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From the Associate Editor

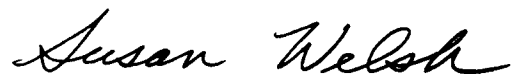
Our cover picture shows a demonstration by associates of Lyndon LaRouche at the French consulate in Philadelphia in May 1996, protesting against France's new "Entente Cordiale" with the British, and most especially against the judicial railroad being run against Jacques Cheminade, leader of the LaRouche movement in France. In *EIR* of May 31, 1996, Mark Burdman wrote: "French President Jacques Chirac has taken a giant step toward consolidating the disastrous pro-British shift in policy orientation that he had already begun to make, in October-November 1995. From May 14 to 17, Chirac made his first state visit to Great Britain, wining and dining with members of the same British royal family whose irregular warfare apparatus had, only months before, threatened him with assassination."

Chirac's courting of the Windsors, Burdman wrote, is directly related to the effort to silence Cheminade: "Effectively, Chirac has struck a deal with the British to crush the LaRouche movement in France, at a time when LaRouche is known, throughout the world, as the most outspoken 'American System' opponent of the British Empire."

Today, more than a year later, the same French bureaucracy, in service of the House of Windsor, is attempting to perpetrate a cover-up of the murder of Princess Diana. But that cover-up is coming apart at the seams, as our *Feature* documents.

The key to understanding such world-shaking events as the death of Princess Diana, is to view them not as a soap opera of "current affairs," but rather as *current history*, as LaRouche has defined it. *EIR* has published numerous feature packages on the way France has historically fallen in line behind the British (for example, "London Sets the Stage for a New Triple Entente," March 24, 1995; and "Time to Destroy the Myth of Napoleon Bonaparte," Oct. 18, 1996). We will soon be releasing a Special Report with reprints of our most important features on the House of Windsor.

Also must-reading is our new Special Report on "Peace through Development in Africa's Great Lakes Region," the proceedings of a seminar in Walluf, Germany in April 1997. At that meeting, African leaders in exile assembled around LaRouche, to mobilize for the policies that must be implemented, once the British marcher-lords, such as Uganda's Yoweri Museveni, are tossed out.



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Mr. President, Mr. President! My Fifty Years of Covering the White House, by Sarah McClendon, with Jules Minton.

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IMF ghouls descend on China, as Asian markets lead crash

by Kathy Wolfe

Some 12,000 international bankers, led by Federal Reserve Board Chairman Alan Greenspan, Bank of England Gov. Eddie George, and other followers of nihilist free-marketeer Ayn Rand, are flying to Hongkong at this writing for the Sept. 23-25 International Monetary Fund-World Bank Annual Meeting, the first ever held in China. In addition to worries over the survival of the bankrupt financial system, it promises to be a brawl over whether the people of Asia have the right to an economic, and human, future.

Going into the conclave, financial markets have been crashing across the Far East. The industrial economies of Japan and South Korea joined the paper tigers of Thailand, Indonesia, and the rest of Southeast Asia in the barrel on Sept. 12, as the Tokyo and Seoul currency and stock markets collapsed to their lowest levels in years. This followed reports that Japan's Gross Domestic Product collapsed by 2.9% in the second quarter, an 11.2% annual rate, implying the physical economy is faring far worse.

"IMF people are saying in advance that it is time for shock therapy to come to Asia," a Japanese Finance Ministry source told *EIR* on Sept. 16, referring to the International Monetary Fund program which decimated industry and employment in Russia, but which has been resisted in Asia until this year. The "implied threat," he said, is that "countries that disagree" will be subject to further speculative attack by George Soros and friends on their currencies and banking systems.

In response to headlines about the "Asian crisis," however, *EIR* Founding Editor Lyndon H. LaRouche had a blunt comment on Sept. 13. "There's no earthquake in Asia," he said. "A worldwide earthquake, a seismic effect, has *erupted* in Asia." Since the IMF, the Federal Reserve, the Bank of England, and the major Western banking systems are hopelessly bankrupt, LaRouche said, "everybody is trying to de-

fend their position." While the IMF demands Asian spending cuts, speculators around the globe are pulling funds out of Asia, to prop up collapsing bubbles in London, New York, and so on. "There is a shortage of ratio of monetary assets to size of financial turnover, globally, such that the worldwide system is about to blow," he said.

The philosophy of Greenspan and his IMF crew is a remarkable plagiarism of Rand in her *Atlas Shrugged*, in which entire industries, railroads, and cities are shut down—to support a "hard dollar." Greenspan and the IMF crowd "do not seem to care what happens after their program is put in place," the Japanese official said. "I've never heard of Ayn Rand, but I think of this as a 'scorched-earth' policy."

IMF demands upon China

While the IMF will be making demands upon every Asian nation, this will be the first time that the 1.5 billion people of China are put directly under the IMF microscope in a public forum, an Asian banker told *EIR* on Sept. 16. IMF demands on China will be "as big a topic" at the Hongkong IMF confab, as the Southeast Asian currency crash, he said. China's Premier Li Peng, who will head up a large delegation, will deliver the keynote speech.

The IMF and World Bank have scheduled a full day of seminars on China. In a recent statement, the IMF's executive directors demanded that China "speed up" reform of state industry, show "greater budget transparency," levy more income taxes and value-added taxes, and stop tax breaks for foreign companies—à la the policies of Greenspan and House Speaker Newt Gingrich (R-Ga.)—all "to strengthen China's fiscal position."

The seminars will discuss the World Bank's recent highly critical report on China's state industries, financial system, agriculture, health care, pension system, and "economic inte-

gration with the world," i.e., the World Bank's demand for "globalization" genocide.

The World Bank report was particularly harsh against China's state-owned enterprises (SOEs), and demanded that over 300,000 such companies be shut down outright. These include huge chunks of China's basic steel and other heavy industry, infrastructure, and power plants. The World Bank said these giant firms, which employ hundreds of millions of Chinese, are "technologically inefficient," full of "redundant" workers, and provide too many social services such as schools and hospitals. Allegedly as a result, 50% of SOEs lost money last year, the World Bank complains, while absorbing 75% of domestic bank credit inside China—thus "crowding out" China's new private companies from the credit markets.

The World Bank ghouls also threatened that China could suffer a banking crisis just like Japan or Thailand, unless chunks of SOEs are shut down. The report claims that 20% of the loans on the books of Chinese banks are "non-performing" (i.e., bad) loans to SOEs which are losing money, and can't make repayments. This has resulted in "state banks with negative net worth," that is, which are themselves bankrupt, the World Bank report insists.

Unless China shuts down the SOEs, it will soon end up like South Korea, William Overholt, director of Asia research for Bankers Trust, a firm quite close to Greenspan, said on Sept. 15. "Highly guided economies such as those of South Korea can suffer cascading bankruptcies of the big subsidized conglomerates, leading to a banking crisis," he said. China's state banks, he claimed, hold \$250 billion in bad loans to SOEs, so the South Korean crisis is "an important warning signal because China is vulnerable to a much bigger crisis of that kind. If politicians are too soft on the state enterprises, they will drag the Chinese banking system down."

This entire approach is insane, the Asian banker told *EIR*. Most Chinese bank loans to state-sector industry were made under a non-market communist central banking system, in which credit is directed to certain industries by China's Five-Year Plans, and the banks simply disperse funds as directed by the government. Such loans have always been irregularly repaid, and were not realistically meant to be repaid. The idea that suddenly they would be viewed as "commercial borrowing" is absurd.

Chinese President Jiang Zemin's speech on Sept. 12 to China's 15th Party Congress in Beijing—widely reported in the British-run media as a call for IMF privatization—must be seen "in light of strong pressure from the IMF," the Asian banker said. "No one in China wants to end up like the Russians," he insisted, predicting "more talk than action" on privatization. "But Chinese leaders had to at least address the issue," he said.

Jiang called for "strategic adjustments of the position of the state-owned sector of the economy," and said that "enterprises will operate independently, according to the law, responsible for their own profits and losses." The British finan-

cial press has taken this with delight to mean that China will demand that SOEs must repay their loans, or else be shut down in bankruptcy. But, China's real intent remains to be seen.

Jiang also warned that China will clamp down on speculation and "strengthen the supervision and control of the financial institutions and markets, including the securities market, standardize and safeguard the financial order, and effectively guard against financial risks." He said that the policies of Vice Premier Zhu Rongji, who forced anti-speculation measures on China's stock exchanges last year and this year, will be continued.

Hara-kiri for the rest of Asia

The IMF also has its "hara-kiri list" for Japan, Korea, Indonesia, Thailand, and the rest of Asia. After Japan's Economic Planning Agency announced on Sept. 11 that second-quarter GDP collapsed at an 11.2% annual rate, its worst drop in 23 years, the Japanese yen and stock market took sharp nosedives. The yen slid down to 120 to the dollar, and the Nikkei stock average fell 1.73% to finish at 17,965.80, its lowest close since April 15.

Japan will be sharply attacked at the IMF meeting because of the collapse of the yen, one banker said, because it makes Japanese exports cheaper. In addition to this "damned if you do or damned if you don't" position, Japan will also be the major target of a new amendment proposed to the IMF Articles of Agreement, to give the IMF a specific mandate to demand "capital account liberalization to meet new challenges in global capital markets." Translated, this means that Japan will be ordered to further open its currency and banking systems to Anglo-American speculators, or else suffer more Soros-style currency warfare.

South Korean Finance Minister Kang Kyong-shik said on Sept. 9 that IMF demands for globalization must be met at all costs. "Korea should prepare for the global community by vitalizing market functions, establishing a strong foundation for future growth, and bringing its economic regulations and practices in line with international standards," he told an international conference in Seoul. "Intense competition brought about by the removal of barriers that impede access to the domestic market will eventually enhance the effectiveness of financial and labor markets, and enforce market discipline."

In Indonesia, on Sept. 16 Finance Minister Mar'ie Muhammad announced the year's worst IMF cuts yet: \$13.22 billion worth of infrastructure projects will be put off until the currency collapse "subsides," and another \$23 billion in projects put under "review." These include a \$2 billion bridge linking Malaysia to Indonesia; two other major bridges; a \$285 million rail and road terminal, and a \$560 million telecommunications tower in Jakarta; two refineries; and 14 power plants.

The Thai currency, the baht, collapsed again on Sept. 15-16, because of a report in the *South China Morning Post* that the IMF will cancel its planned \$20 billion bailout package, unless Thailand makes further draconian budget cuts.

Buffett echoes LaRouche's advice

by Marcia Merry Baker

During the week of Sept. 15, the financial press featured coverage of recent moves by billionaire Warren Buffett, to get out of stocks, and into Treasury bonds. For example, according to the Sept. 16 *Wall Street Journal-Europe*, over the previous five weeks, acting quietly through various Wall Street bond brokers to conceal his move, Buffett, owner of the investment fund Berkshire Hathaway (which holds stocks and bonds valued at \$34 billion), took \$2 billion out, to buy U.S. government zero-coupon bonds of 10- to 30-year or longer maturity, whose full face value at maturity is estimated at about \$10 billion.

This is a big deal: It involves a famous guru of how-to-play-the-stock-market, leaving the markets. The London *Times* of Sept. 16 wrote, "Warren Buffett, one of America's best-known investors and wealthiest men, has bought bonds worth \$10 billion (£6.25 billion) in a move seen by Wall Street as an early warning of a stock market crash. The investment guru, known as the Sage of Omaha, is believed to have sold part of his \$34 billion share portfolio to pay for the bonds. It emerged yesterday that Mr. Buffett's Berkshire Hathaway fund has been buying risky zero-coupon bonds with a face value of \$10 billion at a cost of \$2 billion over a five-week period ending last week."

(A zero-coupon Treasury bond offers no annual interest rate coupon, only the chance for capital gain on the bond's price at maturity. Because the income earnings of a normal bond are absent, the purchase price is accordingly far cheaper, allowing Buffett to buy \$10 billion maturity-value bonds for only \$2 billion. This is highly leveraged, and amounts to a relatively cheap insurance policy for Buffett, against the occurrence of a 20% stock crash.)

What LaRouche said

Buffett's reported stealth moves are in the direction of the advice given by Lyndon LaRouche, in an interview on Feb. 5. Speaking to "EIR Talks," he said that staying in the stock market meant slaughter. He advised, get out; go to Treasury bonds, go to gold, and fight for a new financial system to restore the economy:

"The only thing I can say, is that the persons—and there are about 40 million Americans, I think, who are exposed to this, who are betting that they have a pension, and a future invested in mutual funds, onto the stock market, or some plan

of that sort—if they stay, they're going to be slaughtered. They'll lose everything.

"Now, there are some people who say, 'Well, tell me what time to get out?' And, people are buying these reports which tell them which way to get out of this stock today, and that one tomorrow, and get into this one, because of this up and down volatility. And, this is going to kill them. . . .

"Sure, Treasuries don't yield as much, but you've got one advantage with Treasuries: The government has agreed to back them up, and you've got something. Whereas, on these indexes, these futures, these options, when that market goes, you've got less than nothing. And, many of you have got life savings in there. Don't keep it there. Don't take the chance. Sure, somebody else may make a lot of money in the short run, maybe they can afford to take the risk. Can you?"

A sign of the times

Warren Buffett sneaking out of the stock market is just the most conspicuous case of a general trend. For example, the results of the latest Merrill Lynch monthly survey of mutual fund managers (covering August, released Sept. 8), reported that the "crashmeisters" are making moves out of stocks, and into government bonds, both in the United States and Britain. Merrill Lynch interviews 259 institutions, managing funds worth \$5.55 trillion internationally. The survey of 41 U.S. institutions managing funds worth \$1.88 trillion, showed that interest in Treasuries was strong, with buyers outnumbering sellers by 20%. These figures are the highest since December 1994.

What does this signal? LaRouche commented on Sept. 16, "The case of Warren Buffett is the most conspicuously featured, because they're talking about amounts of \$10 billion, and of course there are relatively few people who can move \$10 billion of personal assets around. But, it has become a pattern in the recent weeks, of key figures, financial advisers, prominent figures saying: Move your money out of stocks, and mutual funds, and so forth—derivatives, of course, and into things like U.S. Treasuries and ownership of gold—these are the two recommendations. The same ones I made last spring. This signals the fact—two things: First of all, that generally, among leading circles, all of those who, in the past two years, would deny, resist—up until late spring, this year—would resist my forecast that this was on the way, now agree it *is* under way, and now they're saying, 'Get out of the stock market, get out of mutual funds, get out of derivatives.'

"It's a sign of the times, and one must understand, many things that happen on this planet, as resulting both directly from the fact that the present international financial and monetary system, as an interrelated international system, is now in a process of crisis, headed toward disintegration, through a series of earthquake-like shocks over the coming period. We're expecting one after Sept. 30, in October, or something like that, on the way. But, it's already happening. It's not something—it's not a future event. It's an ongoing event."

Behind the ‘Swiss Nazi gold’ affair

Doing his masters’ dirty work, Al D’Amato has launched an attack on the tiny nation. William Engdahl and Andreas Ranke report.

For more than a year, a relentless propaganda campaign has been being waged against Switzerland. The campaign’s authors chose the phrase “Swiss Nazi gold” as their propaganda buzz-word, basing the campaign on two utterly unsubstantiated assertions. The first is that the Swiss authorities, in complicity with the large private Swiss banks, supposedly conspired with the Nazi leadership during World War II, to hide the looted gold the Nazis stole from Jewish Holocaust victims. The second is that the Swiss banks allegedly stole vast amounts of money which their Jewish clients, later murdered by the Nazis, had deposited during the 1930s and 1940s.

It should be noted that these “non-declared assets” have *not* been seized by either the Swiss banks, or the Swiss government. In contrast, most of the financial assets that continental Europe’s Jews had deposited with British banks before the war, were seized by the British government, during or right after World War II. Non-declared assets of all sorts, held in New York banks, are routinely seized by the State of New York after only five years.

The true history of gold deposits in Swiss banks, during the 1940s, is quite complicated. An estimated \$500 million (today worth \$4-5 billion) of gold was transferred by the German Reichsbank to Switzerland. The gold was used for clearing bilateral German-Swiss trade balances, as well as those with third parties trading with Germany. Switzerland, since June 1940, was completely encircled by Nazi Germany and its Axis allies, which included Vichy France. Switzerland’s national and physical survival depended on the import of coal, oil, iron ore, food, etc., which could only be done through Germany. Switzerland’s role as a base for trade/financial clearing operations, together with the clear determination of the Swiss population not to accept foreign occupation, were the principal reasons why Hitler decided not to invade the country, while Nazi Germany still had the military resources to do so, that is, until 1942.

What can be said with certainty, is that the claim that Swiss banks and Swiss authorities, intentionally and knowingly, engaged in “laundering” gold stolen from Holocaust victims for the Nazis, is simply untrue. Also quite complicated, is the question of the post-World War II arrangements between authorities from the Swiss, British, and American central bank and government over the German gold transfers.

The relevant question to ask is therefore, what and who lies behind this “Swiss Nazi gold” campaign? The more so, as most of the relevant material has been available in the public domain, since at least 1946, when Switzerland and the Allied authorities came to a formal agreement on disposal of gold and related assets from Nazi Germany. But, history is not the real point in the current anti-Switzerland campaign. Rather, the issue is, why are these events of 50 years ago being dredged up at this time? Why is intense international pressure being put on the large Swiss banks and the Swiss state, now?

‘Senator Sleaze’ slithers in

It was U.S. Sen. Alfonse D’Amato (R-N.Y.), the influential chairman of the Senate Banking Committee, who kicked off the “Swiss Nazi gold” campaign in the American media. Not coincidentally, the same D’Amato was also the first to wage a relentless campaign against the Clinton Presidency, around the allegations of the “Whitewater affair.” He kept up this “Whitewater” offensive, until very recently.

D’Amato turned his Senate committee into a platform for airing wild accusations against Swiss banks and government officials, for allegedly covering up possession of “hundreds of millions, if not billions of dollars” of assets the Nazis had seized during the war from Jewish concentration camp victims. Inspired by D’Amato’s anti-Swiss outbursts, American and British media ran stories of greedy Swiss bankers, sympathizing with the Nazis, storing gold fillings of murdered Jews in their Zurich bank vaults.

D’Amato took American taxpayer money, to hire a staff of ten full-time “Nazi gold researchers.” His chief of staff, Greg Rickman, reportedly converted his own office into a “war room,” to pursue the “Swiss Nazi gold” allegations. Rickman told the London *Times* on Jan. 13 of this year, that his goal was nothing less than breaking open Swiss bank secrecy, to end what he called “the incestuous collaboration between the Swiss government and the Swiss banks. This way,” Rickman claimed, “we could get at the drug runners, the gun runners, the terrorists who all keep their money there. If this happens, the Swiss currency will dip, because people will pull out their money.”

At the very least, Rickman’s remarks imply that a far more important agenda lies behind D’Amato’s professed concern



“Senator Sleaze” Al D’Amato (right) confers with Canadian liquor magnate, World Jewish Congress President Edgar Bronfman, during hearings that D’Amato chaired on the “Swiss Nazi gold” fraud.

to get restitution for Holocaust victims. This agenda apparently aims at nothing less, than delivering a destructive blow to the Swiss banking system, one of the four major centers of international finance, along with New York, London, and Tokyo. As the London *Financial Times* noted, “Some Swiss politicians see critical comments in the U.S. and U.K. media in particular, as part of a plot to undermine Switzerland’s importance as a financial center.”

Early in the summer of 1996, D’Amato began his Senate hearings on “Swiss Nazi gold” claims. The hearings featured testimony from representatives of the World Jewish Congress (WJC), whose president is Edgar Bronfman, head of Seagrams Liquor. In 1989, Bronfman, among other distinctions, had received communist East Germany’s highest award, bestowed personally by dictator Erich Honecker, for his efforts to help prop up the doddering regime in East Berlin. The role of the World Jewish Congress in the Nazi gold controversy, is an important one, notwithstanding the fact that the campaign’s central feature is political and financial warfare.

The Swiss react

The reaction in Switzerland to D’Amato’s hearings, and to the accompanying incessantly vicious anti-Swiss outbursts in the media, was profound anger. Equally, there was pro-

found anger against Bronfman and the WJC. At the time, Bronfman issued a press statement declaring, “Swiss banks cannot be allowed to profit from the Holocaust.” The anger in Switzerland was typified by an undiplomatic verbal explosion in January 1996 from outgoing Swiss President Jean-Pascal Delamuraz, who publicly accused “certain organizations and individuals,” of “blackmail and extortion” against Switzerland, in connection with the Nazi gold affair.

The Swiss also had a deep sense of having been unjustly treated. There was disbelief, that “public opinion” in the United States, a nation viewed by the vast majority of Swiss citizens as a genuine friend, could engage in primitive anti-Swiss propaganda. Here we come to the second underlying feature of the “Swiss Nazi gold” campaign: the poisoning of Swiss-American relations, which have traditionally been close and friendly. A sober view of Switzerland, will recognize that this country, whatever its undisputable problems may be, has a very firm position, when it comes to the question of national sovereignty. One key feature of Swiss neutrality, is the profound aversion to all forms of supranational structures. Switzerland is not a member of the European Union, and not even a member of the United Nations. It was only a few years back, that Switzerland joined the International Monetary Fund. Because of Switzerland’s democratic-republican tradition — there has been no monarchical rule since the 13th cen-

ture — the Swiss elites and people have felt very close to the United States.

EIR's intervention

As frustration and anger in Switzerland threatened to drift in an “anti-American” and “anti-Jewish” direction, *EIR* intervened with a *Special Report*, “New York’s ‘Senator Sleaze’: Alfonse D’Amato.” In this study, we emphasized that the authors of the “Swiss Nazi gold” campaign wanted to provoke precisely such a reaction from the Swiss. Were Switzerland to fall into the trap, the true aims of the anti-Swiss campaign, to conduct financial warfare, would remain obscured and Swiss-American relations would be poisoned, to the detriment of both nations. *EIR*’s report emphasized that the Swiss should avoid confusing D’Amato’s crude tantrums against them, with the position of the American government, and the Clinton White House in particular.

The dossier provided its Swiss readers with a detailed political profile of Senator D’Amato. Few in Switzerland knew that D’Amato had conducted a vicious scandal-mongering campaign against President Clinton. Fewer knew, that a White House lawyer had called D’Amato “one of the most ethically challenged U.S. senators in history.” Or that Democratic National Committee chairman David Wilhelm had once said, “Being attacked on ethics by Al D’Amato, is like being called ugly by a frog.”

Before he went to prison, Michael Milken and his Drexel Burnham Lambert bank had been one of the largest campaign contributors to D’Amato’s Senate campaigns in the 1980s. D’Amato introduced legislation on behalf of Milken and Drexel Burnham, which ensured that the junk bond casino was left untouched by U.S. regulators, and had blocked other legislation, which would have hindered hostile corporate junk bond takeovers. Among other things, Drexel Burnham was engaged in money laundering, internationally. D’Amato, as chairman of the powerful Senate Banking Committee since 1996, is one of the Republicans’ most successful fundraisers. Not surprisingly, much of the money comes from Wall Street financial firms and big banks, whose interests he looks after.

EIR’s original English-language report was circulated in the Swiss Parliament, in government layers, among political parties and the media. The intense interest and demand, led to its publication in French and German during the summer.

The *EIR* report also contained an analysis by Lyndon LaRouche, on the strategic background of the anti-Switzerland campaign, in view of the accelerating disintegration of the global financial system. LaRouche, who visited Zurich in April 1997, noted that, for decades, Switzerland has played a central role on the international gold market. This position is targeted by those financial and raw-material interests which have their center in London. Those interests are not strictly limited to Britain as such, but operate internationally, in the context of the British Commonwealth — which means especially Canada, Australia, and South Africa — and cooperate

with their “Anglo-American” allies within the United States. These interests are seeking to dominate the world market for strategic raw materials and precious metals.

But what is at stake, is much more than simply the consolidation of the hegemony of the British/Commonwealth raw-materials cartels at the expense of Switzerland. The British establishment and its satellites in the United States know, that the present world financial system is doomed. Under conditions of a systemic crisis, and not merely a “price correction” of stocks and other financial assets, the importance of gold as a “real value asset” will increase in a way presently barely imaginable. Paper assets will become “fictitious capital,” but not so gold and other precious metals.

The British establishment, therefore, wants to gain complete control over the world market for precious metals, once the financial system collapses, and therefore want the competition from Switzerland to be eliminated now, in anticipation of the big crash.

More on the ‘London Connection’

In this regard, it should be remembered that it was out of London, that the “Nazi gold” scandal was given much of its present impetus. In September 1996, the Archives Department of the British Foreign Office released a report on “Nazi Gold: Information from the British Archives.” That report was then used as “officially sanctioned” ammunition, by Senator D’Amato, for his anti-Swiss ravings. The Foreign Office report breathed new life to the D’Amato and Bronfman campaigns.

More indication to back suspicions that the campaign is part of an intense financial and political warfare, particularly between Zurich and the City of London, emerged this past July. BBC, itself an arm of the British Foreign Office and staffed by senior members of British intelligence, in early July of this year, released a TV “documentary,” titled “Nazi Gold and Jewish Money.” It originally had been undertaken as a joint project of BBC and Swiss national television, DRS, but when the final editing by BBC revealed the crudely falsified interpretation of the events, Swiss DRS-TV formally disassociated itself from the BBC version. The Swiss ambassador to London, François Nordmann, released a blunt letter of protest to BBC on July 3, accusing BBC of, “prejudice and aggressivity, as well as contempt for the history and situation of my country.” BBC, Nordmann charged, deliberately created an “enraging montage, which serves to confirm that the Swiss profited from trade with gold from teeth fillings and unwarranted, evil-minded and absolutely false accusations.” The diplomat was even further angered, when the BBC version was aired by the U.S. Public Broadcasting Service the same week. The Israeli ambassador to Bern, Gabriel Padon, commented: “I understand the outrage of the Swiss against this polemical BBC film . . . [it is] absurd, totally unjust. I think it is an ‘anti-Swiss’ film.”

Parallel to D’Amato’s 1996 Senate hearings and the ac-

companying media campaign, representatives of the WJC met in Bern, with members of the Swiss Bankers Association. In September 1996, the Swiss bankers agreed to establish an "independent commission" to look into the claims of pre-war Jewish assets deposited in Swiss banks. The commission was chaired by former U.S. Federal Reserve Chairman Paul Volcker, and included Avraham Burg, chairman of the Jewish Agency for Israel; World Jewish Congress deputy Israel Singer was an alternate. Another member was New York cosmetics heir Ronald Lauder, a close friend of George Soros.

BBC, in early July of this year, released a TV "documentary," titled "Nazi Gold and Jewish Money." The Israeli ambassador to Bern, Gabriel Padon, commented: "I understand the outrage of the Swiss against this polemical BBC film . . . [it is] absurd, totally unjust. I think it is an 'anti-Swiss' film."

As U.S. Ambassador to Austria, Lauder, together with Edgar Bronfman, had been figure in the character assassination of Austrian President Kurt Waldheim, which started in 1987. Waldheim was internationally defamed as a "Nazi war criminal" by the U.S. Justice Department's Office of Special Investigations (OSI) and put on the "watch list," barring Waldheim, who had long served as UN Secretary General, from entering the United States. According to a book just released by former CIA officer John Mapother, Lauder, Bronfman's World Jewish Congress, and the OSI "Nazi-hunters" deliberately used forged documents, to defame Waldheim, documents which had been fabricated by the Tito regime's intelligence service in Yugoslavia. Swiss media, such as the *Neue Zürcher Zeitung*, have remarked on the similarity of the disinformation method used against Waldheim and in the current "Swiss Nazi gold" campaign.

In the context of the formation of the "independent commission," the big Swiss banks also agreed to establish a "special fund" of 170 million Swiss francs, to financially assist Holocaust survivors in need, especially in the former communist countries of Eastern Europe. Now, a year later, no money has been disbursed, because a vicious brawl has broken out between various Jewish organizations, over the control of monies to be paid out to Holocaust survivors. The big Swiss banks adopted a cooperative attitude, for one simple reason: They feared that their financial business activities in New York, or even the United States as a whole, would be endan-

gered, if they did not make certain concessions. In early 1997, the Swiss government in Bern made a similar move, creating a "Solidarity Fund," of SF 500 million, to be disbursed for "humanitarian emergencies" internationally. It must be noted, that Bern's attitude of making concessions under pressure, has not been viewed favorably among Swiss citizens. Although the Swiss banks and the government had thought that the pressure campaign on "Swiss Nazi gold" would subside following their concessions, they quickly found the opposite was true.

In October 1996, a \$20 billion class action suit was filed in U.S. District Court in Brooklyn, in a claim by a London accountant, Charles Sonabend, on behalf of 20,000 relatives of Holocaust victims. Once again, Senator D'Amato accompanied the move, with his usual shrill antics. Sonabend's claim was that \$7 billion in jewelry, cash, and art works had been deposited in Swiss banks by Jewish refugees fleeing the Nazis. The suit demands repayment, with interest, to survivors and their heirs, a sum estimated at \$20 billion today. The three big Swiss banks, Union Bank of Switzerland (UBS/SBG), Crédit Suisse, and Swiss Bank Corp. (SBC/SBV), are the defendants. It should be noted, that Brooklyn, rather than London or Zurich, is where two of defendant banks are based.

At the time of the court filing, on Oct. 5, 1996, the *Financial Times*, the paper of record for the City of London financial establishment, noted with barely concealed *Schadenfreude*: "Switzerland is starting to resemble a country under siege. . . . Yet international criticism of Switzerland's wartime role continues to increase. There are signs that Switzerland is starting to develop a sense of paranoia about the attacks." In August 1997, yet another court action against the big Swiss banks was filed in New York, and yet again, Senator D'Amato fired off his usual anti-Swiss diatribes.

D'Amato becomes a liability

However, during the summer of 1997, it became obvious that D'Amato was getting burned out, as a lead figure in the "Swiss Nazi gold" campaign. His crudeness and obvious truth-twisting began to get annoying, not just for the campaign's targets, but more importantly, for his controllers behind the scenes.

Unquestionably, *EIR's* exposé on "Senator Sleaze" has had a major impact in exposing his political career, and his role in the anti-Swiss campaign. In early August, the City of London weekly, the *Economist*, put out the signal: D'Amato has outlived his usefulness in the anti-Swiss campaign; he has become a liability. In the usual understated British style, the *Economist* wrote that D'Amato is "flawed," adding: "He will do whatever wins favor with New York's voters, even if it involves taking as a hostage the nation's foreign policy and its good relations with its allies." Should D'Amato be re-elected next year, "higher-minded Americans will either despair, or go apoplectic." The *Economist* concluded that D'Amato has become "an embarrassment."

At the same time, Edgar Bronfman was also “advised” to scale down his high profile in the “Swiss Nazi gold” campaign. Since mid-1997, Bronfman has discreetly moved into the shadows of the campaign. This probably has to do with the fact, that Bronfman’s links to the British/Commonwealth establishment, leave exposed the actual command center of the anti-Swiss campaign.

Bronfman, who resides in New York, is a Canadian national, whose family’s fortune dates back to the association with London’s Eagle Star Insurance firm. After the war, London’s Eagle Star Insurance Company, under the direction of Sir Kenneth Strong and Sir Kenneth Keith, both senior members of the British intelligence community, funnelled finance into the Bronfman family, to build their North American empire. British intelligence and City of London financial elites chose the Bronfman family’s Seagrams Liquors Co., as a prime vehicle to build enormous networks of London financial influence in the United States via Canada, as the financial “glue” for Winston Churchill’s Anglo-American “special relationship.” Bronfman, in addition to being president of the World Jewish Congress, is also National Commission member of the Anti-Defamation League of B’nai B’rith (ADL), which is notorious for “neutralizing” political figures, mainly within the United States, by defaming them as “anti-Semites.” The ADL’s “anti-Semitic” defamation tactics are usually based on purely fictitious concoctions, including denunciations of “anti-Semitism” against Jews and organizations with a large Jewish membership. Not surprisingly, ADL Executive Director Abe Foxman also flew to Zurich, to add pressure on the Swiss banks and officials.

Stu Eizenstat steps in

With the discrediting of D’Amato and Bronfman, the point-man role in the “Swiss Nazi gold” campaign was shifted to Stuart E. Eizenstat. This was a wickedly clever move, since Eizenstat is operating from within the U.S. government. This is all the more relevant, because President Bill Clinton has clearly indicated to leading Swiss personalities, that he is opposed to escalating U.S.-Swiss frictions over to the “Nazi gold” affair, and that he wants to preserve their traditionally excellent bilateral relations.

Since June 1997, Eizenstat has been in the State Department as Undersecretary for Economic, Business and Agricultural Affairs. At the recent Association of Southeast Asian Nations Regional Forum in Malaysia, Eizenstat gave an almost passionate defense of British-linked speculator George Soros, who had just deployed his billions to wreck many of ASEAN’s currencies.

In 1995, Eizenstat was named a “Special Envoy for Property Restitution Matters.” While he was U.S. Ambassador to the European Union in Brussels (1993-96), Eizenstat had begun a campaign, to put official U.S. pressure on continental European governments, for allegedly failing to make restitution to families of concentration camp victims. After the

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death of Commerce Secretary Ron Brown, he became Undersecretary of Commerce for International Trade during 1996-97. Eizenstat soon convened a task force, from 11 U.S. government agencies, to examine the historical records on the issue of postwar disposition of Nazi gold and other stolen assets.

On May 7, Eizenstat issued a massive 500-page document on “U.S. and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany During World War II,” a State Department version of the September 1996 British Foreign Office document. Eizenstat’s notes in his report that “Switzerland receives the most attention,” because it was “the country with the deepest and most crucial economic relationship with Nazi Germany.” The report includes a number of obvious historical absurdities on the wartime situation of Switzerland, surrounded by Nazi Germany. Eizenstat went so far as to claim, that Switzerland (and not Churchill’s British Empire) was responsible for prolonging World War II!

On April 9, one month before releasing the report, Eizenstat had hailed “the renewed search for truth about the roles played by neutral countries and the related issue of Nazi gold. . . . This outburst of interest is significantly the result of the pathbreaking courageous work of the leadership of the World

Jewish Congress—Edgar Bronfman and Israel Singer—and of Sen. Al D’Amato.”

During August, Eizenstat gave an interview to Swiss TV, in which he stated, that the readiness by Swiss banks and the government to provide SF 700 million in funds in the context of the “Nazi gold” controversy, was insufficient. Eizenstat suggested that the volume of the funds should be increased. Not surprisingly, his statement was sparked with disbelief and outrage in Switzerland.

