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From the Associate Editor

After the first (Boston) trial against Lyndon H. LaRouche, Jr. and associates ended in a mistrial, on May 4, 1988, the jurors took an informal poll, and, according to the *Boston Herald*, found all defendants “not guilty.” One of the jurors told the newspaper, “It seemed some of the government’s people caused the problem.”

Five months later, LaRouche was indicted again, and this time was railroaded to prison, in a trial that was an unparalleled travesty of justice. He served five years of a 15-year sentence, and is now “free”—if you can call it that—on parole. Four of his associates remain political prisoners in Virginia, with sentences as long as 77 years.

The instinct of those Boston jurors was absolutely correct. In fact, as LaRouche’s legal defense team has documented with increasing precision over the intervening ten years, officials of the U.S. government *knew*, from 1979 to the present day, that LaRouche and his co-defendants were innocent of the false charges for which they were convicted.

In this issue, we consider a new, shocking dimension of the problem: the striking parallels between the current assault against President Clinton, and the fraudulent prosecution of LaRouche. Indeed, the attack on Clinton bears the hallmarks of the covert operations run against LaRouche, under the “national security” provisions of Executive Order 12333.

Is it possible, that a serving American President could be subject to covert operations, aiming at his impeachment, with the complicity of officials within the U.S. intelligence community and the Justice Department itself? All the evidence is not yet in; but in this issue, the preliminary dossier we present makes such a conclusion appear virtually inescapable.

LaRouche’s discussion of the matter is a study in the craft of intelligence evaluation. You will find it quite surprising.

So, too, is LaRouche’s contribution to our *Strategic Studies* feature on “the coup from above” in Russia. It turns out, that in order to understand the revolutionary situation that is now emerging in Russia, and worldwide, it is necessary for the “historically literate mind” to learn the lessons of the French Revolution.

Susan Welsh

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Sergio Flamigni, who served many terms in the Italian Parliament, is the author of *The Spider Web*, which exposed the "secret government" apparatus complicit in the 1978 assassination of Christian Democracy leader Aldo Moro.

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A “political dirty tricks” operation of President George Bush’s reelection campaign, the so-called “Whitewater case” against President Bill Clinton, has turned out to be remarkably similar to the “Get LaRouche” operation launched by the Bush league under Executive Order 12333. “In many respects, the two covertly directed operations appear to be almost identical, involving many of the same institutions and key personnel,” writes Lyndon LaRouche.

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Correction: *EIR*’s new video, featuring highlights of Lyndon LaRouche’s March 18 speech on the New Bretton Woods, has been expanded to 90 minutes, and sells for \$35. Order number EIE-98-002.

China confronts financial turmoil with a 'New Deal'

by Mary Burdman

The election of a new government, as the first session of the Ninth National People's Congress (NPC) closed in Beijing on March 19, was the culmination of the highest-level national deliberations in China over the past half-year. These deliberations included the Ninth Chinese People's Political Consultative Conference (CPPCC), in Beijing in March; preparatory national policy meetings at the end of last year; and, the 15th National Congress of the Communist Party of China, in September 1997.

The agenda of these meetings was to establish an economic policy which can meet the world's most populous nation's urgent needs for development, in the midst of the financial and economic crisis devastating the rest of East Asia and Southeast Asia, and threatening to engulf the entire world.

President Jiang Zemin and CPPCC Executive Chairman Li Ruihuan both emphasized that the financial crisis was far beyond what had been anticipated in Beijing, as the two national congresses got under way the first week of March. Li Ruihuan warned that the crisis is far from over.

Speaking to the Hong Kong delegation to the CPPCC on March 7, Li Ruihuan said: "In my view, we cannot say the financial turmoil is over. It is very hard to say what is in store. In some countries, the situation may be more complicated. It is possible that economic problems will lead to political problems. Mishandling economic problems will result in social chaos and political problems, which, in turn, will make economic problems more and more serious. The problem in one country will spread to other countries. So, the turmoil is not over altogether. If someone says the turmoil is over, I believe it is too early to say that."

Jiang Zemin, speaking to the Shanghai delegation—his political base—to the NPC on March 6, said that "the ferocity, extent, and the duration of [the financial] crisis were more serious than anticipated." While China was relatively un-

scathed, Jiang said, "we must not underestimate its negative impact"; it "poses a challenge to China's economic development."

It is this sense of urgency, which prompted the public announcement that China would launch a "New Deal" in the last years before the new millennium. While the fundamental principles of such a policy—national construction, based on infrastructure development; giving a central role of science and technology in economic development—have been guiding China's national agenda for the last decades, the critical question now, is *getting things done*, effectively and rapidly.

That is the task of the government led by the new Prime Minister, Zhu Rongji.

The discussion of a "New Deal" has been going on since Vice Prime Minister Li Lanqing announced an investment policy, equivalent to \$750 billion, at the World Economic Forum in Davos, Switzerland, at the end of January (see *EIR*, March 20). Other leaders have since discussed this policy, but, until recently, the term "New Deal" had been used only unofficially. Now, it has emerged in the official press. This is, actually, far from a new concept in China; in building such projects as the huge Three Gorges Dam, China has taken the achievements of the United States in the 1930s-'50s as a model.

Outlook, one of China's most important magazines, wrote on March 13 that "China's reforms and development need a Chinese-style New Deal." This means that the unemployed would be put to work building transport, utilities, and telecommunications projects, and on agriculture and technical renovation. "The only way to keep up growth is investment spending," *Outlook* quoted senior government economist Zhu Baoliang. He said that government spending would increase by 15% this year.

On March 22, *China Daily* reported that "Zhu Rongji, the man who stemmed China's inflation without stifling growth,

is poised to launch the Chinese version of Roosevelt's New Deal this year. . . . Zhu has made it clear that massive investment will be channeled into infrastructure, echoing Roosevelt's bid to revive the American economy in the 1930s. Dai Xianglong, Governor of the People's Bank of China and a close aide to Zhu, has announced that China could sustain growth in fixed asset investments of 15% this year, up to 3 trillion yuan [\$361 billion], if GDP maintains a growth rate of 8%." Priorities include railways, the steel industry, housing, highways, and the water conservancy and management which is, overall, probably the single most urgent problem China has. "Analysts," *China Daily* wrote, "say it may take a long time to recoup the investment in infrastructure, but there is no need to worry about a bubble economy featuring repeated inputs in projects without sustainable profits."

New mode of economic growth

In his closing address to the NPC session on March 19, re-elected President Jiang Zemin affirmed China's commitment to "the establishment of a just and equitable new international order," and urged that China "should shift speedily to a new economic structure and a new mode of economic growth, persistently implement the strategies of revitalizing the nation through science and education and . . . advancing the cause of building socialism with Chinese characteristics into the next century."

At a press conference the same day, Zhu Rongji, with Vice Premiers Li Lanqing, Qian Qichen, Wu Bangguo, and Wen Jiabao, discussed how the government was going to do this.

Zhu, who was first appointed a Vice Premier in 1991, has played a key role in directing China's economy, especially in ensuring a "soft landing" in the wake of the severe problems resulting from the growth of the "bubble economy" in the early 1990s. Zhu was appointed Executive Vice Premier in March 1993, and in June announced stringent measures to bring the bubble under control. In January 1994, China announced the creation of three development banks, the State, Agricultural, and Export-Import Development Banks, to ensure that the physical economy would grow.

Zhu, an engineering graduate of Qinghua University, was mayor of Shanghai, China's greatest industrial city, during 1987-91. In Beijing, he led the work to resolve the massive "debt chains" entangling China's state enterprises and agriculture, but, at the same time, backed projects in transport, energy, agriculture, and other sectors to ensure economic growth. Most recently, he has focussed on the huge task of reforming China's state-owned enterprises. This reform, which will have to mean laying off millions of genuinely redundant workers to ensure that the industries can become efficient producers, is one of the biggest motivations for undertaking the job-creating "New Deal."

At the press conference, Zhu pointed out that, with the financial crisis in Southeast Asia, "China is faced with a formidable challenge. Therefore, we must ensure that China's

speed of development will reach 8%, inflation will be less than 3%, and the renminbi [China's currency] will not be devalued this year." This "will have a bearing not only on the development of China, but also on the prosperity and stability of Asia as a whole. The main means that we will adopt to attain this objective is to increase domestic demand. . . . By stimulating domestic demand, I mean to increase the construction of infrastructure, such as railways, highways, water conservancy works, urban facilities, environmental protection facilities, and so on; and to develop high and new technologies, and strengthen technical transformation of existing enterprises, in order to increase the demand of the national economy. This also includes residential housing construction."

In addition, China must put into place, in three years' time, a modern enterprise system in the large and medium-sized state-owned enterprises. China's financial system must be "thoroughly reformed" in three years, and, the government must be streamlined. At the NPC, national ministries and commissions were reduced from 40 to 29, and half their employees are to be re-employed, as rapidly as possible. Local governments will also have to complete such reforms in three years.

There will be five reforms, he said: first, of the grain circulation system, to ensure that China's record grain reserves can be stored and marketed. The second will be to change the current investment and funding system, now carried out almost purely through government administration, to one based on the market.

It is important to understand, that the intent of these reforms, as with shrinking the government bureaucracy, is to get the government out of running enterprises and financial institutions, where government does not belong, and never functions well, enabling it to concentrate, instead, on meeting broader economic needs, especially in developing infrastructure.

Zhu Rongji's third and fourth reforms are of the housing system, enabling Chinese to own their own homes, and the medical system, to "ensure national basic welfare of the people." Finally, will be "further improvement of the fiscal and taxation system."

Finally, Zhu stated that the government's most important task will be "to vitalize China through science and technology." This is national policy; but it has not been carried out well, he stated. The reason is clear: "There is no money." The excessive government bureaucracy "is a self-consuming fiscal situation; all the money has been swallowed up." At the same time, duplication in many projects has wasted precious funds. All this will stop, he said. To carry out its "strategy of revitalizing China through science and education," the Communist Party Central Committee has established a "leading group for state development of science, technology, and education," to be led by Zhu and Li Lanqing. "We have the determination to further implement the policy of revitalizing China through science and education," Zhu said.

Debate heats up on New Bretton Woods

by Marcia Merry Baker

In the countdown to the April 16 Washington, D.C. meeting of 22 nations, the Willard Group, on the world financial crisis, the international debate on aspects of what should be a “New Bretton Woods” world monetary system has intensified. This process is reflected explicitly in the wording of two final amended clauses on U.S. Senate bill S. 1769, the “1998 Supplemental Appropriations Act for the International Monetary Fund,” voted up by the Appropriations Committee in mid-March, and sent to the whole Senate for a vote. The text uses language mandating the creation of a commission to review the “future role . . . if any” of the IMF, *and* the convening of a “Bretton Woods conference.” The relevant excerpts are:

Sec. 103: Advisory Commission

(a) The President shall establish an International Financial Institution Advisory Commission.

(b) The Commission shall include at least five former U.S. Secretaries of the Treasury.

(c) Within 180 days, the Commission shall report to the appropriate committees on the *future role and responsibilities, if any*, of the IMF and the merit, costs, and related implications of consolidation or the organization, management, and activities of the IMF, the International Bank for Reconstruction and Development [World Bank], and the World Trade Organization.

Sec. 104: Bretton Woods Conference

Not later than 180 days after the Commission reports . . . the President shall call for a conference of representatives of the governments of the member countries of the IMF, IBRD, and WTO [World Trade Organization] to consider the structure, management, and activities of the institutions, their possible merger and their capacity to contribute to exchange rate stability and economic growth and to respond effectively to financial crises.

U.S. Treasury Secretary Robert Rubin, when interviewed on March 20 by CNN about potential changes in the IMF, replied, “I think there are a lot of things that we can do in the IMF that would make it a better institution. And I will tell you that [IMF Managing Director] Michel Camdessus wouldn’t disagree with that. . . . I think there are issues of transparency. Just before, I—Just yesterday, I was working with a group of

Republican senators on a number of suggestions and thoughts that they’ve had with respect to reforming the IMF. I think there’s a lot we can do to make the system better.”

On March 24 in Washington, Rubin answered questions after an address to a Chamber of Commerce meeting, and addressed the problem of the vast flows of “excess capital” from investors expecting bailouts. Rubin reiterated his oft-stated view: “It is a troubling issue. . . . I would not spend a nickel to help creditor banks.”

International commentary

The need for controls on roving speculative money flows is one of the main points being addressed in the international debate over which of the original Bretton Woods measures to re-impose.

In Indonesia, a selective capital-flows control tax was reportedly under consideration by the new Cabinet, during their first week in session. The idea would be a 5% levy on certain purchases of foreign currencies, when speculation against the national currency, the rupiah, is involved.

In Thailand, a similar view was expressed in an editorial in the Bangkok daily *The Nation*, which, in the past, had been aligned with the opposing, London globalization-of-capital viewpoint. Titled, “Learn From Experience: Control Capital Flows,” the editorial begins: “Sooner or later the government will have to decide whether or not it is going to regulate the movements of foreign capital. There is already a growing chorus of calls for short-term capital flows to be controlled. The question is how. Thailand’s experience with an unmitigated flow of foreign capital was a bitter one. . . . It was this free flow of capital which played an important role in creating the bubble economy.”

The Bangkok editorial covers Secretary Rubin’s testimony on March 4 to the Senate Appropriations Committee on the need for a “new architecture” in global finance, commenting: “Despite its push for financial liberalization, the United States, as an economic superpower and global leader in financial services, has an open position on the control of short-term capital such as the activities of foreign-exchange speculators and hedge funds, but Washington is still cautious of any system that restricts short-term capital flows on the grounds that investors might eventually find ways around the controls. . . . [But] orderly economic growth achieved by controlling short-term capital flows should override the U.S. concern with potential loopholes. Thailand could join Chile and unilaterally control short-term capital, or the restrictions could be done at the global level or under the auspices of the Bank for International Settlements.

“The choice is clear, and the experience is telling. The Thai economy must never again be held hostage by hedge funds, currency speculators, or short-term stock investors. The temptation for short-term gains should never outweigh the need for sustainable economic growth, no matter what people like George Soros may say.”

The 'Asian crisis' is wrecking U.S. exports

by Richard Freeman

On March 19, the U.S. Commerce Department released the January U.S. trade statistics, which showed a \$12.04 billion monthly deficit—a 10.5% increase over December 1997. Most dramatic, has been the drop in U.S. exports to eight of the nations most severely affected by the so-called “Asian crisis”: South Korea, Taiwan, Singapore, Hong Kong, Malaysia, the Philippines, Indonesia, and Thailand. Between December 1997 and January 1998, U.S. exports to this group tumbled from \$9.143 billion to \$7.269 billion—a fall of 20.5% in a single month.

This unusually large month-to-month drop of U.S. exports indicates the rapidity with which the world financial disintegration is collapsing these economies in Asia: They now have currencies that are too cheap, and economies that are too depressed, to buy goods from the United States.

This development has grave implications for the U.S. economy. During the past 15 years, the U.S. physical economy has become increasingly dependent on exports; one in five U.S. goods-producing jobs is now dependent on exports. According to the U.S. Department of Commerce, exports to Asia today constitute 30% of all U.S. merchandise (i.e., physical goods) exports; and, of all agricultural exports, 40% goes to Asia. The Commerce Department defines Asia, for export analysis, essentially, as the eight above-mentioned nations, plus Japan and China (Hong Kong is now part of China, but its statistics are figured separately). Knock out the East and Southeast Asian market, and one damages U.S. exports, which further eats away at the withered U.S. physical economy.

The January drop in exports renders ludicrous the attempts by Robert L. Bartley's *Wall Street Journal* to portray the United States as largely invulnerable to the “Asia crisis,” and to focus attention, instead, on the rising stock market bubble.

