to dialogue with the Zapatistas. At the same time, Robledo announced his plan to take a "leave of absence" from the PRI so that he could serve as governor—with a non-partisan cabinet—over "all citizens of Chiapas." He even offered to resign the governorship as a supreme gesture of conciliation, *if* the Zapatistas agreed to lay down their weapons in return.

The Zapatistas rejected Moctezuma and Robledo's peace overtures, and on Dec. 6, Zapatista chieftain "Subcomandante Marcos" issued several communiqués to the press in which, among other things, he charged President Zedillo with being "the personification of an unjust, undemocratic, and criminal system" and called for mass demonstrations across the country to demand Zedillo's resignation. He declared an end to the tenuous cease-fire that his Zapatista National Liberation Army (EZLN) had signed with the government following last January's Zapatista assault on military installations in Chiapas, which left several hundred dead, saying "the period of peaceful civil resistance ends the moment Eduardo Robledo takes office and usurps executive power" in the state.

An unruffled President Zedillo, who had already announced plans to attend Robledo's gubernatorial inauguration, answered Marcos's declaration of war during a presentation to the National Association of Small Industrialists. He

departed from his prepared text to "reiterate the firm intention of my government to secure a just and worthy peace through negotiation, dialogue, political agreement. . . . Let me be clear: There is no room for threats or ultimata, nor will the Constitution of the Republic be violated. . . ."

His bluff called, "Subcomandante Marcos" backed off, and issued a statement denying that he had declared war, and insisting that he was only warning "that time is running out." He said that his movement was not adverse to signing a peace agreement with the government, "if done out in the open and not secretly." Zedillo's firm response had averted an immediate explosion, and Robledo was inaugurated as governor of Chiapas with the Mexican President in attendance. A series of measures to meet at least some of the Zapatista demands—electoral reform, a review of land distribution, rezoning of municipalities—was announced by Robledo.

The separatist gameplan

The insurgents have a different agenda, however, which is explicitly separatist. EZLN supporters wearing PRD T-shirts gathered on inauguration day in the city of San Cristóbal de las Casas, the base of EZLN patron Bishop Samuel Ruiz, to swear in Avendaño as "governor" of Chiapas. Avendaño set up his own "cabinet" and said that his "government" would be active in communities across the state. Zapatista supporters in the state have announced they will not pay taxes to Robledo's government. Zapatista-held territory has been declared "autonomous indigenist regions." Bishop Ruiz told the media that there now exist in Chiapas two governments, two governors, and two armies.

The destabilization scenario goes beyond Chiapas, however. The EZLN/PRD has announced plans for nationwide "actions of civil resistance," while Rosario Ibarra de Piedra, president of the pro-EZLN National Democratic Convention, told the press that the EZLN would now only lay down its arms if President Zedillo himself resigned.

The Chiapas crisis, stoked by elements of British intelligence whose ultimate design is the dismantling of the Mexican state itself, will not be resolved by negotiating with narco-terrorists nor by sharing power with them. President Zedillo's firm stand in defense of Governor Robledo won him a little time, but some tough choices will have to be made in the period immediately ahead.

Unfortunately, Zedillo has already made one serious blunder. Under the mistaken conviction that he can keep his nation stabilized by keeping the international financial community happy and its speculative money flowing in, Zedillo has named an economic cabinet which continues the free-market policies of his predecessor, Carlos Salinas. Ironically, it is those very free-market policies which have wreaked havoc with Mexico's real economy for the past six years, and which are now providing grist for the Zapatista mill.

Major in trouble over parliamentary defeat

by Mark Burdman

"What we are watching is not the decline of a man. It is the implosion of a government." This was the comment of senior London *Guardian* political correspondent Hugo Young on Dec. 8, on the subject of the stunning defeat suffered by Prime Minister John Major's government in the British House of Commons on Dec. 6. By a vote of 319-311, the government lost the vote on a bill that would have imposed a Value Added Tax (VAT) on home fuel and electricity. The bill was extremely unpopular among significant segments of the electorate. The vote was lost when several Tory rebels and members of the usually pro-Conservative Ulster Unionist Party bolted from Major, to align with the opposition Labour Party.

Commentator Young warned that Britain was now faced with "an impasse of chronic non-government. . . . The spectacle we must now prepare for, a governing party inflicting its rage on the body politic for the next two years, is terrible. Whether Major stays or goes is almost incidental to this. The rage will undoubtedly outlast him."

George Jones, political correspondent for the pro-Conservative *Daily Telegraph*, said the consensus within Tory circles can be summed up in four words: "This can't go on." The Tories, according to this view, are "in danger of falling apart after 15 years in power." The "draining away" of the government's authority will be excruciating unless something drastic is done to reverse the trend; it will be like "death by a thousand cuts rather than a single blow."

The Dec. 6 result was all the more devastating in that the government, only one week earlier, had gone to great lengths to avoid losing a vote on a bill involving funding for the European Union. Major had done this by a "suicide pact," threatening that he would effectively collapse his own government if he were to lose the vote. Nonetheless, eight Tories, so-called Euro-skeptics, opposed to tighter ties with the continent, voted against the government. They were then disciplined by having their party privileges stripped away. But, as the *Telegraph's* Jones emphasizes, the tactic "back-fired spectacularly," when almost all of these eight then voted against Major on the VAT issue, causing the government's defeat, while winning tremendous popular support. Kenneth Baker, the former British home secretary and erstwhile Major loyalist, attacked the prime minister for "crass stupidity" in the way he has handled the rebel challenge.

'Like a pack of demented Corgis'

The Tories' woes are deeply intertwined with, and in many ways caused by, the ever-increasing difficulties of the House of Windsor. The Tories are only portraying themselves as the die-hard defenders of a royal house that is more and more discredited in the eyes of large numbers of Britons. This was addressed by senior *Financial Times* correspondent Joe Rogaly on Dec. 6, who mocked Major for engaging in the "anachronistic fantasy" of conjuring up "an ancient mirage of national glory," by defining defense of the monarchy as "the highest cause" to which the Conservatives would be committed.

The newest phase in the fall of the House of Windsor was the proposal floated first by Labour Party "shadow" Home Secretary Jack Straw and then by other leading Labour spokesmen, that the monarchy's prerogatives be sharply curtailed, and that the number of "working" members of the royal family be reduced to a maximum of six. This drew howls of protest from Conservative spokesmen.

However, the attempt at a united pro-monarchy front collapsed when Conservative MP George Walden, a former minister in a Conservative government, rose in the House of Commons and charged that those ministers in the Major cabinet who had savaged Straw were "hunting him like a pack of demented Corgis." As everybody in Britain knows, the queen's dogs are Welsh Corgis. He further warned that "the sneering Tory responses to Mr. Straw's recent proposals seem to me unintelligent and outdated. I have no doubt they will ricochet on the Tories. If Labour play their cards right, they are on to a vote-winner at the next general election. We all like the queen and I am quite happy to leave her in her palace with a carriage or two, but the rest of them must shrink, and it would be sensible to do away with hereditary peers' votes if we are going to be a party that encourages talent rather than connections."

Straw was further boosted when the London *Guardian* on Dec. 7 published, as its lead story, an exposé about how nearly two out of three courtiers and staff of the royal household are living rent-free in the five palaces maintained by the taxpayer for the queen. Some are receiving enormous salaries.

MP Walden smells which way certain winds are blowing. Leading figures in the British establishment are evidently coming around to the idea that a "Labour option" might be the only way, in the short term, to stem the collapse. One such is the modern-day descendant of the 18th-century creator of British intelligence, the Second Earl of Shelburne (William Petty). His lordship has publicly stated the view that a "regeneration" of the monarchy can only come via a combination of bringing Prince Charles forward as heir, together with a Labour government being placed in power. Shelburne points to the curious fact that an "affinity" has always existed between "the aristocracy and the Labour Party."

South America's Iguazú park: a training site for terrorists?

by Cynthia R. Rush

In response to questions asked him in the Israeli Knesset on Nov. 23, Deputy Defense Minister Mordechai Gur affirmed that members of the pro-Iranian Lebanese group Hezbollah have training camps in the trinational region on the borders of Brazil, Paraguay, and Argentina. The territory on the Brazilian and Argentine sides of the border encompasses national parks associated with the internationally renowned Iguazú Falls. Officially there is no park on the Paraguayan side, although a number of smaller reserves and protected areas are located there.

When parliamentarians asked Gur about several reports that had appeared in the Israeli press on this subject, Gur responded, "We know there are Hezbollah elements who train in using weapons and raise funds in that region." Gur, a member of Foreign Minister Shimon Peres's Labor Party who served previously as a leader in the Peace Now movement, also reported that just a week earlier, Argentine President Carlos Saúl Menem had placed security forces on alert after receiving intelligence reports on the presence of Hezbollah forces on the Paraguayan-Brazilian border.

This was the second time since August that Argentine security forces had been placed on alert, following the July 18 bombing of the Argentine-Israelite Mutual Association (AMIA) in Buenos Aires, in which 100 people were killed. Numerous foreign intelligence analysts pinned the blame for that attack on Hezbollah and identified the Paraguay-Brazil-Argentine border region as the operational base from which the terrorists were deployed. Subsequently, reports appeared in the international media referring to the trinational region as a possible staging ground for terrorist activity.

Many have attempted to use this situation to bring grist to their particular mill. For example, the Anti-Defamation League of B'nai B'rith (ADL) used the AMIA bombing to intensify its destabilization of Argentina and to cover up the controlling hand of foreign intelligence behind the bombing and its aftermath. Their specific goal was to paint Islam and "Islamic fundamentalism" as the enemy image, and to further their efforts to sabotage the ongoing Arab-Israeli peace process. In the months following the bombing, one ADL agent after another descended on Buenos Aires to attack the Menem government for inaction, suggest that it had Nazis ensconced

in positions of power, and demand that it allow foreign intelligence services to run the investigation into the bombing.

The hand of British perfidy

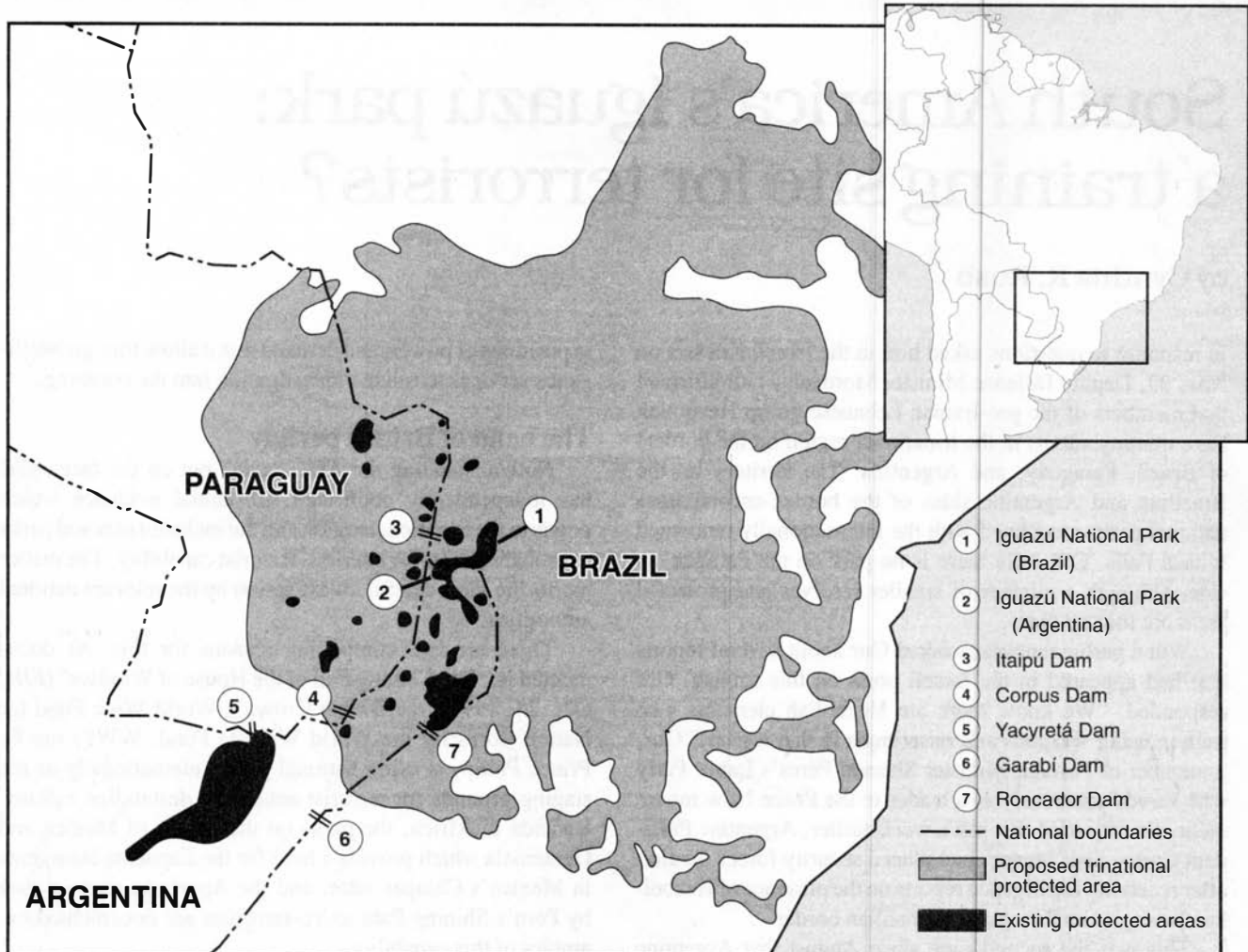
Notwithstanding the ADL "spin" put on the facts, *EIR* has independently confirmed substantial evidence which points to the trinational region and the included national parks as probable bases for a serious terrorist capability. The matter merits the most careful investigation by the relevant national authorities.

There are two compelling reasons for this. As documented in "The Coming Fall of the House of Windsor" (*EIR*, Oct. 28, 1994), the British Crown's World Wide Fund for Nature (formerly the World Wildlife Fund, WWF) run by Prince Philip, is using national parks internationally as the staging grounds for terrorist actions to destabilize nations. Rwanda in Africa, the parks on the border of Mexico and Guatemala which provide a base for the Zapatista insurgents in Mexico's Chiapas state, and the Apurimac reserve used by Peru's Shining Path narco-terrorists are documented examples of this capability.

Second, British intelligence has this year strengthened its foothold in Argentina, with ominous implications for the rest of the region. In March, Hugo Anzorreguy, director of Argentina's state intelligence service SIDE, signed an agreement in London which states that agents of the British intelligence agencies MI-5 and MI-6 will train SIDE agents in "intelligence analysis." Military sources have told *EIR* that unless they receive this training, SIDE agents will not even be promoted. In London, Anzorreguy met with MI-5 director Colin McCall and MI-6 director Stella Remington; shortly afterwards, David Spedding, MI-6's new director, traveled to Buenos Aires for a three-day visit. Spedding, an Arabist who spent several years in the Mideast, had also been stationed in Chile in the early 1970s.

Nor should the role of the Mossad, Israel's intelligence service, be overlooked. Shortly after the AMIA bombing, President Menem succumbed to international pressure and gave the Mossad carte blanche in running the investigation. This eliminated any role for Argentina's Armed Forces or other security forces, in complete violation of national

Iguazú trinational protected areas



sovereignty. Mossad agents swarmed over the bombing site in the days following July 18, and in an act deemed particularly offensive to Argentines, hoisted the Israeli flag over it.

A no man's land

Protected areas and established national parks in the trinational region are indicated on the accompanying map. However, the WWF and affiliated ecological groups and non-governmental organizations are demanding that the entire area of what is known as the Paraná jungle in all three countries, the shaded area on the map, be designated a protected area. This is a region of more than 1 million square kilometers, larger than the nation of Venezuela and almost the size of Bolivia. It is largely uninhabited, already a kind of no man's land characterized by the absence of any state regulation, as well as huge contraband and other

illicit activities—precisely the conditions attractive to terrorists.

If the WWF gets its way and this expanded protected area is established, it will be the largest in the world, by far.

Several eyewitnesses have reported to *EIR* that the immediate border region encompassing the Brazilian city of Foz do Iguazú, Paraguay's Ciudad del Este, and Argentina's Puerto Iguazú (indicated with black dots on the map) is something like the "Wild West." One experienced observer noted that the area is so completely uncontrolled and the site of every conceivable kind of illegal activity, that its use as a base for terrorist operations cannot be ruled out, and would pass largely undetected.

For example, trucks enter Ciudad del Este illegally from Brazil, carrying goods which are then sold by Korean, Chinese, and Arab merchants to whoever will buy them. Virtual-

ly any kind of sophisticated weaponry can be purchased in the city. Nor is there any control over the flow of people into the region. On Nov. 25, the Argentine daily *La Nación* reported that sales revenues in Ciudad del Este alone are in the millions, and that robbery, murder, weapons and drug trafficking, prostitution, and illegal gambling are the order of the day. Local police don't even try to halt these activities.

On the Argentine side of the border, there is also a large flow of people and goods. According to *La Nación*, two Paraguayan congressmen recently charged that a large quantity of containers travel by railroad between the Paraguayan city of Encarnación and the Argentine city of Posadas; the containers are "pre-packaged in the country of origin" with weapons intended for the Southern Cone's black market. *La Nación's* investigative reporter asserted that this weapons business is run by mafia groups inside Paraguay with connections into both Brazil and Argentina. Most recently, he said, the Bulgarian mafia has also been working the route between Encarnación and Ciudad del Este.

In the middle of this frenetic contraband of every sort, sits one of the world's most famous tourist attractions: the gigantic Iguazú Falls on the river of the same name, which at that point forms the border between Argentina and Brazil. Tens of thousands of tourists visit the falls year-round; there are regular flights in and out of a local airport, and foreigners are commonplace in the area.

It's not surprising that in July of this year, a large casino, partially owned by the British firm Universal Casino Consultants, was set up in Iguazú on the trinational border. The other owners are the Malaysian firm Berjaya, involved in real estate operations, casinos, and hotels internationally, and the U.S. firm Mirage Resorts, whose owner, Stephen Wynn, is the boyfriend of Duchess Sarah of York, estranged wife of Britain's Prince Andrew. Casinos are a notorious vehicle for laundering large sums of money, and the Iguazú area has been additionally targeted by many dubious Arab "businessmen" seeking to build hotels, casinos, and other tourist attractions in the region.

What is Steve Emerson doing in Buenos Aires?

Steve Emerson, a former congressional staffer who later went to work for *U.S. News and World Report* and Cable News Network (CNN), is now a "freelance" writer and TV documentary producer, who has carved out a public image as an expert on Islamic terrorism. As we go to press, he is in Buenos Aires, Argentina, along with the FBI's former deputy director Oliver "Buck" Revell, organizing a Dec. 12-14 conference that will accuse the Menem government of allowing Islamic terrorists to build a base of operations and failing to take adequate measures to catch the terrorists who blew up the Argentine-Israelite Mutual Association in July.

Recently, public television in the United States aired a documentary written, produced, and directed by Emerson, charging that the United States has been harboring Islamic terrorists. That documentary, like most of Emerson's work, relied heavily on Revell.

Argentines should be wary. During the U.S. congressional investigations in the 1970s into illegal activities by the CIA and FBI, one of the most alarming crimes to come to light was the two agencies' widespread use of journalists as covert propagandists. Emerson and Revell speak for the intelligence community faction that wishes

to tar all Muslims with the image of anti-western fanatics and killers.

According to several of Emerson's colleagues, there have been persistent rumors that Emerson was spying for the Likud regime in Israel during the 1980s. "There, but for fortune, goes Jonathan Jay Pollard," remarked one former colleague, when asked to describe Emerson's rise. A second investigative writer went so far as to claim that Emerson had been caught stealing classified documents while working on Capitol Hill, and had been given the choice between a long jail term or collusion with the FBI.

One sure sign that Emerson is not to be trusted is his intimate link to the Anti-Defamation League of B'nai B'rith, a group that was exposed in 1993 for running a nationwide spy operation targeting tens of thousands of American political activists. Among the priority targets of the ADL spy operation were Arab-Americans, American Jews backing the Middle East peace process, civil rights activists, and associates of political economist Lyndon LaRouche. Some of the police and FBI documents that the ADL illegally obtained were sold or passed on to South African and Israeli intelligence, and from there to the KGB.

In October 1993, Emerson was a featured speaker at a conference in New York City sponsored by the ADL's Klinghoffer Foundation. His speech on the growing threat of "Islamic terrorism" concluded with a call for a change in U.S. law to permit a revival of Cointelpro and similar programs, which enabled the FBI (and its surrogates in the ADL) to conduct "dirty tricks" against American citizens on an unprecedented scale.

Infrastructure a target

As indicated on the map, the other feature of the trinational region is the existence of several crucial infrastructure projects, most of them multinational dams. Among the major existing projects are:

- Itaipú Dam, built by Paraguay and Brazil on the border between them on the Paraná River, the largest hydroelectric dam in the world;
- Corpus Dam, also on the Paraná where it divides Argentina and Paraguay;
- Yacyretá Dam, downriver from Corpus, also on the Argentine-Paraguayan border; and
- Garabí and Roncador dams on the Uruguay River on the Argentine-Brazilian border.