Not a neutral judge

Eizenstat is no neutral judge in this explosive political factional brawl, between the financial power of the City of London, with a supporting role from New York financial families, and Swiss financial and banking power globally. Eizenstat is deeply enmeshed in the very political-financial networks which have, in effect, been extorting the Swiss authorities, to pay up or face a political hate campaign. Eizenstat is a member of the Jerusalem Foundation, the American Jewish Committee, and the United Jewish Appeal. He has also served as a member of the board of directors of the Israel Discount Bank of New York, and has been “Man of the Year” of B’nai B’rith, the international masonic group which includes the ADL.

Eizenstat was born in Chicago in 1943, and received his law degree from Harvard University in 1967. In 1968, he served as research director for then-Vice President Hubert Humphrey’s Presidential campaign. Eizenstat moved to Atlanta, Georgia, where he worked as a law clerk for the U.S. District Court, and later, as an attorney, at the Powell, Goldstein, Fraser, and Murphy law firm.

But his career really took off with his role in the 1976 campaign staff of Jimmy Carter. From 1977-81, Eizenstat served as Carter’s Assistant for Domestic Affairs and Policy, and Executive Director of the White House Domestic Policy Staff. After leaving the Carter White House, Eizenstat headed the Washington office of Powell, Goldstein, Fraser, and Murphy. During this period, he also became a member of the New York Council on Foreign Relations.

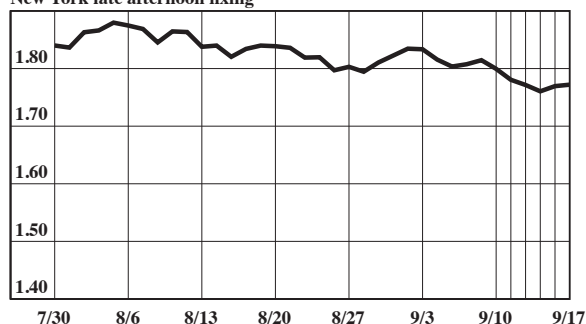
At present, it is Eizenstat, who is attempting to play a crucial role, in the creation of political frictions between the United States and Switzerland. Even though President Clinton has demonstrably tried in recent weeks to distance his administration from the Eizenstat offensive, as the administration’s discreet playing down of the Eizenstat report illustrates, that is not enough to prevent lasting damage of U.S.-Swiss relations.

In view of the coming financial explosion, concerted action is required internationally by governments, not the least between Switzerland and the United States. In its core, the so-called “Swiss Nazi gold” affair has almost nothing to do with wartime history, but has very much to do with financial warfare, as the world financial system edges inevitably toward collapse.

Currency Rates

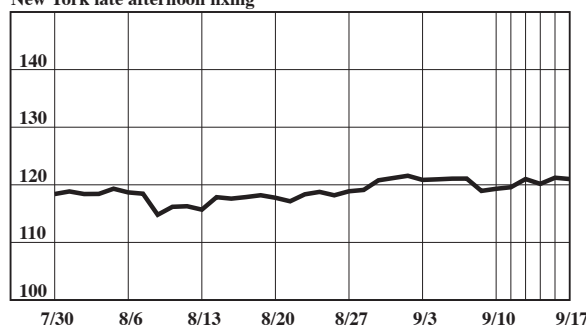
The dollar in deutschemarks

New York late afternoon fixing



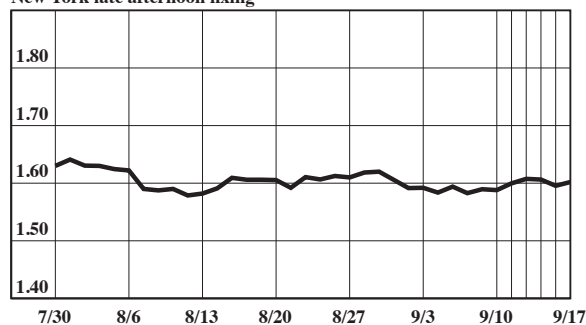
The dollar in yen

New York late afternoon fixing



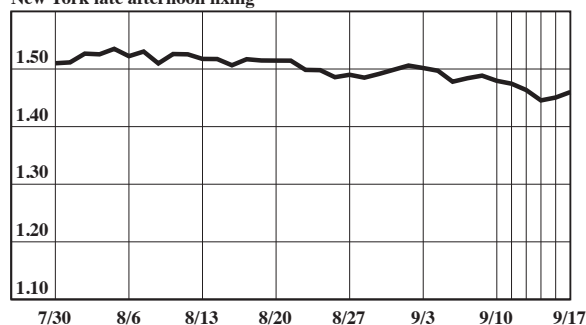
The British pound in dollars

New York late afternoon fixing



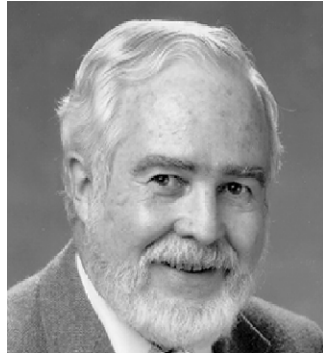
The dollar in Swiss francs

New York late afternoon fixing



Probing the unknowns of El Niño

Dr. O'Brien is the Director of the Center for Ocean-Atmospheric Prediction Studies (COAPS) at Florida State University, Tallahassee, Florida. In Part 1 of this interview (which appeared in last week's EIR, Sept. 19, p. 25), Dr. O'Brien discussed the El Niño/Southern Oscillation (ENSO) as "an unstable but self-limiting oscillation between the atmosphere and the ocean." The collapse or weakening of the strong westerly winds allows the Sun to heat up the waters off Peru and the rest of the eastern tropical Pacific, which is called El Niño. The cool end of the oscillation, known as La Niña, occurs about two years later. Dr. O'Brien said that he has named this El Viejo, "The Old Man."



As EIR noted last week, both cause and effect in the El Niño phenomenon are under investigation; scientists still can't explain why the phenomenon occurs, and there are conflicting views. Dr. O'Brien, for example, ignores the involvement of aboveground volcanic activity as influencing El Niño. However, many scientists disagree with this view, and future interviews will pursue the volcanic hypothesis.

Dr. O'Brien was interviewed by Elijah Boyd of 21st Century Science & Technology.

Q: Professor O'Brien, you were in the process of explaining what, exactly, constitutes an El Niño, or "Warm Event," and its opposite, the "Cold Event," also known as La Niña. More precisely historically, as you said, this should be called El Viejo, or, "The Old Man." Historically, the Cold Event follows the Warm Event, or the El Niño, which is currently causing damage worldwide from its locus now, in the Equatorial Pacific Ocean.

O'Brien: ENSO is a big oscillation, particularly the warm and cold phases. It's clear that there is something else at a longer time scale, modulating the oscillation, and nobody has a clue what that really is.

There are periods, as in the 1940s, where you can go almost 12 years without having a big one. You get periods, as in the 1970s and early 1980s, when the oscillation is

in a regular, or almost regular, four-year mode, and then you get a flat period, as you had in part of the 1990s, and when you go back in the early 1970s, you see a flat period which is mostly cold. There are not even hypotheses on the table of what might be modulating this so that it isn't more regular.

ENSO is a basic oscillation in the Pacific Ocean that occurs, gets amplified, and blows up into an "event" which makes warm anomalies in the Eastern Tropical Pacific. The most important thing isn't that it makes warm anomalies; the most important thing is that it moves 28°C water east of the [international] date line, because that switches the convection zone. It pushes the warm water farther toward Indonesia. This is a very important fact, because in the equatorial Pacific Ocean is where you get more heat coming in from the Sun, the atmosphere has to get that up into the upper atmosphere, so that it can go poleward, and finally radiate out to space someplace.

When you have El Niño and you have the warm water, these anomalies don't drive convection; what drives convection is the temperature. So when you push 28°C water east of the date line, you then get a lot of convection east of the date line. This makes the subtropical 200-millibar [of air pressure] jet over the United States, the dominant jet stream over the United States in winter. In the opposite event, when the winds push the warm water way to the west, then the Polar Jet becomes the important one, and it has a big, meandering pattern, which ends up with Seattle, this year, being as dry as hell, and in the other oscillation, Seattle is wet.

It depends on whether the Southern Jet Stream coming in over the Pacific, or the Northern Jet Stream, is the dominant one.

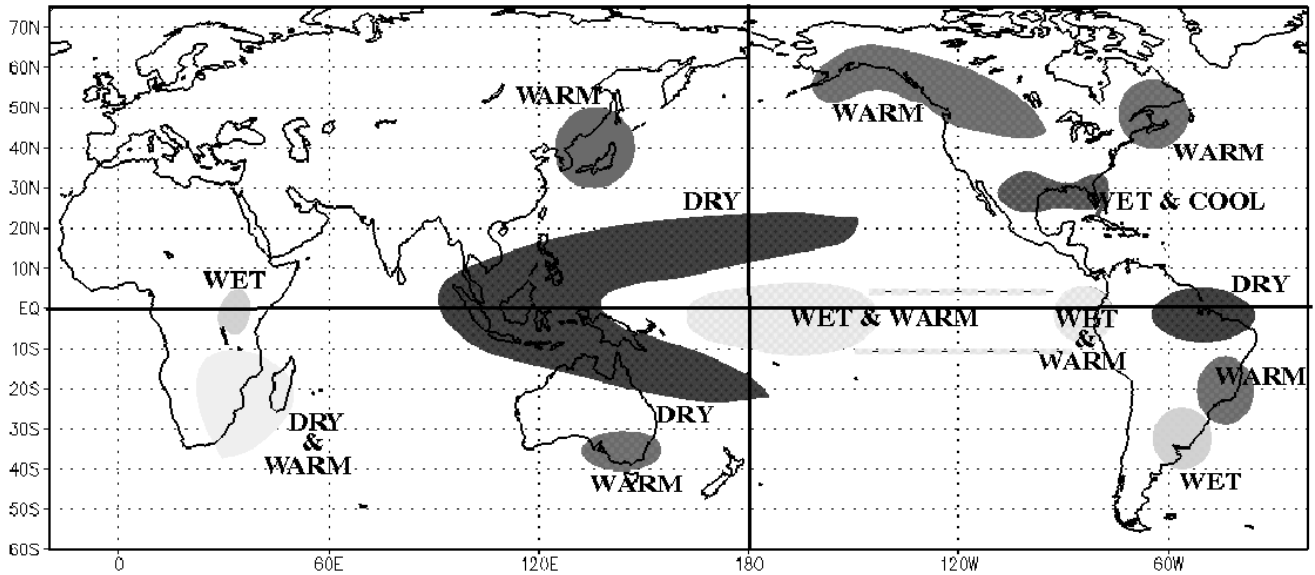
Q: Atmospheric scientist Hugh Ellsaesser dates the occurrence from the weakening of the winds.

O'Brien: There's *no question* that the first observation of the event from data is that—absolutely none at all. I personally believe that there is a basic four-year oscillation in the Pacific, and the oscillation comes around during the time that there's a temperature contrast between the middle of the Pacific and the Eastern Pacific, that the oscillation has an opportunity to amplify, and that the ocean is the basic driver.

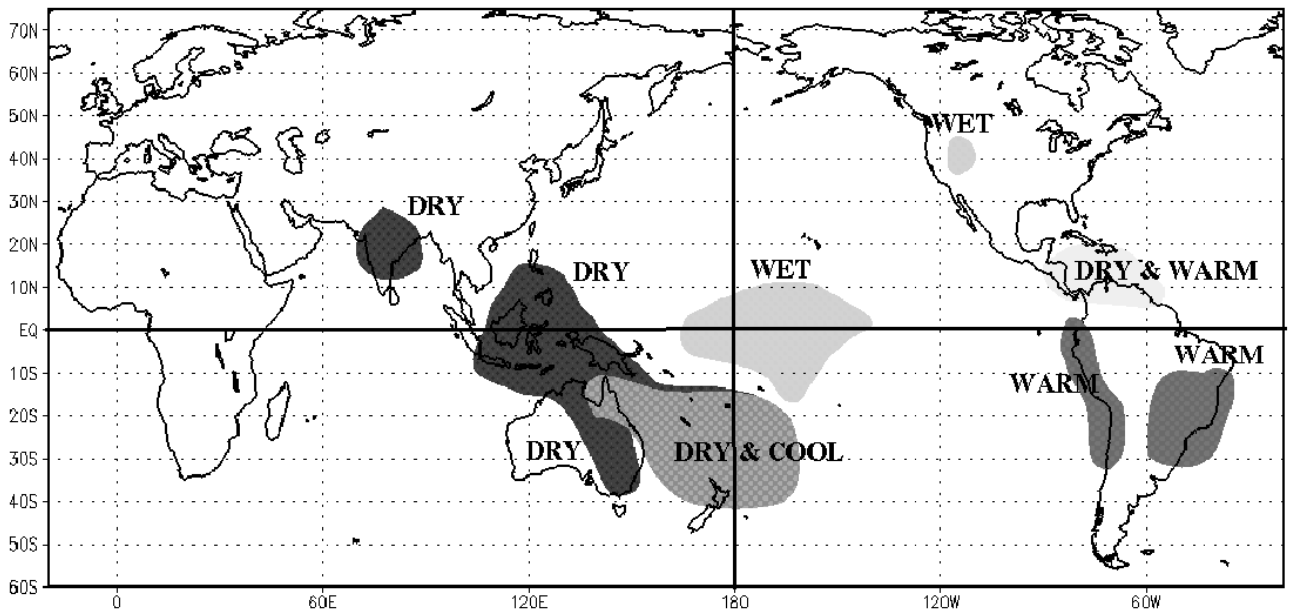
I have to admit that I do not have a definitive experiment which proves that.

Q: Let me throw another thing into the hopper. These latest investigations of the Sun looking at sound wave patterns have discovered plasma rivers, and large-scale electrodynamic movements that occur at the same time that you have the movements of the sunspots. These are the equivalent of bands of plasma, and plasma jet streams on the Sun. So, looking at this from the standpoint of completely invisible electrodynamic causes, which, of course, can organize winds and since the Earth is a great big electromagnet anyway . . .

Warm episode relationships (December-February)



Warm episode relationships (June-August)



O'Brien: I've been dealing with strange theories on this thing for the last 20 years. You know the guy at Illinois, thank God he's retired, who believed that aerosols from volcanoes did it. When he finally got investigated, it turned out he was cooking his data.

Now, on the magnetics for the Sun, I want to see the data, or I will think these guys are cooking it. The other guy we had to deal with, was the volcano-under-the-sea guy. This was a guy in Hawaii who believed that in the East Pacific rise, every now and then, the plates sort of opened their mouth and let

out a huge pile of magma, which created warm water, which popped up to the surface.

The problem is, there is actually demonstration, first by simple [ocean only] models, then this year by coupled models [ocean-atmosphere, the “Coupled Ocean Atmosphere Response Experiment”]. The coupled models back in October 1996 were predicting that there was going to be an El Niño this year. They didn’t predict that it was going to start up quite so soon and quite so strong, but it was done back in October.

But, I’m happy to look at whatever data people think they have, because I know the timings of these things. It reminds me of when I was a post-doc; during one of my first years as a post-doc at NCAR [National Center for Atmospheric Research], Walter O. Roberts called me in because he was being battered over the head by some of these guys, who had discovered correlations between these streams of plasma from the Sun and weather patterns over the United States. It turns out that the cause and effect was just nonsense, because its commonality was the positions of the oceans and the land.

Q: Two plasmas, Sun and Earth.

O’Brien: I understand, but I don’t know enough about astrodynamics to comment.

Q: Now, can you say something about the ENSO effects?

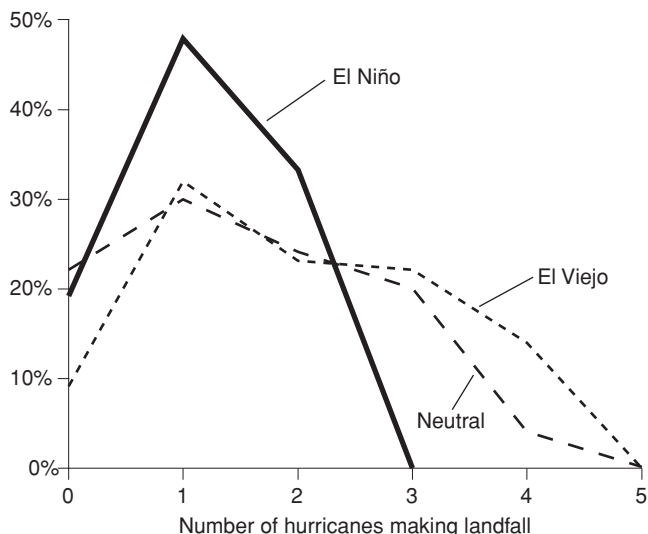
O’Brien: Because of changes in the jet stream patterns over the Pacific Ocean, all the countries that border on the Pacific rim are affected, from Chile to Alaska, from Japan to Australia and New Zealand. We can come back to that, but basically ENSO changes the patterns of convection and the jet streams when you get out of the Tropics. People from time to time have tried to say that this is a cause. Now, this goes back a hundred years. It was first studied by Sir Gilbert Walker, about the phenomenon affecting the Indian Monsoon, which affects the food for a lot of people. It turns out that this idea is really flaky.

On the other hand, what I don’t understand, not to my satisfaction, is what the physical mechanism is. It’s obviously affecting Southern Africa, Zimbabwe, Botswana, and those places down there, and it’s one that I don’t quite put together. Basically, in North America, the dominant jet stream becomes a sub-tropical jet stream which comes across Mexico. So the biggest, consistent impact is that the south-east has a little extra rain and some slightly cooler temperatures, because of the cloud cover. Right now the government is warning all of California, and they are cleaning out all the drain ditches, because they are forecasting gigantic storms.

That’s a real iffy one, because it’s not a consistent impact. If the jet stream stays down in Mexico, California won’t have it. If it comes to southern California, they are going to get it

FIGURE 1

Atlantic U.S. landfalling hurricanes, 1900-96
(relative frequency)



Source: COAPS.

“big time.” The fact that Seattle is going to be dry, is a “slam dunk” [certainty]. The other thing that we haven’t finished publishing on yet is the reason there are no hurricanes this year, is because of El Niño.

Here, instead of looking at all the Atlantic hurricanes, we just looked at the ones that count, the land-falling hurricanes. The reason we did that is because before World War II, the record on all the storms is inconsistent; things happened that we didn’t know about. We didn’t have satellites or airplanes. We go back to 1900, we find out that when El Niño was going on, for the hurricane season prior to the winter, in none of those 16 or 17 years had three hurricanes hit the United States, and most of the years had only one, or zero [see **Figures 1 and 2**].

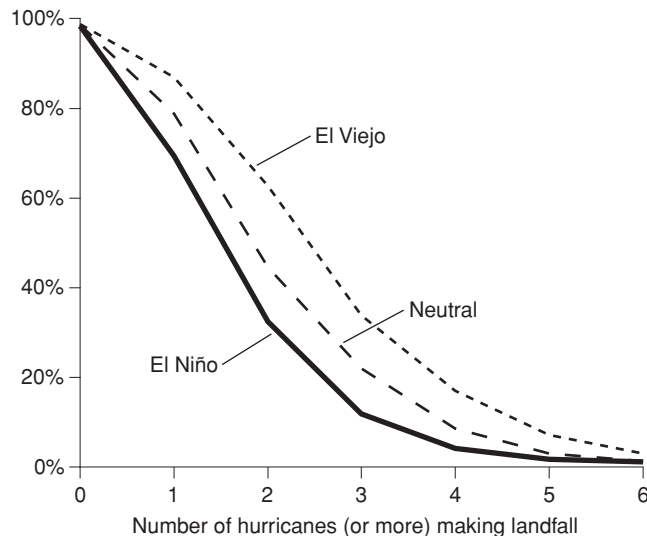
When the La Niña, or El Viejo, is going on, the probability goes way, way up. There is a huge, huge dichotomy. We have a chart that shows the empirical probabilities drawn for cumulative probability distributions, and one where we just fitted it to a Poisson Distribution.

We have work which is, unfortunately, a manuscript, submitted for an undergraduate thesis award, in the American Meteorological Society, I would predict that in the normal “Tornado Alley” in Oklahoma, Texas, and Kansas, that they’ll have big, significant decreases in tornados this year, based on our work, because it’s El Niño. Forest fires will be suppressed all along the southern United States, particularly in Florida, and the coastal regions and Carolinas, and Georgia,

FIGURE 2

U.S. hurricane landfalls, cumulative frequency, Poisson distribution

(probability)



Source: COAPS.

because of the winter rain. Lots of good things. Of course, you read in the press about people catching fish off San Francisco that belonged to southern Mexico, and so on.

Q: Yes, the tripletails.

O'Brien: Obviously, in China and the Yangtze Valley, they are having gigantic droughts; Queensland in Australia is having droughts; Peru is having rain. The Peruvian situation is very interesting. If you read an encyclopedia about it, they always say the El Niño is associated with the Peruvian anchovy. Well, the Peruvians overfish the anchovies because the El Niño pushes them too close to the coast and they were too easy to catch in the little boats they had. But, right now, it's very interesting, the technology. In Ecuador, they have big shrimp farms, right near the ocean, and when they know El Niño is coming, they can build dikes, so that the farms don't get washed out with the extra rain; the benefit is that the shrimp larvae population in the ocean is much bigger, so they really benefit economically from this. The Ecuadorian shrimp get advected southward to Peru, now the people in northern Peru know they have the right boats, and nets, and stuff to go out and catch the shrimp.

They also plant rice in the riverbeds, instead of corn, and get a crop, and then in northern Chile, the Chileans—the Peruvians are angry—but the Chileans now have the nets to catch Peruvian anchovy, and they go out to catch the anchovy which have invected south.

So, there are huge consequences of El Niño. I know that, already, Chile has lots of heavy rain. We don't know about northeast Brazil yet, because the growing season is going to be in December, January, February—but drought is normally associated with it. But the Atlantic always affects that, and we're doing some analysis of southeast Brazil and northern Argentina, where they'll get rain. So, the marvelous thing about the whole story is that oceanographers learned how to forecast this phenomenon, proved that it could be forecasted, and the government then invested in this TOGA/TAO [Tropical Ocean and Global Atmosphere/Tropical Atmosphere Ocean] array, this huge array of buoys across the Pacific, that gives us measurements, and we have the satellite measurements. So even if the forecasts don't work, we know what's happening. We've studied some of the impacts.

I'll tell you a funny story, we had a satellite in 1982, we didn't have the research buoys, and in July and August the temperatures were already 6°C warmer than off Galapagos. At NOAA [National Oceanic Atmospheric Administration], where they were measuring all the satellites, they were throwing out all the data—quality control was throwing out all the data—because it could [allegedly] never get that warm! And . . . the young kid looking at the quality control data blamed that fact that the data were being thrown out because there was dust from El Chichón, the volcano, above the Pacific. But he got the sign wrong, because if it was dust from El Chichón, all the data should have been colder than normal, rather than warmer than normal. But, that will never happen again. We've had this revolution, and things are really rather marvelous, for lots and lots of aspects of human life in a lot of places.

Q: How in the world do we get hydrodynamic-spherical models of the earth, so that you can see the interaction of the jet streams and the convection?

O'Brien: I don't know if I'm taking your question wrong, but I'm always moaning at my colleagues for drawing these lousy graphs that are in grid point coordinates. You talk about spherical coordinates. It's actually trivial, with the map-drawing equipment we have to map things spherically. I have a student studying some aspects of the winds over the ocean related to the convection regions, and she was doing rectangular grid-point maps, where one-third of the world map is devoted to the Arctic and one-third to the Antarctic. It was horrible, and I told her to use another projection, and she got an absolutely beautiful one. It wasn't actually spherical, but it showed the projections aren't really a problem. . . .

I'm speechless about it. I told a first-year graduate student to draw her data in a different coordinate system, and the next day she had it done! The problem is that my colleagues are too lazy. . . . Their data is already in latitude-longitude coordinates, the model is in spherical coordinates, and they just draw it as a rectangular. It's not expensive, it doesn't cost any computer time, it's common—and they just don't do it.

Government okays research reactor

Notwithstanding the good news, the policy of "One step forward, one step back" in the nuclear field, continues.

On Sept. 3, the Australian government announced that it would build a new nuclear reactor in Lucas Heights, outside Sydney. The \$215 million reactor will replace the nation's only existing atomic plant, the 39-year-old High Flux Australian Reactor (HIFAR). The new reactor, too, will be a small, research reactor of the light-water-pool type, designed to produce fast neutrons. It will produce 14-20 megawatts of heat and three times the amount of neutrons as HIFAR.

The announcement ended months of fierce debate over whether to replace HIFAR, and was greeted with the predictable howls from Prince Philip's environmentalist stooges downunder. However, Minister for Science Peter McGauran, a driving force behind the decision, said that the new reactor was a "life and death issue." McGauran said that about 260,000 Australians undergo some kind of nuclear medicine procedure every year, and that demand was growing by about 15% annually, which would soon outstrip HIFAR's capacity. For instance, he said, "We've found that when the reactor is shut down for maintenance, that on average, one in three shipments is delayed, often for 24 hours or more. That not only throws the timetables and schedules of the 180 nuclear medicine centers throughout Australia into chaos, it could very well — and indeed, I can say with certainty, having spoken to nuclear medicine practitioners — cost lives." A spokesman for Prince Philip's Friends of the Earth, John Hallam, accused McGauran of a "nuclear fixation."

Debate had also raged on *where* to build, with environmentalists and opposition leader Kim Beazley charging that it was dangerous to build a reactor so close to a major city. Proponents pointed to HIFAR's unblemished safety record, and McGauran emphasized that the short half-life of the radiopharmaceuticals required the reactor be near a major airport, so that the isotopes would not deteriorate before reaching their destination.

Research reactors are the only proven facilities for the bulk production of technetium-99m (Tc-99m), which comes from molybdenum-99, which is produced in a reactor. Worldwide, 90% of the 20-25 million annual diagnostic procedures in nuclear medicine are conducted with Tc-99m-labelled radio pharmaceuticals. There are a number of other uses for radioisotopes: for process controls and non-destructive testing in the metals, paper, and chemicals industries; assisting mineral prospecting, and to improve ore analyses and extraction; quarantine sterilization in agriculture, and irradiation of fruit fly pupae, which incapacitates breeding; and, in materials testing, where neutrons are used to investigate the microstructure and properties of solid and liquid materials, especially emerging advanced materials such as polymers, plastics, and Kevlar for the aerospace, automotive, biotechnological, petrochemical, and telecommunications fields.

On the same day that the government decided to go ahead with the new reactor, it vetoed a proposal from the Australian Nuclear Science and Technology Organization (ANSTO) to

build a state-of-the-art reprocessing plant, to process spent fuel from both the existing plant and the new one. Instead, Australia will repatriate 689 spent fuel shipments of U.S. origin back to the United States, and will ship another 1,300 spent fuel elements to Dounreay, Scotland for reprocessing.

However, the government granted ANSTO the okay to seek overseas partners to build a demonstration plant, in Australia or abroad, to stabilize and store nuclear waste from the new reactor's spent fuel rods. The new technology, called Synroc, was developed by Australian National University already 20 years ago. Dry granules, called "Synroc precursor material," are mixed with the liquid waste, which is then passed through a furnace to drive off water and the nitric acid in which the waste is dissolved. The dry powder is then put into a stainless-steel container, and subjected to over 200 atmospheres of pressure at 1,200°C for about two hours. Known as hot isostatic pressing, this fuses the Synroc and waste into a stable cylindrical block 30% of its original volume.

ANSTO has been in discussions with the U.S. Department of Energy's Argonne National Laboratory in Idaho over building a Synroc plant, to process tons of high-level waste from the Argonne fast-breeder reactor, which is being decommissioned.

The government's decisions to replace HIFAR and to allow the possible development of the Synroc technology, are welcome. However, its veto of a reprocessing plant continues decades-long sabotage of promising nuclear research. In the 1950s, Australia was a world leader in such research, and helped to develop the High-Temperature Gas-Cooled Reactor. Such projects, like the plans to build a centrifuge uranium enrichment plant, and other cutting-edge projects, have been repeatedly shut down.

Business Briefs

Trade

India's business sector says, halt tariff cuts

The Federation of Indian Chambers of Commerce and Industry is demanding a year moratorium on further cuts in import tariffs, to allow Indian industry time to "gain adequate strength," the Indian daily *The Hindu* reported on Sept. 8.

The federation says that over the past seven years, as the government has made significant moves to open the Indian economy, it has lowered import tariffs from a peak of 300%, to 40% in the 1997-98 budget. The federation argues that any further reduction should be "linked with improvement in the investment climate and should include reduction in costs of inputs and finance better infrastructure facilities," among other measures.

The federation's logic in arguing for the hiatus is that "Indian industry has been hamstrung over the past 40 years due to various controls and regulations, so some adjustment time, say 5-6 years, should be given to Indian industry to gain adequate competitive strength."

Bosnia

Assist reconstruction, German official urges

Dietmar Schlee, the German government's Bosnia coordinator, called in August for steps to accelerate the reconstruction of Bosnia, including the creation of circumstances in which returning Bosnian refugees could participate in the reconstruction of their country. Most importantly, he called for a credit program for Bosnia similar to Germany's Kreditanstalt für Wiederaufbau, which was key in Germany's recovery after World War II, including sponsoring the establishment of new firms.

Schlee also urged that European Union and other donors provide assistance in a more timely manner; that German firms contribute to reconstruction by opening factories in Bosnia; and, that a promotional office for German industry be opened in Sarajevo.

Earlier, in an interview with the *Süd-deutsche Zeitung*, Schlee had called for the "reopening of a big German auto-making firm near Sarajevo," located in the destroyed VW-DAS factory. (These are some of the issues specifically raised in a 1996 Schiller Institute memorandum, "No Return of Bosnian Refugees without Economic Reconstruction," which had been co-signed by Generals J.A. Graf von Kielmannsegg (ret.) and Paul Albert Scherer (ret.), and had been widely circulated in German government circles.)

Although far from sufficient, these statements represent a shift from earlier policies of the German government. While all other countries had established bilateral economic ties with Bosnia, the German government so far has operated solely through the EU bureaucracy. So far, there has also been little coordination among the various aid organizations and the German and Bosnian governments, to determine where, exactly, refugees could return to. There are still about 280,000 Bosnian refugees in Germany.

Natural Gas

Russia announces two pipeline deals

Russia announced two pipeline agreements in late August, with Turkey and Armenia, the Sept. 3 *Journal of Commerce* reported. A preliminary agreement for construction of a \$3 billion Turkish-Russian pipeline, which will run under the Black Sea from Tuapse to Samsun, was signed on Aug. 29 by Gazprom head Rem Vyakhirev and Turkish Energy Minister Cumhuriyet Ersumer. On Aug. 30, a deal was signed with Armenia for the creation of a joint stock company, to transport gas by pipeline to Turkey via Armenia. Turkey would receive 3 billion kwh of electricity, and Armenia would fulfill its fuel needs.

The *Journal of Commerce*, which is boosting British geopolitical designs to disrupt cooperation among nations in the region, claims that the projects are "part of Moscow's plan, announced last September, to boost gas sales to Turkey fivefold by 2010," and that the projects are antagonistic

to Iran's pipeline arrangements. The *Journal* also says that the deal was pushed through because Turkey needs the energy and Russia opposes the \$20 billion deal Ankara made with Teheran last year for gas. It adds that Iran will lose Armenia as a customer for energy if Russia supplies it instead, and that Iran will lose its role as middleman in trade between Turkey and Armenia, if a border crossing is opened up to allow direct trade between the two, historically opposed, countries.

Meanwhile, Russian Prime Minister Viktor Chernomyrdin has nominated Deputy Prime Minister for Science and Technology Vladimir Bulgak to head the Iran-Russia joint economic commission, Iranian wire services reported. And, Iranian Foreign Minister Kamal Kharrazi will meet with Russian Foreign Minister Yevgeny Primakov in New York, during the UN General Assembly in September, to discuss regional developments. Viktor Posulvalyuk, Russian deputy foreign minister for Middle Eastern affairs, has just been in Teheran for talks on international developments, and consolidating ties between the two countries.

Africa

China to build major dam in northern Sudan

Sudan and the People's Republic of China have signed an agreement in which Chinese companies will finance construction of Sudan's Kajbar Dam hydroelectric power project in Northern State on the Nile River, Omdurman Sudan Television Network reported, according to the Foreign Broadcast Information Service on Sept. 13. The project is considered by the Sudanese government to be one of the nation's most strategic projects, and it is being given high priority.

The contract for the construction of the \$300 million dam was signed recently by the Sudanese government and the Chinese International Water and Electricity Company. The Chinese company will finance 75% of the project, and the Sudanese government will finance the rest, of which 10% will be in foreign currency and 15% in local currency.

TURKEY'S Supreme Planning Council has given the go-ahead for a third bridge across the Bosphorus, the *Süddeutsche Zeitung* reported on Sept. 9. The \$1 billion project will be the first bridge across the strait that provides a direct rail transfer from Europe to Asia, which is important for the Eurasian Land-Bridge.

NEPAL would like observer status in the Bangladesh, India, Sri Lanka, Thailand—Economic Cooperation (BIST-EC) group, founded earlier this year. Nepal's Foreign Minister Kamal Thapa told Indian businessmen during a visit to India on Sept. 11. BIST-EC is expected to further the southern tier of the Eurasian Land-Bridge project.

MYANMAR and Thailand, with the British-run narco-armies in their border region generally pacified, have agreed to survey and demarcate their 2,400-km border. The "open border" has been crucial for Dope, Inc. control of the world's largest heroin and opium supply from the Golden Triangle.

SOUTH KOREA'S Ambassador to Cambodia Park Hyung Tai presented \$2 million in construction equipment for building rural infrastructure, to Cambodia's co-Prime Ministers Ung Huot and Hun Sen at a ceremony outside the capital.

CHINA will begin damming the Yangtze River in November, as the next big step in the \$25 billion, 17-year Three Gorges project, Lu Youmei, the general manager of the China Yangtze Three Gorges Project Development Corp., stated recently.

INDONESIA was given an award for poverty eradication, by UN Development Program administrator James Gustave Speth, in Jakarta on Sept. 8. President Suharto compared Indonesia's success in reducing poverty, from 60% of the population (70 million) in 1970 to 11% (20 million) in 1996 while population rose 84 million (72.4%), to the rapid increase of poverty worldwide.