Table 1 shows U.S. exports to Asian nations, comparing the monthly levels of December 1997 to those of January 1998, and indicating the percentage of change. Thus, between December 1997 and January 1998, U.S. exports to South Korea fell 34.8%; Indonesia, 42.4%; Taiwan, 26.1%; Hong Kong, 22.3%; and even Japan, 2.9%. To the group of eight as a whole, exports fell 20.5%; to the Commerce Department defined “Asia region” as a whole, exports plunged 12.9%.

The U.S. trade deficit rose, because U.S. exports to Asia plunged, while imports from Asia fell by but a small amount. The U.S. trade deficit with four Asian nations—South Korea,

Hong Kong, Singapore, and Taiwan—leapt to \$2.186 billion in January, up from \$841 million in December, an increase in America's trade deficit with these four nations of \$1.345 billion. This sum more than accounted for the increase of America's global trade deficit between December and January.

The size of these deficits underscores the necessity for a new world financial system, because the current financial and monetary collapse is taking everything down with it. There's no patching things up.

On Feb. 21 in London, 18 countries (the Group of Seven plus 11) involved in trade with East Asia, agreed to a multinational trade-financing mechanism, the Export Financing Agreement, to scare up some \$10-20 billion for trade guarantees (many for 90-day standard letters of credit) to keep Asian trade going in 1998.

U.S. Treasury Secretary Rubin fostered this initiative. The purpose is to fill the gap in trade financing stemming from the halt of credit from commercial banks and other traditional sources. But the scheme is based on the presumption that the global financial crisis will somehow “settle down.” On its own, this will not happen. Only action for a New Bretton Woods financial system can begin to restore economic activity.

Physical goods deficit

The crisis in U.S. exports manifests a deep problem in the U.S. trade profile that goes back 30 years. In the 1960s, the British financier oligarchy imposed upon the United States a post-industrial society policy, under which production withered. This policy became most acute when, in October 1979, Federal Reserve Board Chairman Paul Volcker sent the prime lending rate into the stratosphere, and kept it there for several years. Many sections of U.S. industry, especially the ma-

TABLE 1
U.S. exports to Asia
(millions \$)

	December 1997	January 1998	% change
South Korea	1,680	1,096	-34.8%
Taiwan	2,235	1,651	-26.1%
Singapore	1,443	1,180	-18.2%
Hong Kong	1,317	1,024	-22.3%
Malaysia	851	902	6.0%
Philippines	601	585	-2.7%
Thailand	538	557	3.5%
Indonesia	478	275	-42.4%
Subtotal	9,143	7,269	-20.5%
Japan	5,265	5,143	-2.3%
China	1,236	1,212	-1.9%
Grand total	15,644	13,624	-12.9%

Source: Department of Commerce, Census Bureau, International Trade Information.

chine-tool industry, were reduced by half or more, and the lost capacity has never been restored.

To substitute for the lost capacity, the United States started to import. It needs to be emphasized, because of widespread misinformation, that, in most cases, imports did not *cause* the problem. For most industries, destructive monetarist policymaking first destroyed production, and created the necessity for imports. Coincident with the increased push for "free trade," the U.S. economy became increasingly dependent on imports for essentials, such as machine tools, food, shoes, clothing, and fuel.

This policy shift has caused the U.S. annual trade deficit in physical goods — capital goods, finished products, raw and processed agriculture goods, and so on, but excluding services — to mushroom from \$25 billion in 1980, to \$198.9 billion by 1997, the highest deficit ever recorded. In other words, the United States has increasingly become dependent on "outsourcing" to exist. Go to any WalMart or K-Mart, or to a factory full of machine tools, and read the labels. Without this high level of imports, the United States would not exist. But as the Asian phase of the world crisis deepens, these supply lines to the U.S. economy may disintegrate. For some Asian nations, exports to the United States have already started to fall.

On the other hand, America's failure to correct the underlying policies generating the world financial bubble and disin-

tegration of trade has fuelled the economic crisis in Asia, causing U.S. exports to collapse.

Cancelled orders

The January 20.5% drop in U.S. exports to the eight Asian nations is recognizable in delayed and cancelled goods orders. The dependency of some states on the Asia export market means that the effects will be severely felt.

Thirty-three U.S. states depend on Asia as a market for at least one-fifth of their exports, and 12 states depend on Asia as a market for 40% or more of their export share: New Mexico, 69%; Hawaii, 65%; Oregon, 64%; Alaska, 57.9%; Nebraska, 55.7%; Washington, 54.6%; California, 51.9%; Idaho, 50%; Arizona, 44.8%; Louisiana, 41.8%; Utah, 40.3%; and South Dakota, 40%.

To cite one example, in Monroe, Alabama, in January, 700 out of 900 workers were laid off—77% of the workforce—when the Alabama River Pulp Mill and Alabama Pine Pulp Mill shut down temporarily, because Indonesia's pulp import orders have stopped. Indonesia's currency, the rupiah, has dropped 75% against the dollar since last summer, making U.S. imports that much more expensive; and there is no trade financing. Without pulp, Indonesia now has a newsprint shortage, along with shortages of priorities such as food and medicine.

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The paradoxical oil shock of 1998

by William Engdahl

The all-time record highs in recent weeks on the stock markets of almost all European countries and the United States, and the deepening economic impact of the so-called "Asian crisis," share one element in common: the collapse of world oil prices.

From October 1997 to mid-March, world oil prices, measured by the price of North Sea Brent crude, had plunged 40%. At the low point, Brent was trading at \$12.70 per barrel (a year ago, it was above \$21 per barrel). The price collapse for less-high-grade oil, such as Mexican and many Persian Gulf grades, had fallen below \$10 per barrel, the lowest price since 1988.

On March 22, oil ministers of Mexico, Venezuela, and Saudi Arabia met in Riyadh, Saudi Arabia, and announced a plan to cut production in order to revive fallen prices. How effective the plan will be remains to be seen. Organization of Petroleum Exporting Countries (OPEC) ministers were scheduled to hold a meeting in Vienna on March 31, to formalize the agreement. If that meeting fails to produce a convincing result, oil analysts predict that the price will begin dropping again.

The background

Oil prices began to fall in January, when demand from the economically devastated Asian region began to fall. In the first three months of this year, 500,000 barrels per day (bpd) fewer went to Asia. Given the mounting economic effects of the Asia crisis, the fall in demand can be expected to worsen. Exacerbating the weak demand for oil globally in the first quarter has been the extraordinarily mild winter weather in North America and Europe, which has reduced seasonal demand for heating oil by an additional 500,000 bpd.

In the face of this 1 million bpd loss in effective demand, OPEC made a bizarre decision in its annual November meeting, perhaps guided by economists who did not grasp the reality of Asian events. OPEC agreed to raise its member production quotas beginning on Jan. 1 by some 2 million bpd. But, Venezuela said that it found the present quota structure wrong and would ignore it. Before the Riyadh meeting, Venezuelan President Rafael Caldera had refused previous Saudi feelers for an emergency conference, and had sworn that Venezuela would "not cut a single barrel."

Obviously, the prospect of a repeat of the 1986 oil price collapse, when world prices fell below \$9 per barrel, forced

Venezuela and other countries to rethink their positions. Venezuela is now producing 800,000 bpd over its OPEC quota, and excess supply worldwide was estimated at 1 million bpd before the Riyadh agreement, i.e., Venezuela was pumping some 80% of the excess.

Whether the Vienna meeting will forge a workable deal, is open to question. Two OPEC members, Iran and Indonesia, have said that they will cut, not based on current output, but on the theoretically allowed official OPEC quota—contrary to the intent of the Riyadh accord. Non-OPEC producer Norway, the second-largest oil exporter after Saudi Arabia, has so far declined to make voluntary cuts.

"I would be very cautious about the outlook for the market," said Mehdi Varzi, chief oil strategist in London with Dresdner-Kleinwort Benson. "We need to know how many countries are really committed, from what level they are cutting output, and for how long the cuts will stick. The effects of the cuts could only become apparent in May or June."

The economic impact of the oil price fall on exporting nations could not come at a worse time. Mexico, which depends on oil exports as a major dollar earner, has been forced twice since January to announce savage budget cuts, as a consequence of oil revenue drops. Russia, also a major oil exporter, has seen the ruble come under pressure as the price of its second-largest foreign currency earner collapsed. And, throughout the Persian Gulf, the price collapse has damaged government plans. Saudi Arabia's Aramco, the world's largest integrated oil company, has announced that it is rethinking plans to invest several billion dollars in new refining and oilfield development projects.

Ironically, the oil price collapse which threatens to push several emerging economies to financial ruin, is fuelling the stock market speculative bubble. Since January, the stock markets of every major European country have soared to all-time highs, from London to Frankfurt to Paris to Milan to Zurich. The same on Wall Street.

Falling oil prices affect this frenzy in two ways. First, it has an impact on projected price inflation. Falling inflation leads investors to expect falling interest rates in bond markets. Falling interest rates, in many places at postwar lows, tempt speculators or large banks to borrow in hopes of making a killing in stocks, not unlike the Wall Street frenzy of 1927-29. The cheap oil prices, in effect, drive the stock bubble.

However, both effects cannot long coexist. The low oil prices, if they continue, will push several highly indebted nations, such as Mexico or Russia, over the brink. If oil prices rise because of the OPEC meeting, to a projected \$18 per barrel, that would reverse the falling interest rates and make stock speculation far more expensive. Given the derivatives leverage of the stock markets in Europe and the United States, that could trigger a full-blown stock market chain-reaction collapse which would make the Asia crisis pale by comparison.

The fraud of Argentine convertibility

Those who are tempted to adopt the British “currency board” scheme should look at Argentina. Gerardo Terán Canal and Gonzalo Huertas report.

In the early months of 1998, as the Asian crisis worsened, Steve Hanke, a Johns Hopkins University economics professor and former adviser to Argentine Economics Minister Domingo Cavallo, joined with Sir Alan Walters, former adviser to then-British Prime Minister Margaret Thatcher, in urging Indonesia to adopt a “currency board,” like that which Argentina has in place under the name “Convertibility Plan.”

These currency board propagandists insisted that the adoption of such an economic model would give Indonesia the “maturity” demanded of the so-called emerging countries by speculators such as George Soros, and through which they would supposedly be able to integrate themselves into the globalization process. They never tire of arguing that convertibility allegedly enabled Argentina to easily resist the so-called “Tequila Effect” following the 1994-95 Mexican crisis.

Notwithstanding the myths spread by Hanke, Walters, Domingo Cavallo, and the rest, Argentina’s Convertibility Plan has meant the destruction of its national productive apparatus, a loss of control over strategic state companies, a drastic increase in the rate of unemployment, and the de-nationalization of the national financial system. That is, what the Convertibility Plan guaranteed, is that the international banks, and especially the British Commonwealth, had seized control of approximately 53% of Argentina’s financial assets, through mid-1997. Five years earlier, only 17% were in foreign hands.

In this second phase of the international financial crisis, known as the “Asian crisis,” the next wave of buyouts of the Argentine banking sector is being readied. As the director general of Banco Bilbao Vizcaya, José Ignacio Goirigolzarri, declared during his early-1998 visit to Buenos Aires, the “Argentine financial system, as it exists today, is but a shadow of the system yet to come.”

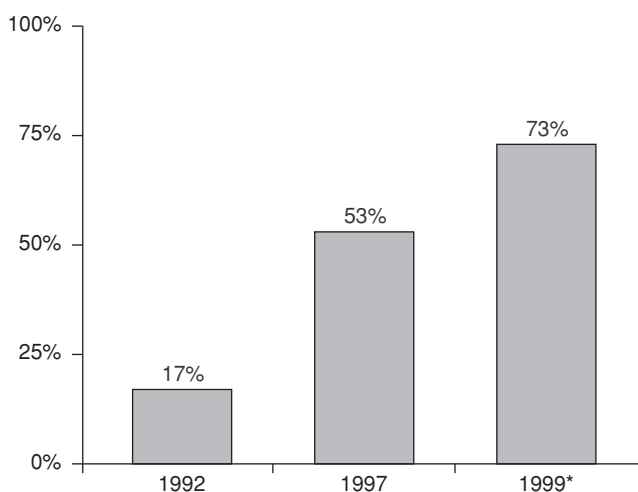
The Argentine Central Bank recently suspended the operations of Banco Patricios for 30 days, and just a few weeks ago did the same with the bank UNB Medefin. In both cases, the majority partner is Switzerland’s Socimer Finance Group, which lost \$100 million in the Asian financial crisis, and has been forced to reduce its investments in Argentina. It was thus unable to comply with the Argentine Central Bank’s new guidelines.

Last December, Lloyds Bank bought up Banco Comercial de Tres Arroyos; in February 1998, Mercobank acquired the

FIGURE 1

Argentina: foreign-controlled bank assets

(percentage of country’s total bank assets)



*projection.

Source: Central Bank, Argentina; EIR.

suspended Banco de Credito Provincial. Another local bank, the Banco de Galicia (with a branch in London), is also searching for a foreign buyer.

At the same time, the international creditors and the International Monetary Fund (IMF) are demanding the privatization of the Banco de la Nación Argentina and the Banco de la Provincia de Buenos Aires, the country’s two largest banks, whose financial assets account for 20% of the system. If these are privatized and end up in foreign hands, as is expected, then 73% of the Argentine banking system will be under foreign control (see **Figure 1**).

Banco de la Nación Argentina is the only bank with a presence in every township in the country, which has led it to function as the circulatory system of Argentina’s regional economies. This privatization effort is encountering fierce resistance, however. For example, the Banking Association

TABLE 1

Argentina: real foreign debt

(billions \$)

Year	1993	1994	1995	1996	1997*
1. Public foreign debt	55.5	60.0	63.0	73.6	73.1
2. Private foreign debt	15.1	17.4	20.0	26.1	32.4
Official foreign debt (1+2)	70.6	77.4	83.0	99.7	105.5
3. Government bonds denominated in foreign currencies	8.6	12.0	18.2	19.6	20.5
4. Peso-denominated government bonds held by foreigners	3.0	2.4	2.1	2.8	3.1
5. Dollar-denominated private domestic debt	19.0	19.0	19.0	31.5	34.1
De facto foreign debt (3+4+5)	30.6	33.4	39.3	53.9	57.7
Total (1+2+3+4+5)	101.2	110.8	122.3	153.6	163.2

* through September 1997

Source: Ministry of Economics

has launched a campaign to gather 1 million signatures from Argentine citizens opposed to the privatization.

Foreign debt growing

Since the implementation of the Convertibility Plan in 1991, the Argentine foreign debt has dramatically increased, rather than decreased, because of the “anti-inflationary” effects of the plan, as had been promised by its promoters.

According to the methodology that *EIR* has used in recent years, the *real* foreign debt of Argentina is significantly larger than the *official* foreign debt (see **Table 1**). The real foreign debt by the end of the third quarter of 1997 was \$163.193 billion, compared with \$101.2 billion in 1993: an increase of more than 60% in four years! The real foreign debt is \$4,800 for each one of Argentina’s 34 million citizens.

The difference between *EIR*’s figures and the official ones, is that the latter do not include a series of categories of *de facto foreign obligations*: the internal debt (both public and private) denominated in foreign currency, and the public internal debt, in pesos, held by foreigners (which is approximately one-third of the total). Therefore, to the \$105.45 billion of official foreign debt, one must add:

1. public bonds issued in foreign currency and sold on the local market, worth \$20.488 billion;
2. one-third of the \$9.317 billion in public bonds issued on the local market and bought by foreigners, accounting for some \$3.124 billion;
3. the dollar debt that Argentines hold in the local financial system, representing 63% of the banks’ portfolios, which by Aug. 30, 1997 was \$52.832 billion. To avoid double-counting, we must subtract from this figure the \$18.721 billion which is the foreign debt of private and public banks, which in turn is lent to the private and public sector, and to the Argentine population in general (credit cards, mortgages,

loans, and so on). If we make this adjustment, the internal private debt in dollars is \$34.111 billion. This has grown some \$19 billion since 1993—this evident dollarization of the Argentine financial system is a direct consequence of convertibility.