These projects are prime targets for sabotage by terrorists. The Buenos Aires daily *Clarín* on Nov. 21 reported that the Argentine government had recommended to the Paraguayan government that the two sign an agreement to prevent sabotage or terrorist attacks on the Yacyretá hydroelectric project. Within two years, the 20 turbines of the project will be fully operational, and it will generate over 40% of Argentina's electricity. A high-level official of the Argentine Foreign Ministry told *Clarín* that since there are Hezbollah forces reportedly in Ciudad del Este, Paraguay and Foz do Iguazú, Brazil, "without stationing troops or affecting sovereignty, we seek greater guarantees," as both cities are close to Yacyretá. In response to this report, the Lebanese ambassador in Asunción, Nazir Ahmad Chamass, denied that any Lebanese group was planning terrorist attacks on the hydroelectric dam.

Given the character of the trinational region, the WWF's efforts to transform the entire Paraná jungle into a protected area, as outlined in the 1993 report by the WWF's Argentine branch, Fundación Vida Silvestre, should be a red flag for serious investigators. Under the guise of promoting "integrationist policies" to protect flora and fauna, the WWF's designation of several potential multinational protected zones is minimally a pretext for chopping up existing nation-states and eliminating sovereignty.

That same point was made by Juan Carlos Chebes, formerly an adviser to the Argentine presidency from the National System of Protected Areas. In an interview published in the December 1993 supplement of *Sos Vida* magazine, Chebes explained that the creation of Argentina's national parks in the last century "was seen as a means of defending sovereignty in remote areas of our national territory." However, today, he said, the opportunity exists to create "a network of twin reserves which integrate different nations on behalf of a single conservationist objective." Chebes recommended that the Argentine Armed Forces, which now control several of the country's parks, hand the parks over to the National Park Service and function only as environmental custodians of the parks. This would suit any terrorists just fine.

Britain's 'Islamic' wave of terrorism

by Joseph Brewda

The British government is dead-set against the peace process unleashed by the September 1993 signing of the Israel-Palestine Liberation Organization peace accords. Britain has blocked economic development credits to the Occupied Territories, and is trying to provoke a civil war between the PLO and Hamas. PLO Chairman Yasser Arafat, Israeli Prime Minister Yitzhak Rabin, and Israeli Foreign Minister Shimon Peres are currently high on a British hit-list.

This is the context in which to situate Israeli Deputy Defense Minister Mordechai Gur's remarks on the Hezbollah (Party of God) base in the tri-border Iguazú park region in South America. Although it might also be used to destabilize the region itself, the base is part of a British-directed international capability.

Who runs Mideast terrorism?

In early 1982, the British government and its collaborators within the Reagan administration had decided that a new Mideast war was necessary. Then-Israeli Defense Minister Ariel Sharon was detailed to Washington at that time to meet with Secretary of State Alexander Haig, to finalize plans for an Israeli invasion of Lebanon. But a pretext had to be found.

On June 3, assassins of Abu Nidal's Palestinian terrorist organization shot Israeli diplomat Shlomo Argov in London. The next day, Sharon led the invasion of Lebanon that had been formally agreed to six months earlier. Through the years, Abu Nidal, whose father had been a close collaborator of the British and Zionists, has killed more PLO officials than the Israelis have. In 1983, his network killed Issam Sartawi, a top PLO official who was advocating a peace agreement with Israel along the lines negotiated in 1993.

The Hezbollah of Lebanon has the same profile as Abu Nidal's organization. Its militarily senseless shelling of northern Israel from positions in southern Lebanon has provided the convenient pretext for numerous Israeli strikes into Lebanon, and Israel's continuing occupation of a "security strip," within Lebanon's borders. Yet while Hezbollah bases are occasionally bombed by Israeli planes, Israel never stops Hezbollah ships carrying hashish and opium from Lebanon's Bekaa Valley to customers in Europe.

Hezbollah, like Hamas, is funded and armed by Iran, the supposed great enemy of the West. But as the Iran-

Contra affair revealed, George Bush's faction (which aided the British war on Argentina, ran the Panama invasion, and set up the Haiti occupation), armed Khomeini's Iran. This military aid to Iran was coordinated by the British government, with the logistical support of Israel. This same combination put the lunatic Ayatollah Khomeini and his party into power in 1979 in the first place.

But the British do not only control Arab and Islamic terrorism.

Immediately following the Israeli-PLO peace treaty, Ariel Sharon and his associates called for Jewish resistance to the Israeli government, whose officials they termed traitors. Sharon, former Prime Minister Yitzhak Shamir, former Chief Rabbi Shlomo Goren, and other leaders of the Likud bloc publicly demanded that Israeli soldiers disobey any orders calling for dismantling Jewish settlements in the Occupied Territories, and called for armed resistance. They received little initial support for such talk internally, but enthusiastic support, and funding, from certain Zionist quarters in Britain and the United States.

This campaign bore fruit in February 1994, when a team of Jewish terrorists entered a Hebron mosque and shot and killed 50 Muslim worshippers. The squad was made up of Jewish Defense League members, a Brooklyn-formed group overseen in Israel by Sharon's top deputy, Rafi Eytan. The massacre was intended to destroy the peace process.

This lunatic Sharon wing of Israeli politics has always been under British control, via such tools as World Jewish Congress President Edgar Bronfman of Canada, and his sidekick, the mobster Meshulam Riklis. Former Prime Minister Shamir, the grand old man of this network, led the wartime "Stern gang," the assassination network whose brutal murders ensured that the creation of Israel would be accompanied by unending war. Shamir, Sharon, and their group have labeled all the land from the Nile to the Euphrates to be Israel's. Their expansionism has kept the Mideast aflame ever since.

Stopping peace

Despite decades of war, a genuine peace accord between Israel and Palestine, and the Arab states generally, remains possible, if economic development proceeds. That economic development, however, is being sabotaged by Britain and the International Monetary Fund. Moreover, the economic situation among Palestinians is now far worse than before the accords. There are no great projects being discussed, and both the Israelis and PLO are reluctant to demand the nuclear power-driven desalination vital for the region.

Because of this sabotage, the Palestinian population has lost its earlier enthusiasm for the accords. This provides the climate for using spectacular assassinations to get rid of regional leaders, provoking war and civil war. British MI-6 chief David Spedding, a former British intelligence Mideast chief and career Arab specialist, knows this full well.

Geneva bank at the center of money-laundering ring

by Dean Andromidas

On Nov. 27, United States federal agents arrested Jean Jacques Handali of the Union Bancaire Privée CBI-TDB (UPB) of Geneva and Gary Kaminsky of Dollar Time, Inc. in Florida, charging them with leading a multimillion-dollar money-laundering ring between the United States and Switzerland. The third largest private bank in Switzerland, UBP is the same bank used by the Frankfurt real estate swindler Jürgen Schneider to launder hundreds of millions of marks from fraudulent real estate deals.

On the following day, Geneva police raided the Geneva offices of UBP, blocking bank accounts and seizing documents and computer diskettes. On the request of U.S. authorities, the Geneva prosecutor's office opened an investigation into the bank. On the same day, U.S. authorities arrested several individuals in New York who functioned as part of what is described as a courier service for laundering cash out of the United States into accounts at UBP. The trail also leads through London, where an accountant for the London-based M. Sorsky and Co. is said to have been involved. The court indicted a total of 11 conspirators, including three UBP account managers.

According to the U.S. Attorney's office in Miami, an investigation was launched in 1993 targeting one Gary Kaminsky, financial officer of Dollar Time, Inc., a discount retail store chain based in Hollywood, Florida. Such operations often serve as convenient means for laundering cash derived from drug trafficking. At that time federal agents launched a "sting" operation, placing a confidential informant in the network who offered \$3 million to be laundered by the ring. According to the indictment and other prosecutorial documents, the principal target of the operation was the "Swiss connection." Kaminsky was believed to be simply a small-time operator. The real targets proved to be much bigger fish.

The Swiss connection

Jean Jacques Handali, a French citizen and an account manager of the UBP bank, is now sitting in U.S. federal prison. The bank officially claims innocence, asserting that Handali conducted his criminal activity alone. Nonetheless, according to the U.S. Attorney's charges, Handali, along with two other account managers, Jeckile E. Valero and Karl Michael Ley, channeled millions of dollars worth of drug

money through the accounts of one Albert Shammah, who is a personal friend of Joseph Shalam, a member of the bank's board of directors.

While the UBP official asserts that Handali was acting alone, the indictments and other court papers document a case demonstrating that Handali and the two other account managers were functioning in the name of the bank. According to wiretaps, recorded discussions, and testimony of government agents and informants, Handali fully acknowledged that he was handling cash from narcotics traffickers and even encouraged his would-be client/government informant to direct other traffickers to make use of the bank's services to help "manage" their large sums of cash.

At one point Handali and his associates invite the client/informant to Geneva to meet one of the bank's "principals," presumably one of the board members. Many of the meetings take place at UBP headquarters in Geneva where the "client" is encouraged to invest in some of the leading European investment funds. UBP, as the third largest private bank in Switzerland, specializes in investing hundreds of millions of its "confidential" clients' dollars into such funds as the Soros management funds.

But what is the Union Bancaire Privée? As we have reported in the past, UBP was founded after the merger of Compagnie Banque et d'Investissements (CBI) and Trade Development Bank (TDB), both of Geneva. The former was the private bank of Edgar de Picciotto, of an old Levantine Jewish banking family who also sits on the board of directors of George Soros's Quantum Fund, known in Swiss banking circles as a front for British financial interests.

It should be pointed out that Mrs. Picciotto is a member in good standing of Prince Philip's 1001 Club. The Picciottos most recently served on the organizing committee of a benefit concert to raise funds for the World Wide Fund for Nature (WWF) sponsored by the British Council in Geneva. The concert was held only hours after Picciotto's bank was raided by the Geneva police. The 1001 Club and its offshoot, the WWF, are the premier institutions through which the oligarchy behind the British monarchy has been running its operations to destroy and depopulate nations, under the cover of saving the environment and protecting endangered species.

Meanwhile, the Trade Development Bank was owned by Edmond Safra, who in 1989 gave \$1 million to the Anti-Defamation League. Safra had been named in January 1989 by the U.S. Drug Enforcement Administration and U.S. Customs officials as a premier drug-money launderer, servicing the Syrian-Lebanese-Bulgarian heroin connection and Colombian cocaine cartels. The case involved the Shakarchi Trading Company owned by a Lebanese smuggling family. The case was eventually dropped. Safra is also a member of the 1001 Club and big financier of the WWF. Safra is good friends with Picciotto. After his partnership with the American Express Company fell apart in the mid-1980s,

Safra is reported to have gotten an out-of-court settlement with Amex, which included the 1989 sale by Amex of TDB to CBI.

Now comes Albert Shammah. American prosecutors charge that UBP bank accounts of Shammah were utilized for the illegal transactions. Shammah, of Italian-Lebanese origin, was arrested in 1985 in Switzerland at the request of an Italian judge who accused him of leading a money-laundering ring with Turkish crime families. He was released and the charges were dropped after the personal intervention of Bettino Craxi, then prime minister of Italy of the Socialist Party, who now faces corruption charges. Others who intervened on Shammah's behalf included then-Mayor of Milan Carlo Tognoli, and Vittorio Ripa Di Meana, former Socialist Party environment minister and now spokesman of the parliamentary delegation of the Italian Green Party. Also coming to his defense was Joseph Shalam, then director of Trade Development Bank and now UBP director. In a statement released by his attorney, Shalam denied any knowledge of how his bank accounts could have been used for laundering millions of dollars. Nonetheless the U.S. Attorney's office also names a relative of his, Shlomo Djamal of Florida, as one of the individuals involved in the case.

Enter Geopol

The same building raided by the Geneva police houses the offices of Geopol Services SA, whose president is Pierre Hafner. Although not a director of the UBP, Hafner is a top director of CBI Holding, the Picciotto family's holding company which owns 80% of UBP. A Swiss attorney, he describes himself as a "private asset manager." The other director of Geopol is Elisabeth Kopp, former Swiss justice minister whose husband, Hans, was the attorney for the above-mentioned Shakarchi brothers. She lost her job as a result of the scandal which broke out when she told her husband that the Shakarchi brothers were being investigated by the U.S. Drug Enforcement Administration. Hans Kopp, who has been convicted for white-collar crimes, is a close collaborator of the third Geopol director, Helmut Raiser of Zug, the multimillion-dollar arms dealer. Raiser, who worked for Bohlen Industries, the Essen-based munitions firm owned by the brothers of the late Alfred Krupp von Bohlen und Halbach, played a leading role in the Condor missile project which sold missile technology to Argentina, Egypt, and Iraq.

In the midst of these high-class scoundrels one finds Laurent Murawiec who fled from the LaRouche political movement after Lyndon LaRouche was imprisoned in January 1989 on orders of George Bush. Murawiec has since participated in a campaign of lies against LaRouche. The raid on UBP is fresh evidence that LaRouche's political enemies are run by the profiteers of the international narcotics trade, who were exposed in the bestselling book *Dope, Inc.*, which LaRouche commissioned.

Brazilians confront Greenpeace

The Green guerrillas' attacks on shipping and the nuclear industry have provoked a counterattack.

Although Greenpeace, the environmental multinational, managed to get away with thumbing its nose at authorities in Brazil, where it sent a ship and foreign activists to stage a number of provocations during the past few weeks, it did arouse an angry response from nationalist circles and set off an unexpected public debate on the actions of non-governmental organizations in Brazil. As a result, Brazilian NGOs, particularly radical environmentalist ones, now find themselves on the defensive.

The story began early in October, when the *MV Greenpeace* started to travel up the Amazon River. The ship was followed by a Brazilian Navy vessel, which kept the "green guerrillas" from staging one of their infamous direct actions for a few weeks. But, on Oct. 27, the radical ecologists broke loose and boarded a Ukrainian ship that was taking on a load of lumber in the port of Santarém, and paralyzed the activities of the port for two hours. The disruption caused Brazil's Federal Police to order the Greenpeace activists out of the country, for violating the country's immigration laws.

However, a federal judge issued a stay of the deportation order, and Greenpeace continued upriver. On Nov. 1, the Greenpeaceniks boarded another ship, this one in Belem, and forced a second port to shut down temporarily. The disruption prompted the Ibero-American Solidarity Movement (MSIA), associates of Lyndon LaRouche, to issue a statement saying that it was an "affront to the laws and the dignity of the nation" to allow the Greenpeace tour to continue, as well

as "an audacious test of the concept of 'limited sovereignty,' one of the pillars of radical environmentalism."

The influential daily *O Estado de São Paulo* also weighed in with a series of investigative articles that focused on the fact that NGOs in Brazil move nearly \$700 million annually without any oversight. Given the right to reply in the pages of the same daily, the NGOs responded by directing attention away from the issue of providing a public account of their financing, to the spurious assertion that "every society has the NGOs it deserves," in the words of Roberto Smeraldi, director of Friends of the Earth in Brazil.

Greenpeace staged another of its "direct actions" on Nov. 23, when its activists broke into the construction site of the Angra-2 nuclear plant. The MSIA condemned this act of vandalism, asking, "How long will we tolerate Greenpeace's insolence?" A couple of days later, the operator of Angra-2, Furnas Centrais Elétricas, announced that it was taking Greenpeace to court.

That evening, Guilherme Camargo, a member of the board of directors of the Nuclear Energy Association of Brazil, appeared on television to defend Brazil's right to nuclear energy, and criticized Greenpeace for its vandalism.

Camargo was asked to participate in a televised debate on Nov. 28. When he arrived at the studio of São Paulo's TV Gazeta for the debate, Camargo found himself confronted by a decidedly hostile panel, including the leaders of Greenpeace in Brazil, a

leader of the local Green Party, and a city councilwoman from the Workers Party (PT), which is allied to Greenpeace in the campaign against nuclear power.

The debate was heated, with the environmentalists arguing that there are "good and bad" NGOs, while Camargo stressed that the point is that NGOs are used as political weapons against developing countries. As an example he cited the World Wide Fund for Nature (WWF), led by Britain's Prince Philip, which has been waging a campaign to prevent the linkage of the Paraná and Paraguay rivers. This project is vital for the economic integration of South America, said Camargo.

The executive director of Greenpeace in Brazil, Roberto Kishimani, took up the cudgels for the WWF. But Camargo reminded him and the TV audience that Greenpeace is subservient to the policies of Britain's royal House of Windsor.

At a meeting in Porto Alegre with the leaders of 25 NGOs from the state of Rio Grande do Sul, during the last stop in Brazil of the *MV Greenpeace*, Kishimani complained "that there are some people on the payroll of extreme right-wing organizations, who are tied to the nuclear energy industry or to whale hunting, who try to tarnish the image of Greenpeace," according to the daily *Correio do Povo*. The Greenpeace director said that "the Ibero-American Solidarity Movement and the science and technology magazine *21st Century* provide cover for the dissemination of the message against the ecologists."

But, as the MSIA said, unless the basis for ecological action is to improve the living conditions of human beings, "any concern for nature is useless, hypocritical, and against the principles of western Christian civilization to which we belong."

International Intelligence

Kozyrev proposes security cooperation with Europe

At a meeting of the Western European Union parliamentary assembly on Dec. 1, Russia's Foreign Minister Andrei Kozyrev warned the West against a hasty eastward expansion of NATO, but did not rule out eventual membership for Moscow's former Warsaw Pact allies, according to Reuters. The WEU is a military consulting body within the European Union. While Russia wants to cooperate with the United States and NATO on security, "the fact remains that we, the Europeans, should take care of ourselves in the first place," he said.

He called for the establishment of Russia-WEU expert groups on a range of security problems and proposed joint naval exercises between the fleets of WEU nations and of Russia to improve cooperation in peacekeeping operations. Kozyrev also suggested cooperation in armaments production and possible Russian involvement in a Europe-wide satellite surveillance system and in WEU anti-missile defense efforts. Kozyrev even proposed "providing on a commercial basis the WEU Satellite Center with photo information from our satellites."

Anglo-French stance on Bosnia scored at home

Prominent British spokesmen have begun to come out against Her Majesty's government's sabotage of decisive action against the Serbian aggression in former Yugoslavia.

On Nov. 29, five individuals signed a commentary in the *International Herald Tribune* entitled "On Bosnia, Washington Should Stop Deferring to London and Paris." The five co-authors are Prof. Adrian Hastings of Leeds University; Prof. Norman Stone of Oxford University; Modern History tutor Mark Almond of Oxford University; author-journalist Noel Malcolm; and author Branka Magas.

The authors ask: "Why have the British and French governments pushed so hard for a policy that will guarantee the destruction

and permanent division of Bosnia?"

They add: "It is time that the U.S. government ceased to allow either its own policy or that of the United Nations to be hijacked by London and Paris, and made to serve a strategy wholly inconsistent with the ideals of democracy and pluralism on which the United States itself was built."

The five academics were joined on Dec. 1 by former British Defense Secretary Sir John Nott, who wrote in the *London Times* that the British government's policy is of "such incompetence and arrogance that it is akin to the appeasement of the Nazis. . . . Only the United States has the military strength and moral conscience to solve the Bosnian question."

Nott directly blamed his government for sustaining Serb aggression and genocide, although he claimed that this effect is "unwitting."

Corriere exposes plot behind Herrhausen murder

In a lengthy article in the Nov. 28 *Corriere della Sera*, journalist Massimo Nava reconstructs the conspiracy that killed Deutsche Bank chairman Alfred Herrhausen in November 1989. The article draws on material previously published by *EIR*.

Herrhausen, Nava writes, "is a global player who provokes a turmoil when, at the [International] Monetary Fund meeting, he fights for reducing Third World debt. He is the man who awakens 'Kennedyian' expectations when, a few days before his death, he gives the *Wall Street Journal* his [vision of] economic Ostpolitik, the vision of Germany and the Deutsche Bank 'bridges' between East and West, motors of the industrial reconversion and of the new democratic development. For the banker, East must not be a land of conquest. Who is afraid of such a man?"

". . . Out of Thatcher's memoirs the British worries emerge over too hasty a reunification [of Germany]. There is irritation in international financial circles. . . . Above all in the East, enemies of détente are growing.

"The conspiracy theory has no proof,

but it is not without suggestions, as in all major crimes that seem to be conceived by invisible powers. . . . It was recently relaunched by Col. Fletcher Prouty, the 'Mr. X' played by Donald Sutherland in Stone's film 'JFK.' . . . He told *L'Unità*: 'In New York, Herrhausen was supposed to read a speech which would have changed the world. He spoke of a great united Europe without interference from the World Bank. He had an integration project between eastern and western Europe. An operation that would have changed international relationships.' Fantasies?"

Uruguayan elections put Dialogue member in power

The Nov. 27 elections in Uruguay were extremely close, but former President Julio Sanguinetti of the Colorado Party won by a few percentage points over the São Paulo Forum-affiliated Broad Front and the Blanco Party. The significance of Sanguinetti's victory is that he is now the third member of Wall Street's Inter-American Dialogue to take over an Ibero-American presidency, the first being Bolivia's Gonzalo Sánchez de Lozada, and the second, Fernando Enrique Cardoso of Brazil. A top Mason in the country reputed to be South America's masonic center, Sanguinetti is also openly anti-Christian and tied into international social-democratic circles.