The construction of the dam in the Dongola region, south of Wadi Halfa on the border with Egypt, will begin early in 1998 and will take three years to complete. Power cables will link Wadi Halfa in the far north with Marowe in the south of the province, north of Khartoum. The dam will also facilitate the irrigation of 40,000 hectares of land.

Finance

Malaysia's Mahathir: Curb currency speculation

Malaysia's Prime Minister Dr. Mahathir Mohamad called for global efforts to outlaw currency manipulation, at the end of the ruling UMNO party general assembly on Sept. 7, *The Star* reported. "The world does not benefit from currency manipulation. It is time that the international community stop it, make it illegal so that countries like Malaysia and other emerging economies will be safe. When we talk of global economies, we should take into consideration the problems of poor countries like us. Therefore, if one system is abused blatantly, it should be stopped legally," he said.

Mahathir cited as an example, the U.S. government breaking Rockefeller's monopoly over the oil industry.

"There should be no manipulation where huge amounts of money cause currencies to be revalued or devalued," Mahathir said. "Obviously, someone is making a huge sum of money by doing nothing. They move massive amounts of funds all over the world and in the process they make a lot of money for themselves. Nobody gets anything except the manipulators and the speculators." Manipulation "does not create jobs or create goods," he added.

Mahathir attacked former U.S. Secretary of State James Baker III for impeding technological development. "We are told that there is no conspiracy. But there is too much of a coincidence that the currency and stock markets crashes should happen to a group of countries which has been previously described as tigers and dragons. The implication is that some quarters are not happy with the rapid growth of the Southeast Asian economies. We cannot be 100% wrong when

we say that there is apparently an attempt to stifle the growth of this region," he said. "There has been always talk that we do not want to see any more little Japans. This was actually said by Mr. Baker to the Japanese. . . . Obviously, there are some people who are not happy that this has happened."

Economic Policy

Business Week to Asia: Abandon infrastructure

In its Sept. 15 issue, *Business Week* magazine suggested the currency and stock market crises in Southeast Asian economies as the vehicle to force these countries abandon the role of the government in fostering infrastructure and industrial development. The Southeast Asian economies will rebound, it said, "if governments get out of the way."

Business Week praised the Indonesian government's plan (forced on Indonesia by the International Monetary Fund), announced on Sept. 3, to trim government spending, curtail big infrastructure projects, "especially those requiring heavy imports," and to lift the restriction preventing foreign investors from buying more than a 49% stake in new public offerings by Indonesian companies. "It's no longer an easy game to boost exports with foreign investment and cheap labor and spend the money freely on government projects of questionable value. . . . Letting the market rule also will trigger the industrial shakeout needed in many countries," it said. "Consolidations are needed in the overbuilt car, steel, chemical, and appliance industries."

In fact, these industries are not overbuilt, but underdeveloped. The currency and stock market crises are forcing industrial contraction. Thailand's Siam Cement has had to write off \$1 billion in foreign exchange losses, which will adversely affect its business. Prior to the crisis, Proton Berhad, Malaysia's national car company, had announced plans to cut costs by 30% over the next three years. But, with the devaluation of the ringgit increasing the cost of imported parts, it will have to cut costs further, which could force it to reduce employment and production.

Princess Diana: The cover-up of her murder crumbles

by Jeffrey Steinberg

The lid has been blown on the attempted cover-up of Princess Diana's murder, shortly after midnight, on Sunday, Aug. 31, 1997.

If you had been following the coverage of the French government's official line on her death on CNN, Fox-TV, *Time*, *Newsweek*, or *U.S. News & World Report*, you were told, first, that the deaths of Diana, her friend Dodi al-Fayed, and their driver, Henri Paul, were the suspected result of harassment by photographers on motorcycles. Later, the press suddenly switched its line, saying that the deaths were probably the result of Henri Paul's drunk driving.

Until the week of Sept. 15, the French government had been doing everything in its power to rule out any possibility that the death of Diana was the result of foul play. Analysis of the cumulative evidence to date, shows that the French government was engaged in a vicious cover-up of a political murder. Now, that attempted cover-up has begun to disintegrate.

Even now, the full truth may never come out. The actual authors of the death of Diana and the others may never be known, at least to the general public. The events that transpired in the few seconds that the Mercedes 280-S, carrying the Princess and the others, turned into the tunnel of the Seine River underpass, before crashing, may never be fully known to the public.

But this does not preclude a blunt statement of the facts that *are* known.

First of all, the facts now available demonstrate that the story, as it had been presented by the French authorities, and peddled uncritically by much of the Anglophile press in Europe and the Americas, has been a compilation of willful lies, aimed at concealing both the details of the crash, and the broader power struggle now under way among the London-centered European financial oligarchy.

From within a day of the crash, French officials were insisting that driver Henri Paul had alcohol levels in his blood that were three times the legal limit. In the next days, following the first circulation of that now-discredited report, two more blood tests were conducted by French officials, purportedly confirming the alcohol levels.



A mourner signs the condolence book for Princess Diana in Frankfurt, Germany, Sept. 6, 1997. Above: French President Jacques Chirac. The French oligarchy is doing everything in its power to cover up the evidence that Diana's death was a political assassination, and to prevent it from leading to an outbreak of popular insurgency.

Allegedly, the third test turned up evidence that Paul had also taken two powerful prescription drugs shortly before the fatal crash. The official reports charged that traces of the drugs were present in his blood.

While French authorities detained nine “paparazzi” photographers, and are investigating whether they were complicit in the crash and in interfering with the rescue efforts, increasingly, the French probe has been focussed upon the alleged fault of the driver.

A fairy tale

But, according to credible eyewitnesses and other evidence, Henri Paul, a highly skilled French combat pilot and security driver, had been “cold sober,” in the company of others at the Hotel Ritz, for two or more hours before he and his party left in the Mercedes 280-S for their passage into the Seine River tunnel.

The French government’s crucial claim, that Paul was drunk at the time of the crash, has been widely *disproved* by video footage taken throughout the two-hour period before the fateful car ride, eyewitness accounts, and other background evidence.

This evidence throws into question every other facet of the French government’s behavior, prior to, at the time of, and following the crash.

Mohammed al-Fayed, the father of the late Dodi al-Fayed, and the owner of the Ritz Hotel in Paris where the couple dined just before they left in the Mercedes, provided police

with videotape footage, taken by security cameras inside the hotel, showing Paul arriving at the hotel two hours before the drive. He was sober. Some of the footage was released by the al-Fayed family to the media to demonstrate the point. Footage provided to the police provided regular glimpses of Paul throughout the two hours that he was at the hotel. He did not drink there. He was in the constant company of British and French security professionals, who all testified that he was sober.

Paul was a known entity. Everything that is known and corroborated about the man flies in the face of the transparent efforts by the French government, to cast him as a depressive, closet alcoholic. Paul was the assistant security director of the hotel. He was well known to senior French police and intelligence officials, many of whom have confirmed that he was a very serious person, who did not drink in excess—ever. Paul was a veteran French Air Force pilot. Weeks before the crash, he flew a plane under harsh weather conditions, that an alcoholic would not have survived. Paul’s physician complained to the press that she was never contacted by French police investigators. She said that she never prescribed the drugs that the third blood test purportedly turned up in his bloodstream. A second doctor, who administered annual physical exams to Paul, told authorities and the press that he had never prescribed such drugs to Paul. As *EIR* goes to press, French officials have been forced to acknowledge that they have not found *any* prescriptions for the two drugs, issued to Henri Paul.

French officials now also know that, in the several hours before he was called back to the Ritz Hotel on Aug. 30, Paul was not drinking. He was at a neighborhood restaurant, where he was well known to employees and regular patrons. He drank cola.

For the French government's official blood test results to be accurate, Paul would have had to have consumed more than two full bottles of wine, or a dozen glasses of hard liquor, just before he went back to work at the hotel, where he had been summoned due to security problems that had already come up during the course of Princess Diana and Dodi al-Fayed's one-day visit to Paris. Had he been drinking earlier in the day before he drove Princess Diana, Dodi al-Fayed, and their bodyguard, Trevor Rees-Jones, approximately half of the alcohol in Paul's bloodstream would have dissipated. Even a longtime alcoholic (which Paul was not) would have had a difficult time concealing his drunkenness during the two hours that he was back at the Ritz, surrounded by security professionals.

The crash site

The events that transpired inside the tunnel underpass along the Seine River are also shrouded in mystery and contradictions. From day one, French authorities ruled out any kind of interference with the Mercedes. Within 24 hours of the crash, officials at Mercedes-Benz had contacted French police and offered to send an expert team of mechanics and analysts to assist in the official probe. A spokesman for Mercedes-Benz confirmed to an *EIR* reporter on Sept. 15 that the French authorities rejected the offer, without explanation.

Yet, according to one source at the Ritz Hotel, the Mercedes 280-S had recently undergone major repairs, costing approximately \$22,000. On the night of Aug. 30, while Diana and Dodi were dining in a private suite in the hotel, the Mercedes was left unguarded for over one hour. This, despite the fact that there had been at least one reported incident of a vehicular attack on the couple, as they were driving from the airport into Paris early in the day.

Why would the French authorities categorically rule out the possibility that the car had been tampered with? Why would they reject the offers of the car's manufacturer to send expert analysts to assist in the probe?

Within a week of the tragedy, several eyewitnesses to the incident had come forward with accounts of the final seconds before the crash—accounts that raise serious questions about possible vehicular homicide, of a highly professional character.

On Sept. 7, *Journal du Dimanche* reported that two eyewitnesses had told the authorities that they had seen a second car interfering with the Mercedes as it entered the tunnel, causing a sudden braking, seconds before the crash. Two days later, al-Fayed attorney Bernard Darteville told Associated Press reporter Jocelyn Noveck that he had received two photographs from the police, taken seconds be-

fore the crash, from inside a car just in front of the Mercedes. Those pictures showed that a bright flash of light was blinding the driver; that bodyguard Trevor Rees-Jones had lowered the sun visor; and that Princess Diana was turned around in the back seat, looking at the headlight of a motorcycle just behind their car.

Still, the French authorities peddled the story that the "accident" was predominantly the result of Paul's drunken condition.

The lid finally blew on Sept. 15, when France 2 television reported that police had found a dent on the right side of the Mercedes, with paint from another car, and had found the casing of a light from another car at the scene of the crash. Other eyewitnesses had, by this time, come forward with detailed accounts of a second car forcing the Mercedes into the left lane, as the cars entered the underpass to the tunnel. On Sept. 17, Paris police investigators admitted that they were seeking a blue Fiat Uno, which had sped from the scene of the crash. It was the light casing from this Fiat that was found at the crash site.

The French behavior

With the French government cover-up of the tragic death of Princess Diana, for the time being, in a shambles, the question now emerges: Why have French authorities gone to such extremes to prevent an honest probe of the death of a prominent member of the British aristocracy? Lyndon LaRouche addressed that question in his weekly "EIR Talks" radio interview on Sept. 16, a transcript of which appears in this *Feature*.

As you will read, leading French institutions, especially the French Socialist Party, have been long contaminated by British Club of the Isles influence. In recent months, leading voices for the House of Windsor have made it clear that Princess Diana had become a "wild card," in the context of a several-years-long power struggle over the shape and future of the monarchy.

Furthermore, the French institutions are notorious for their brutal frame-ups and cover-ups, when there are powerful "reasons of state" to justify such actions. You will read below about the case of Lyndon LaRouche's associate Jacques Cheminade, whose 1995 campaign for the French Presidency was targeted by some of the very same institutions that have enforced the cover-up of the murder of Princess Diana.

One area where the British and French oligarchies—of all factional stripes—agree, is on the need to prevent an outbreak of popular insurgency around the death of Princess Diana, or any other crises that waken the population from the slumber of media-induced "virtual reality." A leading British psychological warfare specialist, in an interview with *EIR*'s Mark Burdman, which also appears below, frankly acknowledged that the establishment was driven to hysteria over the level of public emotional outpouring over the death of Princess Diana. With the cover-up of her murder unravelling, they have every reason to be concerned.

LaRouche: a modern 'War of the Roses'

In a radio interview with "EIR Talks" on Sept. 16, Lyndon LaRouche was asked about the claim by TV personality Barbara Walters, that Princess Diana was estranged from her family, the Spencers, and especially from her brother Earl Spencer. "What's going on here?" asked interviewer Mel Klenetsky. "Is this just another symptom of this fight between the Windsors and the Spencers, or is it something else?" Here is LaRouche's reply:

No, there is that aspect of it, but it's not that simple. What you're looking at is a tragedy, like *Richard III*, or *Hamlet*, like Shakespeare's *Richard III*, in which they're all killing each other off. The reason they're killing each other off, is because they all represent a doomed system, and they're fighting over seating positions, and a course of action under a doomed system. They're fighting over who's going to control the helm and choose what course in a ship of fools—or the famous German story "Narrenschiff," on which the various stories of "Ship of Fools" were based—so that none of these guys really are heroes.

What happened is that Diana—the murder of Diana, and the fact that the whole thing smelled like a murder, and it *was* a murder. You've got the French government, for example, covering it up for the British monarchy—not that I'm saying the British monarchy *killed* Diana—but they sent out signals which others would have exploited, to kill her. But the British monarchy's interests, the Windsors' interest, is in getting this thing quieted down as fast as possible. Because the House of Windsor could go. No question about it.

Look at the minds of the people who are engaged in this, and none of them are lovable characters—they're just like the people murdering each other in Shakespeare's *Richard III*. It's a tragedy, in which there are no heroes on that side.

What's in process at the present, is that coinciding with the financial crisis, and the aftermath of the collapse of the Soviet system, some people, including people represented by Margaret Thatcher, George Bush, François Mitterrand, then President of France, in the 1989-91 period, used the occasion of the collapse of the Soviet system, to try to set in motion a kind of one-world government, a world-government system, in which the British Commonwealth, not the United Kingdom, but the British Commonwealth, would become the dominant institution on this planet, coordinating a number of supranational agencies, like the IMF, the World Bank, the World Trade Organization—this international alphabet soup of supranational agencies. So what's afoot is that the United Kingdom, with its semblance as a nation-state, is more or less

to be dissolved, not all at once, but step by step. As a matter of fact, all other national borders are effectively to be dissolved. . . .

To understand the British system—the British system has gone through a number of evolutions since the sixteenth century. Essentially the modern British system takes its start, following the defeat of the Spanish Armada in 1588, when Britain emerged as a maritime power, or London emerged as a maritime power, together with the Dutch, and later the British took the top position in wars with the Dutch in the eighteenth century. But it went through an evolution in the seventeenth century under the Stuarts and Cromwell. And then, in 1688, a century after the Spanish Armada's defeat, you had this goon, this hooligan, this tyrant, William of Orange, who invaded Britain from the Netherlands, became a virtual dictator, and reshaped Britain's politics, so that his political organization in Europe was called the "Venetian party."

He came to power then, and brought, in 1714, his protégé of that time, George of Hanover, ascended the throne of England as the first monarch of the United Kingdom, as George I.

Now, from George I through George III, England was essentially run by a corporation, typified by the British East India Company, which is modelled upon the Venetian corporate model, that is of wealthy oligarchical powers with all kinds of concessions, running maritime operations, or interfaced with them, and they ran England.

Then the process went through a second phase during the nineteenth century, in which the British East India Company, while still a factor, was more or less phased into what became the Victorian system of empire, which persisted until World War I, and slightly after that.

Then, there was another phase in the postwar period, where Britain as an economic power was greatly weakened and overpowered by the power of the United States. But Britain managed to keep control of most of U.S. policy, after the death of Roosevelt, with a few brief exceptions, under the case of President Kennedy, and a threat to British supremacy over U.S. policy by President Clinton, though he sometimes vacillates on that.

What's happened with the post-Soviet period, is the drive is on to create world government, as I indicated, or institutions of world government, dominated by the British Commonwealth. So that this group of people, these wealthy families, typified by the South African companies of Oppenheimer-DeBeers, Anglo American, that sort of thing, or Rio Tinto Zinc, as it was once called, the London petroleum marketing cartel—that sort of thing—these fellows who control about 50-60% of the world's finance and trade, form a corporation based in the British Commonwealth, but extending in part into Europe, and in part into the United States. This is the constituency that actually runs the British Empire today, which is called generally, the Commonwealth, the British Commonwealth. The present tendency is to try to phase out the United Kingdom, but keep it within the Commonwealth, and make the British *Commonwealth* and the monarchy of

the Commonwealth, as the controlling dominant institution on this planet, as the new government.

This creates a situation which reminds us, in English history, as I said, of the Hundred Years' War between France and Britain, which is rather like an internal war, because you had the noble families—some English noble families were French, like the Beauforts, and the Lancaster family, and some French families were British. Then, later the Wars of the Roses, which culminated, of course, in the mutual slaughter with Richard III. And what you have now, is a kind of homicidal frenzy, like a bunch of sharks out of control in a feeding frenzy, among these powers, with shifting alliances, reminding us of feudal times when barons would make an alliance with another baron today, and then make an alliance with a different baron against the [other] baron's alliance tomorrow. And that's what's going on.

You're seeing that the British oligarchy, the financier oligarchy, and many of the aristocratic families who are attached to that, including the Royals, are chopping each other up, in something which reminds us, in English history, most closely of the Wars of the Roses. And *that's what we should see*. Don't get fascinated with the soap-opera features. Princess Diana was a significant person. Historically significant. Her murder came in such a way, and at such a time, that it threatens to blow the system up.

Evidence of cover-up by French officials

by Jeffrey Steinberg

Although much of the "official" French media—led by the right-wing "newspaper of record," *Le Figaro*—has been fully complicit in the French government's cover-up of the death of Princess Diana, some media have provided information that proves the lie of the official story. Here are several of the most glaring accounts that contradict the official verdict—that Diana's death was simply an accident.

Sept 7: *Journal du Dimanche* reports that two anonymous witnesses to the crash said that a car driving in front of the Mercedes may have played a critical role in the crash. The first witness told the newspaper, "The Mercedes was driving on the right hand, shortly before the entry of the tunnel, preceded by a dark-colored automobile, of which make I cannot say. This car clearly was attempting to force the Mercedes to brake. The driver of the Mercedes veered into the left-hand lane, and then entered the tunnel." A second witness, walking along the riverside, said he heard "the sound of a motor humming very loudly." He saw the Mercedes "traveling behind another automobile. I believe that the reason the Mercedes accelerated so suddenly, was to try to veer into the left lane, and pass that car."

Sept 9: An AP wire story by Jocelyn Noveck, datelined Paris, reports that Bernard Darteville, attorney for the Ritz Hotel and the al-Fayed family, said on Sept. 8 that two photos taken just before the fatal crash show Henri Paul dazzled by a camera flash. The photos confirm other accounts that either a car or a motorcycle was in front of the Mercedes. "One sees very distinctly the driver dazzled by a flash. One sees very distinctly the bodyguard at his side, who with a brisk gesture lowers the visor to protect himself from the flash, and one sees very distinctly Princess Diana turning to look behind the vehicle, and one sees very distinctly the yellow headlight of a motorcycle." Darteville adds, "The photo taken before the first photo of the accident shows the Mercedes taken from very close." He adds that witness accounts indicate that a car was working in tandem with a motorcycle, trying to slow down the Mercedes. "A driver, who is maybe a photographer, and a motorcyclist, also perhaps a photographer, are very directly implicated in this accident." The film, according to Darteville, was confiscated by police at the crash site, from one of the photographers named as a suspect in the crash. Darteville is a party to a civil suit over the circumstances of the crash, and is, therefore, privy to some of the police investigation.

Sept. 10: *France Soir* publishes testimony by a taxi driver, that he saw the police radar cameras along the road near the entrance to the tunnel where the crash occurred, flash as the Mercedes sped by. However, the Paris police prefect handling the investigation denies that the radar cameras took any pictures of the Mercedes in the seconds before the crash. The radar cameras activate automatically when a car drives by at high speed, and, theoretically, should provide a time-sequence account of the entire incident.

Sept. 14: Michael Cole, spokesman for Mohammed al-Fayed, appears on ABC-TV's "This Week" to denounce the "piecemeal and partial reports" coming out. Asked about the reports of blood alcohol tests done on driver Henri Paul, he says, "We haven't seen those results. We've only seen press reports of them. The lawyers for the Ritz and, indeed, the forensic pathologists retained by Mr. al-Fayed, haven't seen those reports. . . . He just wants to know what happened, how it happened. He just wants an exhaustive and complete investigation into all the facts behind this. . . . What we can't have is what happened in Dallas, Nov. 22, 1963, where, for reasons which perhaps were apparent at the time, the body of the late President was hurried back to Washington and buried with a state funeral. And then we've had a third of a century of unanswered questions. We cannot allow the conspiracy theorists to take hold of this. We want the most thorough-going and exhaustive examination of all the facts so that we can know exactly what did happen." Cole cited one example of the "piecemeal" nature of the information coming out: the report in the French press that "parts of another automobile, specifically a wing mirror and part of a tail light, were found in the tunnel, in the underpass there. Now this may be true, but is this any way to proceed with an investigation, which the whole world is hanging on the results of?"

Sept. 15: *Focus* magazine in Germany reports that the Mercedes was left unguarded outside the Ritz Hotel for 80 minutes on Saturday night. *Focus* also reports on a dent on the right side of the Mercedes, apparently caused by another car, which may explain why the Mercedes plowed into a tunnel pillar.

Sept. 15: A London *Daily Telegraph* story, by Julian Nundy in Paris, reports that the French police no longer fully reject the idea of a second car being involved in the crash. "Paris police investigating the crash . . . have found a mysterious scratch along the right-hand side of the tangled wreckage of the Mercedes in which she was a passenger. Although investigators say they had '98 percent' dismissed theories that another vehicle ahead of the Mercedes might have caused it to swerve out of control, they say the paint stripe along the side of the car, could indicate a brush with another vehicle." Nundy also reports that Alexander Wingfield, a bodyguard protecting Princess Diana at the Ritz Hotel, told ABC-TV that the report that Henri Paul was drunk that night is preposterous. Wingfield said that Paul "looked and behaved perfectly sober to me. Over a period of about two hours, I was within a few feet of him on several occasions, and never smelled drink on his breath."

Sept 15: France 2 television reports that several unidentified witnesses described a second automobile that vanished immediately after the crash. "At that time I saw two cars. One a sedan-type, of a dark color, accelerated sharply, and from that moment the Mercedes seems to have lost control. I think the Mercedes, which was going very fast, bumped into the sedan, and lost control," one witness said. France 2 reports that investigators found signs of the involvement of a second car at the crash site. One side of the Mercedes was scratched, and the cover of one of its outside rearview mirrors was found ahead of the crash site.

Sept 16: A spokesman for Mercedes-Benz confirms to *EIR* that French authorities rejected their offer to assist in the probe of the crash. "The company confirms that it has offered to assist the Paris police in investigating the accident, and has an experienced team of experts on standby. However, this is solely a decision for the authorities in Paris." The Mercedes-Benz offer was made to relevant French officials on Sept. 1.

EIR's competition joins the lying

by Scott Thompson

Newsstand copies of the largest-circulation magazines in the United States have joined the French cover-up into the circumstances surrounding the probable assassination of Diana, Princess of Wales, including *Time*, *Newsweek*, *U.S. News &*

World Report, and the *New Yorker*. Not one of these magazines raised even the slightest doubt about the official French government line.

Sept. 15: By far the most lurid and pornographic coverage of Diana's death, came out in the article by Salman Rushdie in the *New Yorker*, entitled, "Crash." Rushdie mentioned the foolishness of entrusting one's security to a drunken driver at least three times, while describing Diana as fleeing from the "phallic symbols" of camera lenses. Another cover-up story appears in the same issue of the *New Yorker* by Tina Brown, entitled, "A Woman in Earnest."

Sept. 15: *Time* joined in the cover-up to protect the British royal family. In its "Commemorative Issue," there is a section entitled: "Who Shares the Blame" which reads: "Rapacious paparazzi may be important parts of the puzzle. But how much did Dodi's driver, heavy drinking and high speed have to do with it?" While noting that the paparazzi have been the chief suspects from the start, the article then focusses almost entirely on the alleged intoxication of driver Henri Paul. Only in passing does *Time* report the view of a world-renowned forensic expert hired by Mohammed al-Fayed, that the blood samples of the driver could have been tampered with.

Sept. 15: *U.S. News & World Report* devotes an entire section of its reportage on Princess Diana's death, to an article entitled, "Who's to Blame for Diana's Death? By the Millions Britons Mourned—And Angrily Tried to Determine Who Was Responsible." The article starts out by pointing responsibility at the alleged drunkenness of the driver. At one point the magazine virtually pointed the finger of guilt at Diana herself, stating: "As it was the kind of invasion that had come to play a major part in Diana's daily life—Earl Spencer called her 'the most hunted person of the modern age'—no one could fault Diana for wanting to flee. It was the high-speed driving, not the flashbulbs, that threatened Diana and innocent bystanders—it was only by chance that the careening Mercedes did not collide with other cars and raise the death toll."

Nor does *U.S. News & World Report* leave the bodyguard unscathed: "Trevor Rees Jones' . . . share of the blame may in a sense turn out to be largest, by the simple measure that the bodies he was assigned to protect are now cold."

Sept. 22: *Newsweek*, which had largely published pabulum in its preceding issues, finally cut loose with the full-blown French cover-up line, in an article entitled "A Needless Tragedy." "The princess was the victim of the wrong man at the wheel," the article said. "Who was he, and how did he get so drunk?" The article dismissed out of hand the idea that one of the pursuing motorcycles cut the car off and that there was an explosion before the crash. The article did report that any doubt that Paul was intoxicated was eliminated by a third test by French authorities, taken at the request of the Fayed and Paul families; but it then adds to the French cover-up "drunk driver" line by pointing out that the third test discovered Prozac and a tranquilizer, tiapride, in the driver's blood, even though these would not mix with any alcohol in his system to enhance intoxication. Without advancing any proof, it states

that Paul had lied about his background, when every other report is that he was a highly trained security officer. *Newsweek* also covers up reports that Paul was only seen having one drink at a nearby bar after he got off duty, before he was called back to drive Dodi and Diana.

Sept. 18: The *New York Post*, owned by London press baron and Fox-TV owner Rupert Murdoch, published a column by Ray Kerrison, attacking al-Fayed family spokesman Michael Cole for refusing to back off of his criticism of the official French story, that Henri Paul was the culprit in the death of Princess Diana. In a column headlined “Spin Doctors the Truth: Driver’s to Blame,” Kerrison lied: “By now, there cannot be any reasonable person who does not understand that the principal agent in the princess’ fate was her drunken, doped-up driver, Henri Paul, hurtling at breakneck speed through a Paris tunnel. . . . Yet Cole is still shamelessly peddling the line that the Fayed bears no responsibility for what happened. . . . In the death car were three men on the Fayed payroll — son Dodi, the drunken driver and an inept security aide. The liability is monumental. . . . But the cause is not best served by promoting a high-powered, worldwide public-relations campaign to focus attention on everything but the direct cause — drunken driving.”

Psychologist: People prefer ‘virtual reality’

On Sept. 16, *EIR*’s Mark Burdman conducted a phone interview with a prominent British psychologist, with long-standing ties to the London Tavistock Institute. In the discussion, a partial transcript of which follows, the specialist, who asked to remain anonymous, discussed the death of Princess Diana, and the public response to her untimely and violent end. He also commented on a recent proposal by Lyndon LaRouche, that LaRouche be named by President Clinton as his new vice president, should the ongoing fundraising scandals force Al Gore to resign.

Asked for his views on the impact of the death of Princess Diana, the expert began: “This is *terribly important*, touching on something I’ve been writing about for the last 2-3 years, and nobody’s been listening. Maybe now, they’ll listen. Diana personified, symbolized a projective identification for the British people. They converted all their *personal* tragedies, onto her. This is especially true of the British middle classes, which, frankly, took a beating in the 1980s and into the 1990s. Until now, they had no way of expressing it. But now, Diana becomes sanctified, as she represents *all the private tragedy, now expressed in a public way*. What is happening here, is *not* hysteria, as you hear all the time now. It is *far from* hysteria.”

He went on: “Now, people are aware: Tragedy can strike anywhere, even at somebody so rich and privileged as her. Now, all the shitty things that have happened to people, can

be put into place. It’s very much in accordance with the book by that Spaniard, Unamuno, *The Tragic Sense of Life*. You would be surprised, how many people have read that book. The fact is, and people now are seeing this, *life is tragic*. And with that recognition, a person *begins to be in touch with reality*. Otherwise, the denial of that, of reality, leads to *psychotic* behavior. Diana’s death has kicked out what might be called the virtual reality of people’s lives, and brings in reality.”

Then he introduced a certain specific qualification: “Hopefully, this is a lasting change. It’s been a brutal kick into reality. But the problem is, people *hate* reality. That’s the basis of psychosis, you know.”

With no further comment by the interviewer, he continued: “LaRouche’s reality can not and will not be heard.” Why that, the interviewer asked? “People ultimately prefer illusion to reality. Of course, that *could* be shattered, but I see coming up, instead, a *regression*, into some kind of *illusionist* thinking. What do you think all this talk about, and preparations for, the millennium, are all about?”

He went on: “I’m not saying I agree with LaRouche, but what I am saying, is that LaRouche has consistently tried to present things as they really are, underneath the facade. LaRouche has always tried to identify the *implicate*, in contrast to the *explicate*.” Asked to clarify, the psychologist continued, “They’re not being used as verbs, but rather nouns. The implicate is the reality behind what we see. Here we have a man, LaRouche, who says doom will strike the financial markets. LaRouche says that all that has been happening up to now, cannot go on forever. The Explicate Order will react with *hysteria*. In their hysteria, the question is whether they will try to *shut LaRouche up?! I would put my bets on it: These people don’t want to hear what he has to say, they want to shut him up.*”

Asked whether he was making an evaluation, or comment, on the security situation facing LaRouche, the psychologist said, “I don’t know about security affairs, I am talking about an attitude. They don’t want to hear what he says.”

Asked, “Who is ‘they’?” he replied: “What you would call the ‘Establishment,’ of various sorts, that don’t want to hear him. Let me put it this way: Clinton and his people won’t now say, ‘We were wrong, and LaRouche has been right.’ It won’t happen, on this matter of LaRouche and the vice-presidency that you mentioned.”

“It would be wonderful if there would be a change, but there won’t be,” he continued. “The evidence is, that people are too inclined to say, ‘To hell with reality!’ If they do something, that’s fine. . . . It’s not so easy to get the right emotive reaction here, as money and what it represents, is far less tangible. I could foresee something else, a kind of joining hands across borders, like things that happened before the collapse of the Berlin Wall. That would be wonderful, but I doubt it.”

Asked to comment on the growing evidence that the death of Princess Diana was the result of a murder plot, not an accidental instance of drunk driving, he concluded: “That is a tenable hypothesis, in my view. All I can say, is that her death solved a lot of problems with the royal family.”

The case of Jacques Cheminade: violation of human rights in France

by Our Paris Bureau

The case of Jacques Cheminade, president of the Solidarity and Progress Party in France and longtime ally of Lyndon LaRouche, is the best example of the brutality the French nomenclatura is prepared to use against its political opponents.

During the 1995 Presidential elections, a relatively unknown political candidate, Jacques Cheminade, appeared on the French political scene. No sooner had he announced his candidacy, than a virulent, nationwide slander campaign was launched against him, aimed at portraying him as an extreme right-winger and a thief. This smear campaign was intended to prevent people from becoming interested in Cheminade's message, at a time when corruption scandals have considerably degraded politics in the population's esteem.

The smear campaign however was soon to be followed by something even worse: the refusal by the state, for the first time ever in the Fifth Republic, to cover an officially certified candidate's campaign expenses, which in Cheminade's case amounted to 4.7 million francs. This refusal, which was announced after the campaign, and after the money had already been spent, led to the virtual bankruptcy of the former candidate.

False allegations

The witch-hunt against Cheminade goes back to the 1980s, when a corrupt right-wing mafia lawyer, Maître Pascal Dewynter, and the children of the late Mrs. Denise Pázery, who had been a Cheminade supporter, launched legal action against Cheminade and three of his friends, accusing them of fraud.

Mrs. Pázery became a sympathizer of Cheminade's movement in 1982, when she became acquainted with their efforts to fight drugs. Among the reasons Mrs. Pázery mentioned as having led her to support the movement, was its attacks on Henry Kissinger. Indeed, Mrs. Pázery's deceased husband, a consultant at the Anglo-American firm Archibald and Cox, had often spoken to her of the rotten practices of the former secretary of state. Other reasons for her support included the movement's fight against the deindustrialization of the Lorraine, France's steel and coal production area, where her family came from. At the age of 63, Mrs. Pázery, a rather

wealthy lady, had both the time and the desire to foster the well-being of her country by supporting such causes. Between 1982 and early 1986, she contributed a total of 1,197,000 francs (around \$200,000), to associations such as the Anti-Drug Coalition, the Fusion Energy Foundation, and the Schiller Institute. Of that sum, half were loans and the rest, contributions.

In October 1986, Mrs. Pázery died, and in March 1987, her family initiated legal action against Cheminade et al., accusing them of having defrauded their mother, in spite of the fact that the associations had already paid back 170,000 francs on outstanding loans and had never denied their intention to pay back all the loans.

The greedy heirs, however, wanted to get back all the money Mrs. Pázery had contributed to the associations—loans and contributions alike.

In 1987, a magistrate was named to carry out a preliminary investigation into the case, prior to any indictments being issued. In October 1990, after approximately four years of investigation, the magistrate gave one of the strong-

Police harass organizers

On Sept. 13, three political organizers associated with Jacques Cheminade and Lyndon LaRouche were detained by police in Paris for carrying signs that read, "Diana: Killed for Having Criticized the British Empire." They were hauled in, first, by the Anti-Criminal Brigades; their posters and literature were photocopied—including notably a dossier on the House of Windsor. Then, they were taken to the Judiciary Police station, where they were eventually released, more than three hours after the incident began.

The outrageous violation of the organizers' rights shows just how sensitive the French authorities are, to the crumbling of their cover-up of Diana's death.



Jacques Cheminade during his campaign for the Presidency, April 1995. Cheminade was subjected to a judicial railroad by some of the same institutions that have perpetrated the cover-up of the murder of Princess Diana.

est rulings possible: a “refusal to instruct.” This means that the magistrate did not see any reason to continue the investigation.