Adding these *de facto* foreign obligations to the official foreign debt of \$105.450 billion, we get a real foreign debt as of Sept. 30, 1997 of \$163.193 billion.

This year, Argentina will have to pay \$19.615 billion in debt service (interest and amortization). In order to do this, the Argentine government issued in just the first 56 days of 1998, public bonds on the order of \$3.25 billion. It is also negotiating a loan for another \$1 billion with five international banks, including J.P. Morgan, Chase Manhattan Bank, and SBC Warburg.

Trade deficit growing

Just as in Indonesia, the IMF’s prescriptions are destroying the trade and physical economy of Argentina.

On Feb. 4, the Menem government signed a letter of intent with the IMF, for an extended-facility loan of \$2.8 billion, to be disbursed over the next three years. Two weeks later, the agreement collapsed.

Because of the international financial crisis unleashed in Southeast Asia, Argentine exports fell considerably between October and December 1997, closing the year at \$25.359 billion. According to figures from the National Statistics and Census Institute (INDEC), the 1997 trade deficit was \$4.948 billion. But, half of that deficit was generated in the last three months of the year. The monthly average of the trade deficit during the first nine months was \$298 million, while the average for the final three months rose 253%.

This made it impossible for Argentina to comply with the newest IMF conditionality, that its trade deficit by the end of 1998 be less than \$5 billion.

In 1997, the East and Southeast Asia nations of South Korea, the Philippines, Hong Kong, Indonesia, Singapore, Thailand, and Taiwan imported meat, cereal grains, and leather from Argentina, to the tune of \$1.264 billion. This region, which regularly buys 50% of the leather Argentina exports, reduced its leather purchases by 15% between October and December 1997.

But the greatest impact can be seen on trade with Brazil, a nation severely affected by the Asian crisis. In 1997, Brazil bought 30% of Argentina’s total exports, of which 41.5% were industrial products (mainly from the automotive sector), and the rest largely agricultural.

In 1997, Brazil imported \$6.53 billion worth of products from Argentina, corresponding to 60% of Argentina’s wheat exports, 50% of wheat flour exports, 11% of its beef exports, 35% of its cotton, 36% of its *mate* drink, 50% of its tomatoes, 80% of its onions, 60% of its garlic crop, 40% of its apples

and pears, 77% of its barley, and more.

Given that the Argentine automotive industry heavily relies on its exports to Brazil, according to the Association of Automobile Manufacturers, Brazilian import-control measures produced a 14.3% fall in sales to Brazil in November, compared to the previous month. This forced automobile companies to put their workers on forced holiday, while auto parts manufacturers had to lay off many of their operators. The result of all this was that, between October and December 1997, stocks of the main automakers showed losses on the stock exchange of 50-60%.

To the reduction of exports to Asia and Brazil, we must add the fall in the international prices of cereal, fuel, and minerals, among others, all of which presages a very difficult year to come for Argentine trade. In minerals, the government had hoped to bring in some \$1.3 billion. But, as economist Daniel Muchnik wrote on Feb. 6 in his weekly column in the newspaper *Clarín*, a 20% fall in oil prices "will strip Argentina of some \$500 million from crude exports."

Production collapses

As can be expected, industries have also been affected in the internal markets by the international financial crisis. INDEC reveals that between November and December 1997, industrial activity in physical terms fell by 16.7% (10% in November and 6.7% in December).

Also seriously affected is the construction sector. Aldo Roggio, president of the Argentine Construction Council, stated that, following the Asian crisis, they have suffered "a deceleration of the growth curve in construction." In November 1997, cement production fell 10.7% with respect to the previous month. The story was the same with trade and other sectors of the Argentine economy.

This has clearly triggered a rise in unemployment. In the last two months of 1997, industrial employment fell 4.3%. Ironically, employment in the sector of "financial services, insurance, and real estate" saw a 32.8% rise in employment during that same period, according to the latest Census of Labor Indicators of the Labor Ministry.

Last October, real unemployment was 26.8% of the Economically Active Population, that is, 13.7% unemployment and 13.1% underemployment. Worse still, according to *Clarín* journalist Ismael Bermúdez, 60% of all new jobs that have been created are "a kind of disguised unemployment," and the other 40% "aren't really full-time wage earners." During the past two years, in the Federal Capital and in Greater Buenos Aires alone, 70,000 workers have had to work two jobs to afford the basic market basket.

In order to resolve their financial problems, the privatized public sectors raised their rates by an average 16% between Nov. 1, 1997 and the first half of February 1998.

Another goal agreed upon with the IMF, which the Menem government has been unable to meet, is the reduction of the fiscal deficit to less than \$3.5 billion. Toward that end, the government sent a tax-reform bill to the National Congress which, as Muchnik described it, is "a tax reform designed by the IMF," and which virtually condemns the Argentine middle class to extinction.

The Federal Administration of Public Revenues has announced that, to prevent tax evasion, which in 1997 amounted to \$28.8 billion, all tax evaders would be prosecuted, and a "political trial" demanded against those judges who did not rule against the evaders. The Congress is also now studying possible implementation of an Economics Ministry bill to privatize the collection of back taxes owed, by means of which the government hopes to collect another \$6 billion.

Serious difficulties have also emerged regarding social security, because of the fact that only 51% of those affiliated with the pension funds (AFJP) paid in their contributions to the system in 1997, thereby causing delays in pension payments issued to retirees. The AFJP lost nearly \$3 billion between October and December 1997, which had been invested in financial derivatives and stocks, which lost their value on the stock markets because of the Southeast Asia crisis.

In a desperate attempt to recover some of these funds, the government approved last August, amid great fanfare, a special retirement regimen for "housewives," with the intent of signing up 1 million housewives in the first year. However, between August and December 1997, only 50 housewives signed up.

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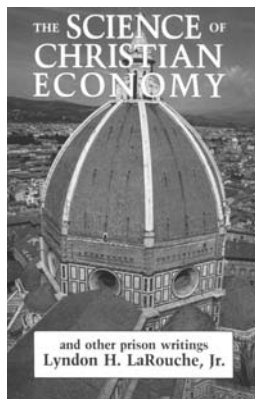
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Climatic, financial 'El Niño' slams Peru

by Sara Madueño

In the past few months, the harsh climatic cycle known as "El Niño 1997-98" has hit the Pacific coast of South America with unprecedented force. Peru and the Pacific's equatorial region have historically been the epicenters of this phenomenon, and therefore the primary victims of its catastrophic effects: torrential rains, overflowing rivers, mudslides, floods, drought, and the ensuing collapse of roads and urban infrastructure. Add to this the loss of human life, widespread crop destruction, and changes in marine fauna.

Although much of the international media have incorrectly blamed El Niño for climatological events in North America—which, in fact, have deviated very little from the norm in that region—there is no doubt that El Niño is responsible for the destruction wrought in Peru and other parts of South America.

There is almost no part of Peru's national territory which has escaped El Niño's effects. To date, more than 300 people have died, while a half-million have been left homeless and penniless, as a result of unceasing floods and mudslides. Destruction of sanitation infrastructure has contaminated drinking water, causing the incidence of cholera (among other diseases) to shoot up to 5,000 cases just in the first two months of this year. There were 1,000 cases reported for all of 1997.

The economies of these regions have been devastated. As of now, the losses caused by El Niño are estimated to exceed \$2 billion. Almost all of the country's national network of bridges, as well as entire cities, will have to be rebuilt. Floods and mudslides have wiped out the national highway network, as well as infrastructure for electricity generation and transmission. The repair of the Machu Picchu hydroelectric dam in the department of Cuzco alone, will cost \$200 million. The dam was completely buried by a mudslide.

Peru's topography consists of inter-Andean valleys on the coast and in the mountains, characterized by a steep incline and precarious terraces. It is on the latter that cities and population centers have historically been located, heightening the country's vulnerability to El Niño. (The people of ancient Peru worshipped the Andean mountains, which were the primary deities prior to the arrival of Christianity in America in the 15th century.) As a study of history shows,

El Niño has caused enormous economic and demographic cataclysms in these regions. In the 5th century A.D., in northern Peru, it wiped out the entire Moche culture, which was based on highly developed agriculture. Similarly, in 1720, it destroyed and completely buried several cities in the country's north.

The financial El Niño

In anticipation of El Niño's most recent occurrence, President Alberto Fujimori undertook certain precautions, mainly in the area of building or strengthening infrastructure, to protect populated areas most likely to be affected. But, because of inadequate budgetary resources and the financial and economic crisis which is also wracking Peru, he was unable to guarantee the investment in infrastructure of the magnitude required to withstand El Niño's anticipated effects.

Fujimori's major problem is that he is committed to the radical free-market policies demanded by the International Monetary Fund (IMF), so assiduously applied by his Mont Pelerin Society-linked Finance Minister, Jorge Camet. Continued application of these policies, combined with the effects which the Asian financial meltdown has had on Peru, will make it impossible for Fujimori to adequately deal with the El Niño disaster. The country's financial books are already in the red, and no one appears to have the slightest idea of how to reverse this situation. Short-term speculative capital, which entered the country to take advantage of exorbitant profits to be won on the Lima stock market, has now begun to flee. For years, the Lima stock market was hailed as one of the most profitable of all the emerging markets internationally. But over the past six months, it has dropped 12%.

The situation is worse for long-term capital. Because of the plummeting price of copper and other minerals which Peru exports, at least 50% of the \$10 billion in foreign investment that was slated largely for mining projects between now and the year 2000, has been suspended. Large foreign mining concerns were the first to cancel their investment plans, among them the two big copper projects, La Granja and Antamina. The Canadian firm Cambior, owned by Barrick Gold, has suspended its \$2.3 billion investment in La Granja, that was to have been made between now and the year 2000. INMET, Rio Mining, and Algom own Antamina, and they have suspended a \$2.5 billion investment which had been scheduled for the same time frame.

Aside from mining, fishing exports, the country's second most important export sector, are expected to drop by 50% this year. Agricultural exports, mainly produced in coastal areas, will also plummet. And, certain other export products, such as mangos and asparagus, will simply disappear. It is feared that Peru's trade deficit will double this year compared to 1997. With this kind of trade deficit, no short- or long-term capital in sight, and flight capital rapidly increasing, it can be said that the IMF-dictated economic program, is truly sinking Peru.

Business Briefs

Eurasia

Containerized shipping discussed in Moscow

An international conference on the development of container shipment capacity to service Europe, Asia, and the Far East was held in Moscow in early March. Russian Deputy Railways Minister Ivan Besedin promoted the Trans-Siberian Railway, which will have the capability to carry 120,000 containers per year by the year 2001, becoming a competitor to shipment by sea. At present, the Trans-Siberian Railway carries 22,000 containers per year. While 3 million containers are shipped by sea from Japan, Korea, and China to the West each year, the volume of rail shipments is only 5% of that level.

Trans-Siberian Railway coordinating council secretary Gennadi Fadeyev presented a schedule for 12- to 14-day shipment of containers from Nakhodka on the Pacific coast, to Brest. The sea route from Japan to Central Europe takes 35 days. Russia has slashed tariffs for freight passing through its Far East ports, and through Astrakhan (where the Volga River flows into the Caspian Sea) to Iran, to win shipments away from trucking companies.

South Asia

India looks forward to trans-Asia link

The completion of the Kerman-Zahedan rail link in Iran, which is expected to be completed shortly, will integrate the Indian rail network into the trans-Asian system, connecting western Europe, eastern Europe, and the Middle East with South Asia, home to over 1 billion people. *The Hindu* reported from New Delhi on March 18. The rail link from Zahedan to Mirjaveh, Iran, on the border with Pakistan, already exists; only the Kerman-Zahedan link remains to be finished.

Indian Railway Board chief V.K. Agarwal announced in New Delhi on March 18 that, in fact, the Indian railways had become international, with the opening of corridors to Bangladesh and Pakistan. Agarwal was

inaugurating a three-day General Assembly meeting of International Union of Railway Medical Services.

Given that railways are six times more fuel efficient than the use of roads, Agarwal said that if the current decline in the share of freight traffic to the railways were reversed, from the 40% currently, to 60%, India would save 53 billion rupees (about \$1.36 billion) annually, due to reduced consumption of petroleum products.

Israel

IMF policies draw industry protests

Dan Proper, on behalf of the Manufacturing Association of Israel, charged in statements issued in Tel Aviv on March 16, that the International Monetary Fund (IMF) is not in the real world. Proper's comments came in response to the IMF's latest prescriptions for the Israeli economy, the German financial daily *Handelsblatt* reported.

In its latest criticism of credit and budget policies in Israel, the IMF accused Israel of not adjusting far enough to IMF standards, but rather, of sticking to an inflationary budget and continuing to borrow to stimulate the economy. Israel should export more, to make money, and not increase borrowing, the IMF said in its memorandum to the government and the central bank.

Proper said that it is folly to call for increasing exports at a time when Israel's exports to Asia have already suffered a 27% drop in the last quarter, including a 38% fall in the diamond trade. Proper said that should Israel follow the advice of the IMF, it would sign a "script for certain recession," and "neglect the rising jobless figures, with all their social implications."

Transportation

Iran, Russia plan to step up rail cooperation

Iran and Russia have expressed readiness to reactivate cooperation in rail transportation, the Iranian daily *Ettela'at* reported on March 11.

Russian Deputy Railroad Minister Oleg Anatolyevich said in a recent meeting with Rahman Dadman, managing director of Iran's State Railways, that the Tajan-Sarakhs (Turkmenistan-Iran) rail link is strategically important. Dadman said that Iran will concentrate its efforts on getting the five nations neighboring Iran and Russia to convene a meeting on rail cooperation, to activate the rail link between Russia and Iran.

Anatolyevich also said that Russia wants to sell rail cars, locomotives, and other rail equipment to Iran, of which Iran already wants to buy 2,000 freight cars.

During the week of March 2, Russian Deputy Prime Minister Vladimir Bulgak visited Iran, and discussed economic cooperation, focussing on transport, with Iranian Minister of Roads and Transport Mahmoud Hojjati. Bulgak said that the two nations should promote transport cooperation via the Caspian Sea, including rail networks and roads. He called for establishing regular Iranian-Russian shipping lines on the Caspian Sea.

Germany

Labor, industry blame Maastricht for job loss

In a statement that has received little publicity, Michael Geuenich, a member of the national executive of the German DGB labor federation, said that the news that Germany has met the Maastricht budgeting criteria in 1997, is not good news for labor. The budget cuts in the public sector that helped Bonn reduce expenditures and, thereby, new borrowing last year, "contributed to a great extent" to the loss of 400,000 jobs, he said.

Unfortunately, the DGB is still endorsing the European Monetary Union. This is mostly because the unions in the big exporting branches of industry, like the metal workers, believe that the monetary union and the single European Union currency, the euro, will reduce currency turbulence, helping boost exports. Some unions, however, such as the construction, textile, and leather workers, oppose the EMU because of its liberalization and deregulation clauses.

On March 17, Ignaz Walter, chairman of

the German Construction Industry Association, said at a press conference in Bonn that cuts in public sector construction, because of austerity budgets, are contributing to the loss of another 100,000 jobs this year. Public sector contracts dropped by 8.9% in 1997, and will not recover this year. Walter said that 34 western and 14 eastern German municipalities planned to cut projects, including municipal road building, construction projects, and other infrastructure work.

The 8.9% drop in 1997 is to a great extent due to budget cuts of the Federal and state governments toward the end of 1997, to reduce expenditures to meet the balanced budget Maastricht criteria. This helped the government to bring new borrowings down to 2.7% for 1997, thereby meeting the 3.0% criteria.

Meanwhile, a survey of Volkswagen automobile workers by the *Frankfurter Allgemeine Zeitung* found that living standards of German workers have dropped 8% since 1990, the daily reported on March 13. The survey investigated how many working hours are required to buy specific consumer goods. In 1997, for example, it took 893 working hours to buy a Volkswagen Polo car, while in 1980, it took 782 hours. From 1970 to 1980, living standards of working families increased 20%; from 1980 to 1990, only 7%; and since 1990, the standard of living has dropped 8%. The downward trend is continuing.