Media sources are attributing his win to disaffection with the neo-liberal reforms of President Alberto Lacalle; but anything that Sanguinetti has to offer by way of economic policy can hardly be an improvement. He told the Buenos Aires daily *Clarín* that rumors he intends to follow a protectionist policy are totally false.

Because the election was close, Sanguinetti will probably have to rule in a coalition government. There are estimates that the Broad Front (which includes both the Communist Party and the terrorist Tupamaros) may come in second, ahead of the Blanco Party. In the capital of Montevideo, where 40% of the population resides and the left is very strong, the Broad Front candidate for mayor, Mariano Arana, won handily.

Briefly

● **TAIWAN'S** Nationalist (KMT) party candidate James Soong won election to become the island's next governor, on Dec. 3. However, the KMT lost the mayor's race for Taipei to the Democratic Progressive Party which openly advocates independence rather than reunification of the Republic of China with the Mainland.

● **ALGERIANS** across the political spectrum marched 10,000 strong in Paris to demand an end to violence in their country and the easing of French regulations allowing Algerians to seek political asylum. Marches were also held in Lyon, Marseille, and Montpellier, and demonstrators included the Islamic Salvation Front, the FFS, and even radical anti-Islamists. It was the first expression of unified Algerian opposition to the civil war, and came shortly after the Rome meeting of Algeria's opposition parties.

● **MEXICAN** Cardinal Juan Sandoval Inúñez told the Italian Catholic journal *30 Giorni* that his predecessor "Cardinal Juan Jesús Posadas Ocampo was not accidentally or mistakenly killed. It was he they wanted to kill." Posadas, the late archbishop of Guadalajara, was gunned down in May 1993. The Salinas government declared that his murder was a case of mistaken identity in a shoot-out between rival drug gangs.

● **BOSNIA'S** Foreign Minister Haris Silajdzic angrily suggested on Dec. 5 that "the mandate of Unprofor seems to be to prop up the morale of the [Serb] fascists—so I propose that if an international peace conference actually is held, it should be held in Munich," referring to Britain's 1938 sellout of Czechoslovakia to Hitler.

● **QUEEN ELIZABETH II** has "the charisma and presentational skills of a tailor's dummy," wrote Stephen Tindale in the current edition of the *Fabian Review*. "If Elizabeth Windsor herself can be shown to be ill-suited to rule, Britain's constitutional crisis could be on us sooner than we expect."

Daily highlights LaRouche Ibero-American influence

Over Dec. 5-6, the *Miami Herald* published a special bilingual supplement for distribution to all attendees at the Americas heads of state summit conference being held in Miami Dec. 9-11, which bemoans the fact that *EIR's* book on the plot to dismantle the militaries of Ibero-America has gained great influence among military layers in those countries. The article on military issues breaks a decades-old policy by U.S. media not to cover the effect that *EIR* Founding Editor Lyndon LaRouche's ideas have had internationally.

The article, filed from San Salvador, began: "A lot of Latin American military men are feeling anxious, and a hot-selling book helps explain why. From Guatemala to Brazil, officers are scrambling to read *The Plot*, a book suggesting that the Pentagon is engaged in a scheme to scale back, or even abolish, Latin America's armed forces so Washington can rule the hemisphere. In El Salvador, they can hardly keep it in stock. 'Go ask at the army cooperative. They've sold more than 500 copies,' said political scientist Leonel Gómez. 'This is probably the most read book in the Salvadoran army.'

"U.S. officials flatly dismiss the premise of *The Plot*, published by U.S. political extremist and perennial presidential candidate Lyndon LaRouche. But they acknowledge it has tapped into a deep identity crisis afflicting the armed forces in Latin America."

Northern Ireland conference will include Sinn Fein

Thanks to pressure from the Clinton administration, the British government will permit the Sinn Fein, the civilian arm of the Irish Republican Army, to participate in the upcoming Northern Ireland Development conference, set for Dec. 13 and 14. According to coverage in the Dec. 2 British press, the government of Prime Minister John Major did an about-face on both the question of inviting Sinn Fein to the conference, and

carrying out direct negotiations.

According to the *Guardian* newspaper, "the British embassy in Washington had warned Downing Street that American and Irish companies might boycott the conference unless Sinn Fein was allowed to attend."

Sinn Fein President Gerry Adams had responded to the British government's Nov. 30 decision to exclude his organization, by announcing that he was accepting an invitation to the United States, where it was expected that he would lobby for inclusion. Three days later, the Major government changed its mind.

Internecine warfare wracks Russian elite

A series of major personnel changes in Moscow over Dec. 1-4 signal the onset of a new political crisis and power struggle. The first changes revolved around the Dec. 2 raid on the premises of Mostbank, the largest and most important of the private banks in Russia, which is closely linked to Moscow Mayor Yuri Luzhkov, a rival of President Boris Yeltsin. The raid was conducted by armed units of General Korzhakov, the very powerful, evil and corrupt shadow figure who heads the massive presidential security apparatus. The reason given for the raid was that it was a continuation of the investigation into the October "Black Tuesday" ruble collapse, and the bank's ties with corrupt government structures.

The chief of the Russian Federal Counter-Intelligence Service for Moscow and the Moscow region, Yevgeni Sevastyanov, tried to stop the raid, and failed. The next day, Yeltsin fired him, marking the most important internal security purge since the July 1993 firing of Security Minister Baranikov, which was the prelude to the October 1993 attack on the Russian Parliament.

Finally, as reported in *Nezavisimaya Gazeta* on Dec. 6, Gen. Boris Gromov has been retained as a deputy defense minister, however, without portfolio. *Nezavisimaya Gazeta* asserted that Mostbank and Luzhkov were supporting Gromov to replace Defense Minister Gen. Pavel Grachov.

Constitutional Conference charts the future of Nigeria

by Lawrence Freeman and Uwe Friesecke

All one reads or hears in the western media about Nigeria, is that it is a nation led by an oppressive military junta and that it is constantly accused of human rights violations. When we went to Nigeria in October, we found a totally different picture and were excited about Nigeria's potential for creating new and viable political institutions and policies promoting real economic growth. Leaders of government, policymakers, and thoughtful citizens are being fed a daily dose of lies about the intentions of Nigeria's current military government led by Gen. Sani Abacha. This issue of *EIR* reveals for the first time in print the truth about the efforts of the Nigerian National Constitutional Conference (NCC) in determining a new future for Nigeria.

All other media outlets around the world, led by the major media of Great Britain and the United States, have deliberately refused to cover this breaking story and have acted as a propaganda machine. With the publication of this feature, there is no excuse for gullible western leaders, particularly those in the U.S. Congressional Black Caucus, to continue to align themselves with the ongoing destabilizations and attempted coups organized by the British and Dutch, and carried out in large part by the grouping around Royal Dutch Shell. The fact that no western press has reported on the daily deliberations of the NCC should provoke thinking citizens to question why they are being deliberately lied to, and who is behind it.

While most people dependent on the major media only hear diatribes about the "oppressive military regime" of General Abacha, it is not generally known that one of the first acts of the Abacha government upon assuming leadership on Nov. 17, 1993, was the creation of a commission establishing

a conference to draft a new constitution for Nigeria. As a result of that action, 360 delegates now meet each day in a huge hall in the new capital of Abuja, guided by the fair and steady hand of Supreme Court Justice Karibe White.

In this unique democratic atmosphere, these delegates, 270 of whom were recently elected (nine from each of the 30 states), plus 90 appointed delegates (three from each state), debate the concepts and details of a new Nigerian constitution. The delegates come from every geographical area, and represent all ethnic groupings, religions, and parties, and include former opponents of the Nigerian government. Yet, everyone we were able to talk to—local chiefs, government officials, elected representatives, and businessmen—expressed great optimism and hope that this constitutional process will create the basis for a "new Nigeria."

It is precisely because this constitutional process is seen as a way of overcoming the divisions that have undermined Nigeria since independence in 1960—divisions which were deliberately fostered by Lord Lugard and the British from the end of the 19th century into the 20th—that the British-Dutch oligarchies today are intent on preventing this process from coming to fruition. The vision of what Nigeria could become is eloquently presented by Chief Ojukwu (see interview), who, even though he led the Biafra war against Nigeria almost 30 years ago, today enthusiastically supports the efforts of the NCC.

The so-called democracy movement

As detailed in the Nov. 25 issue of *EIR*, the Nigerian economy had been so weakened under the International Monetary Fund's structural adjustment program during the eight-

year regime of Gen. Ibrahim Babangida, the country almost disintegrated. General Abacha brought the wrath of the British and the Dutch oligarchical families upon himself when he, immediately upon assuming office, reversed the destructive IMF conditionalities. In his first year as leader of Nigeria, he has attempted to rebuild the economy with a sound perspective of nurturing the development of the manufacturing and agricultural sectors, although progress has been slower than what the government desires for the Nigerian people (see speech by General Abacha on p. 67).

Among the major obstacles to economic progress were the strikes, disruptions, and outright sabotage of the economy led by the National Union of Petroleum and Natural Gas Workers and the Natural Gas Senior Staff Association of Nigeria. The truth of the matter, which the media never reported, was that the striking workers and various so-called pro-democracy groups who deployed this summer to force the overthrow of the Abacha government were orchestrated and funded by the British government, Royal Dutch Shell Oil Company, and Chief M.K. Abiola.

The propaganda line for the credulous, uninformed public was that Abiola had won the presidential election in June 1993, and that General Abacha, one year and two governments later, should have simply left office and handed the government over to Abiola. The truth is that the election conducted by General Babangida in 1993 was annulled before any official results were counted, so Abiola was never officially declared President and has no legal claims to head the country. M.A. Rimi, minister of communication and a member of Abiola's Social Democratic Party, exposes in detail the truth behind Abiola's attempt to take over the government through the June 12th Movement (see interview).

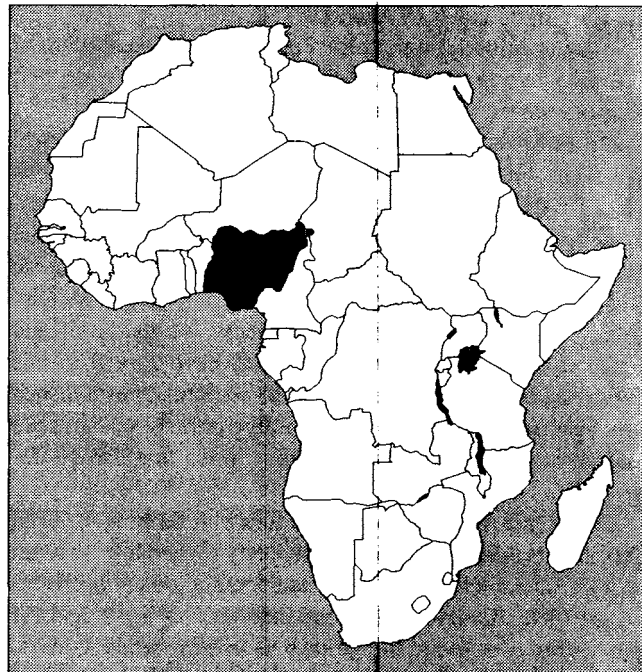
Abiola, a close friend of General Babangida, was well aware of the shenanigans that Babangida intended by calling and then canceling the 1993 election, and then requesting that General Abacha step in and take over the government in the fall of 1993. Only after several trips outside Nigeria, in coordination with British intelligence, did Abiola attempt an overthrow of the government earlier this year, an act that landed him in jail for treason.

Chief Abiola was a money dispenser for Uganda's leader Yoweri Museveni. It has been conclusively proven (see *EIR*, Sept. 19, 1994) that Museveni, guided by Lynda Chalker, Minister of the British Overseas Development Office, directed the hideous genocide against Rwanda and then had his military forces take control of a devastated and depopulated Rwanda. Given Chief Abiola's British pedigree, we have further evidence that the so-called Abiola democracy movement is really a British-run destabilization against Nigeria, one of the most strategically important countries in Africa.

What kind of constitution?

The future for Nigeria is tied up with two principal issues

The Federal Republic of Nigeria



which are closely related. There is little chance that significant economic progress will be possible in Nigeria unless it becomes part of an international effort to overthrow the IMF dictatorship's control of the world economy and rebuild the economy according to specific axioms of economic development outlined by Lyndon LaRouche (see *Feature*).

Second, Nigerians must guard against being influenced by British concepts of law and government in formulating the principles underlying the new Nigerian constitution. Many Nigerians are trained and educated in Britain and are susceptible to having their thinking tainted by British empiricism, exemplified by the writings of Francis Bacon, Thomas Hobbes, John Locke, David Hume, and Adam Smith. In fact, the British-concocted notion of free trade, identified with Adam Smith's "invisible hand," is not only the cornerstone of IMF ideology, but is also the basis for the oligarchy's commitment to destroy sovereign nation-states in favor of a world empire.

The clearest demonstration of the difference between the British concept of oligarchical law consistent with free trade, and the concept of natural law appropriate to the nation-state, is seen by comparing the Preamble to the U.S. Constitution to Locke's constitution for the Carolina colony. The U.S. Constitution begins:

"We the people of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquillity, provide for the common defense, promote the gener-

al Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.”

The opening section of the Fundamental Constitution of Carolina, written by Locke on behalf of Lord Ashley, first Earl of Shaftesbury, reads as follows:

“Our Sovereign Lord The King having, out of his royal grace and bounty, granted unto us the province of Carolina . . . for the better settlement of the government . . . and establishing the interest of the Lords Proprietors . . . that the government of this province may be made most agreeable to the monarchy under which we live . . . and that we may avoid erecting a numerous democracy: we the Lord and Proprietors of the province aforesaid, have agreed to this following form of government, to be perpetually established amongst us, unto which we do oblige ourselves, our heirs and successors, in the most binding ways that can be devised.”

What follows is 20 pages of regulations for how the Lord Proprietors shall rule based on property ownership. In other essays, Locke writes that the fundamental rights of individuals are “life, liberty, health, and indolence of body: and the possession of outward things such as money, lands, houses, furniture and the like.” The Declaration of Independence states, in direct opposition to Locke’s ideas, that the inalienable rights of man are “life, liberty, and the pursuit of happiness.”

The difference between the British concept of natural law and that of America’s founding fathers is profound and irreconcilable. The U.S. Constitution establishes the general welfare of our posterity as the basis of law, where the current behavior of society is measured against its success in providing for future generations of self-governing citizens. Locke, on the other hand, acting on behalf of the British monarchy, treats each individual as an animal only concerned with the immediate gratifications of money, property, possessions, and greed, with no concern for the common good or general welfare of society in the present or in the future.

For Nigeria to be a truly independent and sovereign nation, it must break completely from the House of Windsor, both economically and philosophically. Establishing a new Nigeria, based on a constitution rooted in the fundamental principles of natural law as expressed in the U.S. Constitution, which itself was written in direct and explicit opposition to the British oligarchy, will not only benefit Nigerians for generations to come, but will also serve as a shining beacon of hope for all of Africa.

Other delegates to the National Constitutional Conference who were interviewed include Dr. Peter C.O. Odili from River State and Prof. E.A. Opia from Delta State. They will be printed in future issues of EIR, as will interviews with other Nigerian officials who met with the authors during their Oct. 2-16 trip.

Interview: Karibe White

Nigeria’s fight for a just constitution

Justice Karibe White, chairman of the National Constitutional Conference, was interviewed by Lawrence Freeman and Uwe Friesecke in Abuja, Nigeria, on Oct. 6.

EIR: Could you please tell us the purpose of this Constitutional Conference?

White: Toward the end of the Babangida regime, there were a lot of problems. When the present regime came in on Nov. 17 [1993], they decided to set up this Constitutional Conference Commission, composed of 19 members, for the purpose drawing up the agenda for the Constitutional Conference. When the conference started on June 27, 1994, it had the agenda which was drawn up by the commission. But considering that the agenda included so many subjects, and that the conference was mandated to draw up a constitution, the conference decided mainly to take up those areas that dealt with constitutional-drafting, rather than spend so much time dealing with matters of general social importance that perhaps had no bearing on constitution-making.

Now, the head of state greeted the conference on June 27, and swore in the chairman. The chairman on his own then swore in the deputy and the delegates to the conference.

EIR: Could you tell us something about your background: where you came from, why you were chosen to be the chairman?

White: Why was I chosen? I wouldn’t know. I am a Nigerian. My parents are Nigerians, my grandparents are Nigerians; at least as far as I know, my family, up to the eighth or ninth generation, we have always been Nigerians of River State origin.

I had my earliest school career in Abbey State. I went back as secretary of education in my own state, the River State. I worked for a few years in the civil service and then went to study law in Britain. My second degree was at the University of London, and I became a researcher there, then went on field research to Gambia in 1963-64, returned to London in 1964, then came back to Nigeria in 1965. I was a lecturer at the Law University of Lagos, from 1965 to 1970. I was in Lagos throughout the civil war, and after the war, states were created. That was when the River State was created, in 1967. They needed manpower, and I was persuaded, I would say, to go to River State to assist. I went there as head



Justice White is chairing Nigeria's National Constitutional Conference, mandated to draw up a new constitution. "There has been no pressure brought on me as chairman—none. In fact, it has been stated very, very clearly, that the administration has no input into the proceedings of the conference. They have submitted no memoranda and have not guided the conference in any manner."

of law revision. I was the head of legal drafting, so that I became attorney solicitor general in 1975.

Now, in 1976, I was appointed a judge of the federal revenue court. In 1980, I was appointed to the federal court of appeals, and in 1984, I was appointed to the Supreme Court. I had been on the Supreme Court up to 1993, when I was elected to an international criminal tribunal.

EIR: Do you, or did you belong to any particular party, or have any political aspirations of your own before joining this conference?

White: As a Nigerian, I have some idea of what politics in Nigeria has been, I've never been a party man at any time, and I've never had very strong views on any party. Never.

EIR: Do you think that the major issue of this conference right now is the drafting of a constitution for Nigeria, and do you think that that process is going on unhindered by the present government?

White: In 1963, we had a constitution. After the coup in 1966, came the military government. When the civilian regime was to come in in 1979, there was another constitution. That was the time this country entered into a federal constitution for the first time, in the real sense.

In 1983, after just four years of testing a federal constitution, on Dec. 1, the military came in again, and then that stopped the exercise of that experiment. And since then, there has been a military government.

There has been a lot of discussion, about whether the 1979 constitution itself was ideal, and because of that, a

new exercise in constitution-making was started, and then in 1989, another constitution was drafted under Babangida. Unfortunately, this one hasn't been entirely written into law, because it came in in bits. As concerns local government and state governors, the states' constitutions are in force.

Now, as far back as 1987, there had been a lot of clamor for change, and although there was a 1989 constitution, it did not fully meet the aspirations of the Nigerian people, so that many people were still clamoring for a national conference. The problem was whether there should be a national conference, or a sovereign conference. Some think there should be a conference which would be entirely sovereign, which would have no person behind it, so that everything decided in it would have the force of law. Others thought that a national conference was sufficient, provided what was decided *could* be implemented.

When this present [conference convened], it preferred a national conference, not a sovereign conference. Some think this exercise might be an exercise in futility, because it is not a sovereign conference. Others think, and I do too, that it doesn't have to be a sovereign conference to have an effect. So this is the problem now.

EIR: There are those in the West, in the British and American media, who say that this is not a real constitutional conference because it's being done under a military regime, headed by General Abacha, and there are those inside Nigeria, who say that this is not a serious conference because all you have in it, are "the old boys network," existing politicians who have been around for years. How would you address these two charges?

I am very conscious of the fact that we are drawing up a constitution for a new Nigeria. We know people are expecting a lot of this conference, and I think every member who is a delegate here, wants to satisfy himself and the country that we will not fail them.

White: Actually, this is, aside from 1963, one of the [only] constitutions without the military. The 1979 one was done basically by a military president of the country. And the 1989 one was done by Babangida.

Since 1963, the military has supervised. Possibly [the critics] do not understand the history of how these constitutions came to be. It is the Nigerian people who take part in drawing up the constitution. The fact that the military is in the government, did not change the character of those who are trying to draw up the constitution. The constitution was drawn up by the people, and for the people. It's not impossible that the military might have interfered with the results; *might* have. But that does not mean that the input of the Nigerian people was not considerable. It was quite considerable. It is completely wrong to say that it made any difference to the constitution-making.

EIR: Do you think that General Abacha's desire to have a transition from the military to a constitutional government is sincere? Do you feel that there has been any undue encroachment by General Abacha on the process that's been under way since July for drafting a new constitution?

White: First I'll answer the last. As far as I'm concerned, there has been no pressure brought on me as chairman—none. In fact, it has been stated very, very clearly, that the administration has no input into the proceedings of the conference. They have submitted no memoranda and have not guided the conference in any manner.