During these four years, however, the essence of the accusation and its political character became crystal clear. A *post mortem* assessment of Mrs. Pázery was made by doctors who now claimed that she had died of Alzheimer’s disease. This was an astonishing conclusion, since Mrs. Pázery lived alone, drove her own car, and had not been placed by her family under any kind of custody. The only “proof” offered was a brain-scan done in 1986. But, as Alzheimer’s experts know, only an autopsy can confirm a diagnosis of Alzheimer’s disease. No such autopsy was ever carried out on Mrs. Pázery, and the brain-scan itself showed no anomalies whatsoever! The accused, however—Cheminade and three of his friends—were not allowed to contest this “expert judgment,” because they had not yet been indicted.

The political nature of the case was obvious. The police notes which preceded the opening of the first investigation, already identified the “suspects” as LaRouche supporters. And Dewynter, lawyer of the Pázery family, raved several times about LaRouche, during confrontations among the magistrate, Cheminade, and the Pázery heirs.

Barely 24 hours after the ruling from the first magistrate, in an unusual and rapid move, the Justice Ministry—i.e., the François Mitterrand government—appealed the decision. A

second magistrate was named, who indicted the “suspects” and sent them to criminal court. Convicted of “theft” against a person said to have suffered from Alzheimer’s disease, Cheminade was condemned in June 1992 to a 15-month suspended jail sentence, and his three associates, to 13-month suspended sentences.

A Pontius Pilate-style ruling

The stench of the political witch-hunt was so strong, however, that the Appeals Court was forced to seek new expert opinion on the case. Indeed, not only did Mrs. Pázery live alone, drive her own car, and manage her own financial affairs, but she had kept up a yearly holiday correspondence with the “accused,” which they were able to present to the court, proving that she was both politically motivated, and also showed no signs of Alzheimer’s. The new expert consultation was supposed to determine whether Mrs. Pázery had Alzheimer’s, and if she did, whether this fact was noticeable to third parties.

On Jan. 16, 1996, the Paris Court of Appeals gave a Pontius Pilate-style ruling, in spite of the new expert opinion which, beyond certain ambiguities, was generally favorable to the “accused.” The opinion states that the “exact reason of the death is not really known,” but it was probably Alzheimer’s—while recognizing that “it is possible to admit that the state of Mrs. Pázery could have appeared to the eyes of non-

specialist third parties, as not much different than that of a normally aged person.”

The Court of Appeals maintained the conviction for theft, but reduced the suspended jail sentences for Cheminade to nine months, and to six months for the others, just under what was necessary to allow the accused to benefit from the usual Presidential election amnesty, which totally erases such convictions. The reasoning was probably that this would destroy Cheminade, without making of him a political martyr.

Continued assault on a Presidential candidate

In April 1995, months before the Court of Appeals handed down its ruling, Cheminade became one of the nine candidates for the Presidency of the Republic. The terror of the Paris nomenklatura can be imagined, when Cheminade was the very first to file the more than 500 signatures from elected officials required to participate in the Presidential election. The Constitutional Court had two weeks to check the validity of the signatures, before confirming a candidate. This time was put to use by the nomenklatura to circulate the rumor that the signatures might not be valid.

No sooner had the Constitutional Court confirmed his candidacy, than a massive smear campaign got under way, accusing Cheminade successively of being extreme right wing, of being the partisan of “American billionaire” (!) LaRouche, and of being a thief.

The slander campaign insinuated that Cheminade had manipulated the mayors who signed for him, and perhaps even bought their signatures.

Cheminade still had the right, however, to several hours of official national television and radio coverage, as well as to the distribution to all voters of his campaign platform.

The worst was still to come. In France’s Fifth Republic, the Constitutional Court reimburses all justified campaign expenses, according to the vote percentages obtained by the candidate. Every candidate, independent of results, however, has the right to a minimum 1 million francs advance, as soon as the candidacy is confirmed, and to a total of 7 million francs for justified campaign expenses. For the first time ever in the Fifth Republic, using trumped up pretexts, the Constitutional Court rejected Cheminade’s request for 4.7 million francs. Since the candidate is personally responsible for all campaign expenses, the Constitutional Court decision left Cheminade deeply in debt. It should also be noted that a big part of that money came from private loans to the campaign, from small contributors expecting to be reimbursed by the Constitutional Court.

The pretexts

The pretexts used by the Constitutional Court not to reimburse the Cheminade campaign are ludicrous and obviously politically motivated. The final date for all campaign contributions was set to be May 7, 1995. Beyond that date, however,

the candidates are allowed to balance out their accounts through loans, to the extent that those loans were contracted before the final date of the campaign, something which Cheminade did. The court, however, accused Cheminade of having agreed to pay no interest on those loans—in spite of the fact that there is no law in the nation that forces people to charge or not to charge interests on loans. The court claimed that the loans are, therefore, actually contributions, and that the fact of having received these contributions after the May 7 deadline is enough to disqualify the entire request for reimbursement.

To make sure that Cheminade would never recover from such an assault, the state proceeded, after the campaign, to attempt to recover the 1 million francs advanced to the campaign at its onset. The Interior Ministry first seized Cheminade’s personal bank accounts. Finding nothing there, in August 1996, a bailiff drew up an inventory for seizing Cheminade’s skimpy personal belongings.

The political witch-hunt

Nothing makes the political nature of the witch-hunt against Cheminade more clear, than the concluding statements made by the lawyer of the Pázery family in the trial:

“Cheminade and his accomplices harassed Mrs. Pázery, using the methods of Lyndon LaRouche, the intellectual master of Cheminade, severely condemned in the United States to 15 years in prison,” he stated.

“Different mayors, during the last Presidential campaign, testified that that they had given their signatures to the Cheminade campaign only after having been constantly harassed by his henchmen.

“Of all the candidates in the Presidential election, only Cheminade’s accounts were not approved by the Constitutional Court. . . .

“According to the Official Journal of October 12th 1995, ‘M. Cheminade benefitted from the sum of 2,340,000 francs, declared as gratuitous loans by physical persons.’

“This proves that M. Cheminade still receives large loans and that he continues his maneuvers to rob people. It is high time to bring his activities to an end.”

Those who condemned Cheminade are all political partisans of one stripe or another. Roland Dumas, the president of the Constitutional Court, former right-hand man of François Mitterrand, is a political enemy of Cheminade and was the lawyer in a political case against him. Olivier Schrameck, the secretary general of the Constitutional Council, who, in this official position, was the person who signed the decision not to reimburse Cheminade’s campaign expenses, is today the cabinet director for Prime Minister Lionel Jospin. Louis Gautier, who was at that time at the nation’s Court of Accounts, and who, in that capacity, examined Cheminade’s campaign accounts, is today a special adviser on defense issues in Jospin’s cabinet.

Knives are out in Russia as austerity toll rises

by Konstantin George

In both the Russian officer corps and the population at large, protests are building up against the regime in Moscow. The regime, whose worst top ministers are the two radical free-market first deputy prime ministers, Anatoli Chubais and Boris Nemtsov, has been implementing International Monetary Fund-dictated austerity policies which have pushed much of the Armed Forces and large parts of the population to the extreme limits of patience and endurance. President Boris Yeltsin is feverishly trying to force Russia's financial oligarchs to stop their infighting and their sniping at the government, and to unite, as they did behind Yeltsin in the 1996 elections, to protect themselves as a caste.

In an interview with the Moscow radio station Echo Moskvy on Sept. 8, Gen. Lev Rokhlin, chairman of the Duma (parliament) Defense Committee, called on Yeltsin to "gather up his courage, admit his mistakes, and resign." Rokhlin said that Yeltsin's so-called "military reform" is destroying Russia's defense capabilities and threatening the nation with annihilation. Rokhlin charged that Yeltsin's "unforgivable" errors, from his disastrous economic-financial policies to the war in Chechnya and the humiliating political capitulation to the Chechen rebel leadership, had produced a situation where "a vote of no confidence against the President should have been held a long time ago."

Rokhlin reported on the organizing drive of his "All-Russian Movement to Save the Army, Military Science, and the Arms Industry." In a tour during the summer which took him to nearly every region of Russia, more than 50 regional branches of the Movement were set up. Rokhlin announced that the national founding congress of the Movement would take place in Moscow beginning Sept. 20.

Strikes, unrest

Rage over the endless collapse of living standards is growing in the population, not least because, despite government

promises, wage arrears of six months and more are still a fact of life for many millions of Russians. On Sept. 10, Communist Party (CPRF) leader Gennadi Zyuganov told a press conference in Moscow that 7 million people had signed a petition, circulated by the CPRF, demanding that Yeltsin and the government resign. Zyuganov promised a "hot autumn," including nationwide strike actions against the regime's economic policies.

The first rumblings in this direction are occurring. Earlier this year, spontaneous labor actions disrupted the Trans-Siberian Railroad and caused electricity cut-offs in the Russian Far East. Now, employees of the Yakutsk water treatment plant, who haven't been paid since December 1996, went on strike on Sept. 10, shutting off the water supply of that Siberian city.

In the energy sector, monotonous government promises to pay back wages, never honored, are sparking desperate protests. On Sept. 16, workers at the Sarov nuclear research center, in Nizhni Novgorod region, protested over wage arrears and lack of government funding for the facility. Prime Minister Viktor Chernomyrdin had visited Sarov in July, during gubernatorial elections in the Nizhni Novgorod region, and promised funding for the center and the settling of wage arrears. That was the last the region ever saw of the prime minister, and the promises ended up being so much hot air. In the Urals, workers at the Federal Nuclear Center in Snezhinsk, Chelyabinsk region, declared on Sept. 16 that they will begin an indefinite strike on Sept. 30, unless three months of back wages are paid and the center is funded. A nationwide wave of protests on the part of nuclear energy workers is possible for October.

In the coal-mining sector, strikes began on Sept. 15 and 16, in the Russian Far East's Primorsky Krai region, and the stoppage of coal deliveries has led to the first disruptions in electricity supplies. Most households in Vladivostok, Rus-

sia's largest Pacific port, have no hot water, and electricity is rationed. While, so far, the number of strikes is relatively limited, the anger in the population is intense, and future protests could go out of anybody's control.

Regime tries damage control

Reactions to the Rokhlin interview provide one glimpse into the quandary faced by the regime.

The first reaction came from Aleksandr Shokhin, Duma deputy chairman and head of the Our Home Is Russia faction in the Duma. He charged that Rokhlin is operating "on the borders of the Constitution." However, he made no mention of any move to expel Rokhlin from the party. During the interview, Rokhlin had declared that he had no intention of quitting the party, but, if they wanted to kick him out, they could. Otherwise, as reported on Sept. 8 by Interfax, Yeltsin had tried and failed, at the beginning of September, to get Rokhlin to shut up, and a Yeltsin offer to Rokhlin, to become deputy chief of the Military Inspectorate, was flatly rejected by Rokhlin.

Within 24 hours (Sept. 9), Rokhlin was expelled from Our Home Is Russia. Politically speaking, the expulsion helped rather than harmed Rokhlin. An attempt to remove Rokhlin as chairman of the Defense Committee failed, when the CPRF intervened and declared that only through a majority Duma vote could that happen. As the Duma majority supports Rokhlin, he remains chairman.

Otherwise, reflecting a shift that has occurred in Russia since August, it is not Rokhlin, but Chernomyrdin's Our Home Is Russia party, which is in trouble. On Aug. 29, Our Home Is Russia Chairman Sergei Belyayev quit the party, to join the Russia's Democratic Choice tendency of former Prime Minister Yegor Gaidar. He was succeeded by Shokhin, who then had to surrender his post of Duma deputy speaker.

During the summer, Russia's financial oligarchy was engaged in a brawl among themselves, over who grabs what huge privatization plum. The "united front" that Yeltsin had hammered out among these super-rich oligarchs, in early 1996, to destroy first the grouping of Gen. Aleksandr Lebed,

LaRouche on Russia's elite

In a radio interview with "EIR Talks" on Sept. 2, Lyndon LaRouche was asked to comment on Russian views of the Eurasian Land-Bridge, including a recent article on the project by Academician Vladimir Myasnikov, deputy director of the Russian Academy of Sciences. A translation of Myasnikov's article was published in last week's EIR. Here is LaRouche's reply:

You've got three currents in Russia. You've got one current in Russia which is, essentially, an occupation government, with people like Chubais, for example, who are nothing but stooges for the IMF and the British. They're not really Russians, they're an occupation government. They're backed up by a lot of people who formerly were intelligent people, but became gangsters, literal gangsters. These are the guys who, when Russia, most of Russia, is starving, they can buy up wealthy districts, with cash down-payments in the wealthiest, ritziest areas of Berlin. The people for whom the menus in Monte Carlo and elsewhere, are printed in Russian. Or, you go into the Cayman Islands or into the Netherlands Antilles in the Caribbean, where drug money is laundered in great quantity, and you will find that Russian is commonly spoken there, because this mafia is there. That's Chubais and company, the International Republican Institute's friends, the friends of the

National Endowment for Democracy, and other degenerate institutions of that sort.

Then you have a second group, on the other extreme. These are people who are becoming creatures out of a novel of Dostoevsky, ready to rise out of the soil, axe in hand, and chop the invader, in a great purifying act of violence. These are the Raskolniki, the revival of the Raskolniki in Russia. And they represent something potentially very nasty, unless Russia gets some stable conditions.

You have a third group, which the professor represents, along with a lot of other former Academicians and Russian patriots. These people have gone over with us, in great detail, as this professor has, what our outline is on the Land-Bridge, both as a policy, and as an international policy of cooperation for revival of the planet. What he did in this report which was published, was to largely present, as *EIR* material largely, our material as dovetailed with other things that they know about, and are experts in, pertaining to their potential role in this project.

So, you have that group, the group we ought to be consulting with more closely in the United States, which is thinking in this direction. These are old Russian patriots, who came through the Soviet apparatus, but they are essentially Russian patriots, and they wish to find a role that Russia can play, in the interest of Russia, and in cooperation with its neighbors, such as China, Iran, India, and so forth, in Eurasia. They wish to find partners with which to cooperate, possibly in western Europe and also the United States. This should very much be welcomed.

and then Zyuganov's Presidential candidacy, crumbled into backbiting and disarray, not to mention flurries of gunfire, like the shootout in which Chubais's ally, St. Petersburg Deputy Mayor Mikhail Manevich, was killed this summer. The infighting had extended into the use of media outlets owned by certain financial groups to attack key figures in the regime, above all Chubais and Nemtsov, after two huge August privatizations, that of Svyazinvest, the telecommunications giant, and Norilsk Nickel, were both won by the Oneximbank group, allied with international speculator George Soros.

In an attempt to re-forge the united front among the financial oligarchs, Yeltsin summoned six of Russia's top bankers to a meeting at the Kremlin on Sept. 15: Vladimir Potanin, head of the Oneximbank group; Vladimir Gusinsky, head of the Media-Most group; Vladimir Vinogradov of Inkombank; Mikhail Fridman of Alfa Bank; Mikhail Khodorkovsky of the Rosprom-Menatep group; and Aleksandr Smolensky of SBS-Agro Bank group. After the meeting, Yeltsin claimed: "They are stopping their fights with Chubais and Nemtsov and the government. The banks had started to argue with the government a little. The word of the President, whom they have supported and support, was needed. We understood each other." According to Khodorkovsky, the bankers and Yeltsin agreed to establish clear, unbiased rules for the next round of sell-offs. He said that Yeltsin promised to oversee personally the upcoming privatizations.

A huge round of privatizations is in store between October 1997 and the spring of 1998. The first round will include the sell-off of a 51% stake in the Eastern Oil Company; a 49% stake in Tyumen Oil Company; a 1% stake in the oil giant, Lukoil; and a convertible bond issue, redeemable through a 2.5% stake in Unified Energy Systems (UES), the national electric power company.

Whether Yeltsin will succeed in putting an end to the disarray in his erstwhile united front is not certain, but sweeping personnel changes among subordinates cannot be excluded, up to the level of a Chubais or a Nemtsov. Yeltsin's praise of them at the meeting, where, according to Khodorkovsky, he referred to them as "my children," means nothing. A more interesting reaction was triggered when journalists asked Yeltsin to comment on an alleged assassination threat against Chubais. Yeltsin laughed it off and said, "Forget this. [Belarus President] Lukashenko also says that journalists are going to kill him."

On Aug. 29, Yeltsin dumped Yuri Baturin as secretary of the Defense Council. Baturin had been brought on last Autumn to head this newly created institution, in a move by Yeltsin which portended the imminent dumping of General Lebed as head of the Security Council last October. Baturin had been used by Yeltsin as the point man for implementing the so-called "military reform." His firing was a transparent attempt to appease the officer corps, to try to blunt the Rokhlin protest movement.

Guest Commentary

Scotland votes to break with London

by Alan Clayton

Mr. Clayton is from Glasgow, Scotland. Subheads have been added.

On Sept. 11, as Scotland marked the 700th anniversary of William Wallace's defeat of King Edward I's invading army at the Battle of Stirling Bridge, a majority of Scots went to the polls to cast their votes in favor of establishing a separate parliament independent of London. The referendum has produced a result far in excess of anything those of us who fought for such a result could have expected. The referendum consisted of two questions. The first was, "I agree that there should be a Scottish parliament," and the second was, "I agree that the Scottish parliament should have tax varying powers." In a 60% turnout of those eligible to vote, the first question produced 74.3% for, and the second, a majority of 63.5% for. Celebrations were carried out throughout Scotland as though the victory were Independence Day, which, of course, it was not, although it certainly has the potential to be the precursor.

The Scottish media have been drawing comparisons between the welcome given to the country's leading politicians at the post-referendum celebration outside Scotland's ancient parliament building in Edinburgh, and the stoning of her leading politicians on almost the same spot 290 years ago, after they had betrayed the country's birthright in signing away its political existence in the Treaty of Union.

The Scottish oligarchy

The point is appropriate, because the Scottish oligarchy who were responsible for the Union had made contingency plans against possible armed insurrection, by placing the English armies of the arch-Venetian John Churchill, First Duke of Marlborough, on the Scottish border, ready to invade in such an eventuality. Indeed, those interested in examining the role of the Duke of Marlborough and the Churchill family in the final construction of the British system could do no better than read H. Graham Lowry's book, *How the Nation Was Won*, which examines their role in some detail.

It is a point that is appropriate because there can be no doubt that the same Scottish oligarchy, based around the

hugely powerful Duke of Argyll, Chief of the Clan Campbell, who still lives in a huge ancestral home near the village of Inveraray, which has acted as holiday host to the House of Hanover/Windsor since the time of Queen Victoria, detests the prospect of an independent Scotland.

The parliament which is being established is, in fact, not any more powerful than the state governments of the United States, or of the German *Länder*, but its potential to threaten the oligarchy over a period of time has been well restricted by the right of the Westminster parliament to dissolve it in the same way as was done, for example, to the Stormont parliament in Northern Ireland in 1972.

The Queen's Privy Council

The constitutional instrument of an "Order in Council" could, in fact, be used to dissolve the parliament. An Order in Council does not even require a majority vote in either House of the Westminster parliament, that is, the House of Lords or the House of Commons. It is a direct constitutional instrument carrying the full power of law, and is carried out by the Queen in the Privy Council. And, this instrument has in fact been used in a number of occasions over the past half-century.

This is, of course, an open and direct instrument of state power. The Privy Council can still act also with stealth and secrecy, as it did in Australia in 1978, when the Labor government of Gough Whitlam was dismissed by the Queen, acting with her governor in Australia, Sir John Kerr, in what was in fact a full blown coup d'état.

The Westminster parliament rests on its doctrine of the absolute supremacy of "the Crown in Parliament." Constitutionally, it could order the summary execution of any British subject without right of appeal, because it is the "highest court" of the United Kingdom, against which there is no right of appeal. Of course, since Britain joined the European Community, large numbers of people have appealed successfully to the European Court of Human Rights against the strictures of the British system, and this has proved to be a limited safeguard.

There seems little doubt that the efforts of elements of the oligarchy to contain Scotland within Britain have suffered a considerable setback, as evidenced by the sheer size of the majority voting "Yes" on both referendum questions. The reasons for the last-minute surge to this level of support are interesting, because there had been systematic attempts to demolish the fragile levels of self-confidence of the Scottish people by encouraging a "No" vote on the second question, the right of the parliament to have tax-varying powers.

Sir Bruce Patullo, for example, the chairman of the Bank of Scotland (although not a state central bank; the Bank of England is Britain's state central bank, directing fiscal policy independently and entirely in the interests of the oligarchy since Labour took office), made a highly publicized statement in which he sketched a horror scenario of "huge" tax

increases by the new parliament — although nothing like (he did *not* say) the four interest-rate increases that have been applied in the United Kingdom as a whole since Labour took office.

The death of Diana, paradoxically, had an effect on the result. The huge and generally unhealthy sense of public horror expressed, derived at least in part from a widespread instinct that something was wrong, that same sense of the presence of forces of darkness being somehow or other involved that attended the assassination of Kennedy, a distant sinister voice perhaps somewhere saying that, if we can take someone out who is so close to one of the most powerful families on earth, we can take out anyone.

This writer, travelling from Glasgow to Edinburgh on the morning of the funeral, walking through two deserted cities in what can only be described as an almost post-holocaust situation, felt a sense of fear, foreboding, and depression that must have matched what was felt, in earlier times, at the state-imposed sadness at the funerals of those leading Soviet politicians who also died in "car crashes."

The oligarchy, through its main media outlets, pushed hard on the "common feeling of Britishness" that surrounded the days after her death, and this highly publicized perception was certainly having an effect on many people in Scotland. Remarkably, any feeling of common Britishness was blown completely out of the water by Elton John's "Good-Bye England's Rose," sung, inevitably appallingly badly, as he had no electronic aids in Westminster Abbey. This caused outrage and offense in Scotland and Wales for its characteristic disregard of the other nations of the British state, and by Thursday, the mood shift that this had caused was almost tangible.

Thatcher was the principal factor

However, even that was not the principal factor in the landslide, because without a doubt that honor went to Baroness Margaret Thatcher, who arrived in Scotland two days before the referendum to speak to a group of several hundred American businessmen on the "Tiger" economies of the Far East, in a Glasgow hotel for a reported fee of £75,000. The lecture over, Thatcher inevitably harangued the Scottish people on the urgent necessity of remaining a part of "Great" Britain. This, coming from the woman who, more than anyone, demolished Scotland's industrial base, virtually sealed the fate of the "No" campaign.

The oligarchy had faced a similar threat from Scottish identity in a similar referendum held in 1979 to establish a Scottish parliament, but at the very last minute a clause was added to the referendum bill, called the Scotland Act, that had what was called a "40% rule." This required that 40%, not of those voting, but of the total electorate whether voting or not, had to vote "Yes," in order for the referendum to succeed.

Although there was a clear majority voting “Yes,” it did not meet the criteria required for the 40% rule, and when Thatcher swept into office a few weeks later on a huge English majority, she put the Scotland Act in the trash can, causing a sense of bitterness that has been a contributing factor to the almost universal hatred felt toward her in Scotland ever since.

The years of Thatcher economics, imposed on a Scotland which now has no Tory MPs in the Westminster parliament at all, have seen the almost total disappearance of the huge Scottish shipbuilding industry, the total disappearance of the highly efficient Ravenscraig steel plant in Motherwell, and the elimination of many engineering plants whose sites are now generally the ubiquitous “trading estates” of supermarkets and fast food joints.

A national identity

The reemerging sense of real Scottish identity, however, must be one of the main factors behind the present phenomenon. It was an identity substantially demolished in part by David Hume (1711-1776), but almost totally by the iniquitous and ubiquitous Sir Walter Scott (1771-1832), who almost single-handedly created the “Brigadoon” Scotland, an imaginary fairy-cloud cuckoo-land of haggis, heather, and granny’s hielan hame. Such was an absolutely safe country for the oligarchy, and the perception is reinforced by the annual visit of the Windsors to their highland “holiday home,” Balmoral Castle, and the vast private estate surrounding it, where anyone foolish enough to try to enter would be instantly arrested.

This emerging sense of actual national identity has at least in part been influenced by the distribution of Mark Calney’s book, *Robert Burns and the Ideas of the American Revolution*, among leading writers and political figures in Scotland, as Calney examines the role of Sir Walter at some length. His book is currently precipitating further research in Scotland into the role of Sir Walter and the oligarchy, and at present the Scottish historian Dr. James Young of Stirling is researching a further book on this topic. Calney’s book has produced some vitriolic attacks in the correspondence columns of Scottish newspapers, as well as very substantial support.

What happens after the parliament is established, and how the oligarchy handles the crisis it could conceivably present, will be interesting, to say the least, because even as this article is being written, grandiose plans for a magnificent new building for the parliament are being debated in the Scottish press, because the 18th-century building still in use by the Scottish legal establishment is now far too small. How long then, it will tolerate political and constitutional restriction after it is formed in the year 2000, remains to be seen.

‘Führer’ Tony Blair

The Blair-ite Labour Party, which hopes to have a majority in the parliament, is now totally an instrument of the oligar-

chy and, indeed, may well be its principal international instrument. Blair is certainly now more powerful than any British politician since the wartime Churchill. His public persona is almost entirely presidential, and indeed, his wife, Cherie, is now frequently described as the “First Lady.” Given what I have already written about the power of the British parliament, such a British “president” would not, of course, be surrounded and contained by the constitutional safeguards that bear upon the office of President of the United States. A much more accurate appellation would indeed be “Führer,” and already, may Labour MPs do in fact refer to him publicly as “The Leader.”

Cherie is the only prime minister’s wife ever to have three personal secretaries, with an office in the prime minister’s residence at Number 10 Downing Street. The articulate but largely ineffectual new leader of the Conservative Party, William Hague, has already accused Blair of manipulating the funeral of Diana to his own ends, and he is arguing that Blair is in fact now in substantial control of the Windsors.

The referendum in Scotland will be followed by one in Wales, and then, next year, a referendum for a directly elected Lord Mayor of London, a post that has been an oligarchical asset since the early Middle Ages. One of the other key “monarchical reforms” that Tony Blair is proposing would alter the role of the peerage in the membership in the House of Lords. This would replace hereditary title (such as Earl, and so on) and a seat in that House, with a “life peerage,” a measure which reflects the continuing shift of power from the landed oligarchy to the financial oligarchy. This, in turn, will be followed by proposals to regionalize England itself, and, of course, there is the present remarkable determination to get a peace settlement in the north of Ireland on almost any terms. Blair has set out on a bold and high-risk strategy to change, “modernize,” and thus, save the Venetian state.

There are factors working against him, not least the small but influential members and kindred thinkers of the LaRouche movement active in Scottish politics. Twelve years ago, Lyndon LaRouche was presented as some sort of nut for predicting the disappearance of communism. But, the “nut” turned out to be right, and the mockers, wrong. The point is worth reflecting upon, because the British system has the internal contradictions to collapse just as dramatically.

The developing situation in Britain deserves all the attention and analytical power of the LaRouche movement, both in attempting to define what is happening, and to influence events themselves. In concert with the impending banking crisis and what is taking place within the British state, it is not outside the realms of possibility that what we are witnessing is the beginning of the end of the Empire itself.

LaRouche becomes the talk of Mexico

by Gretchen Small

While a security problem arranged by networks linked to George Bush and his buddy, former Mexican President Carlos Salinas, made it impossible for Lyndon LaRouche to visit Mexico at this time, the campaign to stop LaRouche's visit has boomeranged, boosting LaRouche into a folk-hero in parts of that country. Leading Mexicans have launched a campaign to secure a visit by LaRouche in the immediate future.

LaRouche had been invited to speak at two universities, one in Guadalajara and another in Monterrey. The prospect of the visit provoked a battle from the outset. As LaRouche reported in an interview with "EIR Talks" on Sept. 16, there was "a storm wave" when it was announced that he was coming. "Many people of many different parties and tendencies, prominent public figures, sort of lined up to meet with me."

The bankers' boys within the government of Mexico set off their own storm. LaRouche was first denied a visa, on the grounds that he lacked "professional credentials," but the Government Ministry soon reversed that ridiculous decision, and the visa was granted. Then, despite the actions of the office of the Mexican Presidency, and others, to secure the logistical and security aspects of the trip, high-ranking "mice" in Mexico's bureaucracy, reputedly linked to George Bush, moved to create a security situation in which the visit could not occur.

'We now have to read LaRouche'

LaRouche had been invited to deliver the keynote at the Second "Conquering Frontiers" Congress on Foreign Trade, held at the Guadalajara campus of the Technological Institute of Advanced Studies of Monterrey, which opened on Sept. 18. With LaRouche forced to cancel his visit, Max Garza, economics dean at the main campus of Monterrey Tech, was flown in to give the keynote: a paen to Adam Smith and the "social liberalism" expounded by Salinas.

The speech that LaRouche had written for the conference, "An Alternative to Neoliberalism," was read, nonetheless, by LaRouche representative Dennis Small. Small explained to some 400 students who attended, how the LaRouche visit had been stopped, and communicated LaRouche's greetings to the conference, his regret that he could not attend, and his commitment to defend Mexico.

LaRouche is now the talk of the town in Guadalajara. Reporting the next morning that LaRouche's speech had been read at the conference, for example, commentators of the radio news program of the Autonomous University of Guada-

lajara discussed how crazy it is, that every economist in the world who pushes monetarism can come to Mexico to speak, but when someone like LaRouche, who disagrees with that policy, and has an alternative, wants to come, he cannot get in. "We are all intrigued with LaRouche now," various attendees commented.

Under the headline "Bankrupt Financial Order Maintained by Austerity: L. LaRouche. 'Current Civilization, Headed Towards a New Dark Age,'" one of Mexico's most prestigious newspapers, *Excelsior*, covered the LaRouche speech in its national edition on Sept. 19. "LaRouche could not be physically present at the II Congress . . . 'because he was not given security,' it was reported, and therefore he sent his personal representative . . . who read his 18-page speech," *Excelsior* noted.

An institution since 1982

LaRouche's own report on the battle over his trip, which he gave in his Sept. 16 interview, explains why the bankers so fear his mere presence in Mexico. "I am one of the more celebrated figures in the history of modern Mexico, partly because of my close association with President López Portillo back in 1982, and with other people there, and in the hemisphere during that period. So, my views on the IMF, my views on development, make me an institutional figure," he said.

"My policy, like that of the founders of our republic, including John Quincy Adams, who was secretary of state, a protégé of Franklin, and long-time congressman of the United States, and his protégés, which include Abraham Lincoln, always took the view that we must support the economic and political development of our neighbor, Mexico, as an integral part of the security of the United States, in opposition to those filibusterers which became, later, the Confederacy, who were trying to loot the place, or keep it down, or keep the Mexicans in oppressed conditions. . . . My policy towards Mexico, which is what partly establishes me as an important American figure there, is that I've always worked for, in Mexico especially, also in other Ibero-American countries, worked for the *idea* of John Quincy Adams, and Lincoln, that the republics of the Americas must be strong economically, must be tied to us, as part of a community of principle, in terms of the notion of 'Man as in the image of God.' . . .

"We tried to win that fight in 1982. We came close, but we got crushed. And we'll be at it again, whenever we get the opportunity. If the Mexicans want to do that, I'm always their supporter. Therefore, that makes me a hot issue, with, particularly, the IMF, and people who are associated with the IMF ideologically, and the people who are looting Mexico from abroad. They don't like me one bit, and since they have a lot of control in Mexico now, and a lot of their admirers, or protégés are in Mexico, it makes for an interesting fight, but Mexico is one of the countries I love, and a lot of Mexicans love me, apparently."

Israel's Netanyahu prepares for war

by Joseph Brewda

Deranged Israeli Prime Minister Benjamin Netanyahu lost no time in creating a new crisis in Israel, in the aftermath of his sabotage of Secretary of State Madeleine Albright's trip to the Middle East. The trip had been undertaken to revive the Oslo Peace Accords, signed four years ago. On Sept. 14, only two days after she left Israel, Netanyahu's government gave the go-ahead for the occupation of two adjacent homes in occupied Arab East Jerusalem. One of the primary aims of Albright's trip was to stop such provocations.

The homes had been covertly purchased, via an intermediary, by Irving Moskowitz, the U.S. Republican Party millionaire and mobster, now based in Miami, Florida, who bankrolled Netanyahu's election campaign. The four families who occupied the homes were led by the mother of Netanyahu's spokesman, Shai Bazak. Moskowitz said the objective of the takeover was to show that Jews had the right to live anywhere in "Eretz Israel" (Greater Israel), and to change the demographic facts on the ground by driving out Arabs.

Netanyahu said he was not in favor of the occupation, but he could not do anything to stop them, because "we are limited by property rights." But his bloody sidekick, Gen. Ariel Sharon, now minister of infrastructure, was more honest, openly praising the illegal occupation, and saying that any government effort to remove the settlers would be a capitulation to Palestinian terrorism. Agriculture Minister Gen. Rafil Eytan, who publicly calls the Palestinians in the territories "cockroaches in a bottle," also praised the action.

The incident, predictably, sparked 60 minutes of stone-throwing. Hundreds of heavily armed troops and border police have been sent in to "protect" the illegal settlers. The Palestinian Authority issued an emergency appeal for the Clinton administration to intervene, and PA President Yasser Arafat expressed the fear that it could prompt "a very negative reaction," and said that the PA's ability to impose restraint is limited.

Israeli intelligence officials were also alarmed by Netanyahu's action. They told the *Jerusalem Post* that the settlers' seizure will spark renewed Palestinian violence throughout the occupied territories, and possibly provoke a new terrorist attack. National Chief of Police Assaf Hefetz said he fears the actions will trigger riots. Yael Dayan, daughter of former Defense Minister Moshe Dayan, added, "The next act of terror will stem from here. These settlers will then be guilty, and Mr. Netanyahu will be guilty."

Meanwhile, the Israeli Defense Force has begun training for full-scale guerrilla war in the occupied territories. According to an IDF special briefing to the Israeli press, reported in the *Jerusalem Post* and *Haaretz*, "the IDF is preparing for wide-ranging combat against guerrillas forces," because of the breakdown in the peace process—that Netanyahu has caused.

This nut must go

Netanyahu's latest stunt demonstrates afresh why this dangerous psychopath must be removed from office, now. Ever since Netanyahu came to power in the aftermath of Prime Minister Yitzhak Rabin's murder by one of Netanyahu's followers, Netanyahu has been intent on destroying the Oslo Accords that Rabin negotiated. During Albright's trip, Netanyahu refused to agree to her demands to block his construction of Jewish settlements, such as the one he has just undertaken, which he has deliberately undertaken to provoke new terrorist bloodbaths.