Ibero-America

British continue investment push

Richard Nichols, the Lord Mayor of London, toured Ibero-America in March, peddling lies about how the British now view countries such as Peru as a great "investment option," now that Asia is going down the tubes—as if there were no crisis in Peru. With a large contingent of businessmen in tow, Nichols stopped off in Lima, where he met with President Alberto Fujimori on March 12; he was scheduled to proceed on to Chile, Paraguay, and Argentina, to meet with the heads of state of those nations, the daily *Expreso* reported. Nichols reported

that "real estate and financial services" were his primary concern, and that as mayor of London, he wanted to promote his city's financial services in other parts of the world.

While talking about a closer relationship between Peru and Great Britain, Nichols demanded that Peru grant highway, port, and airport concessions for a much longer period of time, because otherwise, these areas "would not be attractive for investors," he said. He promised that he would report on Peru's privatization program to London, "to make it known among interested investors."

Britain is the third-largest investor in Peru (the United States and Spain are numbers one and two), but, he said, "We can be patient." According to the British ambassador in Lima, John Illman, several British firms, including Land Rover, Fleming Bank, and Hongkong and Shanghai Bank, have gone into the Lima stock market.

Space

China to participate in deep-space exploration

China is preparing missions to the Moon and Mars, Xinhua reported on March 20. Yuan Jiayun, vice president of the Chinese Academy of Space Technology, said, "China will actively participate in deep-space exploration (DSE) during the 21st century, and Chinese scientists [will] expand in-depth research concerning various scientific objectives as the engineering feasibility of DSE. . . . The Moon will be the focus of human activity, and priority during the 21st century will be placed on DSE." Yuan said that mankind's planetary exploration will also focus on Mars.

Another Academy vice president, Ma Xingrui, said that China would launch small lunar explorers when possible, and develop other space vehicles on the basis of retrievable satellite technology.

Scientists also reported that "space technology" had helped them to find the 2,000-year-old city of Niya, which had been buried in the Taklamakan Desert, in Xinjiang Region. The city had been described by Xuan Zang, the T'ang dynasty monk who made the original "journey to the West."

FUND MANAGERS are finding that "there's nowhere to invest," a Swiss banking source told *EIR* on March 17. "Some hedge funds are even returning money to investors because of the problem. For pension funds and mutual fund managers who must make returns each quarter or face the firing squad, the once-booming emerging markets from Asia to Brazil are now 'off limits.'"

JAPAN is rebuilding the Myanmar international airport in Yangon, the first official aid since 1988, the *South China Morning Post* reported on Feb. 27. Japan has also given a debt-relief grant worth about \$15 million, for purchase of machinery and spare parts. The loan is politically important, given U.S. and European Union trade sanctions against Myanmar.

EGYPTIAN Prime Minister Kamal Al Ganzouri inaugurated a conference in Cairo on March 15, intended to lead to the creation of an Arab Common Market. The 21 member-states of the Arab League have signed a trade accord, but more can be done to foster inter-Arab trade, he said.

THE CENTRAL ASIAN nations of Kazakstan, Uzbekistan, and Kyrgyzstan agreed to form a consortium on hydro-electric resources, on March 17. Kazakstan reaffirmed its intent to barter coal, and Uzbekistan natural gas, for water from Kyrgyzstan.

THAILAND'S pig population has fallen 30%, and chickens 25%, *Business Day* reported on Feb. 27. The head of the Thai Poultry Promotion Association reported, "We cannot pass on the rising costs to consumers as fast as we want, due to eroding purchasing power."

THE SOUTH AFRICAN Reserve Bank would view a shift away from the insanity of the speculative markets as "a welcome relief," a source close to the bank told *EIR* on March 17. "The financial developments of the 1990s have been a disaster for South Africa," he said.

Russia: a coup from above

by Lyndon H. LaRouche, Jr.

March 24, 1998

On the morning of March 23, 1998, international news dispatches from Moscow featured the announcement of an ongoing purge of the Russian government of Prime Minister Viktor Chernomyrdin, ordered by President Boris Yeltsin. The principal details of the changes, including names of those key figures who, thus far, were dumped, or remain, or have been newly promoted, are documented in the accompanying report. Our task here, is to provide the reader an appropriate insight into the strategic circumstances in which this coup from above has occurred.

The timing of the coup was obvious. The facts had been summarized by Russia's prominent leading younger economist, Dr. Sergei Glazyev, in a piece written at the beginning of this year.¹ At the time, last Autumn, the global systemic financial-monetary crisis was targetting Korea, Japan, and Indonesia, Russia had postponed a similar collapse by an hysterically inflationary bail-out, through short-term international financing at loan-shark interest-rates. Come March, as the end of the first quarter of calendar year 1998 approached, the financial, economic, and social pressures of this bail-out financing terrified Russia's leading political circles. In such circumstances, whatever might be likely to occur under such circumstances, were likely to begin building up now, echoing the scenario which began during October of 1997.

As in the case of the man who came down suddenly with a severe case of influenza, the infection with such potential developments as this coup from above, was present. However, the patient's disposition to come down with a severe attack of this infection, was a result of his general circumstances of

stress, and the weakened condition of his immune system.

Coup in Russia? The historically literate mind recalls images of the famous 1905 and 1917 revolutions. The first of these was triggered by the combination of a London-orchestrated, international financial crisis of 1905-1907, and the impact of the Russo-Japanese War. The second, was the reflection of economic disaster, combined with large, useless losses of peasant soldiers in the foolish continuation of Russia's hopeless war against Germany. In both cases, the confluence of a social and economic crisis, intersected a general loss of confidence in the potential usefulness of a discredited government. Given, a spectrum of previously established nuclei of revolutionary political institutions, and a seemingly endless worsening of combined social, economic, and political crises under the existing government, mass-based revolutionary ferment was likely.

There are analogous leading features in Russia's situation now.

That historically literate mind, if it had studied the discussions which occupied the minds of both the various revolutionary organizations, and their national and foreign opponents, from those periods, would see those Russian revolutions somewhat as the leading European revolutionaries of 1917-1923 saw them, as echoes of the revolutionary developments in the France of 1789-1794. This was the view of revolution which had been popularized by Karl Marx and others during the middle decades of the Nineteenth Century. This was the view commonplace among the collaborators and opponents of Karl Kautsky within the leading social-democratic and Bolshevik circles of the pre-1914 debates. These are more or less the terms of reference which automatically come to the minds of historically literate circles among Russia policy-shapers since the successive upheavals of 1989-1993.

1. Sergei Glazyev, "Key Measures for a Transition to Economic Growth in Russia," *Executive Intelligence Review*, March 27, 1998.

Heads roll in Moscow (left to right): former First Deputy Prime Minister Anatoli Chubais; former Prime Minister Viktor Chernomyrdin; President Boris Yeltsin. In order to understand the revolutionary crisis now gripping Russia, LaRouche writes, it is necessary to identify certain crucial historical issues of the French Revolution.



We shall therefore turn, briefly, but necessarily, to identifying those presently crucial historical issues of the 1789-1794 French Revolution, which are indispensable for an effective political-strategic understanding of the revolutionary crisis presently gripping not only Russia, but the world as a whole, throughout the remainder of 1998.

The legacies of the earlier Russian revolutions, and of the institutions to which they led, are prominent, and more or less dominant, among the cultural influences from the past, which shape the actions and reactions of the principal players on the Russian stage today.

Those sundry revolutionaries of those past periods, from Marx through the social-democrats and Bolsheviks of 1917-1923, were victims of fundamental errors of assumption respecting the nature of man, history, and society. Those are not minor errors, but axiomatic errors, errors otherwise described as “crucial,” or fundamental. Nonetheless, despite those errors, as Rosa Luxemburg described her old factional opponents from Russia, Lenin and Trotsky, “they dared.” Although each of them erred greatly in identifying the underlying principles of those historical transformations, they are not to be regarded as anything less than highly qualified professional revolutionaries, professional makers of history. From

the evidence of their deeds, only an idiot would deny that these revolutionary leaders obviously understood something. The crucial errors in their understanding, we must reject; but they were not half as misguided, or ignorant, as those foolish statesmen, who approach the present global situation with the delusion that the immediate weeks and months ahead are not a revolutionary interval of history, in the strictest sense of that term.

This is most clearly relevant in face of the presently on-rushing revolutionary crisis in Russia today. It is crucial, that President Clinton and his policy advisors (among others) recognize, that whatever comes out of the months immediately before us, it will be a revolutionary change of some kind. At this moment, the prospect of a revolutionary change—of one sort, or another—inside Russia, is an agenda-item of high priority.

Russia’s legacy from the French Revolution

The fact which makes the present global revolutionary situation so extraordinarily dangerous, is that the majority of the leading circles of government and finance, around the world, are presently, clinically insane. As one leading banker described the situation, the majority among those circles

which will decide the outcome of the mid-April monetary conferences in Washington, D.C., is gripped by a devotion to the lunacy of their existing financial and related policies of “globalization” and “liberalization,” which can be fairly described only as a passion of extreme, blind religious fervor, an obsessive quality of religious delusion: in this case, the pagan worship of *Fortuna*. The currently prevailing insanity among the neo-conservatives of finance and politics, is an inquisitional quality of lunatic religious fervor, brimming with bloody-handed bigotry.

Unless the unlikely occurs, and the U.S.A. pushes through the kind of radical “new Bretton Woods” reforms I have identified, the way in which the bankers and governments of the world will react to the global financial and monetary crises of 1998’s second quarter, will be the worst disaster yet. Already, the financial markets of Tokyo and New York City, are propped up only by the most lunatic form of hyperinflationary printing-press-money outflow since the Weimar hyperinflation of 1921-1923. The result will come much quicker, and with far greater force than during 1921-1923. If my proposals are not adopted during the relevant April meetings, the second half of 1998 will experience the end of the present international financial, monetary, and banking system, the worst crisis of this planet in modern history.

After such an orgy of futile, but axiomatically hyperinflationary attempts at global “bail-out” of banks, during the second quarter of 1998, the game ends. After the immediate results of that orgy of “religious fervor” during the second quarter of this year, the next change will be a “thermonuclear” chain-reaction of reversed financial leverage within the world’s system of casino side-bets, what *EIR*’s John Hoefle has described as a “three-hundred-pound flea” sucking upon a “forty-pound dog,” what is otherwise known as the looniest financial bubble in history, the hot-air bubble of “hedge funds” and financial “derivatives.”

The present, if temporary hegemony of the religious fervor among such lunatic “religious” bigots controlling international financial and related policies today, is the crucial factor which makes the present situation, inside and outside Russia, a revolutionary situation today.

That setting for oncoming short-term, global developments, is the context in which Russia’s recent coup from above must be situated. Therefore, a summary of the relevant features of the French Revolution’s legacy of myths, is indispensable for understanding both the internal situation, and international setting of Russia-in-crisis now. Look at the most crucial French events of 1789-1794 from this vantage-point. There are crucial features of that history which should remind us of the recent history of Russia in particular, and most of this planet in general.

Despite France’s earlier loss of the power to independently challenge the British monarchy’s growing maritime power, pre-1789 France was the most advanced nation of the

world in science and technology, and the nation with the most powerful economy. Then, toward the close of the U.S. War of Independence, the clouds darkened over continental Europe. The opening scene in the ensuing tragedy of King Louis XVI’s France, began during the 1783 phase of negotiations of the peace between the United States and its ally France, on the one side, and the British monarchy, on the other. The seeds of France’s destruction were sown in the setting provided by wily Lord Shelburne’s brief occupation of the post of Britain’s Prime Minister.

Out of these peace negotiations, came a curious cohabitation between the Physiocrats associated with A.R. Turgot, on the one side, and the British East India Company’s Shelburne and Jeremy Bentham, on the other. The harpoon, designed by Shelburne, which destroyed the French whale, was France’s submission to the British demand for a “free trade” agreement.²

To enforce that agreement, France was guided by its Finance Minister, Jacques Necker, a notorious asset of British intelligence, a Swiss banker from Lausanne, otherwise known as the father of the infamous Madame de Staël, she a bimbo fit to strut on Kenneth Starr’s chorus line.³ Necker was very successful; within several years, he had bankrupted France! The superimposition of “free trade” was used, by Necker et al., to turn the French war-debt into an instrument of destruction of France’s public finance. The network of agents built up by Venice’s Paris-based super-spy, Abbé Antonio Conti, was already awaiting the opportunity to strike France from within. The French Revolution was soon on.

Inside France, Necker had interesting allies. Turgot aside, the most prominent was a British agent, a perennial enemy of Benjamin Franklin among freemasonic circles, the Duke of Orléans otherwise known as “Philippe Egalité.” It was Orléans who organized and directed the mob which led the assault on that then-virtually emptied prison known as the Bastille; this assault was staged by Orléans as an election-campaign stunt on behalf of Orléans’ demand, that King Louis XVI appoint Jacques Necker as France’s Prime Minister, the

2. Lord Shelburne, the key figure of the British East India Company and of Barings Bank, had engaged Adam Smith, beginning 1763, to devise a scheme for destroying both the economy of France and the independence of the young enemy then growing up in the English colonies in North America. Smith’s 1776 anti-American tract, his *Wealth of Nations*, largely a plagiaristic copying of the work of Turgot, was the most notable consequence of his engagement by Shelburne. Banker Shelburne is the principal author of the notions of “free trade” popularized by his protégés Adam Smith and Jeremy Bentham. His role, as Prime Minister, in negotiating the November 1782 secret treaty of peace with the United States, was used to further Necker’s use of “free trade” as the ruse for bankrupting France. That lesson from history applies to the situation in Russia and numerous other economies ruined by “liberal economics” today.

3. The relations between the family of Necker and British intelligence, is among the more disgusting footnotes of French and Swiss history from the late Eighteenth Century.

same Necker who, as Finance Minister, had just previously bankrupted France, a lunacy comparable to appointing Kenneth Starr, or Speaker Newt Gingrich, White House Chief of Staff for President Bill Clinton. The same Orléans, a short time later, organized and armed a mob which he led to the Palace of Versailles, to capture and imprison his cousin the King.

As a result of such developments, the friends of the United States were purged, sent to prison, or even guillotined.⁴ British agents among the leaders of the Jacobin Terror, such as Maximilien Robespierre, Georges Danton, and the London-trained Swiss mass-murderer, Jean-Paul Marat, took charge. Soon, the fanatical romantic Paul Barras grabbed power, and brought his protégé, Napoleon Bonaparte, into the latter's role in misshaping the law and other institutions of France, transforming France into a caricature of that "whore of Babylon" known as the Roman Empire, replete with "Sun King" Emperor Bonaparte consecrating himself as "Pontifex Maximus" of the state religion.

There are two most crucial, distinct, but interdependent follies of Marx and the socialists generally, errors which were crucial in misshaping the outcome of the Russian revolutions of 1905 and 1917. It is urgent, given the presently acute, revolutionary and pre-revolutionary situations now developing rapidly inside Russia and many other parts of world, that those errors not be committed yet once again.

The first error, is the assumption of "proletarianism," itself a romantic conception traced to a wild misrepresentation of the nature of the social structure of the Roman Empire. That error is the assumption, typified by the pro-satanic doctrine of Bernard Mandeville's *Fable of the Bees*, that the anarchic, intrinsically entropic expression of individual lust, is both the "natural" driving-force of social processes, and that this kinematic random walk among anarchically contending, irrational impulses, functions as a kind of secretion, whose outcome is presumed to be appropriate ruling ideas.⁵ This error underlies that kind of deluded faith in the non-existent, but

4. Exemplary are the case of Tom Paine and the Marquis de Lafayette. Lafayette's case was dramatized by Ludwig van Beethoven's opera *Fidelio*, in which the villain *Pizzaro* (Lord Shelburne's puppet, English Prime Minister William Pitt the Younger) imprisons *Florestan* (Lafayette) in a dungeon (actually, the Austrian imperial dungeon at Olmütz). Lafayette was imprisoned, in 1792, on orders from London, by the ultra-reactionary predecessor of Metternich, suspect in the death of Wolfgang Mozart, Chancellor Wenzel von Kaunitz, and remained endunged until he was freed, in 1797, largely through the intercessions of his wife, *Leonore* (Adrienne Lafayette).