If it's a question of how well we operate, I am very conscious of the fact that we are drawing up a constitution for a new Nigeria. We know people are expecting a lot of this country, expecting a lot from the conference, and I think every other member who is a delegate here, wants to satisfy himself and the country that they should not be afraid, that we will not fail them.

In drawing up a constitution, we also have limits. We are not drawing it up for other people. So there's no point thinking that you are drawing up something which should be applied to someone else other than yourself. You have to do your best for your country.

EIR: There are many people in the West and in various groups who oppose the government, who say this is unnecessary, that Chief Abiola won the election, that he should be

President, and that this is covering up the fact that he's been kept from the presidency. Could you respond to that, please?

White: I was around when the election was conducted. I was also around when the results were abruptly stopped. I was not around when he [Abiola] was announced the winner. So I don't know more than that. If he wasn't announced the winner, I don't know how you can even talk about him being the President. It's possible there might be ways in which Abiola can become President. But according to our own electoral laws, he hasn't been announced the winner. Or even if he was, I suppose there are processes through which you go before you are made the President. You have to do it through the normal processes; and if that has not been done, it might be difficult for the country to accept him as having won the election and having become the President.

EIR: Could you summarize briefly what the main issues or the difficult issues for the conference are, that have to be resolved?

White: The conference has no other issues than constitution-making, and so far, the formal structure of the country. It has been agreed that it should be a truly federal government; that is, its composition is forming a federation. And the question of the rotation of the presidency. These are the main issues.

EIR: Is there agreement on the states remaining as they are now?

White: Yes. The states remain.

EIR: There was a debate on the rotation of the presidency. Where does that stand?

White: It's been agreed, as a rotation between North and South.

EIR: For what duration? How long will the President pre-
side before he's rotated?

White: We've now got the two committees which determine the tenure of the President, the committee on the executive and then the legislature, which decide on aspects. When we get there, then we will know what the tenure will be.

EIR: I was fortunate enough to be in the gallery this afternoon, and saw you adjourn till Monday. My perception from the gallery was that it looked like some people supported it,

and some people opposed it. There was a lot of commotion on the floor. Could you tell our readers exactly what took place?

White: This morning, we had a problem of the party structure, the political parties. There was a committee recommendation in favor of a multiparty system, then an amendment suggesting a two-party system. It was debated fully and we took a voice vote, and those who suggested a two-party system, lost.

EIR: So the vote is now for a multiparty system?

White: A multiparty system.

EIR: Given this kind of debate that's going on in your conference, what do you say to the critics in the West who say there is no democracy in Nigeria, that this is not serious, just a military junta? Yet, this process is going on. How do you answer these critics, especially coming out of Great Britain and the United States?

White: I suppose we are familiar with the attitude toward democracy in African culture on the part of the West. They never believe that such a thing is possible, not even when it's staring them in the face. They're having discussions on radio and television. I don't see how, after all these facts, one can say that democracy is not happening. I don't know how else one can convince them. We know that there is full democracy.

Now one thing which worries some of us: If you look at the composition of the "military government," you find out that there is a predominant civilian population in the cabinet, usually. Now, if you come into this country, from the time you get to the airports, there is nothing which gives the impression that there is a military takeover. Everything looks normal. It's *not* a military dictatorship as such; but the truth is that the Nigerians want their freedom. They do not want anybody dictating to them. They want to make their own decisions, their own mistakes, and learn from those mistakes.

EIR: Where does the East now end up? You say North and South; where is the division?

White: The East is in the southern portion, as is the West.

EIR: To what extent do considerations of philosophy of law or natural law versus positive law enter into the debate over the constitution? Will this constitution have a clause which defines a responsibility before God explicitly? Or will it say nothing on this?

White: As a matter of preamble, it might constitute an unenforceable provision. If you go on having a highfalutin' philosophical proposition, it will play no part.

EIR: Is there not a danger that the Constitutional Conference will end up with too many technical details and different

clauses, rather than a guiding principle of what the nation should be oriented toward?

White: No. There is a committee which deals with fundamental rights and directed principles of state policy. That deals with these issues. The aspirations of the country, economic objectives, political objectives, social objectives; those are all enshrined in that committee's report.

EIR: You seem very optimistic about the future of Nigeria and the constitution.

White: Yes. I've always believed that in Nigeria, generally, if one is an optimistic person, one doesn't give up. I have a lot of hope, and I know that we'll succeed with respect to all the problems we are facing now. They're all marginal, because this country is potentially very rich, both in manpower and in natural resources. The climate is fairly favorable for agriculture, and the climatic conditions are quite good for anyone. You can do whatever you want to do throughout the year, without being interrupted by harsh climatic conditions. So, if people want to work, it will not be a problem.

EIR: I wouldn't ask you to put a timetable on when the constitution will be finished. But would you envision that sometime in the near future, that there will be a full draft of the constitution? What will happen then? Will the population of Nigeria then have a chance to vote on the constitution? How do you envision the future realization of this process?

White: All the earlier constitutions, the 1979 constitution at least, was never sent in for a referendum. Regionally, it was brought into force. That's what they did. And I don't think this will be quite different.

EIR: How do you deal with the fact that a lot of discussions are going on in the back room, as you referred to earlier? There must be tremendous pulls on you for this or the other position, as the events today were probably an example.

White: I discuss with them. I have no emotional attachments. It is a factual thing. If an issue arises, it has to be discussed within the context of what we are doing. Actually, I'm a very good listener. I don't get too agitated. I suppose my training as a judge [has helped me].

EIR: You are a member of the court to try possible crimes against humanity in the case of the war in Bosnia. Do you see a realistic chance that the atrocities that have been committed there, can be sufficiently treated by this body?

White: I think so. We might start our work about Nov. 7 or 8. Many of the criminals might have escaped from Bosnia. The major problem initially, was the attitude of the warring parties. There are a lot of problems. I don't pretend that there are not. But if these things are overcome, we have a very good prosecutor from South Africa. The fax machines have been working very hard.

One thing is certain: We are moving in the right direction

Chief Chukwuemeka Odumegwu Ojukwu is a delegate to the National Constitutional Conference, and was the military leader of the 1967 Biafra War. He was interviewed by Uwe Friesecke and Lawrence Freeman in Abuja.

EIR: How did you become a member of the Constitutional Conference?

Ojukwu: Like everybody else, we were invited by the government to stand for elections, to compete, so I went back to my ward in my village in Anambra state. It was an election that was one of the fairest, because it was not based on any party affiliations, but on individual personalities. I won my ward elections. Then a constituency was made out of two local governments for the the Constitutional Conference; I won on that, and that made me a delegate to the Constitutional Conference. It is a straightforward type of election, in that everybody knows everybody else; it is an election, technically speaking, but you might even call it *selection*, because you are dealing with your kith and kin at a ward level. When you move on to the other side, that is, the major election, the two local government elections there, you might know about 10% of your own local government, but then there is also the other local government, and you might know nobody at all. It was great fun. There wasn't much campaigning. They either know you or they don't. As luck would have it, here I am at Abuja.

EIR: What were your expectations when you came to this conference?

Ojukwu: I didn't know what to expect. I know that Nigeria has had all of these efforts at constitution-making, but each time they seemed to sort of bypass me. I was either in exile or fighting or something like that. So I have never really had experience at the constitutional drafting effort. I believed, however, that the country was on the threshold of something. We were in a crisis, a crisis that came from the disagreements over the June 12 [1993] elections, the elections that were annulled. I looked personally at the conference as a peace conference. There is nowhere I go that I still don't carry a bit of the stigma of the Nigeria-Biafra war, which has never really had a peace conference. I looked upon the whole question of drawing up a constitution as a genuine peace conference for Nigeria, a peace conference that would try and repair all the various crises which we've had since independence. I came

forward here absolutely committed to playing a part in finding mutual accommodation for every Nigerian within Nigeria.

EIR: What is your vision of Nigeria?

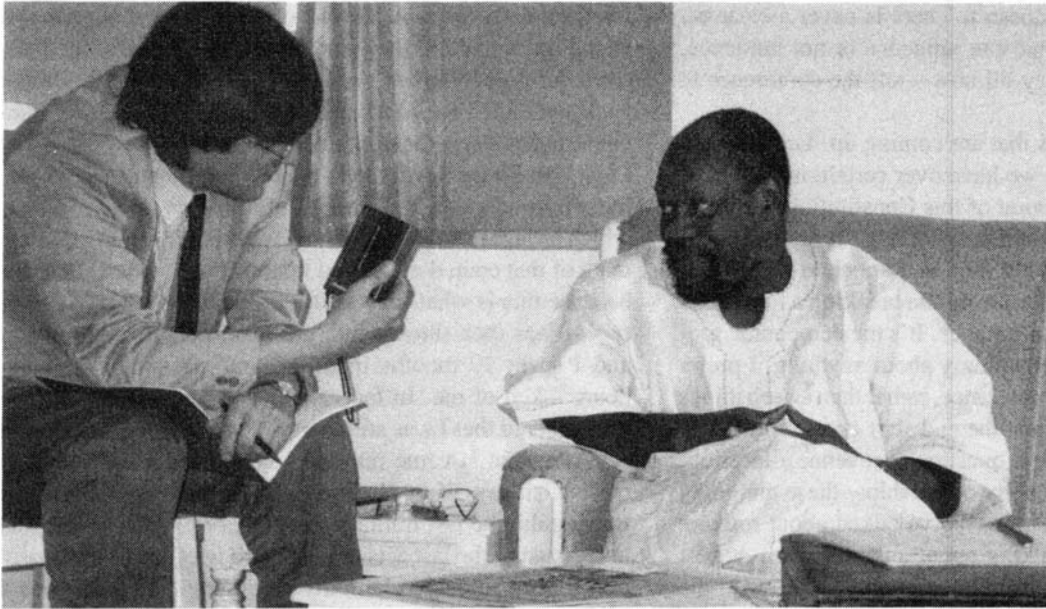
Ojukwu: The Nigeria I see, must be a Nigeria that has a worldview. A Nigeria that contributes, not just consumes. A Nigeria that takes its full responsibility of statehood. A Nigeria that is *justifiedly* jealous of her own sovereignty. I look for a Nigeria, actually, where our primordial instincts will be subsumed in the new nation, where everybody would actually, within Nigeria, feel as brothers. Once you are outside the country, it is easy to be united, but I like to see that occur within.

I look for a Nigeria, certainly, that will not just be the biggest and the most populous nation in Africa. No. I would like to see a Nigeria that takes also the first responsibility on African issues. I would like to see a Nigeria that would be the first, whenever there are refugees moving about in Africa and people are starving, the first to come in and help. I want a Nigeria that is at peace, because only in peace can we develop. I see a Nigeria where everybody is his brother's keeper, takes that responsibility. A country that would be able to defend the rights of the Nigerian citizen, even outside Nigeria. I would like a Nigeria, finally, to which all black men on earth would point with pride. This is what we would like to be like. Whenever that happens, Nigeria would be a better place.

EIR: Despite the shortcomings of the Constitutional Conference, can you point to some results and accomplishments?

Ojukwu: Yes. A veritable revolution has taken place. One of the things that we have had is this feeling that a certain part of the country monopolizes power. Last week, after a series of heated debates, Nigeria decided there would be a rotation of the presidency—this is a visible symbol of power—between the North and the South, and it will continue alternating. Already, people are working and discussing with greater freedom. In fact, when everybody talks about June 12 and the last election and all those things, a lot of people felt that the reason the election was annulled, was the possibility of power shifting. So, today, we have recommended it be entrenched in our constitution that power will shift.

In the name of democratization, the idea that Nigeria has



Chief Ojukwu is interviewed by Uwe Friesecke in Abuja. "Nigeria has only been free for 34 years. I would like, before anyone comments adversely on Nigeria, for them to look back and read their own histories, and see how many years it took them to get away from what is the normal Nigerian situation today. If you look at the context, you will find that in certain areas, we have not done badly."

firmly decided to be a multiparty state, a multiparty democracy, is a landmark decision also. I believe we've moved on further. We have tried to cut the umbilical cords that attached us to primeval times, in our decisions on this question of the traditional rulership.

Two things I say about this that I love repeating: Nigeria cannot be the only country in the world in step; if we are out of step, if people are moving away from traditional rulership and we are moving into it, then let us accept that we are the ones out of step. It looks to me as if we are very proudly marching steadfastly backwards into the caves, if we continue that line. It seems that is what is most important in our minds, that Nigeria wants to tell everybody, "I am free and I have a culture." And I say, that is all well and good when it is being disputed. But honestly, since 1960, everybody has agreed that we are free and we have a culture, so stop singing it. Face now the real challenge. We've got independence, independence as a state. The challenge is that we must now take that state and build it into a nation. That is the challenge—that is what we must get on.

I think already we have discussed about four reports, and the direction certainly augurs very well for the future. I am proud of the little achievements so far, particularly when taken in the context that nobody really initially—let us say only a few people—believed in the possibilities of a Constitutional Conference. We have been going on for three and a half months. Europe is now getting interested, and you are now interviewing us to find out more. So that's indicative also of the success of the Constitutional Conference.

EIR: Was the issue of the unity of the nation sufficiently addressed?

Ojukwu: No. At the back of my mind, I think there is time

for it. The unity of the nation. Everybody started off, hand on chest, proclaiming the unity and the indivisibility of the state. Very nice, but I would like personally to see it placed as a matter of national referendum. Perhaps not separately, but with the whole result of the Constitutional Conference. Now, having said this, actually you don't raise problems where problems don't seem to exist. Practically everybody that spoke either said or presupposed that there was no question about the nation being split. And so that problem is not really a Nigerian problem, certainly not at the Constitutional Conference. We all agree. We accept it.

Now you look at me and you say, "You're the head of state of Biafra. How do you find this?" I tell you, "Yes, I was, and in fact, and to a large number of people, I am still treated as the head of state of Biafra." But the point is that we are talking now, after how many years? Practically 30 years. We have evolved along a certain direction and we have made a lot of sacrifices in this country. Unity is a good thing, because it is the only way we justify the sacrifice. On the other hand, unity is not [to be had] at all costs. Hence, the need for this conference, and we are working toward ensuring that actually the united Nigeria that we find justifies the sacrifice we have made.

EIR: Are you under any pressure from the military in your deliberations during the conference?

Ojukwu: No. We are not. It is rather funny. All the military, ex-military members of the Constitutional Conference who wield a certain influence were either at one time my student or they were directly under my command, and you know what happens in the military. "Yes, sir. Yes, sir," all the way. So, no. General Abacha—I see him quite regularly. Sometimes I wonder whether he could not try to even influ-

ence a *little* bit—but he doesn't. There is never a clear-cut place or point at which one can influence or not influence. He has till now—and I say till now—left the conference to do its work.

There are other issues that are coming up. I cannot pretend that the tension that we have over certain issues today are going to be the high point of this Constitutional Conference, and in fact I keep telling people to be prepared. If Khrushchov can take off his shoe and knock at the United Nations table, don't think we won't be breaking a few chairs in due course. But it doesn't matter. It's the democratic process, and if we really feel strongly about anything, I prefer that we bring it up at this conference, rather than sweep things under the carpet, and then at the end start grumbling again. There are issues—the whole question of revenue allocation, the whole question of property ownership—these are going to be great subjects of debate. We've talked about rotating the presidency. We're talking about an individual, at best we're talking about the elite class. Let us now move to the question of power-sharing or even the specific powers the executive should have—these are major points.

I went into this, in answer to this question of military interference. The commander-in-chief has said to us, and has taken every opportunity to reaffirm, that the military will not interfere and our results will not be thrown aside lightly—whatever that means, but it is always repeated. We hope that they will not turn away from our recommendations. On this issue also, I feel that in view of the polarization in the country that brought about this conference, it would be unwise not to allow the conference to run its course. I hope that it will, but we will get to some hotter areas yet.

EIR: You mentioned that you were in exile. Could you discuss what led to that condition?

Ojukwu: In 1966, there was an attempted coup d'état in Nigeria, which cost the nation a number of its top leadership—the prime minister, the premier of the North, the premier of the West, and a few other ministers. As a result of that, the rump of the cabinet finding itself in a rather curious situation where it could not effectively command the nation or loyalty, invited the then-head of the Army, General Ironsi to take over and to bring the country back to law and order. It was in the context of that, that I was appointed governor of the eastern region of Nigeria. While governor of the eastern region, a countercoup took place, which cost the nation the head of state. General Ironsi and his host Fajuyi and I rejected that coup, and on the Lagos side, this brought about General Gowon's position; this is how he emerged as the President of Nigeria.

But I, rejecting that coup, eventually had to fight against the federal government and that war lasted practically three years, ending in January 1970. It is unfortunate that the only thing people remember of the war is the picture of starving children; we lost quite a lot of manpower, we lost a lot of

innocent manpower. At the end of the war, I left Nigeria and ended up in exile in the Ivory Coast for 13 years. In 1982, the federal government of Nigeria invited me back. I came back and joined one of the parties in Nigeria at that time, and contested as a senator from my constituency. It was said that I lost, but I have never really agreed that I lost. In any case, the whole election was in fact nullified by a coup d'état, which brought into preeminence General Buhari. In the aftermath of that coup d'état—and I put this in inverted commas, because this is what they said, they said for my own "safety"—I was then thrown into the maximum security prison and I spent 10 months in it, without one single question being asked of me. In fact, I was worried whether anyone remembered that I was still there.

After that, I came out and I have been since trying to reestablish myself in Nigerian life. It was under President Babangida, the last military leader prior to Abacha—it was in fact one of the last acts of his period in office—that finally I have been able to reclaim my patrimony. My father was a businessman, and all his property was seized, and it was agreed that it would be released. He [Babangida] did that. And it was also, as it were, a symbolic break from public enemy number one, because I then began to have interaction with the Nigerian government on a more positive basis. I have talked already about how I became a candidate and won my election, and now I am in the Constitutional Conference.

EIR: Given your involvement in the 1967 war, how do you view the statement that we have heard here, that in the fall of 1993, the Shonekan government was leading toward a replay of the 1967 civil war and that there would have been a war if Gen. Sani Abacha had not come into the government.

Ojukwu: I don't go for all these very slick commentaries. People look for words that are like a sound byte or something. The objective of politicians is to manufacture such things. But really, no two situations are exactly alike. Human nature does not permit an absolute repeat.

The situation in Nigeria during the Shonekan era was in fact a tense, very tense situation. That situation was also hyped very much by the southwestern Nigerian media, which were under the complete control of the people of the southwest, from whence came Abiola. So outside the country, people got a rather distorted view of what was happening. Yes, there was arson, but it was localized in the southwest. People went on strike, yes, but again, only in the southwest. People were attacked in the streets, yes, but only in the southwest. And it is unfortunate for Nigeria that the first capital of Nigeria, Lagos, is situated in the southwest, so that Lagos, even though we have a new capital [Abuja], has for all intents and purposes remained our window to the world. The diplomats come in and see Lagos and say, "My God, this is terrible."

The one thing you can say, is that our difficulties began before the crisis and they are still going on: getting few

[goods] and distributing few; and no matter what anyone says, the few we are talking about is petrol. If you own a car, you need petrol, so [the lack of petrol] also creates a distortion and an image of the crisis, because it is those who were most vociferous who actually suffered the need. But the crisis in Nigeria was really that she was questioning herself: Do we go on with Nigeria and its various imperfections, or do we go back to the drawing boards? Those were the two points, actually. I approached it from going back again to the drawing boards.

The southwest wanted to force the issue by getting a certain individual proclaimed President. The crisis became one, wrongly, of an ethnic group, the Yorubas, versus the rest of Nigeria. It was either one of an individual—that is, Abiola versus Nigeria—or a national question. But somehow they opted for the one ethnic group image, which, of course, destroyed that struggle, whatever it had in it. A short answer to your question: We were in a crisis, but not quite the crisis that brought about warfare.

EIR: The British press has continually portrayed Nigeria as being under the control of this Hausa north and in continual conflict with the Yoruba southwest and the Ibo southeast. How do you respond to these broad characterizations?

Ojukwu: Like all broad-based characterizations, they are mostly false and they are used for effect. It is true that since independence, the two democratic governments we have had have been headed by individuals from the North. There is no doubt about it. As an easterner, I resent it. I would prefer it if the two were headed by easterners. Okay? Now, the other thing you will find is that what should really be an interregnum became the norm; that is, all the military regimes have started off headed by the North, unless of course you count Ironsi, who didn't last quite a year. Then there was the remnant of Murtala Muhammed's government, which created the preeminence of Obasanjo.

When you look at Nigeria, yes, northerners have tended to occupy the seat of power—the presidency. The rest of Nigeria, which has not had that luck, resented the phenomenon. The English press is being less than honest when they now make it an issue, because it is the very same British who distorted Nigeria, who created the Nigerian federation that was structurally unbalanced.

The theory of federalism is that not one unit should be able alone to dominate the rest, but the federalism that was handed over to our leaders at the last independence conference was precisely that anathema to all political philosophers. How then do they blame the North? You're in politics in search of power—that is what all politicians do. Any other thing you say is a form of propaganda. The North got power at independence and they have held onto it, one way or another, by fair or foul means, until today. That is the way we see it. Now my answer, of course, is: We are all Nigerians. They have every right to have power, as we have to seek

power, but let us restructure Nigeria to enable everybody to have access to that power and also to enable power to be sufficiently decentralized or shared in a manner that the endemic fears of Nigerians would not make the access to power by any group an apparent tyranny to the others. So this is the real issue. I believe it is that structural imbalance that we just have to straighten out.