"What we have been able to accomplish here are small steps, when large steps are needed," Albright caustically told the NBC "Today" program on Sept. 12, when asked about the fact that Israel has already publicly rejected her call for it to stop taking steps that destroy confidence. "I will come here when big decisions are made," she added. "I'm not going to come here to tread water."

Speaking in the aftermath of Albright's trip, U.S. statesman Lyndon LaRouche reported that it demonstrates that Netanyahu must be removed from office in the near term. If not, he could lead the region into war which could become nuclear.

In an interview with "EIR Talks" on Sept. 17, LaRouche said, "If Netanyahu does not go, then Israel is on a course toward war, a war, if it unfolds, Israel can not survive without use of nuclear weapons." The Israelis, he said, "must dump Netanyahu *now*, because as long as this bum remains in office, there's no chance for peace in the Middle East—a new round of Hell is going to break out there, affecting we know not what!"

There are others in Israel who see the necessity for action. Leah Rabin, the widow of Prime Minister Rabin, expressing alarm at Netanyahu's continuing sabotage, told the Paris weekly *Journal du Dimanche* on Sept. 13: "We must do something. We cannot stand with our arms crossed while Netanyahu's government goes about systematically destroying peace and killing hope."

Rabin ridiculed Netanyahu's claims that Palestinian terrorism caused the breakdown, in comments to Israeli state radio that day. "Have we kept our obligations to peace?" she asked. "Indeed, we stopped the peace train long before the Mahane Yehuda attack" (the July 30 attack on a Jerusalem market that Netanyahu used to claim the Oslo Accords invalid). "I certainly place the responsibility on the Israeli side," she added. "What do we want to have? A war? Will that be better?"

‘I am running for office, because no one else is telling the truth!’

Mrs. LaRouche is the chairman of the the Civil Rights Movement Solidarity of Germany (BüSo), and is running for the office of Federal chancellor in the elections scheduled for September 1998. She was interviewed by the German weekly Neue Solidarität, the newspaper of the LaRouche movement in Germany. The interview was translated from German.

Q: Mrs. Zepp LaRouche, at the last party congress of the Civil Rights Movement Solidarity, you announced your candidacy for the chancellorship. What are your reasons? Aren't there enough chancellor candidates already?

Zepp LaRouche: The problem is, that none of those in the running—neither Chancellor Helmut Kohl nor Kohl's eventual successor from the CDU/CSU [Christian Democratic Union/Christian Social Union], nor [Social Democratic Party Lower Saxony state Gov. Gerhard] Schröder nor [Social Democratic Party head Oskar] Lafontaine—are telling citizens the truth; for example, that we face a total collapse of the world financial system, and not just a “correction” on the stock exchanges. Such a collapse would go far beyond the crash of 1929, and would bring incalculable dangers. I am running for office, because I am the only one who is telling the truth in this situation.

Q: These days, we read about falling stock markets, monetary crises, and other harbingers of a big financial crash, which you just spoke of. How do you assess the situation?

Zepp LaRouche: The world financial system has puffed up, during the last two or three decades, into a gigantic speculative bubble. More than 99% of daily financial transactions consist of speculative activities, and only a half-percent has anything to do with the exchange of real goods. The collapse of the financial system could take place as a result of a multitude of factors: The fully bankrupt Japanese banking system could provide the impulse, or the catastrophic situation on the “emerging markets” of Southeast Asia, or a new “Mexico crisis,” that is, a payments crisis with collapse of the currency, in many of the countries of eastern Europe; also a great miscalculation in speculation with derivatives could bring about a landslide. The financial system is in a highly labile situation, such that the slightest psychological or political cause could bring the whole house of cards tumbling down.

Various financial experts expect that between now and October, a “correction” of up to 40% will occur on the stock markets. But once the avalanche starts, there is no stopping it. If governments do not act decisively then, the complete disintegration of the world financial system threatens. Within two or three days, the whole system could literally dissolve.

In this case, trade would come to a halt. Supplies of food and other vital goods would be endangered: In the Federal Republic of Germany, there would only be stocks of food enough to last for maybe five days. This would have dramatic consequences all around the world. The poorest and the weakest, the old and sick, would be the first victims. The strategic consequences of such an uncontrolled collapse could hardly be exaggerated, in their dangerousness.

Q: As an alternative to such an uncontrolled collapse of the system, you are calling for a New Bretton Woods Conference of the most important governments. Can you explain, since most people have no idea, what the old Bretton Woods Conference of 1944 actually agreed upon?

Zepp LaRouche: That is precisely the problem, that people today know too little about history to draw the necessary lessons from it. We have described this urgently needed new international conference for reorganizing the world financial system, for pedagogical reasons, as a “New Bretton Woods Conference.” This gives people the idea, that monetary systems are made by governments. The first Bretton Woods Conference was convened by governments, and they joined together to create a monetary system that provided for relative economic stability for two decades; that is, it ensured a stable relationship among the various currencies. This made possible long-term investments in productive domains on the international plane.

What we want to do today, is to have an improved Bretton Woods system, that will create the conditions for a return to industrial development and economic justice among nations. That means we need not only a reorganization of the bankrupt old financial system, but also a new world monetary system, that will encourage productive investments. A further aspect, which must be dealt with by the New Bretton Woods Conference, is the reorganization of trade relations among nations, to which unrestrained free trade has caused enormous damage.



Helga Zepp LaRouche speaks at a conference of the Schiller Institute and International Caucus of Labor Committees, Aug. 31, 1997.

Q: Why do you want U.S. President Bill Clinton to convene this conference? Do you think that Europe should leave this to the Americans? What role should Europe play?

Zepp LaRouche: The problem is, that Europe, through its toleration of genocide in Bosnia, has demonstrated its total political impotence. Continental Europe's inability to recognize and to publicly denounce the geopolitical motives behind Great Britain's destructive role, has condemned European policy to be wrecked in the future as well. The Anglophile factions within each European country are, at the moment, blocking any effective European policy, and as long as there is no remedy for this, I do not expect any positive initiatives from Europe, that could lead the way out of the current crisis.

President Clinton is, on the other side, much better than most people think. He is a highly educated man, who is very much interested in history and has, in general, the merit that, as American President, the power of his office under the American Constitution would allow him to push through this reform of the world financial system, which is so urgently needed worldwide.

President Clinton must take on this task together with China and India (the most populous states in the world), with Europe and other nations, because unity is necessary. At the moment, the fate of mankind really hangs upon whether President Clinton will receive the international support, to carry out such a reorganization successfully.

Naturally, it of greatest interest to me, that Germany play an active role in this, and that our government finally enter

into the proposal that President Clinton made during this visit to Europe in 1994: namely, that a "special relationship" between America and Germany be built, in which Germany would have a special responsibility for the economic development of the East.

Chancellor Kohl's greatest political blunder, was that he declined President Clinton's 1994 offer. For there was, after Germany's reunification, the first real chance for Germany's sovereignty, in cooperation with America, to be used for a positive reshaping of the world. Kohl squandered that chance, and that makes him co-responsible for all the negative developments, particularly respecting economic affairs, that we have been complaining about since then. My candidacy also has the intent to unify all the forces in Germany, who want to go back to Clinton's offer.

Q: You have visited China twice, and we have heard and read a great deal about your proposal for a "New Silk Road" or "Eurasian Land-Bridge." This program would create many millions of productive jobs. What does the Eurasian Land-Bridge mean, concretely, for Germany?

Zepp LaRouche: The idea of economic integration of Eurasia is not new. It has existed since the end of the last century, when people began to build rail lines from Berlin to Baghdad, from Paris to Vladivostok. The idea there, was to tie Europe economically to Asia. The British geopoliticians perceived this as a vital threat to the British Empire, and reacted with a number of strategic manipulations: First, they drew France, at

the end of the 19th century, into the so-called Entente Cordiale against Germany; then, they also locked Russia into the Triple Entente, and up to the Balkan wars, the political chessboard was so arranged, that the First World War was the result.

Thus was the idea of the economic integration of Eurasia sabotaged by British geopolitics throughout the whole 20th century, first by World War I and the Versailles Treaty (which was designed to keep Germany down), and then by World War II, which was really only the continuation of the First World War. After the war, the Yalta treaty divided the continent into two blocs, preventing peaceful economic cooperation between East and West.

After the fall of the Wall in 1989, and especially since China picked up this idea again and forged ahead with great energy to build the Eurasian Land-Bridge, a whole number of other countries have undertaken such infrastructure development projects; for example, Iran, India, and also the D-8 (“Developing Eight”) group—eight developing countries, which have come together as a counterweight to the Group of Seven of the industrial states. Thus, in the world economy, there exist two realities: one is the oncoming collapse of the financial system, with which the International Monetary Fund and World Bank are associated, as well as the economic crisis that is leading to more and more unemployment, including in Germany. The second reality is the project of the Eurasian Land-Bridge, for which China, India, Iran, and other states are working.

With an official unemployment figure in Germany of 4-5 million, and, according to the Federal Labor Department, an actual deficit of 8.3 million jobs, it should be obvious which route we must take. I consider it to be a crime, that the banks are now throwing out the productive capacities we have here in Germany, which took us hundreds of years to build up; instead of investing productively, all the capital is being pumped into the speculative bubble. Our productive capacities (skilled jobs) and the technology that could be manufactured with them, will be urgently needed in the world. There is an enormous need for that in which Germany is most outstanding: its scientific and technological level, particularly in the machine-building sector.

The idea is, by the reorganization of the financial system, to make available new productive credits by means of national banks, to achieve full employment. There is no reason that we in Germany should not keep our existing productive jobs and, in the course of a new economic miracle, creating millions of new ones, if we engage ourselves in the Eurasian Land-Bridge.

Q: While today everybody is talking about “globalization” and “the end of the Industrial Age,” you are posing an alternative of a “new industrial society.” By that, you certainly don’t mean a media “industry” for the information society!

Zepp LaRouche: The reason why, in the last five years, we have lost a quarter of our medium-sized enterprises, is 30 years of a failed policy. The present crisis is no natural catas-

rophe, but the result of a wrong-headed policy, based on equally wrong premises, notably the dogma of the “free market economy.” The situation of the world proves that the “free market economy” has totally failed. We are now, worldwide, at the point that communism was at in the fall of 1989. The free market economy and globalization have been wrecked; the same goes for the utopia of the “post-industrial society,” according to which one is supposed to earn one’s money only by service-sector jobs. The information society reveals itself to be nothing more than a return to a feudal social structure, in which, according to the former editor of the London *Times*, Lord William Rees-Mogg, only 5% of the population will need higher education, while 95%—with or without access to the Internet and laptop computers—will be left to a kind of mental slavery and stupefaction.

Nobody can live by eating only what the media industry and the information society spew out. We must return to the principle of physical economy, to the question: What is necessary to nourish and to educate a society, a nation? The first requirements are material infrastructure (transport, energy, water, and so on) and social infrastructure (education and health care). The physical preconditions must be created, whereby not only our generation, but also the coming generations can live in dignity.

Q: Surely the trade unions should adopt this program, and put pressure on the government to finally create jobs.

Zepp LaRouche: The German trade unions should look at America, where John Sweeney, the new president of the AFL-CIO trade union federation, has breathed new life into the workers’ organizations: In the United States, the idea is being revived that productive, skilled jobs are the source of social well-being. And, as we have now seen in the successful Teamsters’ strike against UPS, the trade unionists are resisting the mentality of budget cuts and elimination of social services. In Germany, a similar discussion is very much necessary, and the trade unions must go on the offensive, if they do not want to be the cemetery caretaker for the collapse of German industry.

It has been proved, that the relocation of jobs to the so-called cheap-wage countries is good neither for those countries, nor the enterprises. Further studies have shown: The best guarantee for competitiveness is the maximization of the productivity of one’s own labor power. The way to achieve that is by urgently improving education, strongly emphasizing basic research, a decent living standard, possibilities for raising one’s skill level, etc.

Q: The BüSo is taking part in the municipal elections in Hamburg on Sept. 21. What do you expect from the elections, and do you see a relationship between these and the Federal elections in September 1998?

Zepp LaRouche: Hamburg could play an essential role as a port city, a “gateway to the world,” within the context of the Eurasian Land-Bridge. Just as container shipping goes

between China's ports and Rotterdam, so the port of Hamburg can become a nodal point for Eurasian development. And that is the only way that full productive employment can be achieved in Hamburg and the surrounding region. So, we also see this election in Hamburg as an opportunity to familiarize citizens with these ideas and programs.

We are, nevertheless, on the verge of a huge financial crash. The greatest danger is that citizens just sit and wait around until the cataclysm has already descended upon them. We want to reach the point where citizens confront the politicians in charge, right now, on what they are planning on doing to protect the population and the physical economy, at the point when the crash comes. Because when it comes, it's going to happen so quickly that there won't be any time left to consider what to do.

Q: One of the things that voters can read in your election program, is that you are promoting a reversal of current educational and cultural policy; you speak about the "creative human being." Is that going to be comprehensible in today's world of technology-cultism and drug legalization?

Zepp LaRouche: We are about to lose everything which we in Germany and in Europe have heretofore understood under the concept of Western Christian civilization. When Education Minister Rüttgers claims that the Humboldt educational

model has finally been outmoded, that means that either he's utterly incompetent, or else he must have the very worst oligarchical intentions. Because the whole idea of the Humboldt concept of education, was not to impart specific expertise in any one field, but rather to foster the development of the beauty which is characteristic of the young person. As Humboldt laid it out, specific realms of knowledge are better suited than others to that end: for example, the mastery of one's own language, which one can study in the most beautiful selections of Classical literature, drama, and poetry. But you also need to study universal history, because only the person who knows what tremendous efforts were necessary, spanning many generations, to reach our present state of development of human history — only such a person will, as Schiller says, feel a noble yearning to enrich this knowledge and pass it on to future generations. It is only on the basis of this moral duty to society, that a society can function. If you deprive education of this idea of the development of beauty of character and education as a citizen, then you are destroying the very foundations of society itself.

It may well be the case, that many voters, young and old, do not understand what we mean by the term "creative." The reason for this, is not that the techno-music is too loud, but rather, it is because we have undergone — even if we didn't realize it — a "cultural paradigm shift," especially over the

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past 30 years. If German citizens today could recall how differently they thought back in 1960, they'd barely recognize themselves. Yes, they've changed *that* much, step by step, over the past 30 years. The only worthwhile antidote, is to confront people polemically, since what's at stake here, is not only Germany's survival, but the survival of human civilization itself.

Q: You have challenged German President Roman Herzog to a public debate on Germany's future course. He thinks that the Netherlands and New Zealand are models to be emulated. What do you think?

Zepp LaRouche: President Herzog lacks any "vision for Germany," and then he comes up with this pathetic reference to Sweden, the Netherlands, New Zealand, and the United States. Sweden is, in fact, the model for destruction of the social-welfare state. Holland has distinguished itself internationally through its policy of passive and active euthanasia: Every year, there are 50,000 cases of active euthanasia, the large majority of which occurred without the patient's approval. And that's certainly not a model that we need in our history here in Germany again. New Zealand is likewise an example for wiping out the social safety-net. In the United States, it is said that 12 million new jobs have been created; but people need to work two or three of those jobs at the same time, in order to have the same standard of living that they could have obtained with only one source of income 30 years ago. As a result, 80% of all Americans are in the process of becoming significantly poorer, while a tiny sliver of the population has become enormously richer.

I have challenged President Herzog to hold a public discussion with me on these matters, because, in my view, the Eurasian Land-Bridge—the central focus of rebuilding the world economy—points up an entirely different, and far more realistic perspective.

Our future will be decided on the fate of the Eurasian Land-Bridge. The question is, how much destruction will be wreaked, before people finally fight through to its implementation—whether there will be another one or two generations of destruction, or whether we can decide to build it right now.

And in that event, there is no reason why the world can't experience the greatest economic miracle in human history; and there's no reason why we can't also get over the present cultural and moral crisis, and call forth a new cultural renaissance, in which humanity's best cultures collaborate—for example, Christianity, the positive tradition in Islam, as it bore fruit in the Arab renaissance of the caliphs around 800 A.D., and China's Confucian tradition.

Up to now, President Herzog has not felt the need to reply to my challenge. But I hope that he will do so sometime in the coming weeks and months, which will certainly be stormy times, full of social unrest, strikes, and stock market crashes; and, there will be growing public pressure on politicians to put their money where their mouths have been.

Sweden's history of forced sterilization

by Lotta-Stina Thronell

A two-part series on eugenics in Sweden's *Dagens Nyheter* on Aug. 20 and 21, has blown the cover off this country's 40-year history of legalized forced sterilization. The series by Maciej Zaremba, a Polish Catholic emigré to this predominantly Protestant country, struck a raw nerve in Sweden and overseas, by effectively showing how leading members of Sweden's Social Democracy, from the beginning of the century to the late 1960s, defended the Darwinian idea that human beings who could be legally classified as mentally retarded, promiscuous, or unproductive, should be deprived of the right to bear children. Zaremba succeeded in finishing off the myth that the Social Democracy was the protector of society's poor and oppressed: Quite the contrary, the poor were the very targets of the forced sterilization. Between 1935 and 1976, approximately 60,000 people were forcibly sterilized, with full sanction of the law.

Major newspapers throughout Europe reported on Zaremba's exposé. On Aug. 30, British journalist Jonathan Freedland wrote an astounding admission in the London *Guardian*, saying, "Forced sterilizations in Scandinavia have shocked the world. But the great founding fathers of British socialism had dreams almost as vile as those of the Nazis." Freedland named the high priests of British socialism: "The names of Russell, Webb, and Shaw still retain their luster—despite their association with the foulest idea of the 20th century. They escaped the reckoning. Perhaps now, posthumously, it's time to see them, and much of socialism itself, as they truly were."

The UN apparatus

While Zaremba's retrospective is all very well, he failed to put the spotlight on the fact that the very same Malthusian fascist ideology behind the forced sterilization laws, is still the underlying axiom for the thinking of most of the bureaucrats in the UN apparatus. In 1994, *EIR*'s Torbjörn Jerlerup, showed how, in the 1950s, Sweden took the point in overseas "population aid" ("How Swedish Race Hygienists Became the UN's Top 'Population Experts,'" *EIR*, April 8, 1994). Sweden, in the 1950s, wrote Jerlerup, launched the world's first bilateral aid projects to control "overpopulation" in Sri Lanka, India, and Tanzania. Parallel to this, the same Swedes who were proponents of forced sterilizations, such as Alva

and Gunnar Myrdal, and who were also in charge of the bilateral population control aid programs, were pushing for the UN to establish a special population institution, now enshrined in the UN Population Fund (UNFPA). In 1992, the UNFPA had \$220.7 million at its disposal, of which \$28 million came from Sweden and \$26.5 million from Norway; in short, Scandinavia's two largest countries financed almost one-quarter of that year's UNFPA budget! Most of the UN's sterilization and birth control projects have been conducted through the UNFPA and the UN Development Program.

Pressured by the international and domestic outrage sparked by Zaremba's revelations, the Social Democratic government fairly quickly gave in to calls from the opposition parties to officially investigate the sordid history. (It is noteworthy that Prime Minister Goeran Persson, a loudmouth who claims that had he not entered politics, he would have wanted to be a clergyman, has failed to denounce the brutality of forced sterilizations.) An expert commission has been established, chaired by a 75-year-old theology professor, Carl-Gustaf Andrén.

According to Andrén, the commission will investigate the issue of forced sterilization in its historical and international context. Areas of study will include how "development optimism got its breakthrough in the 19th century, before World War I. Darwin's genetics, technological innovations, the development of medicine—all this belongs together and created a climate in society that one has to understand, if one wants to understand the sterilizations." The commission is to present its report by the end of 1999.

Social Democrats or social Darwinists?

No sooner was the commission announced, than social Darwinists crawled out of the woodwork to cautiously defend legalized forced sterilization. One of the worst defenses was uttered by Professor Tännsjö in *Dagens Nyheter*, on Aug. 29. "The thesis that forced sterilization is wrong in all situations (which I have zealously defended all these years) is in reality highly debatable," he wrote.

Tännsjö goes on to argue that the social workers and physicians who applied the forced sterilization law, in most cases did it to prevent "irresponsible parents" from having more children whom "they couldn't take care of." This Orwellian continues: "Women in this situation today, are talked into agreeing to an abortion, and, along with the abortion, to allow themselves to be sterilized. In the past, they were forced into sterilization (sometimes with the help of the forced sterilization law, sometimes with the argument that if they did not agree to be sterilized, they would not be permitted to go through with an abortion)." Tännsjö continues his outrageous apology for Nazi medical practices with the disclaimer: "Remember that, as a consequence of modern reproductive techniques, sterilization is no longer irreversible. With the means of modern reproductive techniques, a sterilized person can give birth!"

A few days later, P.C. Jersild offered his defense, conceding that, "Concerning the assaults by the Nazis, it would be dangerous to allow time to water down the guilt. . . . But one has to weigh in the course of time, when making moral denunciations. One example is how one should view forced sterilization laws that were enacted democratically and by friendly agreement between Swedish political parties in the 1930s." The "social and political reality" of the 1930s "didn't allow abortion for unwanted pregnancies." Jersild brags that, since 1976, Sweden has allowed free abortion, "And abortions have not increased much lately, with approximately 33,000 being done per year. We are, in other words, fairly content with ourselves."

Content? Brainwashed, one should say: The same mentality that led to a consensus for forced sterilizations in the 1930s is behind not only the ease of obtaining an abortion. The same social Darwinist consensus led in the 1970s to the ease with which government authorities could take children from their parents, into forced custody. Integral to this "contentment," were the late Social Democrats Gunnar and Alva Myrdal. On Sept. 15, the conservative daily *Svenska Dagbladet* printed hitherto unpublished excerpts from a 1981 TV interview with Gunnar Myrdal on their 1934 book *Crisis in the Population Question*. The interviewer asked Myrdal if he did not "feel" that it was wrong to talk about eugenics in our time, to which Myrdal replied:

"I still think that it is more than justified to try to prevent the reproduction of 'inferior individuals.' And it is possible to define 'inferior individuals.' They are the feeble-minded, and so on. I do not know exactly what rules we apply today, but I assume that we are trying to prevent the feeble-minded from having children. And if we do not do that, I think that we are stupid."

Overturning the axioms

In the midst of this raging debate on eugenics and forced sterilizations, the small, but influential LaRouche-affiliated European Labor Party (EAP) has launched a campaign against this effort to defend social Darwinist practices, especially by challenging students through the EAP newspaper *Ny Solidaritet*.

Boldly asserting the headline "Darwin Was Wrong: The Human Being Is Not an Animal," the paper confronts the students with the fact that British quack biologist Charles Darwin got his start defending the practice of chattel slavery, which President Abraham Lincoln abolished! Contrary to the eugenicist utopians in Sweden, Lincoln's associate, economist Henry Carey (1793-1879), and German-American patriot Friedrich List (1789-1846) played a major role in the industrialization of Sweden in the 19th century, and Darwin's reactionary ideas became part of destroying the growing republican potential in European countries. Darwin, who is an icon to hordes of race hygienists, is still treated as a great scientist in Swedish textbooks.

Transparency International's strategy to reestablish the British Empire

by Umberto Pascali

For eight years, the financial elites of the British “Invisible” Empire have carried out a “march through the institutions,” against the nation-state. The operation was led by the International Monetary Fund (IMF) and the World Bank, and its aim was to establish the principle and practice of direct interference in the internal affairs of a sovereign country that had been forced to become a borrower: recolonization through financial means. On July 31 of this year, the project came out into the open.

The process started at the end of 1989, with the publication of a World Bank manifesto titled “Sub-Saharan Africa, from Crisis to Sustainable Growth.” The idea was put forward that the task of the IMF was not simply to lend money in exchange for draconian financial conditionalities. No, the World Bank assumed the “social” function of guarantor of “good governance” in a country. The code-word “governance” became, for the World Bank, the IMF, and several other institutions, a key component of their mission. If a country was deemed “cost-inefficient” or “corrupt” or “inadequate,” then the supranational organizations declared that they had the right to intervene and to ignore the clauses in their own bylaws that ban the IMF and World Bank from politically interfering against the sovereignty of a country.

Although political interference had become a normal practice of these institutions, legally and officially this was still a taboo. That taboo had to be broken, or recolonization—especially of Africa—would have been rather difficult. The turning point was marked, in July 1997, by an IMF document that announced that a loan already approved could be withdrawn, if the country were deemed to be in a state of “poor governance.” After that, IMF representatives were to establish a veiled but clear power of receivership.

The instrument used was Transparency International (TI), the “coalition against corruption,” officially established in 1993, but in reality the result of Prince Philip’s “interfaith meetings,” that began in 1984 (see Umberto Pascali, “Prince Philip Deploys ‘Anti-Corruption’ Weapon,” *EIR*, July 25, 1997).

As we shall see, Transparency was created *inside* the

World Bank (not in 1993, as claimed, but in 1989). Meetings—both confidential and open—took place in Africa. Peter Eigen, the chairman of TI, established a well-organized group inside the leadership of the World Bank, and it was only because of the hostile reaction to this attack against national sovereignty, that the group was asked to “go independent,” until the ground was ready to openly proclaim the principle of interference.

‘Governance’ against the nation-state

On July 31, 1997, the IMF announced that it could withdraw a loan already conceded, “on account of poor governance.” The new line was put forward in a document, “The Role of the IMF in Governance Issues,” which formalizes the IMF’s right to interfere in the internal affairs of a country that shows “poor governance.” *Governance* is a word that is supposed to mean, according to the World Bank, “the action or manner of governing” or “the manner in which power is exercised in the management of a country’s economic and social resources.” And, according to the new doctrine, if the “manner” is judged “poor,” then the IMF-World Bank has the right to take over.

On the same date, Transparency International published its 1997 Corruption Perception Index. The index lists 52 countries according to their “perceived” corruption. This ridiculous index—now in its third year—has become a powerful element of blackmail and destabilization against countries that resist the British strategy. Transparency’s 1997 index boasts that Pakistani Prime Minister Benazir Bhutto was overthrown last year, thanks to the publication of the previous index (see box), and the IMF is now applying its new doctrine to Kenya, which is being assaulted with sudden ferociousness and accused of being “corrupt.”

Kenya was made the first bloody example: On July 31, it was brutally and suddenly cut off from a \$220 million loan already negotiated. The pretext for the unprecedented decision was that the government of President Daniel arap Moi was not doing enough against corruption; the IMF accused the government of failure “to ensure *transparency* and accountability” (emphasis added).

IMF's license to kill

On Aug. 4, the International Monetary Fund issued new guidelines that, for the first time, officially demand the withdrawal of loans from countries that are judged—according to the unappealable decision of the IMF staff—to be corrupt. The document is titled “The Role of the IMF on Governance Issues.” Here are excerpts:

Financial assistance from the IMF . . . could be suspended or delayed on account of poor governance. . . . Corrective measures that at least begin to address the governance issue should be prior actions for resumption of IMF support and . . . certain key measures could be structural benchmarks or performance criteria. The staff would need to exercise judgment in assessing whether the actions adopted by the [country] authorities were adequate. . . . As in the case of other policies in which the . . . commitment of the authorities is in doubt, it may be appropriate . . . to call for a period of monitoring prior to a resumption of financial support. The authorities' policy response could also entail changes in management in public institutions and . . . the removal of individuals from involvement in particular operations where corruption had occurred.

An IMF spokesman explained that Kenya did not meet “the clearly expressed concerns of the IMF . . . in the area of governance.” The IMF ganged up with the British-sponsored opposition to the President. While the Kenyan shilling collapsed, investors were scared off, and the country risked a default, self-styled opposition leader Richard Leakey, of Prince Philip's World Wide Fund for Nature, stated: “I'm very pleased the IMF has finally recognized the enormous problem of governance in this country. We have been asking the IMF for a long time to take this measure. . . . Corruption was absolutely central to the IMF decision.” Leakey called for a “revolution”—and armed insurrections suddenly began.

In vain, the secretary of the cabinet, Fares Kuindwa, complained that the President had received the IMF ultimatum only on July 29, and “we were told there should be a response by July 30. For a sovereign nation, the timing is rather intriguing. . . . The issues raised are 90% political.”

Now, the IMF is dictating, one by one, the political steps Kenya has to take to avoid strangulation.

The financial “human sacrifice” of Kenya and the triumph of the *governance* trick represented a culminating success for the organization that had been created to accomplish this very mission: Transparency International. *EIR* and other international media have reported how this powerful, semi-secret organization, which is present in more than 60 countries and has more than 70,000 influential members, is an instrument deployed by the British elite to get back their colonial empire. *EIR* has documented as well the symbiotic relationship between TI and the IMF-World Bank. Here, we analyze its history in greater detail.

Laptops and manacles

The new IMF guidelines were welcomed by the vice chairman of Transparency International, Frank Vogl, a former World Bank executive. “The guidelines are very important,” he said. “It's long overdue that multilateral organizations involved in financing developing countries place on a par with macro policies *the basic soundness of the government institutions with which they are dealing.*” In fact it was TI, through its local troops, support for scandal-creating specialists, and outright blackmail, that has facilitated the “anti-corruption” forces inside the IMF, World Bank, UN, Organization for Economic Cooperation and Development (OECD), Organization of the American States (OAS), the Asia-Pacific Economic Cooperation (APEC), and inside many governments. It was thanks to TI that these organizations were able to defeat any resistance to adopting an “anti-corruption” agenda.

It was not just the IMF that came out with the “right” to interfere against poor governance. At the beginning of September, the World Bank announced its own “new guidelines.” From now on, companies “tendering” for business funded by World Bank loans would have to sign an “anti-corruption pledge.” Revealing what was really on his mind, a Bank official stated: “This does not mean World Bank officials are going to parachute into their borrowing countries with a laptop in one arm and a pair of manacles in the other to hunt down corrupt officials. . . . The realistic long-term goal of the Bank is to help countries move from systemic corruption. . . . By designing effective anti-corruption strategies for its client countries and joining the international campaign, the Bank believes it could make a difference.”

And finally, the UN Development Program (UNPD), which is among the top financial contributors to Transparency International, announced on July 28 a \$36 million pilot program to promote “good governance” in Third World countries.

Kenya in 1989: the origins of TI

Things have not always been so easy for the Transparency gang. As TI Chairman Peter Eigen recognized in a 1996 essay, “Combatting Corruption Around the World”:

“When TI was launched in 1993, none of its founders could have anticipated how quickly it would have been accepted.” Indeed. But TI was not created in May 1993 in Villa Borsig in Berlin, as the official literature claims. It had existed, de facto, since 1989.

While Prince Philip had been holding his “interfaith dialogue” on economy and ethics (TI’s “theology”) since 1984, Eigen began to plot the operational side of things at least since 1989. At that time, the future chairman of TI was the World Bank representative in Kenya. This was the moment of the definitive collapse of the Soviet empire, the fall of the Berlin Wall. The British control over the continent of Africa was in danger of evaporating. Many political and industrial forces, both in continental Europe and in the United States, saw this as the moment they had been waiting for to undertake huge investments in Africa’s infrastructure, industry, and agricul-

ture. Italy, for example, had ready a gigantic infrastructure plan, supported by the political leadership. The British were determined not only to reverse such tendencies, but to reconquer “their” colonies.

In this context, the World Bank issued the study so dear to Eigen, “Sub-Saharan Africa, From Crisis to Sustainable Growth—A Long-Term Perspective Study.” Its slogan was: “Support good governance!” Against the possibility of real development, they built the new wall of “sustainable growth,” and the scheme of hypocritical “good governance” aimed at destroying any force that tried to resist.

Then the plot took off. Eigen recalls: “In the spring of 1990, representatives of the World Bank stationed in Africa met in Swaziland to discuss an urgent request articulated by African leaders in their famous ‘Support better governance.’ As the World Bank representative in Kenya, I agreed to talk

TI boasts: We toppled Benazir Bhutto!

On July 31, 1997, Transparency International announced the release of its third annual Corruption Perception Index (CPI). In the official release, it boasts of its role in overthrowing the government of Pakistani Prime Minister Benazir Bhutto last year. Bhutto, the release says, was dismissed thanks to the publication of the 1996 CPI.

The Corruption Perception Index, a list of countries targetted for blackmail by international financial institutions, was, according to TI, “developed by Dr. Johann Graf Lambsdorf from the Göttingen University. . . . The 1997 CPI is the most up-to-date and reliable index on corruption so far. . . . The index, issued at a time of growing public concern about corruption throughout the world, is based on seven international surveys of business people, political analysts and the general public and reflects their *perception* of corruption in 52 countries.”

Stressing its blackmail potential—a country can be ostracized thanks to the index—TI Chairman Peter Eigen stated that the index is “a measure of lost development opportunities. . . . An empirical link has now been established between the level of corruption and foreign direct investments.”

TI gives some examples that are supposed to prove how easily TI can destroy political leaders. The first example is Pakistan. The following are quotes from the release:

“Bhutto: ‘The most honest administration in Pakistan’s history. . . .’ The impact of the index was perhaps greatest in Pakistan. The anger of people in Pakistan over their government’s participation in rampant corruption was catalyzed by Pakistan’s position as second-worst in the world table. Suddenly, this anger became focussed, accompanied by the bitter feeling that Pakistan had ‘deserved better’ from their political elite. The reaction to the index in Pakistan was remarkable: Embassy and opposition party representatives visited TI in Berlin to ask clarification. Many Pakistanis contacted TI, which promoted the creation of a network in Pakistan and made TI a household name, as the extensive media coverage and the 300 leading citizens who crowded out a TI-Pakistan seminar in Karachi showed. Many speakers stated that the index had contributed to the downfall of the notoriously corrupt Bhutto administration.

“It was the former prime minister, Benazir Bhutto, after all, who had erupted angrily when the index was referred to in parliament claiming that hers was ‘the most honest administration in Pakistan’s history.’. . . *Only days later she was dismissed* from office by the President who was reportedly influenced in his decision to act by Ms. Bhutto’s wholly irrational response to the index. Ms. Bhutto lost the ensuing elections in a landslide. The new TI National Chapter is targeting public procurement and working independently with the new government to reduce levels of corruption which have plagued Pakistan.”