5. *The Fable of the Bees, Private Vices, Public Virtues* (1734) (London: Reprint, 1934). This work is, according to the late Friedrich von Hayek, the "Bible" of the Mont Pelerin Society. It is also the kernel of Adam Smith's argument in his 1759 *The Theory of the Moral Sentiments*, and the argument Smith uses, in his 1776 *Wealth of Nations*, for the adoption of François Quesnay's *laissez-faire* as Smith's notion that "free trade" is the art of the "Invisible Hand."

supposed cure-all properties of "democracy." This is the same notion of "democracy," as presently advocated by the U.S. National Endowment for Democracy, which had tended, in each relevant, known case since ancient Greece, to transform gravely troubled "democratic" societies into the most awful tyrannies.

The second error, is the cult of empiricism. This is largely the combined outgrowth of Venice's Sixteenth-Century reintroduction of Byzantine Aristoteleanism into the western Europe of the Latin Rite, and the subsequent introduction of Paolo Sarpi's Ockhamite dogma of empiricism. This is the same cult of materialism which pervades, widely, every variety of political-economy widely taught in universities today.

As the relevant evidence and argument is presented in earlier editions of *EIR*, and in other locations, the errors just identified have the following practical implication both for the way in which Marxists and empiricists generally misperceive history, and also in causing the worst among those follies of shaping of economic policy and practice, which commonly cause the worst economic and related crises. The needed corrections are, summarily, the following.

First, the possibility of "more," relies absolutely upon the specific, cognitive ability, existing only among individuals of the human species, to generate, assimilate, and employ those discoveries of physical principle, and related types of ideas, by means of which the human species' per-capita power over the physical universe, is increased.

The ability to transmit validated discoveries of physical and other principle, from one mind to another, requires the development of culture, in the same sense that we require progress in increasing the number of validated known physical principles and their technological derivatives. Hence, the relationship between the human individual and economy is total. For example, "economic man" does not exist, nor is there any purely "economic" doctrine which accounts for the direction of developments within actual economies. Every aspect of human activity, bearing upon the generation, transmission, and assimilation of validatable kinds of ideas of physical principle, social relations, and the nature of the human cognitive functions of discovery of such principles, acts to determine the outcome of economic relations between the society and nature in general.

Second, we have the matter of that great conflict which has always dominated mankind's struggle to bring to an end forms of society, in which large rations of the total population are reduced to the relative status of "human cattle:" slavery, serfdom, and so forth. In Christianity, this distinction is presented as the policy, that it is equally true of each individual man or woman, with no allowance for any ethnic or racial distinction among persons, that each person is made in the image of the Creator. This signifies a power of cognition unique to the human individual among living species, a quality sometimes identified as "the divine spark of reason." This

is a quality typified by the processes of the individual mind, by means of which that mind generates a validated discovery of a physical principle.

This latter conception of the human individual is inseparable from the notions of truth and justice, as those notions are addressed in the dialogues of Plato. The principle is, that each individual is efficiently accountable for truthfulness and for a sense of justice, accountable in the sense, that the measure of truthfulness and justice does not depend upon manifest coincidence with the expressed opinion of a majority, or even a large minority. Indeed, all progress in the human condition, economically or otherwise, occurs in no other way, than a validatable rejection of "mainstream opinion."

"Majority rule" has no intrinsic merit. Most of the time, on most issues, the majority has been wrong; that will always be true, by the very nature of progress. The progress of society, its capacity for truthfulness and justice, depends absolutely upon the willingness of the majority to submit to the contrary opinion of even a single person, when that person is able to show, by no other means than reason itself, that the majority must change its belief, if truth and justice are to be served. The object of good society, is not rule by majority opinion, but rather rule by good conscience.

That means, that reason, and reason alone, is the efficient political means by which governments themselves must be governed. That means, that to have such a society, it is essential that every child be developed in the ability to be ruled, to rule, and to be self-ruled by such commitment to service of truth and universal justice; that that society has no different purpose, in effect, than to establish agreement in practice in this way. The good society is not one in which existing opinions are merely counted, with authority given to the majority of votes; the good society, is one in which no person will force an opinion upon another, except by processes of open deliberation, in which the rule of accountability to reason is allowed the freest play.

On this account, the greatest statesmen, such as Benjamin Franklin or Friedrich Schiller and Wilhelm von Humboldt, have laid the stress on a Classical humanist mode of primary and secondary education, to develop thus those intellectual and moral capabilities of the individual human mind, upon which a society's ability to be self-ruled by reason, chiefly depends.

The latter point made, we might ask ourselves, how, since virtually no society has ever consented, in actual practice, to rule by reasonable deliberation, did societies ever progress? Generally, great progress occurs only in circumstances of threat of terrifying crises, in which frightening crisis, or prospect of crisis, shows much of the population the manifest failure of previously prevailing opinions. Wars and revolutions, have been not the exclusive circumstances for progress, but, in history to date, the most likely ones. The fearful prospect of the consequences of heteronomy, impels a population

to rally around those leaders who speak with a clear voice of reason. At other times, heteronomy is more likely to prevail. Therefore, the new crisis whose onset now grips Russia, and, soon, much of the rest of the planet, must be welcomed, gratefully, as the needed crisis which prompts us to do the good we were unlikely to attempt otherwise. We see this crisis as the opportunity to defeat, to free us from that religious quality of monetarist fervor which is presently the greatest threat to civilization.

The practical question is, how to develop a society to such a degree, that crisis is no longer the only strict teacher of truth to governments and popular majorities.

Consider the French Revolution in this light.

The actual conflict

The problem has been, that European civilization has never fully freed itself from the legacy of that Whore of Babylon known variously as the Roman and Byzantine Empires. European feudalism was a continuation of that degeneracy. This evil of feudalism was chiefly expressed in two social formations. The one, was the feudal landed aristocracy; the second, was a financier oligarchy, whose roots can be readily traced to the time of ancient Akkadian dynasties.

There is a crucial, additional feature of the feudal tradition: its brutish notion of law. Since ancient empires and feudalism were based upon the reduction of more than ninety percent of humanity to the "human cattle" serving the interests of a relatively tiny oligarchy, a true natural law could not be tolerated by any empire, or by any society which harbors an oligarchy.

The characteristic function of every oligarchical model of society, is to serve the perceived interest of oligarchism. The function of the empire, was to select a chief magistrate, such as a hereditary or other tyrant, who would serve as a surrogate for the entirety of the oligarchy in matters of law. The law became, thus, the expressed will of that surrogate for the collective will of the oligarchy as a whole.

This tyrannical essence of pre-modern society was often slightly tempered by the notion of customs, notably including the legally authorized customs, in religion, or otherwise, of subject peoples. Otherwise, there was no universal principle of individual human nature, which bound the oligarchy to any principle of truth or justice founded upon a universal agency of reason. Thus, the characteristic of the law of oligarchical societies, is its intolerance toward such notions of a natural law.

There is a derived feature of oligarchical society which played a dominant role in the French Revolution, under the Jacobins and under Napoleon Bonaparte. Since the original, Mesopotamian, Whore of Babylon, the administration of society by the oligarchy itself, has depended upon a more numerous body of oligarchical lackeys, constituting a permanent bureaucracy in the government of the society's affairs.

In the case of both the Jacobin tyranny and the tyranny of Napoleon, and also in the cooperation of Britain with von Kaunitz and Metternich, the common motive underlying the process, from 1789 through 1848, and beyond, was the common desire to exterminate the young United States, to crush it, as it were an unwanted infant, in the cradle. The earliest objective, was to prevent that American model of republic from spreading successfully into Europe; once France had been integrated into a Europe jointly ruled by Britain and the Holy Alliance, the common object was to isolate and destroy the United States itself.

So, from 1814 through 1848, all of Europe was the mortal enemy of the United States. In this process, both the Jacobin tyrants and the Napoleonic state bureaucracy of France, were merely lackey-instruments, in service to European oligarchical interest.

Thus, for reasons supplied in earlier locations, the form of modern European society, in Europe and in the Americas, as this developed during the Seventeenth through Twentieth Centuries, had two sets of determining features. To the degree that the influence of the republican forces either established a republic, as in the case of the U.S.A., or forced approximations of nation-state republic conditions upon reluctant oligarchical potencies, all modern European society acquired a dual

character. On the one side, there was the oligarchy, represented by its two leading types, landed aristocracy and financier oligarchy. On the opposing side, the combined classes of productive entrepreneurs, professionals, and others, who constituted the social forces of national economy. In this process, the frictional conflict between financier oligarch and landed aristocrat was typified by Britain's use of its Mazzinian agents, to weaken and ultimately wreck the political power of continental landed aristocracy. In this way, more and more, the conflict in society became essentially the relationship between the parasite, the financier oligarchy, and host-victim, the social forces of national economy.

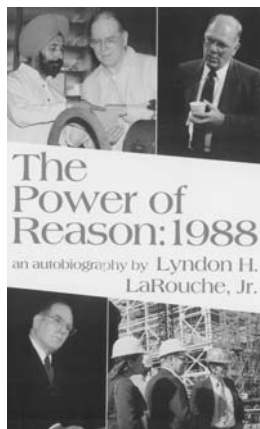
Russia's intellectual crisis

This issue of the truth about the French Revolution, is an essential part of the key to solving Russia's most crippling intellectual crisis: the fact, that it has yet to undertake the needed scope and depth of rational review of the roots for what is popularly identified by many as "the failure of Soviet Communism." Under Gorbachev, Russia leaped, blindly, out of the ship of Soviet Communism, into the most radically decadent slum of so-called "western" economy, and that with the combined zeal and awkwardness of a drunken sailor storming the bed of a common prostitute. One should not be

Books by Lyndon H. LaRouche, Jr.

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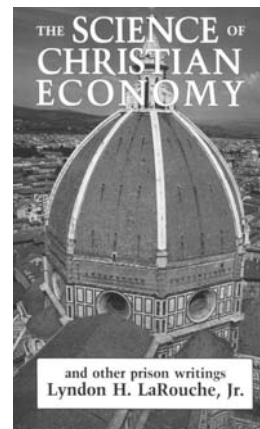


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On the other side, we have national economies, such as those of the United States and Germany, which had previously accomplished virtual "economic miracles," until the late 1960s, through investment in development of infrastructure, and in energy- and capital-intensive scientific and technological progress. Now, both are destroying themselves with the same monetarist carpetbagging tricks of "mergers and acquisitions," which have looted the remains of former Soviet national resources and capital improvements of Russia. At present, this has gone almost to the point that national extinction of Germany and the U.S.A. is now already visible, on the horizon a few years ahead.

If Russia does not change suddenly, it is doomed, and that very soon. If it attempts to change, without participation in early agreement to the appropriate, revolutionary "New Bretton Woods" system, Russia might survive as a national identity in the long run, but at the price of a terrible sacrifice in the medium-term.

Thus, we see the religious fervor of the lunatic majorities: among policy-shapers in the U.S.A. and western Europe, and in the failure of the majority of Russia's leaders to settle intellectual accounts with the fatal flaws of the legacies adopted by Soviet Communism. For both cases, the common solution ought to be clear; we must, at last, rid this planet of the vestiges

of that feudal relic which is financier oligarchy. The solution is clear; we need but rally the institutions of national economy, freed of the encumbrance of financier-oligarchy. Then, we might embark on the kinds of international cooperation in national development, which have proven themselves repeatedly, as in responses to crisis, in many nations, during recent centuries.

The coup from above will not succeed in even the relatively short-term. Symptomatic responses will not still the mounting disquiet. The actual source of energy for the political instability, must be addressed, directly. The heart of the solution is to recognize the real enemy. Since he is bankrupt, in fact, we have but to put him through the obvious, sensible, liquidation in bankruptcy, by means of which we may rid ourselves of that cause of our affliction, that parasite, once, and, hopefully, for all.

Those changes are the choice of revolution which must be made. If we fail to take that option, then we are doomed to other kinds of revolutions none of our nations were likely to survive. What we are seeing in the circumstances behind Russia's recent coup from above, is the shudder of leaves at the edge of the oncoming storm. That storm will devastate us all, unless we quench, very, very soon, the religious fervor of that present lunatic majority among the policy-shaping set.

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The Ides of March: Russia crisis breaks

by Rachel Douglas

Viktor Chernomyrdin sounded shocked to have gotten the boot, along with his entire Cabinet, the morning of March 23, but he was not perplexed about the reasons. President Boris Yeltsin acted now, said the outgoing Russian Prime Minister, because the country has been “hit from behind” by the global financial crisis. No sooner had his government secured parliamentary approval for a 1998 Federal budget, than, “Here comes the next blow,” said Chernomyrdin, “a new collapse of the world economy. . . . There are also the financial cataclysms, that are still continuing.” And, finally, “the drop of oil and gas prices. Those are the main sources of our budget [revenues]. This will generate a huge strain.”

In November-December 1997, as international speculators fled “emerging markets” on the first shock wave from Asian currency collapses and a worldwide plunge of stock prices, Russian convertible currency reserves were falling at a rate that would have achieved state bankruptcy in a matter of days. First Deputy Prime Minister Anatoli Chubais, the former privatization chief and former Finance Minister, led a scramble for means to keep foreign money in the Russian GKO (Treasury bill) market, in particular, while also raising enough cash to carry out President Yeltsin’s key political promise, the payment of back wages to public-sector employees by the first of the year. The measures adopted then, set the timer ticking on several financial and political bombs. Now, they are exploding.

In December, and again during the first week of February, when a second shock wave from Asia hit the Russian markets, the Central Bank allowed three-month GKO yields to rise above 45%. Whereas approximately \$7.5 billion (about 15% of foreign GKO holdings) fled Russia in December-January, the high rates attracted funds back in. The GKO yield fell to 28%, and Chubais boasted that Russia had weathered the storm. But, the money flowing back into Russia has been “speculative money, which hopes for profitable takeovers and for a devaluation of the ruble,” an analyst at the German Institute of Eastern Studies told *EIR* in early March.

In the March 9 issue of *Forbes* magazine, Prof. Steve Hanke asked, “Is the ruble next?” The Mont Pelerin Society’s zealous promoter of that old imperial looting mechanism, the currency board, took time between trips to Indonesia, to pen an article that read like an attempt to stampede speculators out of Russian state securities. Russia would be “a prime candidate” for “the next country whose currency blows up,”

according to Hanke, who predicted that by mid-1998, Russian foreign reserves would be drained, “structural reforms to restore investor confidence” would be politically impossible, and the only means to defend the ruble would be for interest rates “to go to the Moon.”

Advising speculators to shun the GKO’s, Hanke concluded with a scenario: “Beyond this, a ruble devaluation will send shock waves into central and eastern Europe. It will also motivate more repricing of emerging market risk and a further deterioration of the international financial environment. The danger of a full-scale international financial meltdown has by no means passed.”

During March, the ruble in neighboring Belarus did come under attack, plunging 25% before President Alyaksandr Lukashenka put the Central Bank under direct government control and mandated emergency measures to defend the currency.

Debt blows

The high-interest, three-month GKO’s, which have to be serviced, and rolled over, or paid off with interest, turned the Russian Federal budget on its ear. As economist Dr. Sergei Glazyev has reported (*EIR*, March 27, 1998, p. 53), debt service on the Russian state debt is running double the level of tax revenues. On Feb. 11, A. Shokhin of Chernomyrdin’s “Our Home Is Russia” party was asked about rumors that GKO-related foreign exchange demands were about to knock out several Moscow banks. It is not the banks, replied Shokhin, but “it is the budget that is in trouble”—because of the skyrocketing debt service on those state obligations.