EIR: What is your sense of what has gone wrong during the last 20 years of economic development? There have been abundant resources from the export of oil, but today you find the country in a dire crisis.

Ojukwu: The problem, as I see it, is one of management. The Nigerians, including myself, have not been able to manage our resources. Why have we not been able to manage our resources? Because we have tended to politicize everything. And as far as Nigeria is concerned, it is always politics first. There is no way you can run the affairs of this country, if you are not able to apply sanctions to people who misrule or who commit crimes. There is no way you can expect Nigeria to turn her economy around when there is no accountability, and there is no accountability because it is looked upon as perks of office—you know, the clique in power considers every resource as a perk of office.

I believe you are right to criticize Nigeria, but what I keep asking is, please, let us have more understanding. We are on the road to changing the structure of our politics in such a way that everyone will have access, and we are also reviewing all our economic activity to enable us to structure them better. We are at the same time considering most seriously what to recover of lost assets. It is in fact because everything has been politicized, and everything is considered legitimate loot: When you capture a land, you loot it; when you capture power, you loot the treasury, that sort of thing. I do believe that when we have finished this conference, when we have balanced Nigeria, the true talent of Nigeria will begin to emerge.

There are a lot of things we waste a lot of money on that we don't need to do. I do not speak with tongue in cheek. I know that in the period that I call the early period of true freedom in Africa—the years during the war I was honored to lead one side of—we were under total blockade for three years. But we lived. And I must say we lived better than we are living today in Nigeria. Petrol? We refined our petrol. We had pitching units. My state house had its own refinery, and I was never short of petrol throughout the war. This was thrown away. We built our roads—we used a different mixture from the waste of the oil refinery. Somehow we were able to tar roads, quicker, cheaper, and that dried firmer. These are technologies that we developed ourselves. I was able to speak practically to the entire world from the back of a lorry that had to move every two hours. But it was done. These are the kinds of things that make people take hold of their destiny and make something of whatever they have.

Nigerians do not yet look upon themselves as Nigerian. They look upon themselves as people coming from various areas, and the center is only there for looting. Once you can get anything from the center and take it back home, you are a hero. So you need to set the politics right. We all have to feel that we belong to an entity and then we can be proud of that entity and we can develop that entity. These are the things we haven't done.

EIR: What has been the effect of the International Monetary Fund's structural adjustment programs?

Ojukwu: Disastrous. There is no doubt about that. It affects not just the economy, but even our own confidence, because we find ourselves nowadays constantly looking over our shoulder for Big Brother: Does he approve of what we are doing? We would appreciate friends; we would appreciate advice. But there is no way we can accept or welcome direct interference or what appears to us to be an infringement on our sovereignty. The general propositions set by the IMF and the World Bank might have clear global advantages, but there is no way they have been able to be sensitive also to the internal pressures to the various countries of Africa, and this is why actually there is an idea going about, almost to taunt Nigeria, that Ghana has turned around—which I don't believe.

Irrespective of that, everywhere these external demands have been forced, we have had greater upheavals than before. I think the time has come actually to sit round a table again. Yes, a great deal of Europe was built on the sweat of Africa. I am not talking in direct terms about reparations, but let aid be aid. I think you understand what I mean. To expect us to be paying out 40% of our national revenue purely to service debt, means that we will never come out of it, and I think it is better for world peace actually that we get around and try to find accommodation. I will not prescribe—I have my own ideas, and I hope that before I die I will have the opportunity to make the point. Any solution that does not envisage a certain write-off by the ex-colonial powers of the debt incurred by their former wards will not work.

EIR: How do you look at proposals for a new world economic order that would restructure a world monetary system for large-scale infrastructure projects—a railroad line from Djibouti to Dakar, or the diversion of water resources from Central Africa into the Lake Chad area, as a foundation for real economic development of the continent?

Ojukwu: Forgive me if I do not go into detail about global economy or a pan-African economy, because we are involved in a real struggle here and that is to live till tomorrow. All these would work, but the seed of sovereignty that has been sown makes the internal problem of one country its absolute priority. When I say that the people are starving in Rwanda, don't tell me that the answer is to build the east-west transept across Africa. It would eventually be built, and the Rwandans, if they lived, might benefit from it. I think

these huge efforts, or rather ideas, are very much alive, much to be encouraged, but I don't see much coming out of them immediately. They will be very good as subjects in universities for people to study and perfect.

But what we need is 1) to feed our people, and that with effect from yesterday; 2) to clothe our people, with effect from yesterday; 3) to heal our people, with effect from the day before yesterday; and 4) to educate our people, with effect from today. What I am saying is that our problems are so basic, and we must find immediate solutions to these problems.

When I was in Biafra, I had so many blueprints for the agricultural transformation of Biafra. I said, no, that's not where the problem lies. What I want is to be able to produce the basic staple food for the Biafran people and make it accessible to everybody. That is cassava—that will give you your carbohydrates. Rabbits—I am told they are the best protein converters, and most prolific. Even though people didn't eat rabbits, but in the war situation they had to. The important issue is the immediate action. I would like to see, no matter what has been discussed about a new world order, an immediate action to save Africa.

EIR: What would your message be to the United States and Europe for Nigeria?

Ojukwu: I cannot state with much pride that we have achieved a great deal since independence. I cannot, no matter how one looks at it, say that I am proud of our societies that have developed since independence. But what I can say, and this is affirmative, is that what we have achieved in our societies is real. Nigeria has only been free for 34 years. I would like, before anyone comments very adversely on Nigeria, for them to look back and read their own histories, and see how many years it took them to get away from what is the normal Nigerian situation today. If you look at the context, you will find that in certain areas, we have not done badly.

I would point out one particular area. I, a longtime general who led a war we fought, am today a member of a constitutional assembly trying to put Nigeria right. I don't know how many places in Europe you would find such accommodation in such a short time. In America, they are still fighting over symbols of the Civil War. I ask and I request governments that are interested in Nigeria to remember at all times that their interest is more the people of Nigeria, rather than the market of Nigeria. I request that they show understanding and accommodation. That is what is expected of friends. I request that they note that sometimes we are too jealous of our sovereignty to accept correction, and that the best help we can have is actually sometimes accommodating our excesses. One thing is certain: We are moving today in the right direction. Help us move faster. We cannot become Britain; we cannot become Germany. But we hope that the Nigeria we are going to become will also be as proud as Britain, Germany, France, the United States.

Nigeria is a sovereign nation, and will not take orders from anybody

Mr. Rimi is Nigeria's minister of communications. He was interviewed by Lawrence Freeman and Uwe Friesecke in Abuja on Oct. 12.

EIR: How seriously did the International Monetary Fund's structural adjustment program of the 1980s affect the development of the communications industry in Nigeria?

Rimi: It has affected it seriously, because it has brought about inflation, which means that you need more nairas to buy the foreign exchange needed for the importation of necessary equipment and other facilities. The structural adjustment program has not been very successful in this country. The IMF is blaming the government, and the government is blaming the IMF; but their suggestions and ideas have not really significantly improved the economy generally, and certainly this has negative effects on the telecommunications sector.

EIR: You've been involved in Nigerian politics. You were governor of Kano from 1979 through 1983. A strike which was called earlier this summer by the oil workers just ended. One of the demands they made was that Chief M.K. Abiola should be made the President of Nigeria and replace the current commander-in-chief. What do you think about the so-called June 12 Movement?

Rimi: I think the June 12 Movement has been very negative. It has been negative because it has been selfish, one-sided, and totally unrealistic. The story of June 12 is a long one, but to summarize: Chief Abiola, a Nigerian businessman, very wealthy, decided to go into politics and to contest the elections. At the time he decided to come into politics, quite a number of eligible politicians who could contest for the high office of President in Nigeria, had been disqualified by the Babangida government, and there was a paucity of competent, qualified, and suitable Nigerians for that high office, because the government had deliberately decided to deny others the opportunity of contesting the elections. I'm one of those who were banned at that time.

Therefore, people like Abiola found it very easy to come into politics and into the limelight politically, and he was able to get the nomination of the Social Democratic Party

(SDP) in the situation of a two-party system. Abiola was very lucky, because he did not have very strong rivals for the office he was vying for. Secondly, the only person who was similarly close to clinching the nomination of the party was Ambassador Baba Gana Kingibe, who is currently our foreign minister, and who became Abiola's running mate, the vice presidential candidate.

For a number of reasons, when the convention of the party took place in April, a number of party members decided to vote for Abiola, and Abiola won the party nomination.

When the elections came, he defeated his rival, Tofa, of the National Republican Convention (NRC). But Gen. Ibrahim Babangida decided, for reasons best known to himself, to cancel the elections. I say that, because as of this moment, Nigeria has not been told *why* the elections were cancelled. Babangida has not made that point clear. But when the election was cancelled, there were a lot of protests. I have to tell you that I was one of Abiola's very strong supporters. I was responsible for Abiola's victory in quite a number of areas in the northern part of the country. In my state, Kano, where the NRC candidate comes from, we were able to defeat him down to the lowest level of his wards. And in Nigerian politics, it is not very easy for somebody like Abiola, coming from Ogan, another state, to defeat a native of Kano state in Kano.

However, when the election was annulled before the final results were announced by the National Electoral Commission, there were a lot of protests, demonstrations, court cases, and so on. There was a sense of insecurity developing in the country. People were moving around from their places of residence and business, going back to their home areas, where they felt they would be more secure in the event of any upheaval following the nullification of the election.

We felt at that time that something had to be done. We could not allow a crisis to develop to the extent of either a rebellion or the military taking over by force, or a crisis that would lead to civil war. We had experienced a civil war before, and we didn't want to repeat it.

Therefore, the idea of an interim government was mooted, first by the Babangida government, that it was prepared to discuss an idea of an interim government with the two



Nigerian Minister of Communications Muhammad Abukar Rimi: "The West has no right whatsoever to dictate to Nigeria who will lead the Nigerian government, or what kind of government Nigeria will have."

parties, the SDP and the NRC. And if that was accepted, then, since Babangida had announced that he would leave office at the end of August 1993, the interim government would take over before new elections were organized. The idea was that Babangida would go, his administration would come to an end, the cancellation of Abiola's election would have stood, and there would be a temporary government that would run the affairs of the country for a few months. The basic thrust of that government would be economic activities and maintenance of law and order, and the organization of new elections. Basically, this was what the interim government was supposed to do. The parties discussed, at their various caucuses, this proposal from the government. The SDP had its own deliberations, and the NRC had its own.

Then, there was this tripartite meeting between the Babangida government, the Social Democratic Party, and the National Political Convention. Each party was asked to bring 13 people. I was one of the 13 from the SDP. The idea of 13 was that each party had 8 principal officers: chairman, secretary, treasurer, publicity officer, and so on. Eight of them, the principal officers, not their assistants or deputies, plus five people who were considered party elders in their own individual right. That is how some of us came in; we were not party officials. In fact, some of us were under a ban,

but the government closed its eyes to that, because it wanted to hold the discussions and it knew that without allowing some of us to come into the discussions, probably the discussions would not be successful, because the parties had insisted that we must come in. There were 10 or so people from the government side, and we held a series of meetings in the presidential palace.

I came up with a suggestion for an interim national government, which would be largely civilian. In fact, our decision was that, apart from the minister of defense, there would be *no* military man in the interim government. That government should be headed by a civilian, and it should stay in office for a period of not more than six months, during which new political parties would be formed, elections would be organized, and the new government would take over.

In this particular proposal, in this particular situation, the existing democratic institutions would stay. That is, the local government councils that are in place, the state governors and their state assemblies, the national assembly, the senators and the members of the House of Representatives, despite the confusion and the controversies over the presidential election. So what we were trying to do, was to organize a new presidential election, not all the other elections. The others had already taken place.

So, it was agreed. Babangida reluctantly left office on Aug. 26, 1993. The following day, Chief Shonekan, who was then head of government during the Babangida regime, took over as the new head of the interim government, and a new cabinet was appointed, new appointments were made, and the government started to work.

But then, the June 12 supporters kept on attacking the government, saying that it was illegitimate and illegal, and that it must leave office for Abiola. But you see, there was no way the interim government could have left office for Abiola, because Abiola's election was cancelled. The results in the first place were not finalized and officially announced, and, having cancelled the elections, there was no way Abiola could have been brought back to be President. At the same time, there was also the controversial issue of the NRC reacting, that as soon as the election was cancelled, they accepted the cancellation, and they were not going to accept Abiola as President of the country; otherwise, their own candidate, too, must be President. If Abiola had been installed as President, then, as a reaction, there could have been violence—very, very negative.

In any case, Babangida, who cancelled the election, had left. His government had been out of office. The interim government did not conduct any elections; therefore, it could not be held responsible for annulling the elections.

Despite all this, the disagreements continued. The crisis intensified, and I think the military decided that the interim government could not control the situation, and if things were left unchecked, the chances were that some military hotheads

would have bounced out of the barracks to overthrow the interim national government, and you wouldn't know what the consequences of that kind of action would be. So, Gen. Sani Abacha and his colleagues had a meeting and decided that they would take charge of affairs in the national interest, to restore law and order, to ensure that the country continues as a united country, and to try to organize new parties and new elections, and to take a look at the existing constitution, to see if there are sections that need reexamination, so that if there are constitutional problems, these could be resolved.

That was the mission of the Abacha government. Also, while it lasts, it would take into account the economic situation in the country, which was degenerating, and try to have programs that would improve the economy.

Having taken office, the government announced its new cabinet and brought some of us in, in the belief that we would assist in ensuring the maintenance of law and order first and foremost, because there was a very dangerous and very serious threat to law and order in the country, and that had to be checked. When we came in, the situation really was brought under control. The tension and the fears eased out, and there was a greater sense of belonging, and the way the Abacha Federal Executive Council was formed, that is, the council of all the ministers, was in such a way that all sections of the country and *all* interests were taken into account.

For instance, most of us in government as ministers came in from the two parties, that is, we were supporters or activists in the NRC and the SDP. Then there were others who were not members of the two parties, but they were respectable Nigerians with great personal achievements who were also brought into the cabinet. And the cabinet was also selected in such a way that the 13 Nigerian states have at least one minister each. Yes. That's what we have now. *Every state* in Nigeria has a minister, and this minister is either a former member of the SDP or a former member of the NRC, or at least a recognized person from the state where he or she comes from.

This has gone a very long way in psychologically giving all parts of the country a sense of belonging. This is our government, we must assist it, we must help, and we must ensure the unity, the stability, and the economic progress of the country, and therefore the government needs sympathy, assistance, and support. That's how we started, and that's how we're going now.

Those who are still bent on installing Abiola as President, continued with their violent demands. They even went to the extent of forming an organization called Nadeco, the National Democratic Coalition. They didn't even stop at calling for installation of Abiola as President, but they went to the extent of organizing demonstrations and strikes and acts of violence, in order to achieve their objectives.

The government has been extremely tolerant, too tolerant, to the annoyance of the majority of Nigerians. But the

government has a point to make, that it was calling on Abiola and those who supported June 12, to exercise patience, to understand all that has happened that brought the Abacha government to office, and to accept that *there is no basis* any longer for this toleration of Abiola as President.

Abiola could not in fact be installed as President, because his utterances, and the utterances of those who supported him, and the activities of Nadeco, have been so negative, that quite a number of Nigerians who came out and campaigned and voted for Abiola, decided that they no longer support Abiola's cause and the cause of June 12. The NRC, which was the opposing party, which lost in the elections, would oppose Abiola's installation, which is only natural. But also within the SDP, a situation was reached whereby *the vast majority who voted for Abiola on June 12, 1993, were no longer supporters of Abiola*; and to install him as President, would be something they would resist.

So, on these and many other grounds, Abiola could not be installed as President. But those who were supporting June 12, continued with their violent acts until the government decided to intervene, because, having given them a chance to rethink, having given them the opportunity for a dialogue with government, and their having taken the position that they are not ready to talk, they are not ready to do anything except to bring the government down, well, the government had to react. *No responsible government, would allow itself to be overthrown through acts of violence or through unconstitutional means.* Abiola himself had declared himself President *illegally*. Having done that, he had committed an act of treason, according to the laws of Nigeria and the Nigerian constitution. He was allowed to talk to the government, on how solutions could be found to the problem. He chose *not* to talk to the government, and he also chose to declare himself President unilaterally. And, having committed acts of treason, he had to be brought to face the law. And that is exactly what is happening now. Right now, he is in court and the court cases are going on. He has every opportunity to defend himself, and the government is not interfering in the matter. It has left it to the courts, and it has left the law and the judicial process to take their own course.

EIR: There are demands by the West—Britain, the United States, the financial elite of the world—who are saying that Nigeria will not be a true democracy unless Abiola is released from prison, unless Abiola is made President, and that otherwise Nigeria will be seen as a military state. You were a member of the SDP, you were a supporter of Abiola. How do you respond to these charges?

Rimi: I think this is nothing but an act of arrogance and an attempt to interfere in the internal affairs of Nigeria. The West has no right whatsoever to dictate to Nigeria who will lead the Nigerian government, or what kind of government Nigeria will have. It is the business of Nigeria and Nigerians

to decide for themselves what kind of government they want. If there is a military government in Nigeria, and Nigerians decide to accept and support that government, it is not the business of the United States of America or the West to say Nigerians shouldn't support a military government, they should support something else. If Nigerians conduct an election, and they support the newly elected government, it is not for the West to tell us how we should conduct the election, whom we should elect as our President, or how we should run our own political business.

I think the West must try to restrict itself, and not treat us like some little kids who don't know what they're doing. We are an independent sovereign nation, a member of the United Nations in our own right. We have sovereignty, and *nobody* in this world can dictate to us how we are going to run our own affairs. We don't dictate to the West how they should run their affairs, and we can't see any justification whatsoever, for the West to tell us what to do. We are not a colony of the West. We are not being ruled by the United States. We are not taking or going to take any dictates from anybody.

In the economic field, the West has the right to do whatever they like, but I don't think it is in the interest of the West to adopt any economic policy that would be detrimental to Nigeria. We are an oil-producing country, like Saudi Arabia and Kuwait, which the West is defending by all means so that the flow of oil will continue. I don't think it is in their own interests to interfere in our affairs.

We are 34 years old as an independent nation. We can manage our own affairs. We know our own problems, and we know how to find solutions to our problems. Nobody in the West knows better than we about our own internal problems, and nobody in Washington or Paris or London, or anywhere else, should tell us what to do. We know what to do.

EIR: The founder of *EIR*, Lyndon LaRouche, has proposed a global infrastructure program, of water management, nuclear energy, railroads, virtually connecting the entire planet, and that this would change the entire scope of economic life on this planet, and also for Africa. This is a more refined program that was previously discussed as the new, just world economic order. Do you see this as the direction to go, that would unite the North and South, East and West, in bettering each state economically?

Rimi: Yes. I think it is a very positive thinking, and it is the kind of thing which I would expect responsible leaders and responsible people from the West, to do. Violence, starvation, domination, war: These are not things that are positive. These are not things that ensure development. As I was saying earlier on, the world would do better with a situation of peace and progress, and freedom and justice, rather than a situation where some nation will try to lord it over others because they are poor and less developed.

The idea that there will be international rail connections,

and road connections to facilitate international movement, I think is an excellent idea. This is the kind of thing the West should encourage. This is the kind of program the IMF and World Bank should finance, and that western governments should support, for their own benefit and for the benefit of the developing societies.

EIR: Would you like to see a delegation of American congressmen and representatives of the government come to Nigeria, and be told the truth, and see the truth for themselves?

Rimi: I think they don't even have to be told to do that. I think if they are serious, if they are responsible, if they want to know the facts as they are, not as somebody else tells them, then they should come here and see things for themselves; and I can assure you, and I assure them, that they will have the freedom to go around the country, to talk to *anybody*. They will see people who support Abiola. They will see also a vast majority of people who are opposed to Abiola. They will see people who will *not* support a military government, they will also see people who support this military government, because it is necessary to have a military government *at this point in time*.

But nobody supports *continuous* military rule in Nigeria. I don't. I am a minister in a military government, but I don't support indefinite, continuous military rule in Nigeria. I consider this government a temporary administration to restore sanity and peace and unity in the country, and to arrange for proper democratic elections so that genuine parliamentary democracy can be established in Nigeria.

We don't see ourselves in a military government that has come to replace a truly democratic government. That is not the situation. And the [Congressional] Black Caucus in the United States, the Congress generally, and the Clinton administration, don't have to dictate to us the pace at which we will make political arrangements toward democracy. We are already doing that. We have a Constitutional Conference going on, to review the constitution. The ban on political activities has been partially lifted. By Jan. 17, next year, the ban will be totally lifted. Political parties will be organized or registered, then elections will continue.

Does anybody think that we should conduct elections tomorrow? The situation in which we have found ourselves is such that it is not possible to conduct elections tomorrow; but all that is necessary, is being done to ensure that elections are conducted.