Other examples cited by TI of how to target recalcitrant countries include Malaysia and Argentina. The country at the bottom of the 1997 index is Nigeria.

about corruption as a powerful enemy of good governance. I described its enormous reach and its crippling effect. . . . I then proposed a plan of action that had evolved from lengthy discussions with many colleagues and friends in Nairobi. Clearly, most people are against corruption; why not then *channel this opposition* into the construction of an effective *coalition promoting transparency*? The timing was propitious [emphases added]. . . .

“The initial reaction of the [World Bank] meeting participants was enthusiastic. It was agreed that the World Bank should develop an anti-corruption agenda for itself and its partners. . . . I agreed to spearhead the initiative.” Thus, in spring 1990, the World Bank had created TI. But, as Eigen soon found out, the power of national sovereignty was still a formidable obstacle: “Soon after the meeting, however, doubts emerged about the bank’s readiness. Would this constitute a violation of the political abstinence prescribed by the bank’s charter, stirring up a political hornet’s nest? Although there was much encouragement within the institution, it fell short of the consensus needed. Yet, some of us remained determined to take action. Something had to be done. At the end of the Cold War, the time was right. . . .

“I and some of my colleagues decided to proceed with the venture independently.” Of course the word “independently,” in the context of what was a priority for the British oligarchy, is relative. But Eigen basically admits the nature of the game. “This approach,” i.e. the independent approach, Eigen stresses, “had the added advantage of avoiding the *scent of conditionality* that would have come with the World Bank’s playing a dominant role. We wanted a movement driven by the demand for transparency that was then emanating from a number of nations in the global South and East [former Soviet bloc] that were in transition economically, socially, and often politically.” South and East had to be kept away from the possibility of reciprocal development.

Development=corruption, empire=honesty?

What would later officially become TI was at first a quasi-conspiratorial enterprise; it gained strength and arrogance as more and more countries succumbed to the world depression and the looting of the World Bank and IMF, and pro-development forces in the West were stopped with every means. Exemplary is the case of the chairman of Deutsche Bank, Alfred Herrhausen, assassinated on Nov. 30, 1989 after having challenged IMF-World Bank policies concerning the development of eastern Europe. He was never able to deliver in New York the speech he had prepared, in which he made clear that the modernization and industrialization of eastern Europe would not need the IMF-World Bank or what became known as “economic shock therapy.”

There is a very good reason why TI, four years after having been created, was implanted in Berlin and propagandized as

a German operation, financially supported by the German government, and on whose Advisory Council sat a former German President, Richard von Weizsäcker. Germany depends for its economic life on technology, industry, and exports. By making Germany the center of this anti-development Inquisition, it becomes the scapegoat for the furious reactions of TI’s victims; the campaign also tends to destroy Germany itself. With the pretext of the anti-corruption campaign, new laws are being forced down Germany’s throat that will place obstacles in the way of its exports. According to observers, once the new laws and regulations, being studied now, have been passed, it will be possible to slow down trade and production, and possibly to launch “corruption” scandals against targeted industrialists. The history of Germany’s Green movement supplies a good indication of this *modus operandi*. If TI is not opposed, it will be very difficult for a new Herrhausen to emerge in Germany again.

The incubation period of TI corresponds also to the accelerated deployment, especially in eastern Europe, of financial pirate George Soros and his foundations.

At the end of that process, these world financial institutions had finally obtained what they wanted: the right to *directly, openly* intervene in the internal affair of the targeted countries. It was the end of even the pretense of “national sovereignty.”

Mutatis mutandis, it was similar to the original takeover of so many weakened countries by the British Empire over the last 200 years. This time, though, it was supposed to be more subtle, more efficient.

Eigen continues: “The initial working group arranged meetings in Eschborn [near Frankfurt], Kampala [Uganda], London, and Washington.”

(Contrary to this official, however, TI was legally constituted in The Hague, Netherlands, and it was later decided—for reasons clearly connected to the determination to freeze Germany into the destructive anti-development crusade—to register TI in Berlin.)

Corruption is a huge issue, explains Eigen; that’s why TI, which “has limited resources,” focusses its efforts on a particular aspect: “that pertaining to public projects in the developing world.” In other words, TI was concentrated from the beginning on stopping big infrastructure projects—the key to the industrial development of a Third World country—and in stopping investments from industrialized countries into the development of the Third World. All this is put under the category of *corruption* or *potential corruption*.

According to Eigen: “In dozens of these countries, vast sums of money are involved. Typically, public officials accept payoffs from commercial contractors to funnel public funds to the project of the contractors’ choice. . . . The biggest victims are members of the local community, who end up saddled with uneconomic ‘white elephants.’ . . .” (Translation: roads, railways, dams, canals, irrigation projects, industrial plants.

Pakistani press rips TI

On Aug. 10, the Pakistani Karachi Business Recorder denounced the role of Transparency International, under the title, "Corruption: A Ploy of Global Players." Author Saqlain Imam writes:

The current crusade against corruption prompted by Transparency International, led by some religious zealots, cricket superstar-turned politician Imran Khan [who is also head of Tehrik-e-Insaaf (TI)], and other marginalized figures such as Air Marshal (Rtd.) Asghar Khan, paved the way for the institution of the *ehthesab* (accountability) establishment that is supposed to investigate the misdeeds of all corrupt elements of the previous government. They show that probably nothing happened in the previous government [that of Benazir Bhutto] but corruption. As a result of which *ehthesab* has now become a misnomer, and now has a limited purpose of damaging the political opponents on electronic media, if not in courts of law. After the restoration of democracy in 1985, all elected governments were told to pack up on the charges of corruption, but nothing improved in spite of these lethal bashings. However, the bashing proved a *catalyst* of economic destruction and to limit National Sovereignty of the country, as every dismissal of a government simply reinforced corruption and enfeebled economic sovereignty.

A study into the crusade against corruption has lately revealed that it was a ploy sponsored by some international multilateral agencies which saw in it a great opportunity

for them to weaken the nation-state that still is a major hurdle to their unbridled plunder of the developing world. Due to this anti-corruption crusade, production has decreased and business has shrunk in local markets, depressing the local production of small and medium-sized industries. A large part of the political and industrial elite still linked to the idea of economic development and national sovereignty has been swept away by the well-targeted scandals.

The victims of this vicious crusade are innumerable. Often a victim is selected as a warning to someone else, or to force him to submit to some political demand. No matter whether the accusations are true or false, the accused is immediately lynched by the media, which receive all the details of an investigation which is legally supposed to be secret; the victim's career is over, and sometimes he pays with his life. The case of Riffat Askari bears testimony to this fact. Askari, the former chairman of the OGDC, died of cardiac arrest when he was incarcerated without any proper investigation. Now a defenseless Pakistan is in fear of a final assault against its agricultural sector and indigenous industry; the living standard of its citizens; its national institutions such as armed forces, bureaucracy, judiciary, politicians; and national integrity. . . .

This did not happen only in Pakistan. It also happened in Italy, Argentina, Turkey, India, Korea, and some other countries. So the answer must be found at a higher level. The answer appeared in one of the main Italian dailies, *Il Giornale*, a couple of months ago, in a front-page article by Gianluigi Nuzzi. Nuzzi placed the anti-corruption crusade in the broader international context. He described the modus operandi of a gigantic organization called Transparency International . . . he published the forbidden name: Prince Philip, Duke of Edinburgh.

The virus of development will not be allowed to infect the colonies of the empire.) "While it is easy to point the finger of blame at corrupt public officials," argues the chairman of Transparency International, "no less at fault are businesspeople from highly developed industrial states whose *thirst for export orders* leads them to flout the laws of the developing countries. Behind these companies, rewarding them with tax breaks, stand the same Western governments that provide aid to developing countries" (emphasis added). Here Eigen expresses all the horror and hatred of the British feudal oligarch for North-South cooperation for development, for the real American System. Development is seen as synonymous with corruption.

"Corruption allows leaders to cling to power while resist-

ing government reforms. . . . Corruption hinders the creation of free markets . . . is conducive to fundamental mistakes in project selection and project design—often with catastrophic consequences for both society and environment." The nation-state and its lawful instruments created to defend its sovereignty become a manifestation of "corruption" as well. "All too often, a corrupt environment channels resources to non-productive areas such as the police and the armed forces and other organs of social control."

The perfect coup d'état

To eradicate "corruption," in the oligarchs' view, it is necessary to eradicate the sovereignty of the country, by replacing the legitimate government with an *outside, indepen-*

dent power. Eigen explains: "Experience shows that corruption can be curbed . . . by bolstering outside monitoring by independent agents. . . . The overall strategy must be of prevention." Consequently, laws must be changed and the elected leaders must be put under control of foreign agencies, such as TI. Eigen calls for "the adoption of comprehensive anti-corruption legislation and its enforcement by a strong and independent agency of manifest integrity" — exactly what the IMF and World Bank are doing now with their new guidelines.

Finally, Eigen calls for something close to a coup d'état: "The ultimate goal is practical change in laws, institutions and policies."

He also supplies the scheme for the perfect destabilization. No violence is required, at least not until the last moment, when the victim government has been weakened from within, discredited through scandals, and alienated from its own people, who are suffering from the economic misery that the IMF has imposed. The pressure will come from the country's own people, once the operation has succeeded, using British assets already in place:

"In each country, TI aims to function as a catalyst. Typically, a program begins with an agreement among government officials and prominent citizens, that their country

would benefit from a visit by TI representatives. TI first holds discussions with senior government officials (often including the head of government) to explain the nature of the mission and TI's mandate. . . .

"Discussions then broaden to include relevant segments of civil society — typically business leaders, journalists, religious leaders, academics, non-governmental activists, and members of the Chambers of Commerce and other professional bodies — to test the interest and feasibility of forming national chapters." These discussions give the TI operative the chance to select their main anti-government agents. "These discussions also help identify prospective leaders of such chapters, who should be . . . clearly independent of government.

"The TI team normally concludes its mission with a final round of talks with the government. TI then prepares a diagnostic report detailing its impressions of the situation . . . as well as setting forth a tentative plan of action." After that, TI controls a large political force in the country, is able to launch any kind of militant "anti-corruption" movement, and is often in a position to dictate new laws.

If there is any serious resistance to its agenda, force will be applied from inside and out. After all, TI is one with the IMF-World Bank machine.

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FRONTMAN: New Jersey Congressman Chris Smith



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KINGPIN: Former President George Bush, who is a board member of Barrick Gold, which led the 1996 mining companies' invasion of Zaire. Here, Bush visits Barrick's Goldstrike facility in Elko, Nevada, along with former Canadian Prime Minister Brian Mulroney.



EIRNS/Stuart Lewis

FRONTMAN: Virginia Congressman Frank Wolf



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FRONTMAN: New Jersey Congressman Donald Payne, former head of the Congressional Black Caucus



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LaRouche's birthday celebrated in Russia

The prominent Russian weekly *Ekonomicheskaya Gazeta* (No. 38, 1997) carries a front-page article under the headline, "The New World Order of Lyndon LaRouche, Founder of Physical Economy," by Taras Muranivsky, Dr. of Philosophical Sciences, president of the Schiller Institute for Science and Culture (Moscow). On the occasion of LaRouche's 75th birthday, Sept. 8, Muranivsky introduces him as "a true friend of Russia," who is known around the world "as an uncompromising fighter against injustice and evil, speculation, usury, drug trafficking, terrorism, looting through privatization, and other means of destruction of society's productive forces by a little handful of sharks of the world financial oligarchy."

Muranivsky explains LaRouche's "market basket" parameters for measuring physical economic performance, and his rigorous refutation of Malthusian "limits to growth." He traces the roots of physical economy, going back to Plato and the Renaissance.

"In LaRouche's view, the economic policy of the state should be directed towards increasing expenditures on education, scientific R&D, health care, infrastructure development, providing pensions, etc.," writes Muranivsky, "Here arises the 'favorite' question of incompetent state leaders: 'But where is the money supposed to come from?' The answer is to be found only on the path of continuous development of

high-technology industry, not in monetary manipulations. . . ."

The article recounts the two federal prosecutions of LaRouche, orchestrated by enemies who were fed up with his organizing on behalf of nations looted by the International Monetary Fund. LaRouche was released from prison, Muranivsky writes, after the formation of an international coalition of "thousands of jurists, parliamentarians, scientists, and public figures." But, "he has not yet been exonerated."

"Many scientists in the world, including in Russia, see LaRouche as an original thinker and bold politician," notes Muranivsky, "He boldly demolishes accepted authorities and uncovers the flaws in the seemingly inviolable 'rules of the game' that they created. Not only in the U.S., but in many other countries, the number of supporters of LaRouche is growing; these are people who, under the influence of his views, often reconsider their own previous views and notions about science, economics, politics, culture, and various social phenomena and processes. . . . The phenomenon of Lyndon LaRouche as an independent creative individual is connected with his strict scientific and moral position: For him as a scientist, the highest value is scientific truth. His scientific investigations are free from any political, corporate, career, or other influences."

In an editorial note, the *Ekonomicheskaya Gazeta* editorial board joins in congratulating Lyndon LaRouche on the occasion of his 75th birthday, noting that many of its authors on economics share the ideas and principles of physical economy. Founded in 1993, *Ekonomicheskaya Gazeta* is an independent paper (it is not a continuation of the Soviet-era weekly of the same name), which on its masthead notes its collaboration with specialists at economic agencies of the Russian state.



Left: Lyndon and Helga LaRouche at a celebration of his 75th birthday in Washington, D.C., Sept. 8, 1997. Right: Taras Muranivsky, president of the Schiller Institute for Science and Culture (Moscow).

Everybody is jumping ship

Support for Chancellor Kohl is eroding, as the captains of industry refer disparagingly to his "non-government."

Chancellor Helmut Kohl seems to be desperately committed to ignoring the fact that support for him is rapidly eroding. He is disregarding all economic data, if they suggest that his policy is a disaster. He wants to be re-elected in September 1998; he also wants the Maastricht-Amsterdam accords for the European Monetary Union to proceed exactly on schedule, on Jan. 1, 1999, although more and more experts, among them central bank governor Hans Tietmeyer, have begun to warn against "dogmatism" on this project.

By repeatedly announcing that unemployment will be reduced by 50% by the year 2000, while doing nothing, Kohl is mistaking proclamations for reality. Jobless figures have increased in spite of Kohl's proclamations, even during the summer months, which has never happened before.

Kohl's response to the outbreak of an open brawl over tax issues and the European Monetary Union project, inside his three-party coalition government in mid-August, was to state that all of this was "not real" and "superfluous," and to issue a decree (*Machtwort*), demanding that all such talk stop instantly.

Naturally, the controversy did not stop, but intensified. Prominent members of Kohl's Christian Democratic Union told the media that they had not the slightest intention of stopping the debate, just because Kohl wanted to keep them quiet. Richard von Weizsäcker, the former President of Germany, in an interview published by the *Der Spiegel* weekly on Sept. 8, said that the nation needed ideas and debates, not "machtwords." Kohl, whose

name was not mentioned by Weizsäcker, knew that the attack was directed against him, and reportedly exploded at a meeting of his CDU party leadership, calling Weizsäcker "a gentleman who no longer belongs to us."

The next day, it became known that Weizsäcker, a senior member of the CDU since 1954, had secretly been expelled from the party. Officially, it was said that this was not at all connected to Weizsäcker's attack on Kohl, that it had to do with the fact that when Weizsäcker became President in 1984, he suspended his active membership in order to avoid a "conflict of interest." It was said that he had never renewed his active membership after his second term as President; but Weizsäcker, who was asked by the media about the affair, replied that he never even thought of renewing his membership: In other words, he wanted to have nothing to do with Kohl's CDU.

A political verdict on Kohl also came from Georg Leber, a senior Social Democrat who had been minister of defense between 1972 and 1978. In an interview published on Sept. 15, by the daily *Frankfurter Allgemeine Zeitung* in summarized form, Leber said that his own memory of how things developed at the end of 1966, shortly before Chancellor Ludwig Erhard (CDU) was toppled, and at the end of 1982, shortly before Chancellor Helmut Schmidt (SPD) was toppled, told him that Kohl's situation looked just as precarious.

Apart from Kohl's flaws, Leber assessed a much deeper crisis in the entire political establishment: "This state is no longer functioning," Leber said,

and the paralysis could only be overcome by "strong majorities" that would replace Koh's incompetent cabinet by a new Grand Coalition of CDU and SPD. The first Grand Coalition was formed in late 1966, after the fall of Erhard.

Leber warned the elites that arrogance comes before the fall: Attacking the campaign by neo-liberal currents in industry to replace the social welfare state in Germany with an "old-fashioned capitalism," at the expense of the lower income strata of the population, Leber singled out the role of Hans-Olaf Henkel, chairman of the BDI (German Industry Association). Henkel is like the Austrian Empire's Duke Metternich (in 1848): "He who wants restoration, will get revolution, in the end."

This remark by Leber was read by many as actually referring to Kohl, who is known for listening to Henkel's bad advice. But also in industry, more and more members of the crew are jumping Captain Kohl's ship. Already in late July, senior leaders of German industry and banking began speaking in public, in a rather nasty way, about the "present non-government in Bonn."

Attacks on such a scale on a chancellor in office have not occurred since the year 1982, when big business delivered to Chancellor Schmidt the unmistakable message that his time was up. A typical such recent attack came from Porsche chairman Wendelin Wiedeking, in the weekly *Die Woche* on July 31: "For me and many of my manager colleagues, this government has become very questionable. Chancellor Kohl lacks any understanding of the economy. This is not the way one must lead a state." Attacking, in particular, Kohl's method of proclaiming jobs without proposing concrete programs, Wiedeking endorsed the idea of a Grand Coalition.

International Intelligence

Stakes high in Poland's elections for Parliament

On Sept. 21, citizens of Poland will elect a new Parliament. The Democratic Left Alliance (SLD, which is the successor party to the Communists), which currently dominates Parliament, and the Solidarity Electoral Alliance (AWS), are leading in all opinion polls.

Other parties which have a chance to win seats in Parliament are: The Freedom Union (UW), led by the infamous neo-liberal, former Finance Minister Leszek Balcerowicz; the Movement for the Reconstruction of Poland (ROP), led by nationalist Jan Olszewski; and the Polish Peasant Party (PSL), which has some commitment for protectionism. However, Thatcherite neo-liberalism has wormed its way into the platforms of most parties. Exemplary is AWS, which has been very much influenced by the Windsor Group (comprised of the U.S.'s International Republican Institute, Britain's Conservative Party, and the like).

Deputy Wojciech Blasiak from the KPN party, who is running on the AWS slate, remarked to *EIR* that he actually fears an AWS victory, because the party is so mixed between nationalists, like himself, who want to protect Poland's economy and break with the International Monetary Fund, and Thatcherite liberals. Many Poles believe that much depends on which individuals win, rather than which party: The parties, being so far from homogeneous, would be hard put to form a stable government coalition with stable majority support in Parliament.

FAO, Unicef alarmed by North Korea famine

On Sept. 13, UN Food and Agriculture Organization (FAO) Director General Jacques Diouf renewed aid agencies' "very serious alarm" over the increasing starvation in North Korea. Diouf spoke after he and other UN officials met with North Korean Vice Premier Kong Jin-tae in Pyongyang. They repeated that 80,000 children are severely

malnourished, and Unicef Deputy Director for Emergency Operations Peter McDermott said thousands of children had already died, and many more were at risk from diarrhea and pneumonia. "Guarded optimism expressed earlier for some recovery in food production this year, is now replaced by very serious alarm," the FAO, the World Food Program, and Unicef urged in a joint statement. The agencies said that the 1997 fall harvest has been nearly lost to this year's drought and the aftermath of Typhoon Winnie—all on top of two years' record floods in 1995-96, which covered 30% of the country's farm land with silt.

"There is enormous cause for concern" over the spread of infectious diseases exacerbated by malnutrition and broken-down sanitation, McDermott said. "Providing food to famine-hit areas has historically not been sufficient to treat the problem. . . . There is a real danger that we might undermine the effectiveness of food aid by not providing the limited resources needed to improve health care and purify the water supply," he said. He praised the North Korean government for its help, but said that the official policy of *juche*, or self-reliance, "means that everyone gets a little bit of aid—they don't realize that a sick child needs proportionately more of what's available."

Military patriots call for Seineldín's pardon

Brazil's most prominent military journal *Ombro a Ombro* editorialized for the Argentine government to pardon Col. Mohamed Alí Seineldín. In its September issue, *Ombro a Ombro* wrote that were Seineldín to be released from jail, this could signal the beginning of a process to rebuild the nations and armed forces of Ibero-America. The editorial, "The Price of Military Weakness," characterizes recent spats between Argentina and Brazil as a consequence of the demilitarization policy, applied so harshly in Argentina, under both Presidents Raúl Alfonsín and Carlos Menem. It was in response to the demilitarization policy, the editorial adds, that Argentina's Army nationalists or-

ganized several uprisings, the last of which, in December 1990, led to the imprisonment "of Malvinas hero, Col. Mohamed Alí Seineldín."

Ombro argues that what is required is not a return to the 19th-century "intrigues and divisions of British geopolitics," but rather a "continental integration which respects the peculiarities of each nation-state, and offers true perspectives for common development, with the participation of the armed forces." Rather than playing into a foreign-manipulated game, "Argentina would do more for its national dignity by releasing . . . Seineldín, whose only 'crime' was to fight the causes of the deliberate weakening of his country. His freedom could mark the beginning of the reconstruction of the valued Argentine Armed Forces, whose strengthening, as understood by Brazilian patriots, offers a greater guarantee of collective security, than its current deplorable state."

Bosnia citizens vote in municipal elections

After Bosnia's Croats and Serbs dropped their plans to boycott, Bosnia was finally able to hold its long-awaited municipal elections on Sept. 13-14. About 2.5 million Bosnian citizens, including 400,000 outside the country, were registered to vote for 136 municipal councils. The results were not expected before Sept. 20, at the earliest. The elections have been already postponed three times, and removing the final roadblocks took place after meetings in Zagreb, Croatia between representatives of the Organization for Security and Cooperation in Europe (OSCE), which organized the elections, and Croatian President Franjo Tudjman. The leaders of the Bosnian Croatian Democratic Union (HDZ), which Tudjman heads in Croatia, were also present. After three hours of talks, Kresimir Zubak, the Croat member of the Bosnian collective Presidency, said that all the important issues had been solved.

The Bosnian Serbs connected to the SDS party of war criminal Radovan Karadzic also dropped their threat of boycott. The Serb member of the Bosnian Presidency, Mom-

Briefly

PAPUA NEW GUINEA is suffering a terrible drought which has already killed 47 people who died of thirst and hunger in the highlands and outlying islands. Tens of thousands are in search of food and water as the worst drought in 50 years takes its toll. Because of the forbidding terrain, many villages are isolated and the death toll from cold and famine is expected to be even higher. The unusual weather is attributed to the El Niño currents in the Pacific.

SERBIA'S Information Minister Dr. Radmila Milentijevic, at a Washington, D.C. press briefing on Sept. 12, let slip that George Soros has given millions to set up radio stations on the eve of what she called "the most democratic elections" ever. After playing down media influence, because Serbian dictator, President Slobodan Milosevic is already so popular, she added: "Yes, the Soros Foundation has given money for radio stations. It helps the balance; we welcome that."

AUSTRALIAN Justice James Wood, in a 1,200-page "Pedophile Inquiry," part of the Royal Commission investigation into the New South Wales Police Force, recommended that the age of consent for male homosexual activity be lowered to 16. Wood also recommends that males having sex with boys no younger than 14, could claim they "mistakenly but reasonably" believed the child had consented.

THE COMMONWEALTH Parliamentary Association opened its annual gathering on Sept. 14, in Mauritius. Some 300 individuals, representing the 49 countries of the Commonwealth, were in attendance, with an untold number of observers. The head of the CPA is the Canadian Arthur Donahue.

SPANISH BASQUES 50,000 strong demonstrated in Basauri on Sept. 8 against the murder of a policeman who was killed two days earlier in that city by a bomb from the Basque separatist ETA terrorists.

cilo Krajisnik—who has sided with Karadzic against Republika Srpska President Biljana Plavsic—also ended his boycott of the Bosnian Presidency meetings on Sept. 12, which he began on July 10, after a Serb war criminal was shot by British NATO troops who had been serving a warrant on him. Krajisnik has been also a main organizer of the recent mob stonings against NATO forces.

London Times gloats over Philippines crisis

Under a headline, "Manila Faces Civil War under Ramos," the London *Times* of Sept. 17 reported on the fight developing in the Philippines over the proposed "charter change" of the 1987 Constitution to allow President Fidel Ramos to run for a second term in the 1998 elections. Ramos told the *Times* he can't understand why he's being "demonized," just because he has simultaneously denied being behind the initiative, while saying he will "submit to the will of the people" if they proceed with the "cha cha" initiative, as it is called in Manila.

Leading the opposition is Archbishop Cardinal Jaime Sin of Manila, who warned that "there will be another Cambodia," i.e., civil war, in the Philippines, if Ramos seeks a second term. Sin told the *Times* he has always opposed Ramos as President, and believes former President Corazon Aquino now regrets having designated Ramos her successor. Sin believes Ramos knows who killed Aquino's husband, Benigno Aquino, whose August 1983 murder was the opening shot in the three-year "people's power" campaign, backed by the International Monetary Fund, that ousted President Ferdinand Marcos in 1986.

Vatican takes stronger stance vs. death penalty

The Vatican on Sept. 9 issued the definitive Latin language version of its Universal Catechism, in which the Roman Catholic Church comes closer than ever before to calling for a ban on capital punishment. The new Cate-

chism, issued in 1992, is the most extensive revision of its rules since the Council of Trent 400 years ago. Cardinal Joseph Ratzinger, the Vatican's top doctrinal official, told a news conference that the new Catechism invoked "principles which do not exclude capital punishment absolutely, but give very severe criteria" for its use.

The articles on the death penalty were changed to reflect Pope John Paul II's 1995 encyclical *The Gospel of Life*. The new version reads: "The traditional teaching of the Church does not exclude . . . recourse to the death penalty when it is the only practical way to efficiently defend the lives of human beings from the unjust aggressor. If, instead, bloodless means are sufficient . . . authorities should limit themselves to these means because they better correspond to the concrete conditions of the common good and are more in conformity with the dignity of the human person. . . . [T]he cases where it is absolutely necessary to suppress the guilty are today very rare, if not practically nonexistent."

'Ice' drug plague scourges Australia

The Australian Federal Police (AFP) recently seized a 4.5 kg shipment of the synthetic drug pink ice, in Melbourne, while 200 g of white ice was seized in Sydney early this year. Police have been warned to watch for the new ice, which comes in pink, green, or blue. "Ice," the street name for methamphetamine hydrochloride, is regarded as one of the most dangerous new drugs internationally. The stimulant is extremely addictive, and causes loss of appetite, paranoia, mood disorders, hallucinations, and an extreme rise in body temperature. Long-term use can cause fatal kidney and lung disorders, brain and liver damage, and stroke.

The AFP warned that ice is much more potent and more dangerous than amphetamines, or "speed," which is Australia's second most used illicit drug next to cannabis. Ice is reportedly manufactured in Russia, Thailand, Burma, and northern China, according to the *Canberra Times*.

Sudan, target of Rice war

by Lyndon H. LaRouche, Jr.

September 19, 1997

During a Sept. 16-17 seminar on the theme of “Religion, Nationalism and Peace in Sudan,” a cabal of British agents and other rug-chewing fanatics, representing official and pseudo-official positions of influence around the U.S. government, lined up in support of the launching of a four-front military invasion of Sudan, intended to conquer and dismember that nation.

The military operations now pre-deployed in preparation for that unprovoked, aggressive warfare, are being run by African states each and all currently under the direction, and top-down control by the British monarchy. However, reports on the ground inside Africa indicate that London-controlled Israeli forces, already closely associated with genocide operations directed by Ugandan dictator Yoweri Museveni, are to supply some of the crucial strategic military elements, such as air power, of the invasion now being readied.

This planned military invasion of Sudan is positioned at the same time that Museveni has launched the first phase of his military operations aimed at dismembering Kenya in much the same way Uganda’s military forces, backed by Rwanda dictator and mass-murderer Paul Kagame, used the noted organized-crime figure, Laurent Kabila, for their Nazi-like holocaust against Hutu refugees and others in Zaire-Congo.

The African dictators behind the invasion are each and all under the leadership of Uganda Hitler admirer and Fanonist, Yoweri Museveni. All of these, including the current dictators of Eritrea, Ethiopia, and Rwanda, like Museveni puppets John Garang and Kabila, were either graduates of British Commonwealth puppet-master Julius Nyerere’s Dar Es Salaam “kindergarten,” or were, like Kabila, closely associated with Museveni when Museveni was being processed there, or later.

Think of Africa as the imperial arena, and the roster of speakers featured at the U.S. Institute for Peace’s Sept. 16-17 rally as like the Circus Maximus’ 100,000-odd mouth-foaming mob of spectators, all shrieking “Thumbs down for Africa.” Look inside the U.S. Congress, where the self-anointed servants of such a *vox populi* include such shame-

lessly overt agents of the British intelligence services, as Representative Chris Smith (R-N.J.) and Sir Paul Mellon’s hand-picked, Manichean errand-boy, Representative Frank Wolf (R-Va.). Smith and Wolf are members of a British intelligence front-organization called Christian Solidarity International (CSI), otherwise known to some of us as Christian Solidarity—America (CSA). CSI is coordinated by the Deputy Speaker of the British House of Lords, Caroline Cox, a creature whose performance in Africa, marks her as one as close to the Christians in the arena as the Emperor Nero.

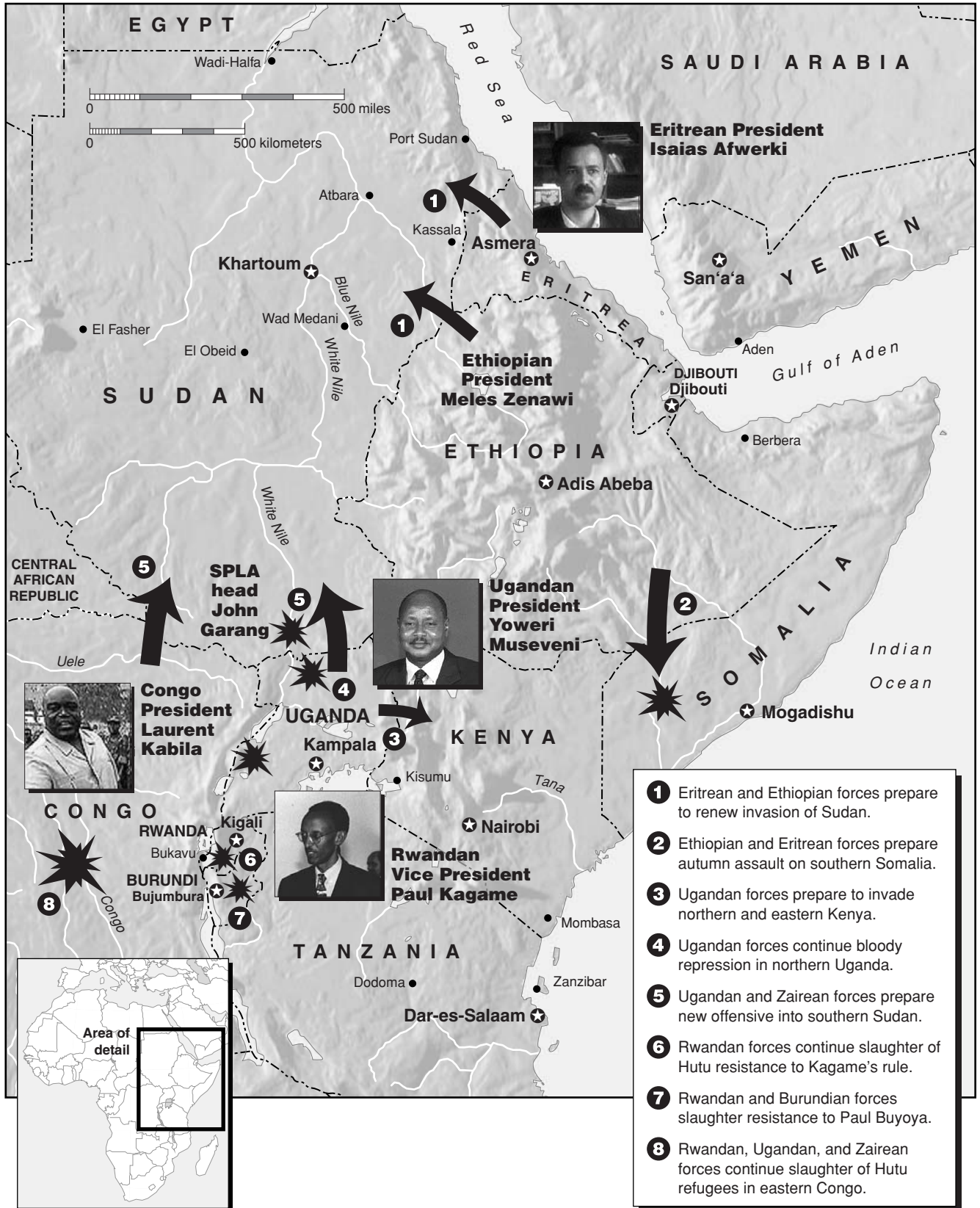
Look at the map of the Horn of Africa region. The dictators of Uganda, Rwanda, Burundi have armies, but the nations which once bore those names no longer, in fact, exist. Julius Nyerere, the long-standing puppet-master of Uganda’s fate, has kept Uganda in virtually a permanent state of civil war, since Nyerere toppled his former protégé Idi Amin. Since Museveni’s army invaded Rwanda, that former nation has become better known as the “Auschwitz of dictator Kagame’s Hutu Holocaust.” Call the former Zaire “Congo,” or whatever else you wish, the nation which once stood there no longer exists, the last vestiges of nationhood slaughtered by Museveni’s figurehead Pro-Consul, Kabila. The march of a new kind of Black Death is destroying the former nations and peoples of Africa; the greatest genocide in all human existence is now afoot, being cheered on currently by such U.S. mouthpieces of London as Chris Smith; Frank Wolf; outgoing Assistant Secretary for Africa George Moose; an NSC director of Africa Affairs, John Prendergast; ostensibly incoming Assistant Secretary for Africa Affairs Susan Rice; Library of Congress official Ted Dagne; Museveni booster Roger Winter; and so on.

The overriding question to be posed, is what happens if President Clinton fails to act, with pungency and force, to shut down Britain’s orchestration of the invasion of Sudan? Look at the strategic geographic position of Sudan in Africa; look at the strategic significance of Sudan’s sovereignty for U.S. ability to make policy in any part of the world, not only in Africa itself.