In mid-February, an IMF delegation that had spent two weeks in Moscow approved continuation of the Fund’s three-year, \$10-billion Extended Fund Facility for Russia, “until 2000.” Doled out in quarterly tranches, contingent upon Russian adherence to conditionalities, the enlarged EFF is to continue at the rate of \$700 million per quarter. Russian sources cited by Itar-TASS, said that “a mass of problems” arose in the talks with the IMF, including IMF demands for tariff reductions on imports and other tax breaks for foreign investors. The IMF also demanded adjustments in 1998 Russian spending commitments, although the 1998 budget had not yet been approved. IMF Managing Director Michel Camdessus, meeting with Chernomyrdin on Feb. 19, hailed the IMF-Russia relationship as “a major element of the world economic system,” without which the end-1997 Asia shock would have been even worse than it was.

On March 4, the State Duma (parliament) approved the 1998 budget in its fourth reading, voting 252-129 in favor of a document that incorporated amendments demanded by the IMF. One alteration that was rejected, would have said that 27.9 billion rubles (\$4.6 billion) of recently added spending could only be paid out, if sufficient revenue were received to cover it; in the final version, the government will be allowed to cut spending, with three days’ notice to the Duma, if it

makes the cuts evenly across the board. Other IMF-designed austerity measures include the so-called “Kudrin-Fischer plan,” named after the Russian Deputy Finance Minister and IMF official Stanley Fischer, to sack 10-15% of public sector employees within the next four months; 208,000 layoffs, including thousands of teachers and medical personnel, were announced by Kudrin on March 25, even after the dismissal of the Cabinet.

Asked about prospects for performance on the 1998 budget, Chernomyrdin told a Feb. 26 press conference that it would be a lot easier to ensure performance, “if I knew what were in store for us this year.” But that is unknown, he cried: “Look at the crisis in the world! I mean the Asian crisis in the financial markets. It hit those who never thought it would hit them.” By mid-March, international oil prices had fallen to a level that would mean \$4.3 billion in lost revenue for the Russian oil sector, if they stayed depressed all year.

The public sector wage arrears, even those that were paid off with Chubais’s commercial borrowings and the December

release of World Bank loans, after the Russian government agreed to IMF austerity demands, began to mount again. Communist Party of the Russian Federation leader Gennadi Zyuganov claimed, on March 26, that those arrears already stand at 58 billion rubles (\$9.6 billion).

On March 12, journalist Pavel Felgenhauer leaked a report in the English-language *Moscow Times*, about a Defense Ministry briefing by Marshal Igor Sergeev some days before, on crumbling morale in the Russian Armed Forces. Felgenhauer often conveys the views of high-ranking Russian military sources, in his numerous interviews to Western reporters and articles in the English-language Russian press.

According to Felgenhauer, the Defense Minister “said the situation is ‘critical’ and that servicemen are deserting the Army, harassing local civilians and killing each other in the barracks. Officers and soldiers are committing suicide; commissioned officers committed 18,000 felonies in 1997; and in [three military districts], the number of felonies doubled in 1997. Many commanders are losing control of their units.”

‘New Bretton Woods’ presented in Russia

Prof. Taras Muranivsky spoke at a session of the Economics Division of the Russian Academy of Sciences on March 24, in Moscow. The meeting was chaired by Academician Dmitri Lvov, secretary of the Economics Division, and also deputy director of the Academy’s Central



Prof. Taras Muranivsky

Mathematical Economics Institute (CEMI). In attendance were 100 economists and other scientists from various institutions, who heard Professor Muranivsky speak about the science of physical economy, and the current worldwide financial and monetary crisis. The speaker urged that Russian representatives to the April 16 conference of the Willard Group in Washington, work out and present constructive proposals to make possible a New Bretton Woods system, instead of continuing the politics of the International Monetary Fund (IMF).

On March 26, issue #13 of the Russian weekly *Ekonomicheskaya Gazeta* came out, with a half-page article by Professor Muranivsky, titled “The Onset of the Second Phase.” It surveyed the barrage of criticism of the IMF

from around the world, the growing recognition of the systemic nature of the financial crisis, and the possibilities for serious deliberations on a New Bretton Woods, when 22 nations convene as the Willard Group, for talks on the global financial system.

Muranivsky informed Russian readers about:

- Bundesbank President Hans Tietmeyer’s Feb. 7 article in the German daily *Die Welt*, on the inadequacy of the IMF to deal with the current situation of the global markets;
- the Feb. 9-11 Group of 24 meeting in Caracas, where Venezuelan Central Bank President Antonio Casas González stated that the “Asia crisis” was a systemic one, that had struck the entire world, and that the IMF could not handle it;
- U.S. Treasury Secretary Robert Rubin’s Feb. 10 speech at Georgetown University, on the need for a conference to develop a “new architecture” for the international financial system;
- the growing “criticism of the IMF in the U.S. Congress, and academic circles,” which set the stage for IMF Managing Director Michel Camdessus’s own existentialist musings on March 12: “Should the IMF exist? . . . We should ask ourselves this, from time to time.”

Sources such as the Swiss bankers’ *Neue Zürcher Zeitung*, reported Muranivsky, “warn that the ‘Asian crisis’ is entering its ‘second phase,’ ” in which Western firms will experience “its devastating effect.”

In this situation, “Russia is between the hammer of the West and the anvil of the East. The time has come to listen carefully to the evaluations and recommendations of Asian, as well as European and American statesmen, politicians, and economists.” For example, Malaysian Prime

Still-unpaid wage arrears are a key factor that has morale “nearing the breaking point.” The arrears were not paid by Jan. 1, 1998, as promised. Now, there is a promise of “partial” payment by June 1.

Felgenhauer asserted that “an increasing number of officers and generals, including those in active service and in high-ranking positions in the Defense Ministry, are openly saying — even to journalists — that Sergejev is not fit to command Russia’s military. Russia’s conventional fighting forces — Army, Airborne Troops, Air Force and others — are being run down.” Gen. Lev Rokhlin, despite scant media attention, has officially registered his movement to defend the Armed Forces. “Rokhlin believes,” wrote Felgenhauer, “the Army will revolt some time this year and send Yeltsin packing.”

When Yeltsin returned from a week’s sick leave, and fired the Cabinet, the social-economic situation in the country was the one factor he cited as a reason. Over the preceding weekend, the President had received reports from government officials on the reappearance of state sector wage arrears. In a

Minister Mahathir bin Mohamad has blasted the hypocrisy of the advocates of “market forces” and globalization, who attacked his country’s currency. Now, Mahathir speaks in defense of Indonesia against the IMF, and is working on regional economic self-defense efforts.

The concluding section of Muranivsky’s *Ekonomicheskaya Gazeta* article dealt with the New Bretton Woods: “Lyndon LaRouche has noted, that the crisis is ready to take a new turn, of greater force and scale of destruction, than in the October-January period. The new phase will begin in March-April. All the so-called financial and economic reforms in Southeast Asia are failing. . . . Therefore, LaRouche proposes to abandon the hopelessly bankrupt world monetary system and to return to those forms of an international protectionist order, which were incorporated in the Bretton Woods system of the 1950s. The second modification . . . should be the replacement of the current, hopelessly bankrupt central banking system, with a new system of national banks, in the form successfully initiated by U.S. Treasury Secretary Alexander Hamilton, at the end of the 18th century.”

Muranivsky quoted Japanese Deputy Finance Minister Eisuke Sakakibara on the growing number of leaders who are considering the benefits of a new Bretton Woods type of agreement.

“In a word,” ended the Russian article, “the world monetary crisis is continuing, and effective measures to get out of it have not yet been adopted. There are great hopes for the 22-nation conference in Washington, scheduled for April 16. On March 18, at Lyndon LaRouche’s initiative, a scientific seminar was held to elaborate recommendations for that conference.” — *Rachel Douglas*

televised address, Yeltsin charged that the cabinet “did not cope with a number of key issues,” with an especially serious “lagging behind in the social sphere.”

Yeltsin moved in a flurry of byzantine palace politics, leaving open several possible courses of action. With two supplementary decrees, signed on March 23 alongside his main one disbanding the Cabinet, he secured the resignations of Chubais and of Minister of Internal Affairs Anatoli Kulikov, while all other ministers, except for ex-Prime Minister Chernomyrdin, were to stay at their posts. Minister of Fuel and Energy Kiriyenko, 35 years old and in office for only a few months, was named “acting Prime Minister” by Yeltsin and instructed to draw up a list of new government ministers.

Yeltsin appointed First Deputy Internal Affairs Minister Pavel Maslov as acting Minister of Internal Affairs. Maslov’s interim appointment was singled out by Chernomyrdin, in his own press conference, as of special significance, being at one of the “force” ministries — those with armed units at their disposal; there have been recurrent rumors about coup schemes, involving Kulikov, in light of his build-up of the Internal Troops, and much recent attention in the media, to his cultivation of a political partnership with Moscow Mayor Yuri Luzhkov.

Has Yeltsin been advised by his economics aide, Aleksandr Livshits, that the place to find relative competence, without a major shift in policy, is with First Deputy Premier Boris Nemtsov and his associates? Sergei Kiriyenko worked under Nemtsov when the latter was governor of Nizhni Novgorod, and came to the Fuel and Energy Ministry at Nemtsov’s behest. Livshits, at a press conference on March 25, spoke confidently about his plans, “together with the government, together with Boris Yefimovich Nemtsov,” to solve certain pressing military funding questions.

Or, is businessman Boris Berezovsky, former deputy secretary of the Security Council and lately the foe of Chubais, the *éminence grise* of these events? On the eve of the government’s dismissal, Berezovsky, just home after a month of medical treatment and business negotiations in Switzerland, told a TV interview show that the country should get ready for new faces in the government. He described himself as an unpaid “adviser to the President’s chief of staff” — Valentin Yumashev, who works closely with Yeltsin’s daughter, Tatyana Dyachenko.

Or, is Yeltsin preparing for the failure of any appointment from within his previous government? If the Duma rejects his nominee three times, there are supposed to be new Duma elections, leading to even more turmoil. Or, Yeltsin could seek a government of national unity, under a figure such as Yegor Stroyev, leader of the Federation Council (upper house of Parliament).

Those were three of the leading lines in Moscow, in the days after Yeltsin’s March 23 bombshell. Under any political course of action that might be attempted, Russia’s circumstances are ripe for a drastic change of economic course. The world financial crisis will continue to force the issue.

Any enemy of LaRouche is an enemy of Clinton

by Lyndon H. LaRouche, Jr.

March 24, 1998

According to relevant official documents released, the 1980s, massive, combined, official and news-media operation against Lyndon H. LaRouche, Jr. et al. was launched during the interval August 1982-January 1983, on the initiative of a publicly confessed British Foreign Office agent of influence, former U.S. National Security Advisor and Secretary of State Henry A. Kissinger.¹ Beginning the period of the 1992 primary and general election campaigns, what surfaced then as a “political dirty tricks” operation of President George Bush’s reelection campaign, has turned out to be an operation remarkably similar to the secret intelligence, “Get LaRouche” operation: the so-called “Whitewater case,” originally launched in 1992, on behalf of Bush, against his, and, now, Speaker of the House Newt Gingrich’s political rival, U.S. President William Jefferson Clinton. In many respects, the

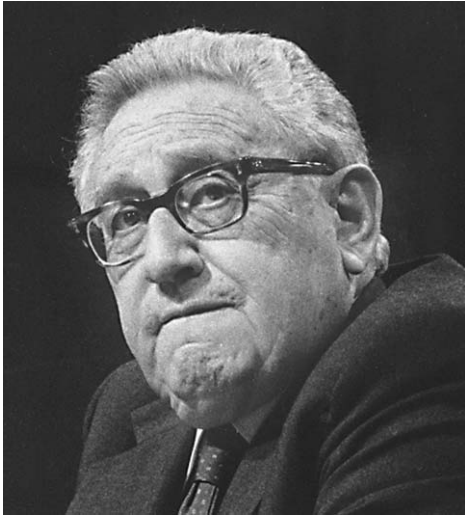
1. The first documented, presently known initiative to this effect, is a letter, dated August 19, 1982, from Henry A. Kissinger to FBI Director William H. Webster. A related, second letter obtained, also to FBI Director Webster, on the same subject, is dated November 25, 1982. During a meeting of David Abshire, Edward Bennett Williams, and other Kissinger cronies on the President’s Foreign Intelligence Advisory Board (PFIAB), on a date, or dates prior to January 12, 1983, the Board endorsed an EO 12333 operation against LaRouche et al. According to official documentation obtained, the charge concocted as a cover for activating the relevant EO 12333 operation against LaRouche, was an accusation charging that he and his associates were funded by “East bloc agencies.” Earlier, on May 10, 1982, Kissinger had bragged publicly, at a London Chatham House address, that, during his “White House incarnation” as U.S. National Security Advisor and Secretary of State, he had been an agent of influence of the British Foreign Service, who had kept the British Foreign Office “more closely engaged” in shaping U.S. foreign policies, than the government and republic to which he had sworn allegiance.

two covertly directed operations appear to be almost identical, involving many of the same institutions and key personnel.

The 1982-1989 “Get LaRouche” operation,² was launched under the special provisions respecting use of private agencies as participants in official, covert foreign-intelligence operations targeting U.S. citizens, or others.³ The pro-

2. In fact, the operation continues today. The difference is, Bush is no longer in the commanding position he enjoyed in intelligence operations while he and subordinates such as Lt.-Col. Oliver North were running the drug-trafficking Iran-Contra operations of the mid-1980s. However, inside the U.S.A. and western Europe, the major international news media deployed under the EO 12333 “Get LaRouche” operation of the 1980s, are continuing those editorial policies still today. It should be noted, that an officially documented FBI plot, to use its influence over the Politburo of the Communist Party USA (CPUSA) to bring about what the FBI document identifies as the “elimination” of economist Lyndon H. LaRouche, Jr., is revealed in exchanges between the FBI’s Washington, D.C. headquarters and the New York FBI office, on several dates during November 1973. This official use of the CPUSA channels for conduct of a U.S. Federal government act of violence against LaRouche et al., dates from not later than events involving the CPUSA’s YWLL youth group, in Philadelphia, during middle to late March of that same year. U.S. Federal government COINTELPRO operations against LaRouche et al. continued officially into 1976, after which much of those sorts of operations against LaRouche, et al., were shipped out, beginning early 1978, to already ongoing privately funded covert-intelligence operations, launched in 1974, involving Richard Mellon Scaife and the American Family Foundation and the FBI-linked Anti-Defamation League (ADL). Leading elements from these dirty covert operations of the 1970s, were brought together under the EO 12333 umbrella, around the New York City salon of John Train et al. (see below), no later than April 1983.

3. An operation against Lyndon H. LaRouche associate, and 1995 candidate for election as President of France, the distinguished Jacques Cheminade, was conducted, with aid of complicit French officials, from the same origins and through the same channels of Richard Mellon Scaife et al., which had been used for the 1983-1989 EO 12333 operation against U.S. Presidential



Top operatives of the “Get LaRouche” task force, who used the cover of Executive Order 12333 to jail LaRouche in 1989 (clockwise, from top left): Henry A. Kissinger; William Webster (left) and George Bush; Edward Bennett Williams. The dirty tricks to which President Clinton is now being subjected, bear a striking resemblance to those used earlier against LaRouche.

vision employed for this use, had been established, since December 1981, as part of the terms of U.S. Executive Order 12333. Exemplary of the use of private organizations in the “Get LaRouche” operation, were the included roles of Richard Mellon Scaife, the Scaife-backed dirty-tricks organization known as the American Family Foundation (AFF), Project Democracy, the Anti-Defamation League (ADL), and a news-media cabal, including NBC-TV and Robert Bartley’s *Wall Street Journal*, the latter coordinated under a New York private banker and veteran “spook,” John Train.⁴

candidate LaRouche. Similarly, in Germany, during the early 1990s, a Richard Mellon Scaife covert-intelligence front ran a major covert operation, attempting to penetrate German government institutions, against the wife and friends of LaRouche in that country.