But nobody has to tell us from Washington, or Paris or London, when and how we will conduct those elections, because we don't tell them from Nigeria how to conduct their own elections. They must *never, ever forget* that we are a sovereign nation, and cannot take dictatorship from *anybody*. And while we have our own internal problems, we know also that they have their own internal problems; and they should mind their own business while we mind our own business.

Gen. Abacha addresses nation's urgent tasks

Excerpts from a Nov. 17 national broadcast by Gen. Sani Abacha, Commander in Chief of the Armed Forces of the Federal Republic of Nigeria.

. . . Our urgent task, therefore, was to restore order, stability, and build confidence once again in our nation in the minds of all our peoples.

It was in accordance with our commitment to ensure an unimpeded transition to civil democratic rule that we worked quickly to set the first stages of our programs in motion. Consequently, only four months into this administration, the Constitutional Conference Commission, which we had inaugurated two months earlier, submitted its interim report. Following that report, the Constitutional Conference Election Committee conducted elections at Ward and Conference District levels on 23rd and 28th May, respectively. It had labored hard to meet our schedule, and in spite of the little time for electioneering campaigns, the voter turnout was impressive. The elections themselves were peaceful and orderly throughout the country.

These achievements in such a relatively short time made it possible for the Constitutional Conference to begin its work within seven months of our promise to convene a national forum, at which the representatives of the Nigerian people would meet in a free and unfettered atmosphere to discuss issues of concern to our nation. It was particularly satisfying that the preparations for the conference were devoid of any wasteful expenditure. . . .

The state of the economy

We have kept faith with our pledge to the people of our country that our intervention remains that of facilitators of our nation's socio-economic regeneration. In this respect, we took measures to probe the activities of some of our major institutions. . . .

A major concern . . . is the state of the economy. We have taken fiscal measures to tackle inflation, exchange and interest rates, and to improve our receipt earnings. The outcome of these measures has certainly not met with our projected expectations and we have not relaxed our search for alternative economic policies. We must all understand that revamping the economy requires short- and long-term solutions. In the long term, we shall continue to encourage diversification in the economy through the revival of our neglected agriculture and mining sectors. Our studies show that if we

return to full production in agriculture and resume our abandoned interests in mining other than in oil, we would not only feed ourselves, our earning from these sectors would surpass that from oil exports.

In order to reduce the loss in revenue arising from subsidy on petroleum products, we have recently taken a bold step regarding the appropriate pricing of petroleum products. The revenue that will accrue as a result of the new pricings, will be used to improve the scope and quality of key infrastructural services for the benefit of the generality of our citizens.

As I stated in my broadcast when I intervened in the pricings, I directed that a special account should be established immediately in the Central Bank of Nigeria into which all these funds will be paid and held. In addition, I further directed that a Special Trust comprising Nigerians of proven integrity should be set up to manage the funds. . . .

Naturally, while the budget was generally welcomed by the Nigerian public and described as a populist budget, it provoked stiff opposition from powerful vested interests who openly and secretly sought to frustrate the implementation of the policy measures from the very day they were put in place. Indeed the fixing of interest rate at 21%, the pegging of exchange rate at 22 naira to the dollar, the conservation of all the nation's foreign exchange at the Central Bank of Nigeria, the direct allocation of foreign exchange to the beneficiaries and the elimination of multi-exchange rate system formed part of an overall strategy to induce a reversal of negative and disastrous trends . . .

We are aware of the concern of Nigerians that in the meantime, the turnaround in the economy is yet to make an impact, which must ultimately depend on our productive capacities in the diversified sectors of agriculture, manufacturing, and mining. Nonetheless, the administration is now putting the final touches to the 1995 budget. While I cannot dwell at any length on the details, I can inform you that we plan to introduce urgent and far-reaching reliefs in vital social sectors such as roads and road transportation, education, health, food supply, water supply, security services, rural development programs, etc. The necessary funds for these specific programs will be made available through the activities of the Special Trust. . . .

Nigeria subscribes to the concept of a new world order which advocates cooperation on the basis of mutual partnership as distinct from a master/servant relationship between rich and poor nations. All nations of the world can benefit mutually from one another. It is in the interest of world peace and stability that this pact of understanding should translate into a change of mentality among those who think that assistance to the less well-off is a waste and a burden. The period of splendid isolation is over. No nation can claim insulation from the misfortunes and difficulties of the other. The new world order calls for reciprocity, mutual respect, and cooperation.

Prince Philip: 'doge' of the real Fourth Reich

by Scott Thompson and Jeffrey Steinberg

Ever since the fall of the Berlin Wall in 1989, leading British spokesmen have been hysterically warning of the danger of a "Fourth Reich" emerging from a reunified and economically powerful Germany. Then-Prime Minister Margaret Thatcher, her Transportation Minister Nicholas Ridley, and old Fabian propagandist Conor Cruise O'Brien were for years the most notorious of the Fourth Reich hysterics.

Serious students of 19th- and 20th-century history, however, should have figured out long ago that this British invocation of Hitlerian imagery was a hoax, aimed at concealing Britain's longstanding geopolitical fear of a continental Eurasian economic alliance, with Germany serving as an East-West bridge.

The fact that an economically sound Germany is not synonymous with a "Fourth Reich" does not mean, however, that there is no danger of a resurgence of Hitlerian genocide today. On the contrary, as *EIR* documented in its Oct. 28 *Special Report*, "The Coming Fall of the House of Windsor," a shadowy association called the Club of the Isles is today dedicated to "culling the human herd," i.e., reducing the human population, to below 1 billion people over the next two to three generations. Outfits like the World Wide Fund for Nature (WWF, formerly the World Wildlife Fund) and the "1001 Nature Trust" are at the center of this effort.

The headquarters of the Club of the Isles—today's Fourth Reich—is not to be found in Berlin or Bonn. It is in England, at Windsor Castle. Today's "Hitler" is His Majesty Prince Philip Mountbatten, Duke of Edinburgh, royal consort, international president of the WWF, the de facto chief executive officer for the Club of the Isles, and a man who has been quoted on more than one occasion expressing the wish to be reincarnated as a "deadly virus" in order to kill as many people as possible.

Despite his importance as one of the leading proponents

of global genocide today, the vast majority of Americans know next to nothing about Prince Philip and the worldwide "Allgemeine SS" that he commands. Few, for example, know that Prince Philip is a member of the royal household of Greece, and might have been king himself, had it not been for the fact that all of his sisters had married leading Nazi officials or collaborators during the 1930s, and the scandal could have thrown postwar Greece into the hands of the communists. Nor is it widely known that Philip's father, the seventh son of one of the kings of Greece, had been convicted of treason and desertion in battle, and his life had been spared only because of an 11th-hour payoff by Britain's most notorious arms dealer.

The Duke of Edinburgh is such an active and important figure in current world affairs that the editors of *EIR* decided to assemble this documentary profile of Philip to give our readers a glimpse into one of the world's largest and most powerful dysfunctional families. Much of the material comes from two biographies critical of Prince Philip, one by Charles Higham and one by John Parker, and from interviews with a number of British scholars and political figures. For those interested in looking deeper into the world of the Windsors and the Club of the Isles (what Bertrand Russell referred to as "the really high-minded people" and what England's Queen Victoria called "the mob of royalty"), we have appended a bibliography of some of the most revealing texts on these topics.

An arbitrary royal succession

The world of European royalty is convoluted indeed. In 1833, as part of the Holy Alliance that ruled Europe from the defeat of Napoleon and the Congress of Vienna, the Royal House of Bavaria, the Wittelsbachs, were granted, at British urging, sovereignty over Greece, which had been severed

from the Ottoman Empire. The son of King Ludwig of Bavaria became King Otto I of the Hellenes. Handing over the Greek throne to a Bavarian was a stunning act, if for no other reason than the arbitrary nature of the arrangement.

But what the British give, the British take away. In 1862, as the result of a falling out with the increasingly powerful British Crown, Otto I was dumped from the Greek throne, despite his popularity among the Greek people.

A talent search was launched by London to find a replacement for the Bavarians and, eventually, a delegation was dispatched to Copenhagen to confer with the Danish king, Frederick II. The ambitious Frederick II was at that moment negotiating the arranged marriages of two of his nieces, Alexandra and Dagmar, and the prospect of being given the throne of Greece was not to be turned down. Frederick II threatened his nephew and designated heir, Crown Prince Christian, with execution if he refused to dispatch his son, Prince William, to Athens. William, in 1862, became King George I of Greece. Soon afterwards, William's sister Alexandra married Edward, Prince of Wales, who later became England's King Edward VII. Younger sister Dagmar married Czar Alexander III and became the Czarina of Russia.

When King George I married Grand Duchess Olga, granddaughter of Czar Nicholas I, in 1866, the Danish royals added 16 generations of royalty from the House of Oldenburg, three generations from the House of Schleswig-Holstein-Sonderburg-Glücksberg-Beck, seven czars of Russia, and six kings of Sweden to their very extensive family tree.

With all these arranged marriages, it is no surprise that the current ruling couple of England, Queen Elizabeth II and Royal Consort Prince Philip, are second cousins.

King George I and Queen Olga produced eight children, including Prince Andrew, the father of Prince Philip.

Andrew's oldest brother, Prince Constantine, married Sophie, the sister of Kaiser Wilhelm of Germany, a move that made the powers behind the English throne nervous, particularly because it occurred on the eve of the British-engineered First World War.

When Constantine became king of Greece in 1912 after his father was assassinated by an "anarchist" in Salonika, he tried to remain neutral in World War I. This was unacceptable to the British and the French, and an Anglo-French force invaded Greece. When several British troops were killed in the course of the invasion, Constantine was ousted as king. The invasion had the backing of Greek Prime Minister Eleutherios Venizelos, a British lackey, who promptly arranged for Constantine's second son, Alexander, to be installed as king. Greece promptly joined the war against Germany.

Alexander died in 1920 as the result of a monkey bite, inflicted by his gardener's rabid pet. Constantine and Sophie were returned to the Greek throne, but this time under the tight control of Sir Basil Zaharoff, Britain's premier arms dealer. Taking full advantage of the abundant supply of British-provided weapons, King Constantine declared war

against Turkey, but was defeated by Kemal Ataturk. In the course of that war, Prince Andrew showed his true colors.

Retreat on the Baghdad Railway

With older brother Constantine now on the throne of Greece, Prince Andrew was made a lieutenant general in the Greek Army and placed in charge of the Second Army Corps. During the war with the Turks, he devised a reckless and incompetent scheme to march his troops for 15 days across a desert. By the time they engaged the Turks, Andrew's troops were exhausted. Some 40,000 Greek troops were killed in the battle, which only ended when Andrew fled aboard the Baghdad Railway with what remained of his corps, despite orders from the commanding general to hold his flank.

Andrew's military performance and the Greek defeat marked another low point in the history of the ersatz Greek royal family. The monarchy was overthrown in 1922 by a London-backed "Revolutionary Committee" under Venizelos, which promptly indicted Prince Andrew and the other generals, charging them with treason. Andrew was also charged with desertion. All the generals were convicted and sentenced to death; all but Andrew died. King Constantine was of no assistance, though. He had fled to Italy, taking refuge under the protection of Benito Mussolini. It was the British monarchy—all first and second cousins to the Danish-turned-Greek royals—who interceded to save Prince Andrew's life.

Lord Curzon of the Roundtable Group dispatched a British warship, the *HMS Calypso*, to Athens, where Captain Talbot, representative of the Vickers Arms Company, paid off Venizelos and the other "revolutionaries" to let Andrew and his wife and children, including Prince Philip, leave. The penniless prince and his family survived on an allowance from the British Crown during their flight from Greece to Rome to Paris.

A pack of degenerates

Prince Philip of Hellene was born on June 10, 1921, just about the very date that his father was committing his treasonous act. Prince Andrew had married Princess Alice of Battenberg, a member of the royal house of Hesse. Alice's parents, Prince Louis and Princess Victoria, had moved to England before her birth. Prince Louis actually was named Britain's First Lord of the Admiralty, but was forced to resign that post on the eve of World War I because of his "scandalous" Germanic family roots. To overcome this stigma, Prince Louis arbitrarily changed the family name to Mountbatten, and was also anointed Marquess of Milford Haven. Princess Alice's younger brother, Louis, became simply Lord Louis Mountbatten, a.k.a. "Dickie" Mountbatten.

This severing of all Germanic links was not unusual at the time. Indeed, the British royals were still technically the House of Hanover, Saxe-Gotha-Coburg. They changed their name to Windsor, after the castle. All of these changes were carefully scrutinized and approved by the College of Heralds.

Neither of Prince Philip's parents would play a major role in his upbringing. Prince Andrew, shortly after his brush with death by firing squad, split from his wife and children and spent the rest of his life commuting between the gambling casinos and bordellos of Paris and Monte Carlo—a permanent “ward of the royal courts.” For her part, Princess Alice, who was born deaf, spent most of her life in and out of mental asylums. When she was not residing in a padded cell, she was tending to her duties as the founder of a small religious sect, the Sisterhood of Martha and Mary, that did charitable work.

Much mystery surrounds this small religious order, which was ostensibly sanctioned by the Greek Orthodox Church. Princess Alice remained in Athens during the World War II Nazi occupation doing her “charitable work”; but upon her death, neither the Greek Orthodox Church nor the Roman Catholic Church nor the Anglican Church would supervise her burial. She lay in rest in a family crypt for years until Philip, by now the royal consort of England, was able to arrange for her burial on the Mount of Olives in Israel.

From early childhood, the upbringing of Prince Philip was left to a collection of aunts and uncles.

Upon arrival in Paris in 1922, Philip was left with two of Andrew's brothers, Prince Christopher and Prince George. George's wife, Marie Bonaparte, took a special interest in Philip, and would be an important influence on him for many years. The only problem was that Marie, a daughter of Napoleon Bonaparte's brother, was one of Europe's most notorious nymphomaniacs, who frequently grabbed headlines in the Paris gossip sheets for her adulterous affair with France's prime minister, Aristede Briand. She was also the primary French protégé and financial patron of Sigmund Freud.

Eventually, Philip was shipped off to England to live with Alice's brother George, who had become the Second Marquess of Milford Haven. George's wife, Nadejda de Torby, became the unofficial guardian of young Prince Philip.

“Nada,” as she was known, was the daughter of Grand Duke Michael of Russia and Countess Torby. Michael's father, Czar Nicholas II, had refused to endorse his son's marriage, and the young couple eloped to England—with a sizable portion of the Romanov treasure. (The stolen booty is to this day the largest single deposit ever placed with the Bank of England.)

Nada was a lesbian. Her affair with her sister-in-law Edwina (wife of Dickie Mountbatten and daughter of Crown banker Ernest Cassels) was only outdone by her decades-long tryst with Gloria Vanderbilt, Sr. In 1933, a messy Vanderbilt divorce case in New York City brought Nada's affair with Gloria out into the open. Scores of witnesses testified about bizarre homosexual and lesbian orgies at the Milford Haven estate.

Nada's husband George, one of Philip's early mentors, took refuge from his wife's indiscreet lesbian affairs by assembling the world's largest collection of pornographic liter-

ature, photographs, and paraphernalia, which he kept under lock and key in his private Milford Haven study. According to one of Philip's best-informed biographers, Philip spent a great deal of time in Uncle George's study, and almost certainly had frequent access to the prize collection.

The biographer contends that “Uncle Dickie” Mountbatten, ultimately Prince Philip's most important patron, was part of a homosexual clique that included his brother George, the Prince of Wales, the Duke of Kent, and other members of the “merry” House of Windsor.

Hitler Youth

During 1931-32, Philip's four older sisters were married: Margarita to a Czech-Austrian prince named Gottfried von Hohenlohe-Langenburg, a great-grandson of England's Queen Victoria; Theodora to Berthold, the Margrave of Baden; Cecelia to Georg Donatus, Grand Duke of Hesse-by-Rhine, also a great-grandson of Victoria; and Sophie to Prince Christoph of Hesse.

Through the influence of Theodora, young Philip was sent to a German school near Lake Constantine that had been founded by Berthold's father, Max von Baden, and his longtime personal secretary, Kurt Hahn. Though half-Jewish, Hahn was an early supporter of the Nazi Party, and the school was a hotbed of Hitler Youth activity, Nordic and Aryan myth, and eugenics. However, by 1933, Hahn had become alarmed that Hitler's anti-Semitism might eventually lead to his arrest, and he moved to Scotland, where he became headmaster of Gordonstoun Academy. There he carried on the same kind of “strength through joy” programs of militaristic asceticism. Philip attended Gordonstoun, and all his sons were put through the sadistic program at the Scottish academy.

Sophie's husband, Prince Christoph, was also involved in Nazi politics. He joined the Nazi Party in 1933 and rose rapidly up through the party ranks. By 1935, he had been made chief of the Forschungsamt, a special intelligence unit run by Herman Goering that was assigned to infiltrate Catholic, Jewish, and labor groups to “weed out” subversives. Christoph was instrumental in the infamous “Night of the Long Knives,” in which the SS eliminated the rival SA. Christoph eventually became a personal aide to Heinrich Himmler at SS headquarters.

Prince Christoph's brother, Philip of Hesse, married a daughter of the king of Italy, and he became the official liaison between the Nazi and Fascist regimes. Prince Philip also established covert ties to the Duke of Windsor, who briefly reigned as King Edward VIII, and the Duke of Kent.

In fact, one of the central figures in the 1930s Nazi-British back channel was Philip's uncle and sponsor, Dickie Mountbatten. Until his abdication, King Edward VIII enjoyed the full backing of Mountbatten. Even during World War II, secret links between the British and the Nazis were maintained by Lord Mountbatten through his sister (Philip's aunt) Louise, who was the Crown Princess of Nazi-allied

Sweden. Ostensibly, these were just “family ties”—i.e., half-crazed Princess Alice, based in Nazi-occupied Athens, keeping up with her daughters in Germany.

But, at the close of the war, King George VI, the father of Elizabeth, was so concerned about the unbroken links of his brother, the deposed King Edward VIII, to the Nazis, that he dispatched a “trusted” aide, Anthony Blunt, to Schloss Kronberg in Hesse to gather up any incriminating papers. Schloss Kronberg was the home of the then recently deceased Prince Christoph, Prince Philip’s brother-in-law. The papers were spirited out of Germany and either destroyed or placed under lock and key at Windsor Castle.

Philip becomes a Brit

In 1934, Prince Philip, 13 years old, was returned to the custody of the Milford Havens by his sisters in Germany. This coincided with his enrollment at Gordonstoun Academy. From this moment on, Philip’s life would be shaped by “Uncle Dickie.” By 1939, Dickie had already hatched plans to marry his nephew to the future queen of England, Princess Elizabeth.

After Gordonstoun, Philip was enrolled in the naval academy at Dartmouth. On Feb. 24, 1940, by special arrangement with King George VI, Philip was permitted to join the Royal Navy as a foreign national. Mountbatten had to impose on the king to get this permission, because George VI was worried that the British patronage of the Greek royals might become a source of scandal, given the close links between Philip’s family and the Nazis.

In fact, King George VI had shuttled Greek King George II from one distant exile to another. After floating between Alexandria, Egypt and Johannesburg, South Africa (where he lived at the home of Jan Smuts), King George II was finally permitted to live in England in 1941.

Philip’s war record was anything but outstanding. Although he saw some combat in the Mediterranean at the time of the invasion of Italy, much of Philip’s time was taken up in shore leave in England, where he became well known as a wild bachelor, often cavorting with his cousin Alexandra Duchess of Kent. The intimate relationship between Philip and Alexandra continues to this day. She recently replaced Philip as the head of the British section of the WWF.

King George VI was strongly opposed to any arranged marriage between Elizabeth and Philip. Mountbatten adopted a fallback option.

In the summer of 1944, while the war was still raging, Mountbatten met secretly with King George II of Greece and Prince Philip at the British embassy in Cairo. At the meeting, King George II signed papers authorizing Philip to renounce his Greek citizenship, his claim to the Greek throne (he was third in line of succession), and his membership in the Greek Orthodox Church. Philip would seek British citizenship and membership in the Anglican Church, both of which had to be approved by King George VI.

It would take two and a half years of arm-twisting by

Lord Mountbatten, by now a powerful figure in the British Crown’s secret intelligence machinery, to get King George VI to relent and grant Philip his British credentials. The College of Heralds assigned Philip the name Mr. Philip Mountbatten.

On July 9, 1947, King George VI made his final concession: He approved of the marriage of Crown Princess Elizabeth to Philip. But the king refused to grant Philip the titles of His Royal Highness and Royal Consort, instead conferring upon him the titles of Baron Greenwich, Earl of Merioneth, Duke of Edinburgh.

Only years later did Queen Elizabeth II confer the titles His Royal Highness and Prince of the Realm upon her husband, and only then because her sister Margaret was preparing to marry Peter Townsend and the question of succession had to be clarified.

Following his marriage, and following Elizabeth’s accession to the throne upon her father’s death on Feb. 5, 1952, Philip continued his knavish lifestyle. The principal vehicle for Philip’s widely alleged filandering was the Thursday Club, later renamed the Monday Club. A leading member of the group was Dr. Stephen Ward, the pimp for a ring of call-girls that serviced only the “finest” English gentlemen. The ring operated out of Ward’s cottage on the Clivedon estate of Lord Astor.