Since, professed British agent and then-Secretary of State Henry A. Kissinger swapped Ethiopia for Somalia, with the

FIGURE 1

Criminal activities of British puppet-dictators in Eastern Africa



Soviet Union, under the terms of the British Arab Bureau's Bernard Lewis, back during the mid-1970s, the Horn of Africa region, as indicated by the accompanying map, is the strategic "Balkan" region of Africa, the link to the Middle East cockpit. See what happened to Somalia, and to Ethiopia, too, as a result of Henry Kissinger's mid-1970s swap-deal with Moscow. Imagine that model, combined with the more recent Great Lakes Model, suddenly spread through the entirety of the region shown by the map, and beyond that.

Under those conditions, the U.S. has no ability to make policy in Asia, let alone Africa, until some conjecturable time deep in the next century. That would be the early end of the Clinton administration, even as soon as two years before the ritual of the November 2000 elections. President Clinton's willingness, and commitment to act with effective, crushing pungency and force, to bring about the early dumping of Prime Minister B. Netanyahu in Israel, and a permanent halt to the British-directed invasion of Sudan, are the two immediate issues upon which the success or doom of the Clinton administration rest. On these strategic issues, the President, if he is prudent, dare not compromise.

Those clowns, in his own administration, who support the Sudan invasion prospect, must go. Otherwise, the Clinton administration will almost certainly disintegrate, very rapidly, into a shambles.

British agents in Washington gun for war against Sudan

by Muriel Mirak-Weissbach

The U.S. Institute for Peace hosted a two-day seminar in Washington, D.C., Sept. 16-17, purportedly on the theme, "Religion, Nationalism, and Peace in Sudan." In reality, the conference laid out a political and military strategy for overthrowing the Sudanese central government, in the near term. Both government representatives and persons associated with non-governmental organizations (NGOs), who claimed to be speaking in their personal capacities, fraudulently portrayed their "recommendations" as reflecting the policy of the Clinton administration.

Gathered at the Plaza Hotel in downtown Washington, were think-tankers from the host institution, as well as from the Brookings Institution and the Max Planck Institute in Germany; they were flanked by the usual NGOs operating under the cover of humanitarian aid, like Human Rights Watch, World Vision, and the U.S. Committee on Refugees; several professional Sudanese opposition figures, of the umbrella

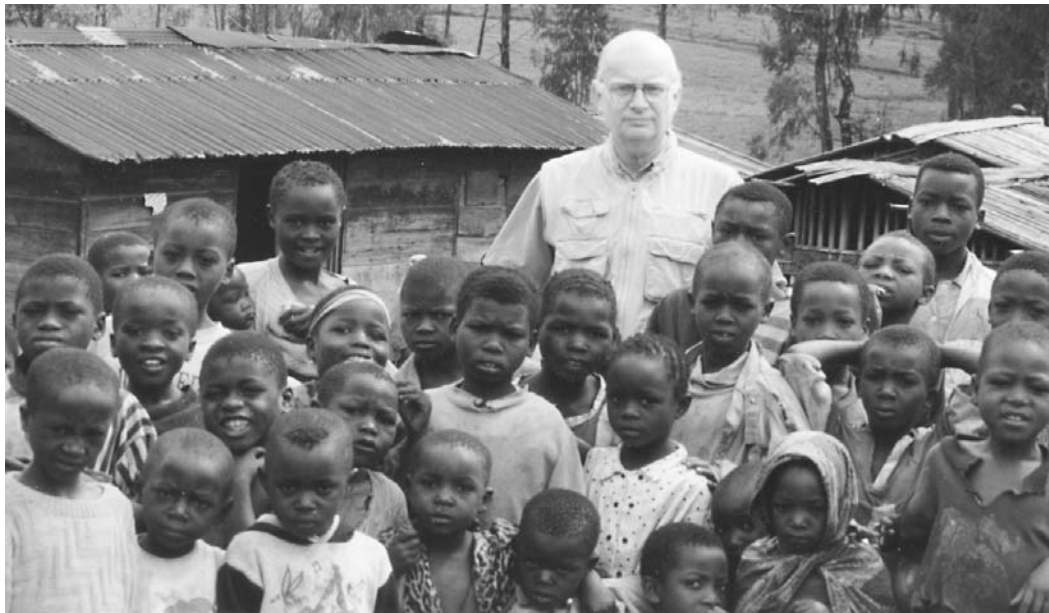
grouping founded by Baroness Caroline Cox, known as the National Democratic Alliance (NDA); and, a handful of British intelligence agents operating inside the National Security Council, and the U.S. Congress. The only noteworthy figure absent was Baroness Cox, herself.

Following numerous academic speeches on Islam, Islamization, religious identity, and the like, which took up the bulk of the first day's proceedings, the participants set to work on the second day, to announce policy directives which they asserted to be those of the U.S. President. The gist of the strategy presented was that the United States should provide political and military support to Sudan's neighbors, now known as the "front-line states," as well as to the remaining rebel forces led by John Garang, to enable them to overthrow the Khartoum government by November.

To prepare the terrain for launching their call for war, the speakers took care to characterize their targetted victim, as evil incarnate. The Sudanese government of President Gen. Omar al-Bashir, who took power in 1989 and was confirmed in general elections in March 1997, was referred to throughout as the "NIF regime," referring to the National Islamic Front, a mass-based movement led by Speaker of the Parliament Dr. Hassan al-Turabi. The entire gamut of slanders that have been churned out by British intelligence outlets since 1989, against Bashir and Turabi, were retailed by speaker after speaker: that the "Arab Islamic" leadership of "the North" oppressed the Christian and animist Sudanese of "the South," forcing them to convert to Islam, and to use Arabic in place of their tribal dialects. Ted Dagne, a British intelligence asset operating as "specialist in African affairs" for the Foreign Affairs Division of the Congressional Research Service, added the allegations of slavery and support for terrorism, to the list of crimes drawn up against the targetted government. Human Rights Watch speaker Jemera Rone accused Khartoum of having built a nation on the basis of the predominance of one "master race," and compared this "rampant nationalism" with the fascist regimes defeated in World War II. Adam Mohamed Abdelmoula, a Sudanese lawyer working with a plethora of "human rights" fronts, suggested that the "NIF regime" were the modern-day counterpart to the Nazis, and "should be treated accordingly."

Not only was the Sudanese government slandered as having systematically violated the human rights of its citizens, but it was also accused of constituting a threat to its neighbors. Again, Ted Dagne led the charge, retailing wild, unfounded allegations of Sudanese sponsorship of the assassination attempt against Egyptian President Hosni Mubarak in 1995, and "Sudan's destabilization campaign . . . expanding to other parts of Africa." Thus, the conclusion followed, that the current Sudanese government represented a threat to U.S. strategic interests.

Ergo, it must be removed. The consensus among the U.S. Institute of Peace panelists, was expressed by Peter Nyot Kok, a Sudanese member of Cox's coterie, from the Max Planck Institute. Kok said that the "demise of the NIF regime" was near. All seemed in agreement, as well, that if the "demise,"



Roger Winter, shown here with refugees in Maisii, Zaire, January 1997. Winter describes the violent overthrow of the Khartoum government as "militarily viable," but says he prefers a different route. "The nice thing about the way I'm suggesting the U.S. be involved," he states, "is it is indirect."

or the "de-NIF-ication" could not be done by political means, then the cannons should be pulled out.

John Prendergast, a director of Africa Affairs at the National Security Council, outlined three levels on which, he said, U.S. initiatives against the Sudanese government were being launched. He said that Washington would increase its unilateral pressure on the Khartoum government, adding that the administration and Congress were considering "imposing comprehensive sanctions" against the government. He said, "We are trying to expel Sudan from the International Monetary Fund, on purely economic grounds," alleging its non-compliance with economic reforms. He said the United States had "intensified pressure to contain" the government, which he characterized as an "odious regime."

On the regional level, Prendergast said that the United States was trying to "focus on supporting neighboring states in the Horn of Africa," allegedly threatened by Sudan. Such support, he said, entailed supplying Uganda and Ethiopia with non-lethal weapons for their defense, as part of what he called the "Front-Line States Initiative." At this level, too, he said the United States supported the declaration of the Inter Governmental Authority on Development (IGAD), as the basis for peace talks to end Sudan's civil war. Prendergast ruled out any support for or dealing with the peace treaty which the Sudanese government signed in April of this year, with all but one of the rebel groups.

On the domestic level, Prendergast said the United States was providing humanitarian aid, and was supporting the NDA's objectives. He announced that the U.S. government would now provide development assistance to rebel-controlled areas, and assist rebel forces in setting up civil institutions, courts, etc. in these areas.

Both in his prepared remarks and in answering questions, Prendergast deferred to a statement made by Susan Rice, dur-

ing hearings held on Sept. 21, on her nomination as Assistant Secretary of State for African Affairs. Rice's statement was presented as the administration's policy on Sudan. What she said was: "In concert with concerned members of Congress, we have also recast our policy towards Sudan to apply additional pressure aimed at isolating the Khartoum regime in order to contain the threat it poses to U.S. interests and to compel it to halt its support for terrorism and its grave human rights abuses. We have also provided for the first time defensive military assistance to Sudan's neighbors, which face a direct threat from Sudanese-sponsored insurgencies."

Although NSC official Prendergast was careful not to commit the United States to direct military intervention, that aspect was handled by Roger Winter, of the U.S. Committee on Refugees. Protecting himself with the ritual declaration that he was "speaking for an NGO which had no relation to the U.S. government," Winter announced, "I am going to promote the option of Peter Nyot Kok, that is, the demise of the NIF government." He pointed to the "change in the perspective of governments in the region, regarding the NIF," chronicling the shift since 1994, of Eritrea and Ethiopia against Khartoum. He quoted Eritrean President Isaias Afwerki, who, at the Kampala Pan Africa Conference in 1994, "attacked the government in Khartoum; he foreshadowed a level of hostility not only to the situation in Sudan, but foreshadowed the fact that neighboring countries saw their own vested interest in removing this government." Winter claimed that the "demise" of the NIF government was also one of the vested interests of the United States. His optimism regarding the feasibility of overthrowing General Bashir's government came, he said, from the "existence of the NDA and the existence of four military fronts at the same time" against Sudan.

Winter made clear, that he was talking about implementa-

tion of the NDA's infamous "Asmara Declaration," the document voted up at the NDA meeting held in the Eritrean capital, under the auspices of Caroline Cox in June 1996. That document called for the violent overthrow of the Khartoum government, through military pressure from the outside, and a military insurrection in the capital. Winter continued: "I've said a lot of things which go beyond an NGO mandate. If what I have suggested is *militarily viable*, it will be a humanitarian disaster." Therefore, he urged action now: "I do believe the U.S. government should be encouraging—not militarily—the demise of this government. Meanwhile it must prepare for the humanitarian catastrophe which will ensue, if the opposition forces take a shot at bringing it down." He spoke of millions of new refugees and displaced persons, as a result of the success of his "viable military option." After proposing that the United States "provide development assistance to those areas outside the control of the government of Sudan" (which Prendergast had already announced), Winter went on: "The nice thing about the way I'm suggesting the U.S. be involved, is it is indirect. It is not our fight, it is a Sudanese fight, in which we and the regional powers have an interest."

Finally, on the civilian level, Peter Nyot Kok briefed the gathering on the ongoing work to draft a constitution "for the post-NIF era, as soon as Dr. Turabi is either negotiated out or forced out."

Not peace, but war

The entire seminar was organized in such a way as to prevent any debate involving the "other side." Outrageous though it may sound, no representative of the government of Sudan, the victim being set up for the kill, was invited to speak. Sudanese Ambassador Dr. Mahdi Ibrahim Mohamed was not allowed to address the open conference. On the second day, following well-deserved protests, the sponsors agreed to let him speak, but only to a closed session of seminar speakers.

Dr. Mahdi introduced his documented presentation on the situation in Sudan, by thanking the institute for organizing the symposium, "in the best tradition of free speech enshrined in the customs and Constitution of the United States." He quipped, "As Winston Churchill taught, it is better to jaw-jaw than to war-war, a lesson he had yet to learn when he crusaded with Lord Kitchener down the Nile to avenge the death of 'Chinese' George Gordon, who earned his first military fame in China."

Dr. Mahdi reviewed the basic economic and political developments in his country, particularly under the current government. Then, he focussed on the issue which should have been at the center of the proceedings, but which had been carefully left out: the peace process in Sudan. As he detailed, and *EIR* has documented (in the issue of May 9, 1997), the Khartoum government has signed a wide-ranging peace treaty with the military and political leaders of the Sudanese People's Liberation Army/Movement (SPLA/M) and the South Sudanese Independence Movement (SSIM), which outlines power

and wealth-sharing, within Sudan, a "multi-racial, multi-cultural, and multi-religious state." The treaty guarantees "all individual and constitutional rights based on citizenship alone irrespective of race, religion, gender or otherwise; complete freedom of religion, including a right to proselytize and preach without regulation," and so forth. The treaty specifies that a referendum will be held, under international monitoring, at the end of an interim period, in which the southern Sudanese population may vote for unity or secession.

The 'Adolf Hitlers' of east Africa

Yoweri Museveni

President of Uganda since his taking of Kampala by force of arms in January 1986, Museveni is the linchpin of the current genocidal wars in east and central Africa. Museveni matriculated at Dar Es Salaam University, where he wrote his thesis on "Fanon's Theory on Violence: Its Verification in Liberated Mozambique." The very first line of the thesis is a quotation from Frantz Fanon, stating: "At the level of the individual, violence is a cleansing force."

During his time at Dar Es Salaam in the early 1970s, Museveni founded the Revolutionary Students Front, which became the home for John Garang, among others. It was out of this cell, Museveni proudly stated in a recent press conference, that he formed the nucleus of his National Revolutionary Movement/Army, which took power in 1986, with hefty aid from the British Privy Council's London-Rhodesia Company (Lonrho) of Tiny Rowland, Nigeria's British-agent moneybags Mashood Abiola, and various refugee aid operations, including Roger Winter's U.S. Committee on Refugees. Propaganda and publicity was supplied free of charge by the British Broadcasting Corporation, whose "correspondent" William Pike, now editor of the Uganda government newspaper *New Vision*, accompanied Museveni in the bush through most of his 1981-86 campaign of violence to seize power.

Museveni's statement is blood-curdling in its celebration of nihilistic violence as the "highest form of political struggle." He quotes Fanon: "Violence alone, violence committed by the people, violence organised and educated by its leaders, makes it possible for the masses to understand social truths and gives the key to them." Museveni himself claims: "Not only is violence the only effective instrument of bringing about the overthrow of colonial rule, it is also a laxative, a purgative, an agent for creating new men."

In June, Museveni founded a cell of his Revolutionary

As demonstrated by the care taken in the seminar to ignore the peace treaty, this political achievement is indeed one of the leading factors behind the decision, on the part of the British intelligence Sudan sector led by Baroness Cox, to accelerate operations aimed to overthrow the government.

Breaking the controlled environment

Several voices were raised at the seminar, on the peace process, despite the gag rule.

Former U.S. Rep. Mervyn Dymally (D-Calif.) rose to ask why the Sudanese peace process was not being given the same attention and support given the Dayton or Oslo accords. Indeed, said Dymally, the chairman of the seminar had referred to the Sudanese treaty as a “so-called peace.” This, he was told by David Smock of the U.S. Institute for Peace, was justified, because the “SPLA was not part of the April 1997 peace treaty.”

This writer then pointed out that although the large major-

Students Front at Makerere University in Kampala—indicating his adherence to the nihilistic ideas of Dar Es Salaam. The victims of this violence, as the world has witnessed over the last seven years, have not been “white colonial rulers,” but hundreds of thousands of black Africans, at least half of them children.

Paul Kagame

Vice president and defense minister of the Rwanda ruled by the Rwandan Patriotic Front, Kagame is the strongman of the RPF regime, which, it is estimated by reliable Rwandan and American sources, has killed more than 1 million Rwandans inside Rwanda since it came to power in July 1994. In the *Washington Post* of July 9, Kagame in an interview states that the first purpose of the Rwandan invasion of Zaire in late 1996 was to “dismantle the [refugee] camps”—a process which led to the deaths of upwards of 500,000 people. Before leading the RPF, Kagame was the director of intelligence for Museveni’s National Resistance Army of Uganda. Kagame is widely credited with the murder in 1990 of RPF founder Fred Rwigyema, who matriculated with Museveni at Dar Es Salaam.

John Garang

Since 1983, John Garang has been leading a rebellion in southern Sudan, which has led to an estimated 1 million deaths. A former Marxist sidekick of Yoweri Museveni at the University of Dar es Salaam, Garang’s rebellion had been raised by the British to stop the construction of the Jonglei Canal, which would have increased Nile River throughput by 7%, vastly increasing food production in both Sudan and Egypt. In 1997, most of Garang’s southern allies and followers abandoned their revolt, and signed a peace treaty with Khartoum. But Garang’s forces, which are supplied, led, and staffed, by the Ugandan Army, and Israel, continue to wage their genocidal war, which is intended to fragment Sudan.

Meles Zenawi

Dictator of Ethiopia since 1991, Zenawi is committed to fragment that ancient nation into a half dozen ethnically defined states, as dictated by his British masters, who see

even the continuing existence of Ethiopia as a threat to their policy of recolonizing Africa. Like his close associate, Eritrean dictator Isaias Afwerki, Zenawi has publicly ditched his Marxist-Leninist-Mao Zedong rhetoric, and has embraced free enterprise, while continuing to promulgate revolutionary violence. The constitution he rammed through Ethiopia in 1991, formally allows for the secession of the 14 ethnically defined regions that remain in Ethiopia following Eritrean independence. Ethiopia is a base for military operations against Sudan, and Somalia, which is now also targeted for a renewed Ethiopian/Eritrean invasion.

Isaias Afwerki

Dictator and founder of Eritrea since it was carved out of Ethiopia in 1991, Afwerki has transformed this former Ethiopian coastal strip into an Israeli naval base targeting the Arab countries bordering the Red Sea, while also making it into a base to launch war against Sudan. Afwerki’s Eritrean Peoples Liberation Front emerged hegemonic over the Egyptian-allied Eritrean Liberation Front after a bloody 1970s Eritrean civil war. Afwerki and Zenawi came to power through the aid of the British, and the Bush administration. In 1997, SPLA and allied Sudanese forces invaded Sudan from Eritrea. Also in 1997, Eritrea went to war with Yemen, with Israeli backing, over disputed islands which control the mouth of the Red Sea.

Laurent Désiré Kabila

Dictator of the “Democratic Republic of Congo,” formerly Zaire, Kabila was installed in power in the spring of 1997 by the legions of Rwanda’s Kagame and Uganda’s Museveni, following their murder of 2 million Rwandan Hutu refugees there. A longtime diamond smuggler, who even Castro’s Che Guevara considered too degenerate to associate with, Kabila had been trained as a Marxist revolutionary in Albania. He was later recruited into Museveni’s orbit while at Dar Es Salaam, when Museveni was as revolutionary student there. Under Museveni’s direction, Kabila’s forces are now targeting the Central African Republic, Chad, and Sudan.

—Linda de Hoyos and Joseph Brewda

ity of the Palestinian people no longer support the Oslo Accords, and at least ten PLO political factions actively oppose them, and although the current Israeli government rejects the accords, still, we rightly support U.S. intervention to implement them. So, this writer continued, should we support the Sudanese peace process, which has been endorsed by leading members of all the rebel factions, except Garang's. In conclusion, this writer proposed that the U.S. Institute for Peace convoke a conference, to which it would invite the signatories of the Sudan peace treaty, and John Garang as well, who has heretofore refused to participate in peace talks.

As to be expected, there was no direct response to the proposal. Instead, the focus shifted to the IGAD initiative which Prendergast had identified as the sole venue for peace talks. The consensus of the panelists was, that the government of Sudan had cooked up the peace treaty in April, as a trick, to avoid participation in talks under IGAD. The fact of the matter is, that all meetings scheduled by third parties, including a recent initiative by South African President Nelson Mandela, to bring Bashir and Garang together at the negotiating table, have failed, due to the refusal of Garang to attend.

More fundamental than the peace process itself, is the question of the authorship of the "not peace but war" strategy unveiled at the conference. Again, it was an *EIR* representative, Lawrence Freeman, who challenged the panel to address the issue of external forces who were orchestrating the political and military assault against Sudan. Here he named Baroness Cox, who is fomenting religious strife, while masquerading as the champion of religious values, in her capacity as head of the Christian Solidarity International. It is Cox who personally organized the Sudanese opposition into the NDA coalition, brought the NDA to accept Garang and the SPLA as their military leadership, organized the Asmara conference in 1995, and hosted the opposition in the British House of Lords, as well as at a secret Foreign Office seminar in London in 1996. It was also Cox, who mediated the purchase of Eritrea's and Ethiopia's governments, by British intelligence, for their military cooperation in the invasion of Sudan in early 1997. It is Cox's colleague-in-arms Lady Lynda Chalker, formerly head of the British Office of Overseas Development, who has directed the political and military moves against Sudan by Uganda's dictator Yoweri Museveni.

EIR's Linda de Hoyos followed up by asking whether those on the panel were aware of the strategic catastrophe which the military option they were presenting, would entail for the United States. De Hoyos reminded the gathering that the genocidal catastrophe which has unfolded in the Great Lakes region, orchestrated by British proxies, has been blamed on the United States by many in the region.

Whatever meaningful discussion might have ensued, was cut short, when a surprise guest, none other than Eritrean President Isaias Afwerki, was announced, and took the floor to make sundry generic remarks.

Who's in control here?

There was one controversial issue which did get a hearing, one which points to a crucial question, namely, who determines U.S. foreign policy. It emerged in the form of complaints issued by the whining Ted Dagne, whose entire argument was that the Congress had been responsible for exerting pressure on the White House, by mobilizing around issues of terrorism, slavery, etc. Such congressional pressures (which Dagne has been crucial in orchestrating), had led to statements by the White House, he said, condemning Sudan, and had also led to placing the country on the list of terrorist-supporting countries. However, Dagne complained, not everyone had fallen into line. "U.S. policy toward Sudan has been inconsistent and at times confusing," he charged, and explained the inconsistency as "due to two competing policies: one pursued by the White House and another by the State Department." Dagne claimed that the White House pushed the hard line, whereas at State, there were some who were soft.

Dagne went on to lament the existence of some dissenters within the administration. "While some within the Clinton administration are reluctant to endorse the White House's tough stance on Sudan and favor dialogue with the government to ameliorate Khartoum's anti-American sentiment, they, nonetheless, accept that the NIF regime has not made satisfactory progress to reverse current policy." Dagne specifically criticized the statements of support for the Sudanese peace treaty, that had come out, he said, from the State Department. He claimed that such contradictory statements "become competing policies, undermining the administration's tough stance and confusing our allies in the region." He then went so far as to accuse those holding different views of engaging in a "petty turf conflict."

Prendergast backed up Dagne's ranting attacks, by assuring him, that with the "new team" at the State Department, especially with the arrival of Susan Rice, everything would be fine. Prendergast also singled out David Dunn and Steve Schwarz for praise.

The differences in policy over Sudan, do indeed exist, and they are reflections of the difference between the British policy of confrontation, destabilization, and nation-wrecking, and the policy of dialogue, or engagement, which President Clinton has promoted. Dagne's raving, bears valuable testimony to the fact that he, and other British agents of his ilk, have been commissioned to ram through a British confrontationist line, by lining up dupes in Congress, and browbeating any dissenters in State or elsewhere. Dagne does not dare openly attack the President, but the criticisms he has raised, apply to initiatives taken under Clinton's direction.

If the U.S. Institute for Peace seminar had any merit whatsoever, it was that it laid bare the extent to which U.S. foreign policy institutions and relevant channels of influence, have been poisoned and taken over by the British.

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

"Never again!"

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

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



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U.S. sets the record straight on Myanmar's war on drugs

by Michael and Gail Billington

In September, the National Narcotics Intelligence Consumer's Committee (NNICC) released its Annual Report for 1996 on world drug production and consumption. The NNICC is an interagency committee representing the Drug Enforcement Administration (DEA) and other intelligence and law enforcement agencies concerned with narcotics control, reflecting the policy direction of President Bill Clinton's "drug czar," Gen. Barry McCaffrey (ret.), director of the White House Office of National Drug Control Policy. In a welcome departure from the recent rash of politically motivated diatribes against Myanmar as an "international pariah," complicit in drug production and distribution—charges lodged especially by London's Foreign Secretary Robin Cook, but also by the U.S. State Department—the NNICC report presents a truthful analysis of the increasingly successful drug suppression operations of the State Law and Order Restoration Council (SLORC), the military government of Myanmar. Except for the coverage in *EIR*, these facts have gone totally unreported in the Western press until this time.

The critical importance of the publication of this document can only be understood by contrasting it to the announcement by British Foreign Secretary Cook in Malaysia on Aug. 28. Cook declared a war against Myanmar and other nations using British intelligence operatives, under the cover of combatting "drug barons." For London, the headquarters historically and to this day of the global drug business (see *EIR*, Aug. 29, "George Soros: the Queen's Drug Pusher"), to justify a policy of illegal, subversive operations against sovereign nations out of alleged concern about the evils of drugs, is an irony not lost on the nations of Southeast Asia, each of which suffered the ignominy of being used as drug plantations by British, French, or Dutch colonial regimes.

Cook's pretensions were obnoxious and grotesquely hypocritical. According to the Aug. 29 *Times* of London, Cook

announced that the British government "would focus on attacking the drug supply chain at every stage, from stifling production at source to preventing profitability and stopping money laundering. Covert operations by MI6 officers abroad against international drug-trafficking and money-laundering networks will become one of the top priorities." The *Times* continued that there are an estimated 800 MI6 agents at British embassies, who will "have a strategic role, running deep penetration operations aimed at harming the drug barons where it will have a long-term impact. . . . The role of MI6 intelligence officers and their network of secret agents will be to mount long-term penetration of criminal organizations." The London correspondent of the Argentine newspaper *Clarín* went one step further in reporting on Cook's remarks, headlining her report that the British Special Air Services, whose legions of "retirees" now populate mercenary armies for hire around the globe, would also be brought into these covert operations.

Removing any pretense that such operations would be run legally, with the knowledge and support of the countries in question, Cook told reporters in Singapore: "Burma is the largest single world producer of opium, and it has achieved that infamous position precisely because it is a government that does not act against the drug barons" (emphasis added).

Statements by a Myanmar government official responding to Cook's pomposity were in keeping with recent, outspoken attacks by several Southeast Asian leaders against international speculators who have criminally subverted and looted economies of developing nations. "Whether Mr. Cook is ignorant of the fact or deliberately trying to cover up the most irresponsible and unforgivable criminal act Britain committed by forcefully introducing opium into Asia is anybody's guess," the official stated. "Britain should actually be taking the lead in assisting the victim countries to clean up the mess

she had originally and intentionally created instead of pointing fingers at Myanmar to cover up her own fault.”

The U.S. position

In contrast to Cook’s line, the NNICC report states unequivocally the impact of SLORC’s efforts since 1989 to take control over the areas bordering Thailand, Laos, and China, the infamous “Golden Triangle,” *for the first time since the early-19th-century colonization of Burma by the British*. The NNICC report includes the following (all emphases added):

- “Burma was the world’s largest producer of illicit opium and heroin in 1996. Most cultivation was located in eastern Burma’s Shan State *in remote mountainous areas controlled by armed ethnic groups*.”

- “In late 1995, under pressure caused by . . . the joint DEA-Thai Royal Policy Operation Tiger Trap . . . and attacks by the Burmese Army . . . , and the defection of thousands of ethnic Shan troops (to the Burmese Army), SUA [Shan United Army] leader Chang Chi-fu (a.k.a. Khun Sa) entered into negotiations with the Burmese government. A settlement was reached in December 1995, and by early January 1996, Burmese Army troops were garrisoned at key SUA bases.”

- “The SUA surrender disrupted trafficking patterns in the Shan State. . . . *Burmese authorities were able to seize a record 505 kilograms of heroin and destroy 11 heroin refineries*, a significant increase over the 70 kilograms of heroin seized and the three refineries destroyed in 1995. . . . *As a result of such developments, . . . refining activity slowed*.”

- “*These actions included the dismantling and relocation of refineries to sites on the Burmese borders with Laos and China. . . . Some soldiers who did not surrender moved to Laos to continue operations there. . . . For the first time in several years, there was some heroin refining activity in Thailand, as refineries formerly situated in Burma apparently relocated to Thai territory as Burmese forces occupied territory formerly controlled by the SUA*.”

- “Increases (in opium production in Laos and Thailand) were attributed to a temporary rise in the offering price for opium in Burmese border areas in mid-1996, following the destabilization of normal trafficking patterns with the capitulation of the SUA.”

In addition, the report documents the fact that 62% of the heroin seized in the United States came from Ibero-America, almost entirely from Colombia, which burst onto the scene as a heroin producer only in the mid-1990s. What is London’s policy toward Colombia, a nation run by a man, President Ernesto Samper Pizano, who was elected President with at least \$6 million in drug cartel money, and is now pledged to relinquish government control over the drug-producing regions to the cartels themselves? When Clinton decertified Colombia because of narco-President Samper’s support for the drug cartels last year, the British House of Lords protested the U.S. action, praising Samper’s “impeccable democratic credentials”!

United States vs. Britain

The release of the NNICC report with the backing of McCaffrey indicates that the United States will be taking a more honest, and a more effective approach to relations with Myanmar, in direct opposition to the British declared policy of subversion by covert intelligence operatives. Unfortunately, Secretary of State Madeleine Albright, and others at the State Department, have made several statements about Myanmar more in keeping with those of Cook. At the July meeting of the Association of Southeast Asian Nations in Malaysia, Albright denounced SLORC as a “brutal dictatorship [which] protects and profits from the drug trade.” Hopefully, the evaluation in the NNICC report will lead to a revision of U.S. policy, including U.S. assistance to Myanmar for drug interdiction and eradication. The DEA station chiefs in Myanmar in the late 1980s and early 1990s, Angelo Saladino and Richard Horn, both strongly recommended U.S. support for SLORC’s anti-drug effort, which they considered both serious and relatively successful, given the lack of resources and technology available to the government. Both also complained that support was denied for *political* reasons, despite the good that could be achieved, for the people of Myanmar and the people of the United States, by helping destroy the largest source of heroin in the world.

A revision of U.S. policy would also isolate Soros, the primary sponsor and funder of the political destabilization campaign against Myanmar around the world, under his Open Society Institute’s “Burma Project.” McCaffrey has already come up against Soros within the United States, where Soros financed the voter referenda in California and Arizona to legalize drugs, including heroin, and in financing programs to provide hypodermic needles to heroin users in the urban ghettos. President Clinton and McCaffrey have declared war against these Soros-financed efforts to push drugs in the United States, and deployed considerable resources to that end.

With the truth of Myanmar’s anti-drug efforts now in the official record as part of the NNICC report, it should be evident that Soros, and the British Crown, intend to *prevent* the Myanmar government from closing down the production of drugs in the Golden Triangle, even if it takes sending covert MI6 agents into the country to protect the supply. This is nothing new for the British, who have run both the production and the financing of the Golden Triangle drug business since they set it up in the 19th century. After Burma won its independence from Britain in 1947, the British sponsored at least 16 ethnic drug armies, preventing the unification of the country by the Burmese government. Together with the control of the flow of drug money through the Hongkong and Singapore banking centers, the “controlled anarchy” in the Golden Triangle ensured that Dope, Inc. would run smoothly, without interference from Yangon or from anyone else. This is the continuing policy guiding Foreign Secretary Cook, with help from the likes of Soros. It’s time the United States helped put an end to it.

Negotiations set stage for U.S.-China summit

by William Jones

Preparations are in high gear for the upcoming summit between U.S. President Bill Clinton and China's President Jiang Zemin at the end of October. Clinton has repeatedly pointed to the development of the U.S.-China relationship as being decisive for determining the character of the 21st century. And yet, many less far-sighted individuals are doing their best to ensure that that relationship be one of growing conflict and strife.

The Clinton policy was reiterated by National Security Adviser Sandy Berger to the New York Council on Foreign Relations on June 6. "The simple truth is," Berger said, "the direction China takes in the years ahead will be one of the most decisive factors that will determine whether the next century is one of conflict or cooperation. The emergence of China as a great power that is stable, open, and non-aggressive; that embraces political pluralism and international rules of conduct; that works with us to build a secure international order—the emergence of that kind of China is profoundly in America's interest."

At the time, Berger was attempting to stave off an attempt by conservative Republicans and some China-bashing Democrats to prevent renewal of most-favored-nation trade status (MFN) for China. These moves were stymied when Congress voted 259-173 on June 24 to extend MFN.

Administration officials are downplaying expectations of substantive breakthroughs at the summit. In an interview with *Newsweek* magazine on Aug. 11, U.S. Ambassador to China James Sasser outlined the overriding goals of the summit: "One principal goal is normalization of meetings between these two heads of state. This will establish a strategic framework wherein the United States and China can relate to each other in the coming years. We have joint strategic interests in securing peace and security in Asia, in dealing with the problem of proliferation, nuclear or otherwise. Other matters we need to discuss are terrorism, international drug trafficking, and trade issues. Another interest is environmental cooperation."

Other administration officials have underlined that between Jiang's visit in October, and a return visit by President Clinton to Beijing next fall, substantive agreements on a number of key issues will be consolidated.

And yet, there are certain "benchmarks" that the two governments would like to reach at the October summit. One, is

the agreement on cooperation in nuclear energy. China has embarked on an ambitious economic development program aimed at transforming China into a major industrial power during the next century, with a corresponding rise in the standard of living. This will require a tremendous increase in energy production. China possesses great quantities of coal, which it is forced to use extensively—to the detriment of air quality in many major cities. The coal is also generally located at a considerable distance from the major production centers on the coast and in the south. As a result, 40% of rail capacity is required to transport coal to the consumer.

China also has great hydroelectric power potential, and is engaged in a rapid expansion of capacity with the construction of the massive Three Gorges Dam on the Yangtze River, and other, smaller hydroelectric projects. But these also are located at a distance from the centers of industrial production; even with their development, there will still be an energy deficit. Therefore, China is basing much of its hopes on a rapid development of nuclear energy for power generation, and is looking to the United States to help provide that capability.