4. Bartley plays the same role in a Richard Mellon Scaife-backed, Great Falls, Virginia, “Get Clinton” forum run by Kenneth Starr crony Ted Olson, which the same Bartley, also then editor of the *Wall Street Journal*, performed for a Richard Mellon Scaife-backed New York “Get LaRouche” salon headed by veteran spook John Train.

Compare the so-called “Whitewater” operation, which surfaced as a “dirty tricks” stunt of President George Bush’s campaign, during 1992. That dirty trick resurfaced in a new, Richard Mellon Scaife-funded incarnation, against both President and Hillary Clinton, during the latter months of 1993. Since that time, most of the newly surfaced, covert operations run against the President have been backed by both the same Richard Mellon Scaife central to the “Get LaRouche” efforts of 1983-1989, and by foreign-intelligence assets such as the propaganda machines of the British Commonwealth’s Rupert Murdoch and the Hollinger Corporation. It is then apparent, that, since late 1993, this targeting of the U.S. Presidency for destabilization, has become a virtual carbon copy of the 1983-1989 phase of the “Get LaRouche” operation run, both inside the U.S.A. and abroad, under the provisions of EO 12333.

As we have announced earlier: Since the present “Get Clinton” operation was launched as a “dirty tricks” operation of President Bush’s re-election campaign, in 1992, the circumstantial evidence points toward either a literal (Bush-

launched) EO 12333 operation against President Clinton, or an official, covertly coordinated operation, so similar as to be virtually the same thing as the secret intelligence community's "Get LaRouche" operation. That is the carefully considered judgment of *EIR*'s editors; it is also the connection between the two cases, which is now recognized among an increasing number of concerned circles around Capitol Hill, and elsewhere.

The investigation to be made, is situated in the following proposition. There is no competent denial, that the "Get Clinton" and EO 12333 "Get LaRouche" operations are remarkably similar in form, perhaps almost identical in all leading features. The question posed, is: How might we discover crucial proof, or disproof, of the proposition, that the "Get Clinton" operation is either an actual EO 12333 launched by President Bush, or an official operation so similar in critical features as to be the same thing in effect?

To settle that crucial question, *EIR* has relied upon the same scientific methods required in that long-range economic forecasting for which the recent global, systemic financial crisis has, again, shown this reporter to be a uniquely distinguished economist. That method of long-range economic forecasting, is derived from those notions of a characteristically non-linear, multiply-connected manifold, the which were successively developed, most notably, by Johannes Kepler, Gottfried Leibniz, Carl Gauss, and Bernhard Riemann. Such methods of investigation, applied to the present type of subject matter, since they are intrinsically non-linear, are not algebraic, of course; but, this hypergeometric method for treating characteristically non-linear functions, has the same authority, in effect, within the domain of counterintelligence investigations, as in its most rigorous sort of appropriate applications within the domain of mathematical physics. It is a method uniquely suited to addressing the indicated comparison of the "Get LaRouche" and "Get Clinton" operations.

So that the reader may have the means to understand the nature of this method of proof, we briefly situate the method's origins historically, and describe the leading features of application of this method, in constructing *EIR*'s study of the conclusively defined, essential elements of information presently in hand.

Look to the stars

For the needs of the general readership of this report, it is sufficient to look at the notion of a Kepler-Leibniz-Gauss-Riemann multiply-connected manifold, as the idea of such a set of relations might be introduced to a class of not more than fifteen to eighteen, literate secondary-school pupils.

Imagine that one or more among those pupils, is a bright, inquisitive, and energetic young person, who spends a significant portion of his, or her daytime and nighttime activity, studying the visible motion of the Sun, by day, and, on clear nights, the starlit heavens. The principled source of difficulty which would confront that pupil in such undertakings, is the following sort of facts.

Most notably, the place on Earth, on which that pupil stands, is not a fixed, but, rather, a moving point. For purposes of geodetic studies, as for astrophysics, the motion of the point on which that pupil is standing, is not simply located. The motion of that point itself, is complex, is, as Gottfried Leibniz emphasized, a motion of characteristically non-constant curvature. Similarly, the celestial motion observed, is of similar complexity.

To illustrate that complexity: The Earth is rotating on its axis. Additionally, it is, simultaneously, orbiting the Sun. Additionally, the Sun has motion within its galaxy. Additionally, the galaxies have motion with respect to one another. Worse, additionally, the observable stellar referents for the Vernal Equinox are changing, in cycles of approximately 25,200 years each. Additionally, the Earth's orbit around the Sun is also undergoing changes (which are principal determinants of our climates on Earth), in cycles whose effects are observed during cyclical spans of hundreds of thousands of years. There are many other relevant, additional such changes occurring within the observable universe. How might the pupil, then, calculate a standard frame of reference for the place, so defined, on Earth, from which he is conducting his observations of similarly complex trajectories of motion in the universe around us? How should he define an observed planetary orbit, or other trajectory, given such complications?

In short: it is only by combining all of these cycles of motion, that we approximate the relationship between the observer, on a fixed point on the surface of Earth, and the motion which that person is observing. Only in that way, do we approximate the needed, standard frame of reference in which to situate, and interpret that person's observations.

Therefore, given two distinct sets of observations, which we suspect to represent one and the same motion: how can we determine whether two different sets of observations actually represent one and the same trajectory? That challenge is the astrophysical, or comparable equivalent to the task confronting us here: two, apparently distinct sets of observations, which we suspect might be our separate observations of one and the same "orbital trajectory."

Generally, such problems may be approached by thinking of two sets of considerations. First, *the forms of motion*, as one might attempt to construct a standard frame of reference for describing an interconnected set of such interacting motions. Second, by examining the objects, and, also, *their associated characteristics of action*, which lie within such sets of motions. There must be significant coincidence between the trajectory, as it might be adduced from study of the forms, and among the characteristic interaction among the elements participating in the observed motion.⁵

5. Consider a related question. Is light propagated as the inertial action of photons, or is there a more active feature to this propagation? In other words, is electromagnetic radiation self-propagated (even in a virtual vacuum) in the sense that the radiation itself is the source of the action by which it is self-continued? In other words, is the observed speed of light, for example, an example of retarded rates of self-propagation? The answer lies in another

The general object, as Kepler and Leibniz, for example, understood this, is to define a standard frame of reference, within which one can relate local, observed, usually, most emphatically, non-linear developments, to their impact upon the trajectory of self-development of the framework as a whole.

Proof of congruence of two sets of observations must satisfy both a) significant agreement in compounded forms of motions, and, also, b) meet the test of significant agreement in the characteristics of action (i.e., “change” in Plato’s sense of that term) among associated objects.

This same method is obligatory for competent, long-range economic forecasting. In such forecasting, the result addressed is the reciprocal character of the long-term impact of political and other cultural axiomatic influences upon the combined process of discovering, developing, and employment of physical principles. In this application, as the present writer’s somewhat celebrated “Triple Curve” illustrates this point, the most elementary frame of reference we must employ, is the functional form of interaction among physical-economic, demographic, financial, and monetary trajectories.

In such cases, we must consider the impact of cultural and scientific development, or retrogressions,⁶ upon the ordering of those choices of policies which are governed, variously, by the long-wave, and medium- and short-term social processes. This includes choices of artistic and physical-scientific culture, which affect the shaping of policies and other behavior bearing upon the per-capita and per-square-kilometer relations among these three, interacting trajectories.

Reciprocally, the same general tactic provides a method for addressing such topics of non-mathematical topology as historical cycles and long-range counterintelligence studies. The last among this list of exemplary applications, focuses our attention on the stated case immediately at hand. In this case, we must show a congruence among the array of motions (i.e., *forms*: e.g., legal action, media campaigns, etc.) and, also, a significant coincidence among the *types* of institutions and persons employed in those actions.

question. Can light, for example, be refracted within a vacuum as such? Ampère’s discovery of the electrodynamic “longitudinal” (“angular”) force, as demonstrated experimentally by Wilhelm Weber, is a related issue. This suggests a review of the work of Ampère’s celebrated collaborator, Fresnel. For the edification of the university freshman: Projecting a light beam precisely at a very sharp edge, within an efficiently evacuated chamber, can the incidence produce the phenomenon of refraction within that chamber? If so, then further crucial experiments must be conducted to verify the suggested implications of that laboratory exercise. The question thus persists, pending the completion of such experiments: Are the characteristic features of the propagation of light (and other electromagnetic radiation) rooted primarily in the self-propagation of that radiation? Implicitly, the issue of “gravitational waves” is also posed in a related way. That conjecture is typical of a very large array of analogous issues of crucial-experimental method, not only within the bounds of study of new physical principles, but equally applicable to the domain of language, viewed, as Panini and other scholars since have viewed Sanskrit and its forerunners, from the standpoint of the role of metaphor in Classical forms of poetry, tragedy, music, and plastic arts.

6. In other words, the kinds of axiomatic changes which are sometimes identified by the term “cultural paradigm-shifts.”

Additionally, since the universe is finite, we must expect, that, in the case of congruent motions, not only must there be a correlation between the sets of types of institutions and persons observed in action; we must expect a significant representation of the same institutions, and some of the same persons, in the cases compared.

The results obtained, thus far

So, as we have already indicated, we have conducted our scrutiny of the evidence in hand, as an application of this indicated method to a task of strategic counterintelligence against certain among our Federal Republic’s foreign and domestic adversaries.

In the specific topic of counterintelligence at hand, the writers and editors are not presently prepared to claim, that the “Get Clinton” operation is another case of the same kind of operation under EO 12333 documented for the “Get LaRouche” case. We do claim that the similarities are startling; we also observe that the forms are, at least, nearly identical, that the arrays of institutions involved in each of the two cases are virtually identical, and that the personnel engaged are drawn, chiefly, from the same set. The congruence is sufficiently tight, that we must suspect that any institution, or persons, engaged in the “Get LaRouche” operation, are resources either already deployed in support of the “Get Clinton” operation, or are in readiness to be so deployed.

Before concluding these prefatory remarks, we should stress the nature, and importance of one specific characteristic of the enemy’s behavior. These final remarks are crucial for understanding the purposes deeply underlying this counterintelligence effort. In addition, as the reader will quickly recognize, this specific characteristic of the global frame of reference within which these matters are situated, is indispensable for understanding the enemy’s motives in the evil done by such implicitly treasonous operations as the “Get LaRouche” and “Get Clinton” operations.

As this present writer has insisted, over decades, the *exceptional* character of the creation of our United States, is precisely that upon which President Abraham Lincoln often put his finger, as, for example, in that famous Classical mode of utterance passed down to us as his Gettysburg Address.⁷

Although the aspiration for such a result is known to us as early as the Classical Greece of Plato, the principle axiomatically underlying our 1776 Declaration of Independence and 1789 Federal Constitution, was first established by Jesus Christ and his Apostles: the notion that there is no ethnic distinction among men and women, in the respect that each is equally made in the image of the Creator, an image which we may recognize in the human individual’s unique poten-

7. President Lincoln’s Classical expression, in thought as in speech, was deeply rooted in his persisting studies of the tragedies, and other dramas, of William Shakespeare. Some among his Cabinet members attested to the heavy emphasis which Lincoln placed on metaphors from Shakespeare as tools for insight into crucial strategic problems of that period of crisis.

tials, for discovering, imparting, and receiving, both valid new physical principles of our universe, and those notions, of the human cognitive processes themselves, which are best forced to our attention by the metaphors upon which each and all of the greatest works in Classical art-forms are premised.

President Lincoln's notion, was that political society must be self-governed by that principle, in opposition to Twentieth-Century Nashville neo-feudalists, such as the literary assassin of Huey Long, Robert Penn Warren, and Henry A. Kissinger's trainer, treasonous William Yandell Elliott. In the sweep of medieval and modern European history, that specifically Christian appreciation of *Genesis* 1:26-30, the principle of universality of such equality,⁸ is expressed in combat, by such as Abelard of Paris, Frederick II of the Holy Roman Empire, and Dante Alighieri, against that superstitious irrationalism which is intrinsic to any society which submits to the existence of the feudal classes of financier oligarchy, landed aristocracy, as also Babylonian styles in usurpatious governmental oligarchies.

The most notable irony in the exceptional, world-wide importance of our republic's existence, is that no leading idea informed our struggle for our Declaration of Independence and Federal Constitution, which was not an idea imported from Europe, chiefly from continental Europe. The most crucial factor determining the historically exceptional importance of the creation of our constitutional republic, to the present day, is, that this republic was established to realize the dreams of republican Europe, that in a place at a convenient strategic distance, from the brutish long arm of those feudal classes which remained the predominant power over the governments and peoples of all Europe.⁹

8. E.g., in contrast to the racist (e.g., anti-Arab) implications of the radical Zionism of the fascist, and British intelligence asset Vladimir Jabotinsky. In rejecting the Babylonian reading of Hebrew texts, we must not overlook the cases of Jesus Christ's contemporary, Philo of Alexandria, or the core supplied to modern Judaism by Rabbi Hillel, or the reform of Judaism led by Gotthold Lessing's friend, the great Moses Mendelssohn. The principle is elaborated with clearest emphasis by the *Gospel of John* and the Epistles of Paul, the two apostles most hated by sundry varieties of morally and culturally backward religious bigots. Nor, can one overlook the prehistory of the *Shoah*, to be found in such locations as the writings of the proto-Nazi Friedrich Nietzsche, and others of those streams leading into Nazism, which located the principal "crime" of the Jews, as the creation of a Christianity which embedded in modern European republicanism, Lincoln's view of the anti-feudalist principle, of governments "of the people, by the people, and for the people."

9. During the interval 1789-1848, the principal among the mortal adversaries of the United States, were the British monarchy and the forces coordinated by Austro-Hungary Chancellors von Kaunitz and Clement Prince Metternich, and the Holy Alliance of 1814-1848. During the 1789-1814 interval our enemies included, from France, the French Jacobins around Maximilien Robespierre, including such terrorist agents of Jeremy Bentham's British Foreign Office as Marat and Danton. They included, from earlier than 1789, the same Duke of Orléans who organized the storming of the virtually emptied Bastille, as an election-stunt on behalf of a Swiss banker, Jacques Necker, who, as former, London-backed Finance Minister of France, had bankrupted the national treasury. The U.S. enemies included Paul Vicomte de Barras and his protégé, the later Emperor Napoleon Bonaparte. Throughout the

The United States is not exceptional because our shores bred better ideas than existed among continental Europeans; but, rather, because, on condition we were prepared to fight against the traditionally Welf-led European feudal classes to secure this freedom, we had the geographically determined, strategic opportunity to build a society on the foundation of the best ideas, the noblest principles of truth and justice, which we had largely acquired from, or otherwise shared among the best thinkers of continental Europe.

That problem of feudal infestations, faced by Europe then, persists there still, today, as typified by the financier-oligarchies represented by the hereditary households of Welf and Orange.¹⁰ The same problem has come to infest the U.S.A., too. This appears in the form of the U.S.A.'s own financier oligarchical classes. The basis for the virtually treasonous Anglophile faction in the U.S.A., from the time of Judge Lowell, the time of treasonous Manhattan bankers such as Aaron Burr, of the British East India Company's New England opium-traffickers,¹¹ to the time of the southern slaveocracy's present-day Kappa Alpha Society and Nashville Agrarian/Fugitive tradition, that basis has not been only some Hollywood-style of simple-minded fops' and yahoos' romantic fascination with Queen Elizabeth II's most unmelodious, "mashed potatoes" diction. The essence of the matter, is the romantic's pro-feudalist characteristics, which underlie, axiomatically, the moral degeneracy of our own actual, and would-be, native financier oligarchs. The same banal romanticism permeates

Nineteenth Century, the financier oligarchy and most of the landed aristocracy of Europe remained our mortal enemy, running operations aimed to subvert and destroy our republic through Central and South America, and otherwise. During the 1850s, through the end of his life, Tsar Alexander II emerged as a faithful friend of the U.S.A., against our nation's mortal enemy, the British monarchy. The victory over London's puppet-state, the Confederate States of America (CSA), by President Lincoln's Presidency, and the 1861-1876 emergence of the U.S.A. as the world's most advanced and powerful national economy, inspired the spread of the American System of political-economy into East Asia and Europe, and the revival of the earlier pro-U.S.A. movements within Central and South America.