In 1963, Ward and one of his “girls,” Christine Keeler, brought down the Harold Macmillan government when it was revealed that Secretary of War John Profumo had been compromised by his affair with Keeler. It seems that she had also been sleeping with a top Soviet KGB agent in London, Capt. Yevgeny Ivanov. Ivanov had been fed mountains of blackmail data on the British royals courtesy of Ward. In his 1992 book *The Naked Spy*, Ivanov claimed he had turned over photographs and other evidence of Prince Philip’s extramarital gymnastics to his KGB bosses. “I had compromising material of each of them [the royals], as well as on Queen Elizabeth.”

Donning the green

At the time the Profumo scandal brought down the British government and also threatened to compromise the Windsor reign, Prince Philip had already been approached by his close friend, Prince Bernhard of the Netherlands, to take charge of the British chapter of the newly formed World Wildlife Fund. Prince Philip’s “strength through joy” upbringing and his family ties to the Nazis were no match for Bernhard, who as a young college student in Berlin had been recruited to the Nazi Party in 1934, and later been assigned as a junior Nazi intelligence officer to the IG Farben chemical cartel. Bernhard’s marriage to Queen Beatrix of the Netherlands had caused an even bigger scandal than Philip’s marriage to Elizabeth.

To this day, the two are intimate collaborators, administering the WWF and its secret funding conduit, the 1001 Nature Trust, on behalf of the Club of the Isles.

Some of the better new books on the Windsors

Scores of books have appeared on the market over the past few years recounting the scandalous lifestyle of the "Merry" Windsors. A handful among them have gone beyond the soap-opera melodrama to provide some useful information about the actual power of the British royals, some insight into the worldview of Prince Philip, and even some details about the financial holdings of the royals and their Club of the Isles allies. What follows is a brief annotated bibliography for suggested reading.

Fall of the House of Windsor, by Nigel Blundell and Susan Blackhall. Contemporary Books, Chicago, 1992.

This book reprises many of the scandals that have been written about in other books. For example, it states that Philip of Hesse, who is an uncle of Prince Philip by marriage, was the direct liaison among Adolf Hitler, Benito Mussolini, and Prince Edward, while the latter was in transition from Prince of Wales to King Edward VIII to the Duke of Windsor.

It exposes how, during the affair between Princess Margaret and Captain Townsend, Prince Philip worked behind the scenes to change the Regency Act of 1953, in an attempt to gain the role of regent and the titles "His Royal Highness" and "Prince of the Realm."

New material is printed on how Prince Philip's friendship, through the Thursday/Monday Club, with Dr. Stephen Ward, compromised the British royals with Soviet spy Yevgeny Ivanov. In his 1992 book *The Naked Spy*, Ivanov boasted that "in Britain I laid my hands on information that . . . [compromised] the royal family. It is kept in the GRU archives ready for use at any moment." Ward was commissioned to do portraits of the royal family at the same time that Ivanov was having an affair with Christine Keeler, whom Ward had working as a call girl for him.

Elizabeth and Philip, by Charles Higham and Roy Moseley. Doubleday, New York, 1991.

This is the best treatment of Prince Philip from childhood to his current position as virtual *doge* of the House of Windsor. Apart from covering the early history of Prince Philip's family—including his sisters' marriages to top Nazis—the book provides new revelations about Queen Elizabeth II. One such revelation is not only the queen's fairytale "portfolio" in horses, paintings, jewels, and castles, but her very significant stock holdings in Rio Tinto Zinc (RTZ) and General Electric,

as well as vast real estate holdings in the United States, including a hidden interest in the largest Mississippi plantation and major real estate interests in Washington, D.C. and New York City. The queen was once denounced in Congress for trying to corner the uranium market, and she was criticized for receiving U.S. tax funds not to grow cotton.

Higham also discusses the longtime friendship of Philip with Prince Bernhard of the Netherlands, who shares a similar Nazi past, in founding the World Wildlife Fund and the "1001 Club" of aristocrats, bankers, and others who finance eco-fascism today. Higham gives the most in-depth look at the "Profumo Affair," which triggered the fall of Prime Minister Harold Macmillan's government, following revelations that his secretary of war, John Profumo, had an affair with call girl Christine Keeler, who was partly controlled by Soviet spy Yevgeny Ivanov. Higham implicitly makes the point that Profumo et al. took the fall for Prince Philip's own dalliances with Stephen Ward, who was the call girl's "pimp" and who was in the Thursday/Monday Club.

Unfortunately, Higham was prevented by his editors from documenting Prince Philip's bisexuality, apparently out of fear that it would alienate the prince's *Ladies Home Journal*-type admirers and cut into sales of the book.

The Duchess of Windsor: The Secret Life, by Charles Higham. McGraw Hill, New York, 1988.

This is one of the better and more revealing books on Wallis Simpson, the Duchess of Windsor. It is especially useful in the biography of Prince Philip, because it emphasizes the willingness of the Prince of Wales (a.k.a. Edward VIII, later the Duke of Windsor) to enter into an open alliance with the Nazis for their *Drang nach Osten* ("Drive to the East"); however, it does not give sufficient credit to Prime Minister Stanley Baldwin for toppling Edward, which he did for this reason, while publicly using the king's lover, Wallis Simpson, as the excuse. Among the Nazis detailed to act as a back-channel with Edward were the husbands of Philip's sisters, who married into the Anglophile House of Hesse, including Prince Christoph. They also included relatives of Lord Louis Mountbatten (Prince Philip's "Uncle Dickie") such as his sister, Queen Louise of Sweden.

Prince Philip: His Secret Life, by John Parker. St. Martin's Press, New York, 1990.

This book is bifurcated between a very revealing background history of the genealogy of the Greek royal family and of Prince Philip's family ties to the Nazis, and a saccharine ending after Philip married Princess Elizabeth (later Queen Elizabeth II). In dealing with the earlier period, Parker demonstrates that the king of the Hellenes was a British puppet, under the policies of the Triple Entente of "protecting powers" (Britain, France, and Russia). He also exposes the fact that Prince Philip's brother-in-law Prince Christoph of Hesse, ran the Forschungsamt (equivalent of the U.S. National Security Agency) for Goering and Himmler. However,

the second half of the book has the author praising Prince Philip for his work with the modern "Allgemeine SS," notably the World Wildlife Fund (WWF) and allied institutions of the Club of the Isles, which is centered on the British monarchy.

Other books available

The Windsor Story: An Intimate Portrait of Edward VIII and Mrs. Simpson by the Authors Who Knew Them Best, by J. Bryan III and Charles J.V. Murphy. William Morrow & Co., New York, 1979.

Queen Elizabeth II: A Woman Who Is Not Amused, by Nicholas Davies. Birch Lane Press, 1994. Among other things, it discusses Queen Elizabeth II's sexual affairs.

The Prince of Wales: A Biography, by Jonathan Dimbleby. Little Brown and Co., United Kingdom, 1994. This authorized biography includes Prince Charles's latest whine against Prince Philip.

Edward VIII: A Biography of the Duke of Windsor, by Frances Donaldson. J.B. Lippincott Co., Philadelphia, 1975.

The Queen: The Life of Elizabeth II, by Elizabeth Long-

ford. Alfred A. Knopf, New York, 1983.

A Conspiracy of Crowns: The True Story of the Duke of Windsor and the Murder of Sir Harry Oakes, by Alfred de Marigny. Crown Publishers, New York, 1990. Written by Alfred de Marigny, who was accused of the murder of his father-in-law, Sir Harry Oakes, and who has now been cleared of all charges. He presents evidence that suggests that Sir Harry was murdered by a conspiracy for trying to stop a gambling casino that the Duke of Windsor sought to build.

The Dark Truth Behind the Romantic Legend of Edward and Wallis: King of Fools, by John Parker. St. Martin's Press, New York, 1988.

Queen Victoria: From Her Birth to the Death of the Prince Consort, by Cecil Woodham-Smith. Alfred A. Knopf, New York, 1972.

The Rise & Fall of the House of Windsor, by A.N. Wilson. Fawcett Columbine, New York, 1994.

Mountbatten, Including His Years as the Last Viceroy of India, by Philip Ziegler. Harper & Row, New York, 1985.

Among other things, this biography discusses the homosexual communist whom Lord Mountbatten kept on his staff.

Quotes from 'Doge' Philip

There is no more damning indictment of Prince Philip than that found in his own writings. As the international president of the World Wide Fund for Nature and the de facto doge of the Club of the Isles, Philip is an oft-quoted public figure. His open advocacy of draconian population reduction schemes, and his rejection of any human quality separating man from the lower animals, sets him off as one of the most evil men of modern times. What follows are some quotes from "Chairman Philip." Additional quotes can be found in the Oct. 28 EIR.

As reported by Deutsche Press Agentur, August 1988.

"In the event that I am reincarnated, I would like to return as a deadly virus, in order to contribute something to solve overpopulation."

A compendium published in the London Daily Mail on Dec. 8, 1988.

● Illustrating Prince Philip's point that there is no difference between hunting and killing an animal for money (i.e., meat consumption), Philip said: "I don't think a prostitute is more moral than a wife, but they are doing the same thing. It is really rather like saying it is perfectly all right to commit adultery, provided you don't enjoy it."

● At a WWF dinner, speaking on the alleged problem of the Chinese saving endangered species: "I regret to say, they eat almost anything."

● In the Solomon Islands, when told of the country's birth rate: "Five percent! You must be out of your minds. You'll have a massive economic crisis in 20 years' time and blame everybody else."

● During the royal visit to China in 1986, speaking to a British student in Beijing, Prince Philip said: "If you stay much longer, you will go back with slitty eyes."

● When visiting a factory in Deeside, North Wales, where unemployment was 20%: "Everybody talks about the unemployed. We would do much better to talk about the number of people who are employed because there are more of them."

● When asked by a farm magazine if conservation were not too important to be left to conservationists: "I would say that farming is too important to be left to farmers."

From Prince Philip's foreword to Fleur Cowles's People As Animals, Robin Clark Ltd., United Kingdom, 1986:

"I just wonder what it would be like to be reincarnated as an animal whose species had been so reduced in numbers that it was in danger of extinction. What would be its feelings toward the human species whose population explosion had denied it somewhere to exist. . . ? I must confess I am tempted to ask for reincarnation as a particularly deadly virus."

Administration tackles defense readiness issue

by Leo F. Scanlon

On Dec. 1, President Clinton announced two initiatives aimed at preempting a serious crisis in U.S. military readiness. The first of these measures, a \$25 billion increase in defense spending over the next six years, was directed at replenishing the force structure and providing for an improved standard of living for the country's military personnel. The second, a \$2.3 billion allocation from the President's discretionary funds to cover expense overruns in recent U.N. "peacekeeping" missions, redressed a short-term crisis in U.S. military readiness.

Despite media accounts to the contrary, these moves by the President were not last-minute decisions, motivated by the recent Republican Party electoral victories or the report on the nation's deteriorating military preparedness released on Dec. 5 by incoming House Armed Services Committee Chairman Floyd Spence (R-S.C.). Sources inside the Pentagon had alerted *EIR* last May that both Secretary of Defense William Perry and President Clinton were working on a priority basis on revising defense spending to avert a crisis in the force command. These sources had warned back then that action would have to be taken before the end of 1994 to avert a grave crisis within two years.

An inherited crisis

Fundamentally, this crisis was inherited by the administration: Defense spending has dropped 25% since 1990, and 35% since its peak in the mid-1980s. George Bush's Persian Gulf war, and his lunatic new world order, coupled intense military action with frenzied budget cutting in the Congress. Former Defense Secretary Les Aspin failed to address this problem, and the strategic confusion prevails to this day.

This year, according to Perry, the Department of Defense spent more than \$1.7 billion from the operations and mainte-

nance (O&M) budget on peacekeeping missions. In addition, it spent about \$13 billion on "non-traditional" items which various congressional committees mandated. The Pentagon warned that this policy would produce a gap in O&M funding, and that gap is now over \$40 billion. Deputy Secretary of Defense John Deutch announced in August that in order to address the growing readiness problem, modernization programs would be cut across the board. And even this does not address the overall defense gap of \$150 billion which the new Congress will have to examine.

In the short term, though, readiness is everything. "In sum, this message is, money is tight, and we are choosing people over systems," Deutch said. "For example, if we must delay chemical lasers in space in favor of housing for our enlisted people, then Bill Perry and I will do so."

The modernization challenge

The next Congress is sure to revive some funding for Strategic Defense Initiative-related technologies. While important, it will not be enough to serve as a "science driver" for the economy overall. Also, unless basic physical infrastructure is rebuilt, there will not be the type of productivity increases in the economy which can generate the real wealth to fund an effective defense.

Nonetheless, Perry is moving to make the most of the situation, and is pushing reforms which are aimed at producing greater efficiencies in the defense industrial base. He aggressively supported legislation which has eliminated the labyrinth of "Milspecs" requirements (military specifications) which strangled even the most ordinary military purchases. The Pentagon will no longer issue 30-page specifications for the manufacture of chocolate chip cookies, for example, but will concentrate attention on military-unique

systems and components. Also, Perry has moved to facilitate mergers among defense producers, in order to reduce the wasteful overhead generated by the “competitiveness” fad which gripped Congress in the 1980s.

But the big budget items for the future are, as Deutch said, “awesome.” The services soon will have to begin spending large amounts of money on the production and purchase of major new weapons systems—a new generation of fighters, a replacement for the Army’s main battle tank, and the follow-on to the Seawolf (SSN-23) submarine, for starters.

The issue is particularly acute for the Navy, because the Russian military has not sacrificed any of its crucial submarine production capability, and will soon bring on-line a new generation of subs which will challenge the longstanding U.S. superiority in silencing technology.

The challenge facing Perry is how to preserve the production capability and workforce skills necessary for producing future weapons systems, while cutting back the spending that supports the second-tier contractors and engineering firms that employ this workforce. This will be made more difficult by zero-sum-game thinking in Congress. For example, Sen. John Warner (R-Va.) proposes to scrap plans to build a third Seawolf (which would keep the Connecticut-based ship-builders alive until the procurement of the follow-on sub begins) and preserve the capability to construct nuclear ships by funding an (also necessary) aircraft carrier—which would be built in Virginia.

More dangerous, is the mindless opposition to any directed-spending initiatives by the government, which is characteristic of Sen. Phil Gramm (R-Tex.), Rep. Dick Armey (R-Tex.), and their coterie of “Conservative Revolutionaries.” This group is the hard-core opposition to government-directed efforts to create science-driver investment and infrastructure improvements. Unfortunately, these people never learned the lesson of their Confederate forebears—who launched a revolt, on behalf of a document which forbade their government from funding an arsenal!

Problems similar to post-Vietnam era

The problems in military readiness are near the magnitudes which characterized the last major draw-down of military forces which followed the collapse of Henry Kissinger’s strategy in Vietnam. In that case, draconian postwar budget cuts presented the Carter administration with demoralized Army enlisted personnel relying on welfare and food stamps to survive, an undersupplied Navy which had to “cross deck” (swap) ammunition and operate aircraft from carriers returning to port in order to outfit ships going to sea, and an Air Force which couldn’t keep its pilots qualified for combat missions. The Spence report paints a similarly disturbing picture. Among the instances he cites are these:

- Training deficiencies in the Army’s front-line contingency response units, specifically the 24th Infantry (mechanized), which recently deployed to Kuwait without many pla-

toon leaders ever having trained in the field with their units.

- A steady drop in unit performance at the National Training Center (where large-scale realistic war games are conducted), and cessation of training for units not scheduled for a near-term NTC rotation. One III Corps commander reported a combat arms battalion which had not been to the field for two years—a condition he described as “criminal.”

- Reduced flight training for Navy and Marine Corps units leading to serious drops in combat readiness, such as the unprecedented situation of numerous fighters put into “preservation” (creating expensive future maintenance problems), and two FA-18 squadrons which had their engines cannibalized for squadrons preparing for deployment.

- Last summer, most of the *USS Saratoga’s* air wing, including fighters and electronic jamming jets, was grounded after returning from the Mediterranean in order to save money. Recently, a memo was leaked which said that one FA-18 squadron had fallen to the lowest level of readiness in every mission area less than three months after return from extended deployment, and on average, squadron pilots were “out-of-cockpit” for 50 days.

- According to the commander in chief for the Atlantic Fleet, the required number of ships necessary to meet existing mandates for training, peacekeeping, counter-drug, and other missions is 73, yet there are only 61 ships available. Extended tours of duty which this shortfall creates are wrecking morale.

- Many Marine units currently have more people routinely deployed than during the Cold War. Due to previous plans to cut Marine personnel, insufficient numbers of persons with critical job skills have been trained, resulting in shortages of mechanics, electrical technicians, and vital administrative and logistics support personnel.

- Living conditions on military bases suffer from long-delayed maintenance and repair (some in scandalous states of disrepair), and pay rates have been eroded by inflation, leading to 1970s-style hardships for enlisted troops. Long overseas deployments often strain family cohesion.

- The Air Force 20th Fighter Wing has been forced to use wartime mobility readiness spare parts stocks in order to make up for stock shortages caused by funding cuts. The wing’s F-16s have been unable to train with new targeting systems critical to their role in suppressing enemy air-defense capabilities.

Cuts in flight operations illustrate the paradox caused by the intense deployment schedule which the military has been subjected to ever since the onset of the “new world order.” Heavy flying schedules in support of “peacekeeping” missions in the Balkans, the Near East, and elsewhere cost a lot of money, yet do not provide the opportunity to practice precision combat skills which require intense training to maintain. One squadron commander, for example, reported that in a recent 111-day deployment to the Mideast, he flew 175 hours, but was able to devote only 5 hours to training necessary to maintain combat capabilities.

Gallucci defends nuclear accord with North Korea

In testimony before a Senate Foreign Relations subcommittee on Dec. 1, Ambassador-at-Large Robert Gallucci defended the nuclear accord with North Korea, saying the accord "addresses all our concerns about North Korea's nuclear program."

Under questioning from senators, Gallucci admitted that North Korea could withdraw from the accord in about 15 years after the two new light water reactors are completed, and reprocess the reactors' spent fuel rods to extract plutonium for use in weapons. He added, however, that spent fuel from the light water reactors would contain dangerous radioactive isotopes, making handling difficult. Gallucci said that any such move on the part of North Korean authorities would cause Washington to halt new fuel rod shipments, leaving them without the capability to generate electrical power.

Gallucci indicated that the fate of the spent fuel is still open for negotiation, and that the administration would seek to clarify the matter in a pending contract between North Korea and a multinational consortium. When asked by Chuck Robb (D-Va.) and Frank Murkowski (R-Alaska) why the accord remained at the level of a "framework agreement" rather than a treaty subject to the advice and consent of the Senate, Gallucci explained that the administration didn't want a legally binding agreement that the North Koreans could enforce through litigation.

Gallucci said that the administration had consulted with the Senate at every step in preparing the agreement. He added that any Department of Energy funding for "recontaining" the spent fuel from the reactors (now lying in ponds) would have to be okayed by Congress, thus giving the Senate a direct say in further formulation of the

agreement. Gallucci said that the North Koreans had already begun to live up to their side of the agreement by shutting down construction of the two nuclear power plants, mothballing a plutonium processing factory, and idling their single operational nuclear plant.

Gonzalez warns action needed on derivatives

In a Dec. 1 statement, House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) warned the incoming Congress that the Republicans will have to do something to "curb derivatives speculation." He urged Republicans "to do the right thing." He pointed in particular to the losses suffered by Orange County, California, because of investments in the derivatives market.

"Today's announcement that Orange County, California stands to lose more than \$4.1 billion from gambling with derivatives is further proof of the hazards posed by these often misunderstood exotic financial instruments," Gonzalez said. "Now you can add Orange County to the ever-growing list of investors who thought they could beat the house. Orange County taxpayers have every right to know why their hard-earned tax dollars were squandered on interest-rate bets. Orange County's financial earthquake and its aftershocks will undoubtedly cause needless hardships for taxpayers for years to come."

Gingrich under fire for improper use of PAC

Charges that incoming House Speaker Newt Gingrich (R-Ga.) violated House rules by improperly using GOPAC, a Republican political action committee that Gingrich heads, to de-

velop and raise money for the course he taught last year at Kennesaw State College in Marietta, Georgia, are currently being weighed by the Committee on Standards of Official Conduct. The complaint, filed by former Rep. Ben Jones (D), who unsuccessfully ran against Gingrich in the November election, charged that contributors who funded the course received tax deductions because their donations were sent to the college's foundation.

The committee must decide whether it will begin an investigation of the complaint. Gingrich sent a letter to the committee on Nov. 29 questioning whether the committee had authority to investigate this matter at all, and claiming that it is rather a matter under the purview of the Internal Revenue Service.

In April the Federal Election Commission (FEC) charged GOPAC with violating federal campaign regulations by advocating the defeat of Democratic House members in a 1990 fundraising solicitation. The committee finally registered as a political action committee in May 1991 after the FEC found reason to believe it had failed to meet federal disclosure requirements.