The Chinese derive about 2 gigawatts of energy from nuclear sources. By 2010, they want to increase that to 20 GW, and, by 2020, to 50 GW. If the United States were to become the main provider of nuclear plants for the Chinese energy grid, this would revive the U.S. nuclear industry and help restore the negative trade balance with China. The Clinton administration, keenly aware of the economic and political value of such high-tech cooperation, is working to create the preconditions for an agreement.

In 1985, China signed "The Agreement for Cooperation Between the Government of the United States and the Government of the People's Republic of China Concerning Peaceful Uses of Nuclear Technology." Congress approved it, but passed a resolution requiring that China provide assurances that it is not engaged in transferring nuclear weapons technology to a non-nuclear-weapons state. After Tiananmen Square, Congress passed legislation requiring the President to certify that China is not providing such technology to a non-nuclear-weapons state.

In 1992, China signed the Non-Proliferation Treaty, and negotiations among the State Department and the Department of Energy with their Chinese counterparts are ongoing to enable the Chinese to meet the requirements of the legislation, and allow the President to make such a certification. Although administration officials indicate that Clinton will probably not be able to certify China by the time of the summit, they say that it may occur shortly thereafter. In lieu of an agreement, some formal statement of intent may be signed by the two leaders.

Attempts to disrupt positive relations

But, forces in the U.S. Congress opposed to the President's policy of "constructive engagement" with China, are attempting to throw up roadblocks. On Sept. 11, Spencer

Abraham (R-Mich.) introduced legislation in the Senate which would deny visas to high-ranking Chinese government officials “involved in political and religious persecution,” and would require U.S. representatives at multilateral development banks to vote “No” on all loans to China, except those related to famine, national disaster relief, and environmental protection. The bill would also impose targeted sanctions against companies run by the Chinese People’s Liberation Army, and mandate stricter enforcement of the ban against sale of Chinese products produced by prison labor. If such provocative legislation were to pass, it would effectively sabotage U.S.-Chinese relations for some time to come.

Another measure, “The Freedom from Religious Persecution Act,” sponsored by Paul Mellon’s favorite, Rep. Frank Wolf (R-Va.), would impose automatic sanctions on a country as soon as there were indications of “religious persecution.” The measure was proposed shortly after a visit by Wolf to China’s Xizang region (Tibet), where he claimed to have found “religious persecution” by the Chinese authorities.

Protests have also emerged against nuclear cooperation. On July 31, sixty-four congressmen signed a letter to Clinton calling on him not to certify that China is not proliferating nuclear weapons. “No President has thus far been able to certify that this is the case,” reads the letter, “and we do not believe that it is possible to certify that it is the case today.” The letter refers to earlier allegations about the sale of ring magnets to Pakistan, an issue that was long ago cleared up, and Chinese construction of a conventional nuclear reactor in Algeria, referring vaguely to “press reports” which “suggested” that this reactor “could have been intended” for the production of nuclear weapons materials. The letter was signed by a bipartisan group that includes China-bashing Republicans such as Wolf, but is also supported by liberal Democrats, such as House Minority Whip David Bonior (D-Mich.) and Minority Leader Richard Gephardt (D-Mo.), a Presidential hopeful who also opposed MFN for China.

Various “donorgate” scandals, alleging Chinese attempts at illegal campaign funding in the United States, have also slowed down momentum on China policy. As one administration official put it, “We were actually relieved when the investigations began shifting from the ‘China track’ to an ‘Indonesia track,’ since this temporarily took the heat off of China, and allowed us to get back to work in trying to implement a China policy.” But GOPers seem intent on hammering away at the “China track.”

Despite continual sniping, the administration is making every effort to move the relationship forward, which is of a decisive character for the future of the world. Extensive negotiations are ongoing to sew up the loose strands in the areas that will play a prominent role at the summit — economic and scientific cooperation, fighting terrorism and drugs, and environmental agreements. And, with progress over the next few weeks, there may even be some surprises coming out of the summit.

Weld goes down; hopefully, to stay

by Edward Spannaus

A major disaster in U.S.-Mexico relations has been averted, as former Massachusetts Gov. William Weld gave up his quest to become U.S. ambassador to Mexico on Sept. 15. One can hope that Weld, who resigned as governor to play out his puerile confrontation over the nomination, will now withdraw from public life and retire to a life of tennis or beer-drinking, or whatever he does best.

But, there are a few who won’t give up. Former White House pollster Dick Morris, for example, has repeatedly floated the incomprehensible idea that Clinton should appoint Weld as U.S. Attorney General, to replace Janet Reno.

We therefore review here Weld’s sordid record as a federal prosecutor, in the interests of helping to prevent him from ever again being put in a position of public trust or authority.

Weld’s ‘priorities’

It was not only Weld’s support for legalization of marijuana that did him in. It is known that opponents of Weld’s nomination were also examining his entire, abysmal record on drug prosecutions. As an indication of what could be expected both in the United States and Mexico, the Mexican daily *Reforma* ran a two-part series on Weld in early September, charging that Weld’s lax enforcement and cover-ups of drug-trafficking and money-laundering had helped to create Mexico’s current drug crisis. Among those quoted was former Senate Foreign Relations Committee investigator Jack Blum, who cited Weld’s role when he was head of the Criminal Division in the Department of Justice (DOJ), where Weld repeatedly obstructed the U.S. Senate investigation into the relationship between the Central American Contras and drug-trafficking.

Weld’s first major law enforcement position was as U.S. Attorney for the District of Massachusetts, which office he occupied from 1981 to 1986; in the summer of 1986, he was nominated as Assistant Attorney General for the Criminal Division at DOJ headquarters.

When Weld was the chief federal prosecutor in Massachusetts, his office ranked near the bottom in the entire nation on drug prosecutions. When this was raised during the 1996 Senate race in Massachusetts, Weld first tried to claim that the region had “less drug activity” than the rest of the country. However, the *Boston Globe* then published statements from Weld made in internal DOJ memoranda in the early 1980s, in

which Weld said that drug use was “widespread” and “at virtually epidemic proportions” throughout the state.

When confronted with this during the 1996 campaign, Weld declared: “Public corruption was my No. 1 priority.” A former DOJ official said, “When Bill Weld was U.S. Attorney, everyone knew he was a bear on public corruption.” All this, while it was documented that local police and law enforcement officers regarded drugs as the top law enforcement problem in the state.

When Weld says “public corruption,” what he actually means is “political targetting”—which was well known at the time.

As soon as Weld became U.S. Attorney in Boston at the end of 1981, he launched an attack on Boston’s Mayor Kevin White, who was at that time the nation’s longest-tenured mayor. Weld’s crusade against White was later characterized by the *National Law Journal* as “a textbook example of a prosecutor misusing his powers to bully witnesses and manipulate the political process.”

Weld never succeeding in indicting White, although he drove him from office. The highest-ranking official of White’s machine ensnared by Weld was White’s top fundraiser, Theodore Anzalone. Anzalone was indicted by Weld’s team, which included a prosecutor who later handled the first phase of the LaRouche case for Weld—Daniel Small.

At his 1984 sentencing, Anzalone said that he had been harassed by Weld’s “relentless investigation,” and he asked the judge not to put him in jail “for crimes I haven’t committed or been charged with. This is not Russia, Your Honor.”

The U.S. Court of Appeals agreed with Anzalone. In July 1985, the Appeals Court reversed Anzalone’s conviction, in a stunning rebuke to Weld. The court explicitly compared Weld’s methods with the Soviet legal principle of “crimes by analogy,” citing Article 16 of the U.S.S.R. Criminal Code. “We cannot engage in unprincipled interpretation of law, lest we foment lawlessness instead of compliance,” said the First Circuit Court of Appeals.

While Weld tried sending Anzalone to prison for vague currency violations involving \$100,000, Weld negotiated a sweetheart plea bargain with the Bank of Boston, involving more than \$1 billion in explicit currency violations, in which the Bank of Boston was permitted to plead guilty to a one-count violation, and nobody went to jail.

Target: LaRouche

Weld’s second major target was Lyndon LaRouche. Weld opened a federal grand jury against LaRouche’s campaign committees on the eve of the 1984 elections; an FBI teletype at the time stated: “United States Attorney, William F. Weld, Boston, advised on October 31, 1984 that he wishes to move expeditiously in this matter since it affects the integrity of the presidential election process.” Weld’s only problem was, despite the collusion of the major Boston banks, he couldn’t come up with any evidence. In February 1986, Weld at-

tempted to make up for this by convening a nationwide “Get LaRouche” conference made up of local, state, and federal law enforcement officials from across the nation; an FBI teletype announcing the conference stated: “William F. Weld, U.S. Attorney for the District of Mass., Boston, Mass., is extremely interested in this case and has encouraged other U.S. Attorneys across the country to develop their own cases. . . .”

In October 1986, Weld, by then at Justice Department headquarters, coordinated a 400-man armed raid on offices operated by associates of LaRouche, combined with plans for a bloody assault on LaRouche’s residence, which was only halted by LaRouche’s direct intervention to President Reagan. It wasn’t until late 1987 that the mega-trial of LaRouche and a group of his associates commenced in Boston. But despite all of Weld’s efforts, he simply had no case—which was dramatically shown when a mistrial was declared in May 1988, caused by weeks of mid-trial hearings on prosecutorial misconduct. The jurors, who had been sitting on the case for six months, took an informal poll among themselves, and agreed that they would have acquitted LaRouche and the others on all counts.

A *Boston Herald* article on May 5, 1988 opened: “Jurors in the Lyndon H. LaRouche trial said yesterday they would have found him innocent. . . .” The jury foreman was quoted as saying: “We would have acquitted everybody at this point, and that’s based on prosecution evidence. There was too much question of government misconduct in what was happening in the LaRouche campaign.”

The Bank of Boston plea bargain

While Weld was pursuing his “political corruption” priorities, he was protecting his friends and relatives in the banking and drug-money-laundering business.

In 1985, Weld perpetrated a shameless cover-up of a major money-laundering case involving the Bank of Boston and Credit Suisse/White Weld—both banks tied to the Weld family. As to what was involved in the Bank of Boston case, Assistant Secretary of the Treasury John Walker testified in March 1986 before a House subcommittee: “There’s every indication that the \$600 million of small bills which the bank took in was the laundering of drug money. Why else would the money be in \$20 bills?”

Yet, with Weld in charge, the case became a national scandal, as the Bank of Boston was let off with a \$500,000 fine, for \$1.2 billion (!) worth of money-laundering violations.

Then, when Weld went to the Justice Department headquarters in 1986, he protected the drug-smuggling networks operating under the direction of Vice President George Bush and Bush’s flunkie Oliver North.

Yet, because few people were exposing this record, Weld has had the temerity in recent weeks to actually boast of his credentials as a drug prosecutor. Hopefully, this country has seen the last of him.

Book Reviews

McClendon's story is delightful reading

by Nancy Spannaus

Mr. President, Mr. President! My Fifty Years of Covering the White House

by Sarah McClendon, with Jules Minton

Los Angeles: General Publishing Group, Inc., 1996
288 pages, cloth, \$22.95

The major purpose of this review is to recommend that people read this book by White House correspondent Sarah McClendon. McClendon is one of the feistiest women I know, and the story of her life aroused my admiration even more. When Sarah is convinced that something is true, or that an injustice has been done, she will be intimidated by no one. That's the kind of journalist whom one does not find very often these days.

Maybe it's because of that fierce independence that neither the *Washington Post* nor the *Washington Times*, the self-appointed censors of the nation's capital, have even acknowledged the book's existence.

What impresses one about this book is McClendon's character as a journalist with a mission. There is just enough personal history here to give you a sense of where she came from, but there is a near-total absence of gossip. Instead, the reader follows McClendon's encounters and political crusades through each of the 11 Presidencies which she has covered, starting with that of President Franklin D. Roosevelt, and coming up to President Bill Clinton today.

Younger people will also find it very interesting to look at the developments over her career, from the standpoint of current history. Here is a woman 87 years old, who lived through the Depression, joined the Army, and pioneered a female journalist's career in Washington, D.C. Her questions at Presidential press conferences have brought her into the limelight on numerous occasions, even leading to her being the subject of cartoons. One, from 1982, showed President Reagan checking to see if the coast was clear to leave the White House, as the Secret Service guard told him, "The coast is clear. . . . There is no sign of Sarah McClendon."

Already, when the era of the "organization man" began in the 1950s, McClendon stood out, as cut from a more inde-



Sara McClendon, known for her passion for truth.

pendent cloth. Through the next three decades, she didn't change with the times. She remains committed to telling the truth, even when it's inconvenient, a trait which many Baby Boomers apparently find incomprehensible.

It's not as though McClendon was not subject to intimidation over the course of the years, the kind of intimidation that would have led others to quit. Most striking was her challenge to President Kennedy on a question of national security, a challenge which led to the President's obvious embarrassment, and a flurry of attacks on McClendon throughout the media. She was called a "gadfly" and a "President baiter," and there was mooting of a Justice Department investigation into applying limits to a reporter's questions. Only later, when it became clear to the White House that McClendon was right, did she gradually become permitted to carry out her normal functions.

Today, a journalist would either never get a chance to ask such a question, or would be immediately fired. McClendon, who runs her own news service, can't be fired, and she wouldn't quit.

While I don't agree with all of her assessments of the Presidents whom she confronted, and knew, her insights into their character, as shown in their responses to her challenges, add a significant dimension to the historical record. By fighting with people, and institutions, you learn a lot about them.

One year after the publication of her book, Sarah McClendon is still touring the country, getting out her story. She remains committed to her goal of being "a bridge between big government and little people." Another of her mottos is, "I can't afford to die, I have too much to do." One can only hope, for the country's sake, that she has many more years in which to do it.

Transportation bill headed for clash

On Sept. 4, House Transportation and Infrastructure Committee Chairman Bud Shuster (R-Pa.) and ranking member James Oberstar (D-Minn.) jointly introduced a transportation bill that is likely to cause some sparks from the budget-cutters when it comes to the House floor. The bill, the Building Efficient Surface Transportation and Equity Act, dubbed Bestea, re-authorizes the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA), which expires on Sept. 30, and provides \$103 billion for highways, highway safety, and mass transit over three years. According to committee documents, this is a 30% increase in funding compared to the last three years of ISTEA.

The bill is also a vehicle for a battle that Shuster, Oberstar, and many others on the committee have been waging for some time, to take the transportation trust funds off-budget and spend them on transportation needs, instead of using them to paper over the budget deficit. The most recent skirmish in that battle was around the budget resolution on May 20, when Shuster sponsored an alternative budget plan that would have increased transportation spending by \$12 billion over five years. Shuster's alternative was defeated by only two votes, and was one factor that helped precipitate a split in the Republican caucus over the leadership of House Speaker Newt Gingrich (R-Ga.).

The bill was passed unanimously out of the Surface Transportation subcommittee on Sept. 10, and is scheduled to be marked up by the full committee on Sept. 18, though it is not clear whether it will come to the House floor before the end of the fiscal year on Sept. 30. Shuster maintains that the bill, even though it spends transporta-

tion trust funds for transportation needs, will not increase the budget deficit by one penny. However, House Budget Committee Chairman John Kasich (R-Ohio) is expected to oppose the bill on the basis of defending last spring's budget deal which was signed into law in July.

GOP compares public education to communism

On Sept. 10, in the middle of a week in which Republicans were promoting their "school choice" programs, Bob Schaffer (R-Colo.), in remarks on the House floor, compared public education to communism. "Government-owned schools have a complete monopoly, plain and simple, and all monopolies fear competition," he said, claiming that an inferior product is always produced if shielded from competition. To see how this works, he said, "just look at the communist legacy in every single case, especially education. The bureaucrats who just love their government-owned schools and want to protect their monopoly will do so at just about any cost, regardless of whether kids have to receive an inferior education and blighted futures."

Many Democrats were outraged. Rosa DeLauro (D-Conn.) called public education "the great equalizer," and said the Republicans will "work as hard as they can to see the destruction of public education." The next day, Chet Edwards (D-Tex.) said that "to mention our public schools in the same breath with communism is extremism at its worst. . . . I would suggest this is the type of extremist belief that has caused great problems for the modern-day Republican Party."

Lurking in the background, are various proposals sponsored by GOP-

ers to expand "school choice," including school vouchers and education savings accounts, all of which would take money out of the public education system. Democrats, while strongly defending the principle of public education, are hamstringing themselves because of their support for the "New Age" education programs in public schools that so many people are rightly opposing.

House rejects funds for needle-exchange programs

The House voted 266-158 on Sept. 11 to prohibit Federal funding of all needle-exchange programs. The vote was on an amendment sponsored by Dennis Hastert (R-Ill.) to the Labor-Health and Human Services Appropriations bill, which eliminated language allowing such funding if it were shown that needle-exchange programs help reduce the spread of AIDS and don't encourage use of illegal drugs.

Hastert, during the debate, argued that free needle-exchange programs not only don't reduce the incidence of HIV infection, but actually have the opposite effect. In addition, "when we are spending \$34 or \$35 million to tell our children that we should not smoke . . . why then should we even think about beginning to give away free needles whose only purpose is to shoot an illegal drug, heroin, a free needle that leads to a child, a young person's path down the slippery slope that begins with drug use, illness, and many, many times, eventually death."

Roger Wicker (R-Miss.) added that Federal money should not be used to facilitate an act which is a felony.

Opposition to Hastert's amendment, mostly from Democrats but also a handful of Republicans, centered,

not so much on the supposed efficacy of needle-exchange programs, but rather on the language that was eliminated. Charles Rangel (D-N.Y.) warned that the discussion of giving addicts clean needles could lead to someone arguing, "Why do we not give them purified drugs . . . where they will be protected under doctor's advice," or even to consideration of legalization. "But," he concluded, "because I do not know . . . exactly how many lives are lost because of contaminated needles, I am prepared to leave it up to the secretary of Health and Human Services and not make that political judgment myself."

Clinton China policy under new assault

On Sept. 11, Sens. Spencer Abraham (R-Mich.), Russell Feingold (D-Wisc.), and seven conservative Republicans introduced the "China Policy Act of 1997." The bill coheres with British-directed geopolitical efforts to disrupt a positive U.S. relationship with China.

In a press conference, Abraham and Feingold chastised China on human rights and arms proliferation issues, and complained that the Clinton administration does not have a policy toward China. Feingold said that "the message the United States is sending to China is that human rights doesn't really matter." The message of the bill, he said, is "that Congress cannot and will not accept China's deplorable human rights record, nor will it accept business as usual with China."

Tim Hutchinson (R-Ark.), one of the bill's co-sponsors, declared that the Clinton administration's policy of engagement with China "has failed . . . and the premise that economic free-

dom will ultimately and inevitably lead to political freedom is an untested premise in which there is no evidence in China that it's happening."

The timing of the bill, six weeks before the official state visit of Chinese President Jiang Zemin to Washington, is no accident. Connie Mack (R-Fla.), another co-sponsor, said of the summit that, since Chinese entry into the World Trade Organization is off the table, the only interest China has in it is "a public relations victory." Hutchinson added that if President Clinton only takes "more of the same" to the summit, then "I don't see the purpose of it because it will only accrue to the benefit of the Communist government in China."

The bill, as described by Abraham, will apply a series of sanctions ostensibly aimed at changing Chinese behavior, including denying visa applications to Chinese officials alleged to be involved in political and religious persecution, and stricter enforcement of the ban on importation of products made with prison labor. The bill would also expand funding for Radio Free Asia and Voice of America broadcasts into China, and gives \$2 million to the National Endowment for Democracy to be spent exclusively on programs for China.

Deadlock threatened over campaign finance reform

Supporters of campaign finance reform are threatening to deadlock the House and Senate if there is not a vote on campaign finance reform legislation before the end of the year. The leadership in both Houses indicated upon return from the August recess that campaign finance reform was not on the agenda, causing great agitation among proponents.

In the Senate, Minority Leader Tom Daschle (D-S.D.) announced on Sept. 11 that all 45 Democrats had signed onto the McCain-Feingold reform bill, which has received much press but little action since its introduction on Jan. 21. Three Republicans, including original sponsor John McCain (R-Ariz.) and Senate Governmental Affairs Committee Chairman Fred Thompson (R-Tenn.), have already signed on, giving it a total of 48 co-sponsors, and Daschle is appealing for just two more in an attempt to force a vote on the issue. He vowed that the same effort that was made for the minimum wage increase last year, and the disaster relief bill this year, will be made to pass the McCain-Feingold bill.

Senate Majority Leader Trent Lott (R-Miss.), on the CBS News program "Face the Nation" on Sept. 14, said he was not ready to bring campaign finance reform to a vote, especially before the conclusion of the Government Affairs Committee's investigation into the financing of the 1996 Presidential campaign. But, he said, "I am discussing [with McCain] how we could do it at some point." Lott added that he thought McCain was sincere in wanting "to do it in a way that's fair and that would level the playing field," but there are two other bills that also have to be looked at.

Meanwhile, House Democrats are employing obstruction tactics in an attempt to bring some kind of campaign finance reform bill to a vote there. George Miller (D-Calif.) has been using parliamentary means at his disposal to slow down and disrupt House proceedings, including demanding roll call votes on procedural motions and minor matters, as a form of protest. Democrats have also been peppering floor proceedings with one-minute speeches on the issue.

National News

Bay Area Rapid Transit workers win strike

Some 2,600 union workers at Bay Area Rapid Transit in greater San Francisco won a week-old strike for higher wages and against the system's two-tier wage system, after walking off the job on Sept. 7 when talks broke down. The strike, by train mechanics and operators belonging to Amalgamated Transit Union Local 1555 and Service Employees Local 790, caused massive commuter nightmares. Local 2993 of the American Federation of State, County, and Municipal Employees, representing station agents and train operators, honored the picket lines.

The decision to strike was inspired by the Teamsters' recent victory over a two-tier wage system at UPS, which denied benefits to "part-time" workers (some working as much as 37-hour weeks); BART employees hired during the past two years—nearly a quarter of the system's workforce—were paid less than their veteran counterparts for doing the same work, a concession won by management in 1994 negotiations. After the Teamsters' victory against UPS, transit union leaders decided to try to win equality in wages for their workers. They rejected a management offer that includes a 3% annual pay raise over three years, demanding 5% and wage equality.

Friends worldwide toast LaRouche at 75 years

Friends of Lyndon LaRouche internationally gathered in celebration, and presented him with a *Festschrift* book of greetings, thoughts, and fond remembrances, on his 75th birthday on Sept. 8. In presenting him the *Festschrift* in Washington, D.C., Schiller Institute Vice President Marianna Wertz told him: "This *Festschrift* radiates the love that the writers have for you, and for all that you have done for them, and for the world." The 250-page book included a prayer for him from Mother Teresa, which she composed shortly before her death.

The festivities were opened by Helga

Zepp LaRouche, who described her husband as the "most beautiful soul and the most outstanding individual of our time." The opening toast was offered by the internationally renowned baritone William Warfield, who led the gathering of about 150 in singing "The Battle Hymn of the Republic." Jozef Miklosko, who had been vice premier in the first post-communist government of Czechoslovakia, served as master of ceremonies. Recalling his visit to LaRouche in prison, he said that five years in jail was a long time: "It was necessary to suffer, but we are now stronger. . . . You drank of your cup, your Gethsemane."

Musical gifts of Classical songs, including numerous Negro Spirituals, and instrumental pieces were performed by artists ranging from an eight-year-old violinist to members of LaRouche's generation, such as accompanist Sylvia Olden Lee and William Warfield.

In LaRouche's impromptu remarks, he challenged all those present to be artists, in the sense of knowing how to reach into the mind of another person, and to bring forth within that person an idea which he or she needs. "We have to all be artists in that sense," LaRouche told the celebrants. The *Festschrift* was testimony to LaRouche's own artistry in that sense, containing contributions from more than 130 individuals, from every continent. State legislators, members of parliament, former congressmen, artists, economists, and religious figures were among those who expressed their appreciation for LaRouche's historical role in current history.

Virginia prison business open for slave labor

Virginia's Gov. George Allen (R), and his hand-picked Republican successor for the November elections, Attorney General Jim Gilmore, are shamelessly promoting the favorable business climate of "Virginia Correctional Enterprises" (VCE). Nancy Spannaus, the LaRouche Democrat running for Congress in Northern Virginia's 10th C.D. against incumbent Frank Wolf, blasted the two for pushing a "Nazi policy of slave labor for all Virginians. . . . It was precisely this

inducement of getting the cheapest labor possible, that the Nazis used to bring industry behind the prison walls, as at Auschwitz. Eventually they cheapened their labor costs, by working their prisoners to death."

Spannaus's charges are confirmed by VCE's promotional literature, which boasts: "They have miles of razor wire and foreboding walls and towers. Yet the doors to Virginia prisons are wide open to business. And here's what successful joint venture companies are finding inside.

"Over 380,000 square feet of production space with 138,000 more planned. Sophisticated equipment, particularly in wood, metal, and textile manufacturing. And willing, experienced workers who actually compete for jobs." So-called employer benefits include: "No benefit package (retirement pay, vacation pay, sick leave, medical benefits); builds a consistent qualified work force; on-call labor pool (no car breakdowns, no babysitting problems); option of hiring job-ready ex-offenders and minimizing costs." Elsewhere, the promo directly compares costs for inmate versus non-inmate labor.

And then, for the sake of all those like Frank Wolf, who professes shock over international sale of products made by prison labor in countries such as China, but remains silent about the gross human rights violations in Virginia's justice system, VCE boasts to its would-be business partners, that "all products of our joint venture will be yours to distribute domestically or internationally."

Pat Robertson worms his way into Catholic Church

In response to a sycophantic interview with Keith Fournier, president of the Catholic Alliance in the *Arlington Catholic Herald* of Aug. 28, a reader blasted the group as a front for Pat Robertson's Christian Coalition. Fournier, who lives in the Arlington, Virginia diocese, was recently installed as a deacon in the parish where Supreme Court Associate Justice Antonin Scalia is a prominent member.

An international lawyer who travels extensively in Ibero-America wrote to the *Her-*

TEXAS EXECUTED its 26th victim on Sept. 9, setting a record for the year, already. James Carl Lee Davis last year won a stay of execution after challenging a new Texas law streamlining death row appeals. The law was expected to shorten the stay on death row from an average nine years to as little as three. The case had all but halted executions in the state.

PAULA JONES'S lawyers were allowed by a Federal judge to withdraw from her sexual harassment suit against President Clinton on Sept. 10. The two cited "fundamental differences of opinion" with their client. A third, Daniel Traylor, technically still in the case, said months ago he was quitting. In June, he cited inconsistencies in her account, including the fact that she made no mention of the President's alleged "distinguishing characteristics" until four months after Traylor joined her team.

SUSAN MCDUGAL'S family called for her release from prison on Sept. 7, saying the victim of White-water prosecutor Kenneth Starr is a "political prisoner." She has been held for contempt of court for a year now, because she refused to lie to Starr about Bill and Hillary Clinton. "Kenneth Starr is lower than a worm, and he'll never get any higher," said her father James Henley.

UNITED AUTO WORKERS opposed Congressional fast-tracking of the North American Free Trade Agreement expansion, in the August issue of the union's journal *Solidarity*. The UAW cited the loss of 420,000 U.S. jobs, a near-quadrupling of the trade deficit with our NAFTA partners, collapsing U.S. wages, and a steep rise in cocaine smuggling across the Mexico-U.S. border.

OLIVER NORTH, drug runner turned charismatic, has been on the stump in Virginia for the Conservative Revolution ticket headed by Republican Attorney General James Gilmore. Gilmore is being opposed by Democratic Lt. Gov. Don Beyer.

ald: "Catholic Alliance . . . was founded by the Rev. Pat Robertson in an effort to reach under the American bishops and create a Catholic mirror image of the Christian Coalition. . . . Catholic readers should be aware that he is using his huge business empire to finance an aggressive campaign to convert Catholics in Latin America. . . ."

"Deacon Fournier himself was Reverend Robertson's loyal lieutenant for almost six years and went directly from that position to become president of Catholic Alliance." The letter further denounces the Christian Coalition for using pro-life and pro-family postures to seduce Catholics into buying Republican neo-liberal economics, "based on the so-called Protestant work ethic, whereby wealth is a sign of Divine favor. Deacon Fournier does his 'mirror-image' routine by echoing that Catholic Alliance stands for life, family (so far so good), 'liberty' (economic libertarianism), and 'genuine compassion' (welfare spending cuts)."

Robertson, meanwhile, arranged an out-of-court settlement in the lawsuit by his failed African diamond-mining venture against an equipment manufacturer. The settlement spares Robertson from having to publicly account for the diamond operation at a trial, the Sept. 10 *Richmond Times-Dispatch* reported. "Airplanes sent by Operation Blessing, Robertson's tax-exempt humanitarian organization, were used almost exclusively for the for-profit diamond venture, two pilots who flew the planes have said," wrote the daily.

London Times pushes new Scaife attack on Clinton

The Sept. 13 *Times* of London promotes a new, book-length attack on President Bill Clinton, with the following lead-in: "The death of Vincent Foster returned yesterday to haunt President and Hillary Clinton in a new book rebutting all official claims that the former deputy White House counsel killed himself."

What the *Times* is pushing is Chris Ruddy's latest opus, *The Strange Death of Vincent Foster*. Rupert Murdoch's flagship publication identifies Ruddy as "a journalist who has devoted his career to Foster's death

. . . since July 1993," omitting that Ruddy was picked up by Richard Mellon Scaife's *Pittsburgh Tribune-Review*, after the former's single-minded obsession with the Foster case resulted in his forced resignation from Murdoch's *New York Post*. At the *Post*, Ruddy reportedly refused to work on any other story. Scaife, a leading U.S. financier behind Britain's Get Clinton operation, gave Ruddy a place to nurture his fixation, and get paid for it.

Author of Pan Am exposé cops plea in cover-up

In an action that smells of continuing cover-up around the Pan Am 103 bombing, Lester Coleman, a former U.S. intelligence agent and informant, pled guilty to five counts of perjury on Sept. 11 in Federal court on Long Island. According to press accounts, Coleman, a co-author of the book *Trail of the Octopus*, told the court that he had lied when he had said that lax Federal agents allowed a bomb to get aboard the Pam Am 103 flight in December 1988. Coleman had submitted an affidavit in 1991 as part of a lawsuit filed by families of many of those killed in the bombing.

Filmmaker Alan Francovich produced a documentary, "The Maltese Double Cross," in 1994, based in part on Coleman's account. Both Coleman and Francovich refuted the "Libya did it" cover story, which was concocted by circles around George Bush and Margaret Thatcher in 1991, to justify letting Syria off the hook. Part of their reason was to protect the Syrian drug-running apparatus which overlapped the Oliver North gun-for-drugs networks overseen by Bush; it was also part of the wooing of Syria, as part of the buildup to isolate Iraq from the Arab world, leading into the Thatcher-Bush Gulf War.

Coleman was indicted in 1993 for perjury, but was only arrested in 1996 when he entered the United States from Europe where he had been living. An investigator in the same civil suit, Juval Aviv, was also indicted in 1995, in what Aviv called retaliation for his work on the case. Francovich died suddenly in an airport in Texas earlier this year, with the only witnesses being U.S. Customs agents.

Reactivate the VA hospital system

On Sept. 11, the Department of Veterans Affairs cancelled the construction of a 243-bed hospital facility on Travis Air Force Base, east of San Francisco. The new hospital was to replace a Veterans Administration 359-bed facility in Martinez, near San Francisco, which closed in 1991 as the result of earthquake damage. An estimated 440,000 veterans in northern California were expected to get treatment at the new facility. Certain contingency arrangements have been announced for their care, but nothing substitutes for a new hospital.

The cancellation of the Travis Base hospital marks the most recent and dramatic event in the ongoing assault on the VA hospital system, which is a precious national asset, given the rate of resurgence of new and once-conquered diseases, and also, given the erosion of the U.S. community hospital system under recent years of looting by the “managed care” and HMO insurance and hospital plans.

From 1980 to 1993, the United States lost 675 hospitals out of a total of 5,000. Today there are significant shortages in the national medical care delivery system, when you measure by the ratios of medics, equipment, and beds per thousand people that should exist to provide modern care. From 1985 to 1995, California lost 52 hospitals (5,269 beds); Texas lost 58 hospitals (6,666 beds); Illinois lost 31 hospitals (11,767 beds), and so on.

The VA hospital system should be *reactivated*, not *deactivated*.

The VA medical system operates 172 hospitals, 128 nursing homes, and more than 350 outpatient clinics in the United States. As a result of the Conservative Revolution movement, moves have been made to: 1) drastically cut back on care facilities, staff, and delivery; and 2) open up the Vets’ government medical payment flows to go *outside* the VA system, as a new “income stream” for HMOs and other private facilities to grab.

The Veterans Administration expected to treat 2.9 million patients in fiscal 1997 (the same as in 1996). But the Conservative Revolution ideologues argue that Vets are aging, and need only nursing homes, not hospitals. Therefore, they say, Vets hospitals should be shut

down. Two reports commissioned by Congress put forward this view—one in 1996 by the General Accounting Office, and one this year, by the private accounting firm Price Waterhouse.

Under cover of this kind of accountant’s “logic,” measures have been taken to “save money” by cutting care and causing harm. In the past decade (1986-96), the number of hospital beds in the VA system dropped 35%, to under 60,000. More beds were added to nursing homes, to care for World War II veterans; but construction for new or refurbished facilities was cut. Last year’s VA health care bill (PL 104-262), signed into law on Oct. 9, 1996, unlike previous VA construction measures, did not authorize money for any new VA hospitals.

In the fiscal 1997 Federal budget, the Veterans Administration was ordered to “improve efficiency” by cutting the number of full-time health care workers from 196,154 to 191,000—a drop of 5,154 medical staff members. How was the system to function? Supposedly, by making up the difference with contract workers, and technology. Congress has also mandated that the VA should “save money” by restricting eligibility for care.

As bad as all this, there are new moves under way to turn over veterans’ medical care to HMOs. There are discussions that Merit Behavioral Corp.—the agency that lists what will and won’t be treated under “managed” health care—will be taking over Champus Military Health Care, which now handles medical insurance for military personnel.

Fights are rightly breaking out at the local level around the country, at briefings on bases, over all aspects of cuts in the military health care system. For example, on Sept. 13, at Ft. Bliss, Texas, a gathering met in opposition to the idea of “rationing” health care to the 8.2 million military service people and beneficiaries—a favorite idea of the Department of Defense cost-cutters.

The clear national security interest is to remobilize the health care base of the nation, not demobilize the VA hospital system.

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