Dole, Gingrich call for tougher policy on Serbs

Incoming House Speaker Newt Gingrich (R-Ga.) called for more aggressive action against Serb forces now in the process of overrunning the U.N. "safe haven" of Bihac. Sen. Robert Dole (R-Kan.) has long called for a tougher policy toward the Serb aggression against Bosnia, saying that NATO should respond to the attacks on Bihac with a "robust" bombing of Serb positions.

Gingrich, who previously dismissed the Serbian war of aggression

as a "European problem," said on Dec. 4 on the NBC News program "Meet the Press" that the United States should warn the Serbs that they would "take them apart" in three to five days if they launched a general offensive. Responding to Gingrich's comments on Dec. 4 on ABC's "This Week with David Brinkley," Secretary of State Warren Christopher said that such a strategy threatened to escalate the war.

House GOPers propose committee restructuring

The committee structure of the House will be radically changed, if the new Republican majority has its way.

Already, three committees have been scrapped, including the Post Office and Civil Service, the District of Columbia, and the Merchant Marine and Fisheries committees. But there are at least 25 subcommittees being targeted by the GOP leadership in a plan worked out by David Dreier (R-Calif.).

The jurisdiction of some of the more important committees would also be significantly reduced, according to the plan. The Energy and Commerce Committee, now to be called the Commerce Committee, will no longer have jurisdiction over the Glass-Steagall banking law, railroads, food inspection, the Trans-Alaska Pipeline, or energy and research, as it did previously. In addition, each full panel, except Appropriations and Government Reform and Oversight (previously called Government Operations), will be limited to only five subcommittees.

New House rules would also eliminate proxy voting and joint referral of bills to more than one committee. Bills whose jurisdiction falls under more than one committee would be referred to the committee of primary

jurisdiction, although other interested committee chairmen could play a role in shaping the legislation.

Proposed name changes of committees also indicate the new GOP agenda. The House Foreign Affairs Committee will now be known as the International Relations Committee. Armed Services will be called National Security. Education and Labor will be known as Economic Opportunity. And Science, Space, and Technology will be called the Technology and Competitiveness Committee.

In addition, House Republicans have agreed to take away the budgets, staffs, and Capitol Hill offices of 28 caucuses, including the Hispanic Caucus and the Congressional Black Caucus. This has raised an outcry from minority groups. Bill Clay (D-Mo.) said that this was an attempt by the Republican majority "to abolish the Black Caucus."

New leadership elected in House and Senate

Both the House and the Senate elected a new leadership during the first week in December. In the House, Newt Gingrich (R-Ga.) was elected Speaker. Tom DeLay (R-Tex.) was elected Majority Whip, something of a defeat for Gingrich, who backed Robert Walker (R-Pa.) for that post.

On the Senate side, veteran Republican Whip Alan Simpson (Wyo.) was defeated in his bid to retain that post by one vote by Trent Lott (Miss.), who is generally seen as closer to the more aggressive tactics of Gingrich in the House.

In a similar "squeaker" vote on the Democratic side, Tom Daschle (S.D.) was elected Minority Leader, defeating Chris Dodd (Conn.) by a single vote. Daschle had intended to challenge Budget Committee Chair-

man Jim Sasser (Tenn.) eight months ago for the post, which was being vacated by retiring Senate Majority Leader George Mitchell (Me.). Sasser lost his Senate election, and Dodd, supported by some of the older Democratic war-horses like Wendell Ford (Ky.) and Robert Byrd (W.Va.), entered the race. (Ford was unopposed for the post of Minority Whip.) The 47-year-old Daschle called his victory a "generational vote."

Also, an attempt by Congressional Black Caucus Chairman Kweisi Mfume (D-Md.) to unseat House Democratic Caucus Chairman Vic Fazio (D-Calif.) was unsuccessful.

GATT passes, as Hollings invokes Hamilton, List

The Senate approved the General Agreement on Tariffs and Trade (GATT) treaty on Dec. 1 by a vote of 76-24. The House approved GATT on Nov. 30 by a vote of 288-146.

Leading an uphill struggle to defeat the GATT trade agreement, Sen. Ernest Hollings (D-S.C.) brought up the theories of Alexander Hamilton and Friedrich List. While the United States was "trying to set the good example of Adam Smith and David Ricardo of comparative advantage, open markets and free trade," eastern Europe and much of the rest of the world were following a different drummer. "They are going for Friedrich List, as the Germans long since have with their interlocking directives and Japan with the Keiretsu," referring to the families of Japanese companies that maintain long-term alliances. "Competition, according to Alexander Hamilton or Friedrich List, is measured not by a cheap shirt or what you can buy, but by what you can produce. Decisions are made that weaken or strengthen the economy."

National News

LaRouche ally Jones to run for Chicago mayor

Responding to the self-destruction of the Illinois Democratic Party, longtime Lyndon LaRouche associate Sheila Anne Jones put herself forward as a LaRouche Democrat to become the next mayor of Chicago. She will be on the ballot in the Feb. 28 Democratic primary.

Jones told the press, "With the collapse of the global economic system, through the post-industrial society becoming undeniable to millions of American citizens, the value of development policies of American System economist Lyndon LaRouche is at the highest premium thus far seen. It's time to take the gloves off on the hate-filled folly of these Conservative Revolution flunkies and fight to make the cities of America and the world workshops for development."

She reminded fellow Democrats that the party's suicide attempt, which allowed allies of Newt Gingrich and Phil Gramm to sweep the mid-term elections, began in 1986, when two LaRouche Democrats won the primary for lieutenant governor and secretary of state. Whipped into a frenzy by the Anti-Defamation League of B'nai B'rith, the national Democratic Party reacted by surrendering the governor's mansion to the Republican Party.

Thereupon began a systematic, silent, and ultimately impotent voter rebellion in Illinois, manifested by the refusal of many life-long Democrats, especially African-Americans, to vote at all.

Eco-fascists protest culling of sea lions

The ecologist organization Sea Shepherd Conservation Society sent out a call to other eco-fascist organizations to join nationwide protests against the State of Washington's plans to cull sea lions that are threatening the salmon runs at Ballard Locks in Seattle. Because the sea lion population is "protected," the National Marine Fisheries Service

granted the state a permit to kill up to 40 of the creatures, whose population has exploded and whose consumption of salmon is threatening some runs with extinction. The Sea Shepherd group is notorious for its attacks on fishermen and for sinking whaling vessels.

The simultaneous demonstrations were held on Dec. 1 at the Ballard Locks in Seattle, and at the National Marine Fisheries Service offices in Long Beach and La Jolla, California, Silver Spring, Maryland, and Gloucester, Massachusetts.

The protests on the West Coast were also sponsored by the Earth Island Institute, Whale Rescue Team, Last Chance for Animals, Save the Whales, Education and Action for Animals, and San Diego Animal Advocates. The demonstrations in the East Coast were sponsored by People for the Ethical Treatment of Animals and the Humane Society of the United States.

ADL, 'Christian right' hold meeting

Anti-Defamation League (ADL) of B'nai B'rith National Director Abraham Foxman and Rev. Jerry Falwell shared the podium on Nov. 29 at the end of an all-day "Evangelical-Jewish Leadership Congress," to proclaim a new dialogue between Christians and Jews. Falwell called it "a very positive day," and "the beginning of a beginning." Foxman told the press that "we talked to each other and we agreed to lower the rhetoric." Foxman, under whose direction the ADL produced the book-length hate-tract *The Religious Right: The Assault on Tolerance and Pluralism in America* earlier this year, also noted, "We agreed that there are truths and not the truth."

Although the meeting was formally organized by the International Fellowship of Christians and Jews (IFCJ), Foxman took credit by claiming that it was made possible by the ADL report. Foxman said the report "brought us into this room to look at each other, to listen to each other, to begin to understand and be sensitive to each others' views and feelings and language and words were a very significant part of the discus-

sion." Rabbi Yechiel Eckstein, the president of the IFCJ, later expressed agreement with Foxman that the ADL's report made the meeting possible.

Other participants included Ralph Reed, executive director of the Christian Coalition, Kenneth Bialkin, past chairman of the ADL, and the leaderships of the Southern Baptist Convention, the American Jewish Congress, and the American Jewish Committee.

Jewish sources report that the ADL is in serious financial difficulty due to declining support from its fundraising base.

North fundraising plea attacks Clinton

Oliver North's campaign committee has sent out over 100,000 fundraising letters saying, "I know you must hate to get a request like this so soon after the elections. Please make no mistake—*Bill Clinton and the liberals aren't waiting until the new year*—and neither can we," according to the *Richmond Times-Dispatch* on Nov. 30. The letter says that North's V-PAC, which raised more than \$20 million for his losing U.S. Senate bid against incumbent Democrat Chuck Robb on Nov. 8, be renamed Team America PAC, with the ostensible goals of electing Republican candidates and providing a vehicle for North to remain in politics.

In spite of near-record spending for a federal campaign, Republican North lost, largely as a result of a shoe-string effort by the Committee to Defeat that Son-of-a-Bush, which exposed his knowledge of drug-running operations during the so-called Contra resupply effort. North said in an interview with Larry King on Dec. 7 that he will not make another run for Senate, preferring, instead to host a three-hour daily talk show.

Clinton taps Mitchell as adviser on N. Ireland

President Clinton announced on Dec. 1 that he is designating retiring Senate Majority Leader George Mitchell as Special Adviser

Briefly

to the President and the Secretary of State for economic initiatives in Ireland.

Clinton said that, "at this hopeful and historic moment, it is essential to create more economic opportunity in a region whose prospects have been so blighted by bloodshed." He said that there must be a "peace dividend" in Ireland if the peace is to succeed, and that "peace and prosperity depend on one another." Clinton said that Mitchell will oversee the White House conference on trade and investment in Ireland, which will be held in April in Philadelphia, and that he has asked Mitchell "to ensure implementation of all the initiatives we announced last month, to explore additional opportunities for helping peace and prosperity grow in Ireland."

Mitchell, in turn, commended Clinton for "his courageous support of the peace process," and said that Clinton's leadership "in helping to bring about this foreign policy success has been significant and too little appreciated."

Galen Kelly cops plea, gets 'time served'

"Cult deprogrammer" kidnapper Galen Kelly was allowed to plead guilty to misprision of a felony in the May 1992 kidnapping of Debra Dobkowski on Nov. 18, 1994 and was sentenced to the 16 months he had already served before his earlier jury conviction was overturned on a technicality. Kelly, a kidnapper-for-hire for the Cult Awareness Network (CAN), had previously been sentenced to seven and a half years; his three co-defendants, former Loudoun County, Virginia Sheriff's Lt. Don Moore, and Micheline and Paul Bruschansky, pled guilty earlier this year and received sentences of eight months (Moore) and probation (the Bruschanskys).

Both Kelly and Moore narrowly escaped conviction in the planned September 1992 kidnapping of Lyndon LaRouche associate Lewis du Pont Smith, in conspiracy charges that included Smith's father, E. Newbold Smith, a major funder of CAN. It was during FBI wiretaps and undercover recordings of Smith, Kelly, and Moore's plotting that the

facts of the Dobkowski case came to prosecutors' attention.

U.S. District Court Judge Timothy Ellis stated in his sentencing memorandum that "the court recognizes that the facts to which defendant pled guilty supports the more serious charge of kidnapping, yet the government has allowed the defendant to plead guilty to a much less serious offense. . . . The court accepted the plea after receiving categorical assurances under oath from defendant that he will not engage ever again in any involuntary deprogramming activity, including kidnapping and abduction."

Virginia to embark on 'charter' schools

Virginia Gov. George Allen on Nov. 29 unveiled his education plan proposal to the 1995 General Assembly session that would authorize "charter schools," according to the *Washington Post*. The taxpayer-funded scheme first surfaced in Minnesota in 1991, and has since been voted up in at least 10 states.

Under the plan, anyone (including parents, teachers, or private corporations) could submit an application for a school "charter." If the school plan is accepted, the local school board would decide whether to grant "charter school" status, with the State Board of Education having the power to overrule them. The schools would be given a five-year contract, whereupon they can run the school "semi-autonomously," setting admission policies, teacher pay, class scheduling, curriculum, and transportation routes. Schools would be able to bypass all local and state regulations other than those guaranteeing health, safety, civil rights, and minimum educational standards. The plan opens the possibilities for the hiring of teachers not certified by the state.

State Education Superintendent William C. Boshier Jr. predicted there could be 10 charters within one year of legislative approval. Many among Allen's neo-conservative supporters were disappointed that his advisers had made no provisions for vouchers or tuition tax credits for parents of private school students.

● **BUSH OFFICIALS** involved in the 1992 pre-election search of Bill Clinton's passport files, will not face criminal charges, according to Independent Counsel Joseph diGenova. The officials under investigation were Janet G. Mullins, assistant to the President for political affairs; Margaret Tutwiler, White House communications director; and, Chief of Staff James A. Baker III.

● **PRESIDENT CLINTON** took a strong moral stand on Dec. 2 against the creation of human embryos for research purposes, saying he will not allocate any funds for the project, which had been recommended hours earlier by the National Institutes of Health. Clinton said the research "raises profound ethical and moral questions. . . . I do not believe that federal funds should be used to support the creation of human embryos for research purposes."

● **HOT LUNCHESES** for jail inmates in Maricopa County, Arizona have been cut out by Sheriff Joe Arpaio. The county encompasses Phoenix. According to Associated Press, the sheriff's department expects to save a total of \$1 million per year by the food cutbacks. *EIR* has learned that the sheriff has also housed inmates in tents during Arizona's 100+° summers.

● **OREGON'S** "assisted suicide" law is under federal court challenge by doctors, hospitals, hospices, and terminally ill patients, to prevent its taking effect on Dec. 8. The plaintiffs argue that the Death with Dignity Act deprives terminally ill and disabled persons with equal protection under the Constitution, in part because such patients tend to suffer depression, and are therefore susceptible to suggestions of suicide.

● **THE 'GAY' VOTE** showed the greatest shift toward the Republican Party in the 1994 elections, according to Rich Tafel, executive director of the homosexual Log Cabin Republicans.

Editorial

A better New Year

In a recent article which appeared in *Fidelio* magazine, Lyndon LaRouche wrote, regarding the bombing of Hiroshima and Nagasaki, "See in your mind's eye a B-29 bomber aircraft, called the 'Enola Gay,' flying to its hellish appointment, that horror-stricken summer's day in 1945." With these words he recalled the mature realization of many Americans—veterans like himself—of the brutality with which the Second World War came to an end.

As LaRouche pointed out in his article, "How Bertrand Russell Became an Evil Man," not only was the use of atomic weapons unnecessary in order to bring the war to a speedy conclusion, because the Japanese had indicated willingness to negotiate a surrender; but the grouping around Russell intended the use of the bomb as a tool in their drive to impose a world federalist government under British control.

Today, many Americans look back upon the period in which they fought a war to free the world from the evil of Nazism as a high point in their lives, a time when they rose above the daily concerns of private life to make their mark upon history, along with a generation of other, similarly dedicated young men and women. It was a brave but fearsome time. Naturally they and the rest of us then alive, welcomed peace at last.

The Second World War instituted the practice of what was called carpet bombing—the indiscriminate destruction of major population centers. Used by all sides, this was an ugly departure from past norms in which every effort was made to protect the lives of civilians, invalid soldiers, and prisoners of war. The use of atomic weapons, as we all know, was particularly devastating. This is hardly what we would wish to commemorate 50 years after the conclusion of the Second World War? Yet, the U.S. Postal Service was planning to issue a stamp next September, as part of a series of commemorative stamps, which was to have shown bombs exploding over Hiroshima and Nagasaki, with the caption: "Atomic bombs hasten war's end, August 1945."

Reasonably, Japanese Foreign Minister Yohei

Kono has protested this. Nagasaki Mayor Hitoshi Motoshima called issuance of the stamp "heartless," and pointed out that "under the mushroom cloud, hundreds of thousands of non-military people, including children and women, died or were hurt in just one moment."

The announcement by the U.S. Postal Service came at a time when the Smithsonian Institution had backed down, in the face of a campaign led by veterans group and supported in Congress, and revised its plans to give a relatively unbiased account of the ending of the war in the Pacific, which included the views of most historians and military experts that the war was winding to a close before the bombings.

The main exhibit at the Smithsonian (scheduled to open next spring) will feature the renovated front part of the fuselage of the *Enola Gay*. In the exhibit as first planned, the military estimate was cited that there would have been only 30,000 to 50,000 casualties expected in the first 30 days of an invasion of Japan. A vigorous lobbying effort was mounted through veterans' groups and various congressional figures to demand that the exhibit be changed to conform to then-Secretary of War Henry Stimson's big lie that there would have been 1 million casualties. The text accompanying the photographs for the exhibit has been altered in accordance with these demands. It is now planned to read that casualties could have numbered up to 1 million.

The truth is that the Japanese had indicated their desire to begin negotiations to end the war at least six months earlier. At the center of these negotiations were Pope Pius XII and his top delegates, including Monsignor Montini, who later became pope himself.

We are pleased to learn that plans to issue the stamp have been cancelled after intervention by President Clinton. The atomic bombing of Hiroshima and Nagasaki was wrong. It does no honor to the men and women who fought in the Second World War to evade this truth; rather it dishonors the commitment they held to create a world in which the Goebbels principle of the big lie was defeated, once and for all.

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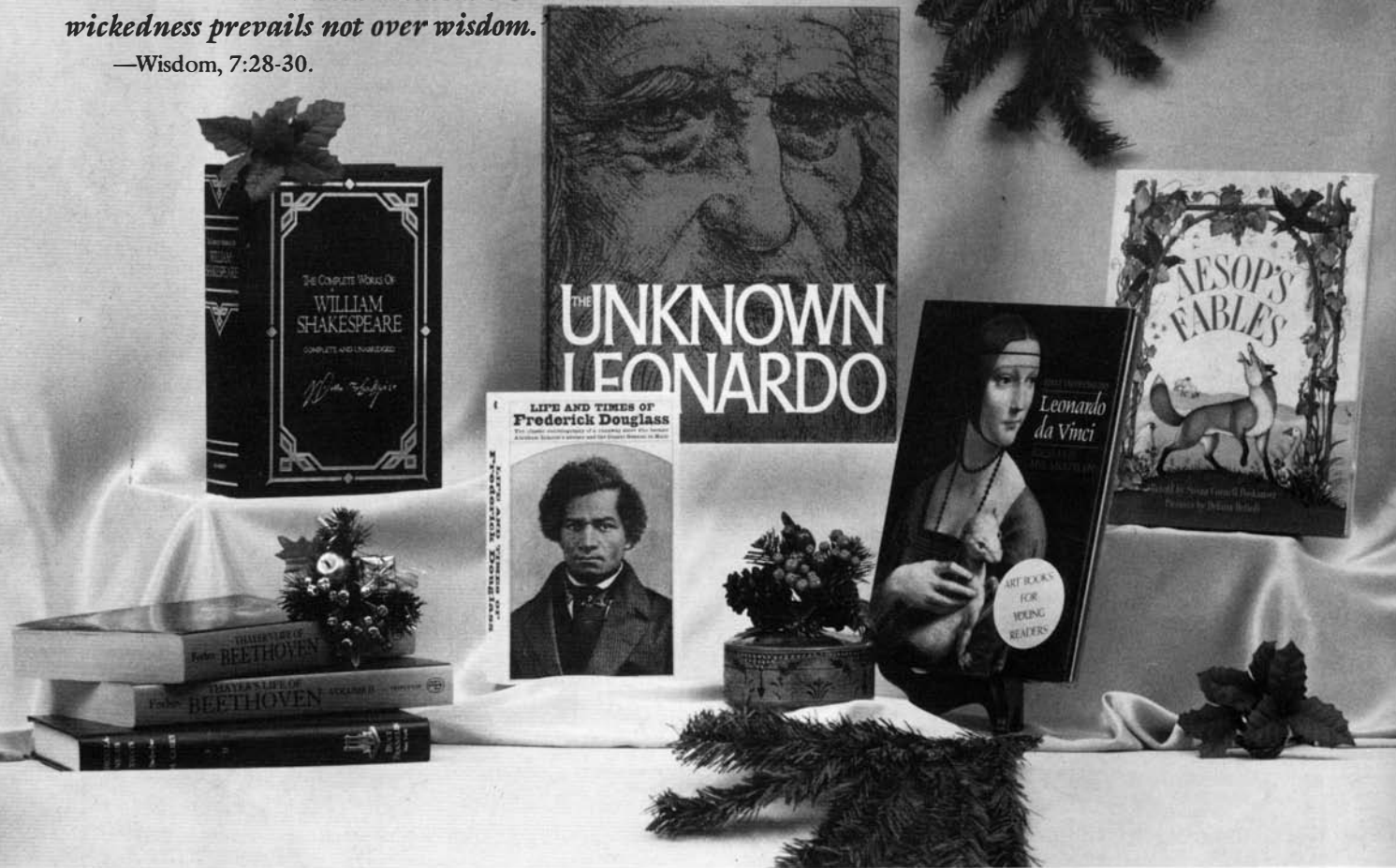
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