10. What became the ultra-reactionary family of Este-Welf, rose to a dominant position in the European feudal oligarchy during the Eleventh Century, and has been in the forefront of the leading reactionary, pro-chivalric, pro-feudalist movements of Europe and the Americas ever since. The British monarchy of the Welf dynasty, typified what Venice created, during the Sixteenth Century, as the northern, nominally Protestant branch of the Este-Welf family. What the same Sixteenth-Century Venice dominated, simultaneously, as the southern, nominally Catholic branch of the same family, is typified, during recent decades by the Este family's Principessa Pallavicini, a feudal figure who, in such matters, greatly outranks Britain's relatively picaresque currently reigning royal frump. The wars between the Welf League and Frederick II, which caused the mid-Fourteenth Century "New Dark Age," typify the purely evil role performed consistently, throughout Europe, by Venice and the Welf faction, from the Eleventh through the Nineteenth Centuries. Miguel Cervantes' *Don Quixote* is a relevant insight into the role of this enemy, neo-feudalist tradition in bringing about the self-induced economic and cultural collapse of Spain over the course of the Sixteenth and Seventeenth Centuries.

11. See, Anton Chaitkin, *Treason in America*, 2nd ed. (New York: New Benjamin Franklin House, 1986).

the sick souls of those would-be feudal lackeys (such as Henry A. “Leporello” Kissinger), who share the same hatred of what Churchill disciple Kissinger has publicly denounced as the “American intellectual” tradition, that of Benjamin Franklin, Abraham Lincoln, and Franklin Roosevelt.

In the “Get LaRouche” operation, the documented, motivating issue, which prompted the efforts of official lackeys, such as the relevant FBI officials, to work to bring about the “elimination” of LaRouche, is typified by the roles of Stimson-linked oligarch McGeorge Bundy, oligarch Bundy’s depraved lackey, Henry A. Kissinger, and statements of McGeorge’s brother William. The similar statements of Lovestone-cloned lackey Leo Cherne to Stefan Possony, in 1976, ordering Possony to an emergency deployment against LaRouche on the issue of nuclear energy, is, like Kissinger’s decades-long hatred of LaRouche, exemplary of other “Leporellos” of today’s neo-feudalist lackeydom. The present writer was an issue for only two reasons: he was, to sum matters up fairly, in the Lincoln tradition, and the oligarchs in question stated repeatedly that they found LaRouche “potentially dangerous” in his effectiveness on behalf of his cause, and in opposition to theirs.

The same motive, with some different predicates included, is the openly expressed, treasonous, pro-feudalist motive for the “Get Clinton” operation. In a time of crisis, the existing terror which grips the Anglo-American feudal financier-oligarchy and its vicious lackeys with horrid passion, is their fear, that under conditions of extreme and global, financial, monetary, and economic crisis, President Clinton might opt to turn the U.S.A. away from “globalization,” back to the legacies of Presidents Kennedy and Franklin Roosevelt.

The sundry packs of LaRouche- and Clinton-haters, these assorted “patricians,” lackeys, fops, and yahoos, share the deep hatred of Roosevelt’s intended post-war, “American Century” policies, which encouraged oligarchical lackeys such as Stimson, and perennially down-at-heels aristocrats such as Winston Churchill, like McGeorge Bundy and Averell Harriman, to exploit the untimely death of President Roosevelt to Britain’s peculiar post-war political, strategic advantage.

The gut-hatred of President Clinton, among these patricians, lackeys, fops, and yahoos, like their continued hatred of Franklin Roosevelt, still today, is complemented by the terror which grips them, as they are presented now with the prospect, that the way in which reality has totally vindicated the LaRouche forecast of the presently ongoing, global financial-monetary crisis, will render his proposals for a specific type of “New Bretton Woods” reform successful. Were the latter reform to occur, their classes would lose global power, perhaps forever. That prospect does make them a bit testy. Their hatred of target Clinton, springs from somewhat distinctly different proximate premises; however, the historic, strategic circumstance which prompts those otherwise differently motivated hatreds is one and the same.

What is at stake here, is not some item of petty palace intrigue. For example, given such revealing, disgusting, clini-

cal displays of an addled mind, as “Thyroid Storm” and “read my lips,” only a silly romantic could believe that former President Bush is capable of comprehending the real issues of his recent and present roles as a figure of the world’s living theater stage. His mean little mind is made for much pettier concerns. Respecting the ultimately determining historic issues which motivated the “Get LaRouche” and “Get Clinton” thuggeries, Bush is virtually a mere actor, in a real-life drama in which he is no more than an available player, a threadbare simulation of a modern caricature-Caligula, a Bush whose political positions of the recent nearly thirty years,¹² have always found him an otherwise unemployed, and not excessively talented actor, who happened to be conveniently at hand, to fill an assigned part.

It is from that vantage-point, that we are assured, that any enemy of Lyndon LaRouche will prove, soon enough, to have been an enemy of President Clinton.

Keep that deeper issue in mind: the continued struggle to free a republic “of the people, by the people, and for the people” from the stinking grip of the feudal traditions of financier oligarchy and its lackeydom. That done, the particular conclusions presented, are supported by the method of argument indicated, as the following accounts show.

12. Since he turned up, knocking on Henry Kissinger’s and other Nixon-administration doors, in Washington, begging for political jobs, after he lost his Texas run for election to the Senate.

**“Long before Paula Jones,
long before Monica Lewinsky,
there was a conscious decision, made in
London, that there would be a full-scale
campaign to destroy Bill Clinton,
and to destroy, once and for all,
the credibility of the office of the
Presidency of the United States.”**

—Lyndon H. LaRouche, Jr.



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Tracking the 'Get LaRouche' and 'Get Clinton' apparatus

by Jeffrey Steinberg

The discovery, early this year, that a "Get Clinton" salon has been holding weekly strategy sessions at the Great Falls, Virginia home of Theodore and Barbara Olson, two intimates of Whitewater Independent Counsel Kenneth Starr, set off alarm bells at *EIR*.

An identical joint media-prosecution effort had been waged, beginning in 1983, against Lyndon LaRouche and his political association. The 1980s "Get LaRouche" effort had been framed under Executive Order 12333, a 1981 national security directive signed by President Ronald Reagan, under which corrupt private sector agencies and individuals, in some cases linked to foreign intelligence services, were given license to operate under the cover of U.S. national security.

The revelations about the Olson salon provoked the question: Was President Bill Clinton the target of an illegal EO 12333 operation? Not only was the form of the "Get Clinton" assault identical in most respects to the earlier "Get LaRouche" campaign. But, many institutions and individuals deeply involved in the "Get LaRouche" drive had also shown up as active players in the "Get Clinton" insurgency. The prospect of such a 12333-triggered campaign being waged against the President of the United States—in the midst of the greatest world financial and monetary crisis in modern history—smacked of outright treason.

Already, during the 1992 Presidential campaign, incumbent George Bush had been caught running a dirty trick against his Democratic challenger, Bill Clinton, with the active collusion of British Prime Minister John Major and MI5, the British equivalent of the FBI.

In both the LaRouche and Clinton cases, the line separating internal political opposition and prosecutorial abuse, from hostile foreign intelligence action, had been blurred to the point of being erased altogether. For example, the London-headquartered Hollinger Corp. media cartel—which has Henry Kissinger on its international policy advisory board—is at the heart of the media assault on the Clinton Presidency. Elements of the neo-conservative wing of American Zionism, tied to the current Likud government in Israel, were major instigators of the "Get Clinton" frenzy. The Anti-Defamation League of B'nai B'rith, critical in the "Get LaRouche" rail-

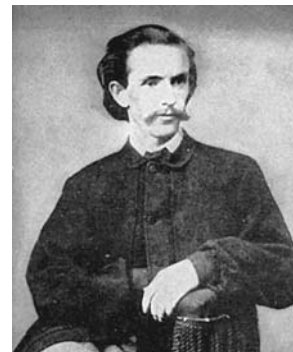
road, has been among Israeli Prime Minister Benjamin Netanyahu's staunchest allies in the effort to sabotage President Clinton's Middle East peace initiative. When Israeli Prime Minister Benjamin Netanyahu came to Washington in January 1998, he solidified an anti-Clinton alliance with Christian Evangelical "Elmer Gantrys" Jerry Falwell and Pat Robertson. Thus, the "strange bedfellow" coalition of Robertson-Falwell and the ADL, which was a factor in the anti-LaRouche escapades of the 1980s, has resurfaced in the anti-Clinton coalition of the 1990s.

British assassins of American patriots

The ongoing attempt by British and other foreign oligarchical forces and their U.S.-based "cousins" to politically assassinate President William Jefferson Clinton, like the 1980s effort to eliminate Lyndon LaRouche, calls forth the image of the earlier assassinations of Presidents Abraham Lincoln and William McKinley.

Surratt I: The Lincoln murder

John H. Surratt and his mother, Mary Surratt, were two of the organizers of the Lincoln assassination. The British government and the Catholic Church's feudal-nobility faction combined to sponsor them for Lincoln's murder.



John H. Surratt

In the U.S. military commission trial convened on May 9, 1865, Mary E. Surratt and seven others were charged with "conspiring together with one John H. Surratt, John Wilkes Booth, Jefferson Davis, George N. Sanders, [Nathaniel] Beverly Tucker, . . . and others . . . to . . . murder . . . Abraham Lincoln. . . ." Mrs. Surratt and six others were convicted; she and three others were hanged.

Mary Surratt owned a Washington boarding house in which she sheltered the anti-Lincoln conspirators, as they prepared the attack.

Booth, who had shot Lincoln on April 14, 1865, died on the escape route. Booth's main partner, John Surratt, was an international courier for the Confederate secret service. Surratt fled to Canada, at that time a British colony.

Code-Name Surratt III

In the wake of the Olson salon revelations, *EIR* Contributing Editor Lyndon LaRouche commissioned a reinvigorated probe of the Get LaRouche-Get Clinton nexus, designated “Code-Name: Surratt III.” The data that have been assembled, so far, by *EIR* investigators, and are published, in chart and indexed form starting on p. 41, have been organized as follows: First, a comprehensive list of all of the institutions and individuals prominent in the “Get LaRouche” campaign was assembled. A similar list of all of the “Get Clinton” insti-

tutions and individuals was assembled. Each of the lists was cross-gridded by forms of activity: civil legal actions, criminal legal actions, IRS legal actions, activities of the salons, media slanders, legislative actions, and covert actions. In many instances, specific individuals or institutions have engaged in more than one form of activity. In a number of cases, individuals and institutions involved in the Get LaRouche action also showed up as prominent in the Get Clinton activity (people and institutions involved in *both* the Get LaRouche and the Get Clinton efforts are denoted in the charts with an

He had been in Montreal at the joint Confederate-British secret service rendezvous station, St. Lawrence Hall Hotel, only a week before the Lincoln murder. Booth had been there the previous October, working with George Sanders on the plans for the attack on Lincoln, and getting money for weapons and for Surratt to hire extra men. The Kentucky-born Sanders, a career British Empire paid agent, was chief American spokesman for the London-based revolutionary Giuseppe Mazzini.

In September 1865, Confederate-British coordinator Nathaniel Beverly Tucker arranged passage from Canada to England for John Surratt under an assumed name. From England, Surratt went to the Vatican and was sheltered for two years as a member of the Papal Zouaves. He was discovered by a pro-U.S. papal officer, was arrested by the Vatican, then “escaped,” perhaps by arrangement with the Vatican. Pope Pius IX was favorable to the Confederacy; his successor, Leo XIII, moved the Church away from this feudalist outlook.

Arrested again in Egypt, Surratt was tried in Washington in mid-1867, when the trail of evidence was cold. The jury was divided, and charges were dismissed. Surratt publicly disclosed his part in what he called the “kidnapping” conspiracy, in a speech in 1870.

Surratt II: The McKinley killing

The case of what we may designate as “Surratt II,” was the 1901 assassination of President McKinley. A nationalist like Lincoln, and like President James Garfield (assassinated in 1881), McKinley was the leading public opponent of what he called “British political economy.” McKinley said that England was behind the free-trade doctrine, and that “a great party in this country voices her interest,” against McKinley’s faction of protectionists and industrial developers.

Vice President Theodore Roosevelt, who became President upon McKinley’s death, was closely attached to the oligarchy running the British Empire. His uncle and mentor, James Bulloch, was in exile in England, where he had been chief of the overseas Confederate secret service,

acquiring British cruisers to be used in attacks against American shipping during the Civil War.

Leon Czolgosz shot McKinley on Sept. 6, 1901, declared himself an anarchist. He was convicted of murder, and was executed on Oct. 29, 1901.

Czolgosz’s trial in New York State was short and smooth. Court-appointed counsel Robert C. Titus presented virtually no defense, and his client went silently to his execution. Titus served on the Supreme Council of the Scottish Rite Freemasons; he was for many years a director of the relations of U.S. freemasons with the British mother organization.

After his arrest, Czolgosz told the police that he was a follower of Emma Goldman, the London-based international anarchist leader. Goldman was arrested as a co-conspirator in the McKinley case, but was released for lack of concrete evidence.

During McKinley’s first term, before his opponent, Teddy Roosevelt, was maneuvered onto the Republican electoral ticket as McKinley’s second-term Vice President, McKinley’s lead adviser, Sen. Mark Hanna, had warned U.S. officials that specific plans were under way to use the anarchist movement to murder the President.

After the McKinley assassination, the Russian journal *Svet* wrote of London, the center of the world anarchist movement, “Let us hope that the death of . . . [the] President will rouse those lands which . . . harbor bad elements and become the breeding grounds for plots, to action against the enemies of civilization.” Emma Goldman wrote, “England was the haven for refugees from all lands, who carried on their work without hindrance. . . .”

When in London, Goldman lived in the home of her sponsor, arch-feudalist William Michael Rossetti, a British government employee. With his brother, poet-painter Dante Gabriel Rossetti, William ran the “Pre-Raphaelite Brotherhood.” This was a society of degenerate pro-aristocracy oligarchists, determined to restore the irrational tyranny of the Dark Ages, and to overcome what the British saw as the terrible engine of modern times, the American republic.—*Anton Chaitkin*

asterisk). In some cases the same individuals played active, albeit different, roles in the two actions.

Following the four charts, which represent overlays of data organized by forms of action, we have included an annotated index of names, to help the reader through the maze of detail.

The analysis

It must be emphasized that the data presented in this special report are by no means complete. However, the data provide a road-map of the apparatus under investigation, and will, hopefully, provoke further inquiry into two aspects, in particular, of the ongoing investigation:

First, the institutions and individuals who have been identified in both the Get LaRouche and Get Clinton operations warrant special investigative followup.

Second, the individuals and institutions that are prominent in the Get LaRouche operation but are not clearly identified as elements of the Get Clinton campaign, should not be written out of the probe. In some instances, leading elements of the Get LaRouche drive, including the ADL and several prominent current and former Democratic National Committee officials, are considered, by some, to be part of the pro-Clinton machinery. Given that virtually every enemy of LaRouche is also an enemy of Clinton, a more thorough review of some of these cases may help to identify “fifth column” problems inside the Clinton camp.

Profile

Richard Mellon Scaife: an Anglophile Goebbels

by Scott Thompson and Jeffrey Steinberg

Ever since First Lady Hillary Rodham Clinton launched her attack against the “right-wing conspiracy” to bring down the Clinton Presidency, at the beginning of the year, the name Richard Mellon Scaife has become well known. Mellon Scaife, as the chief executor of the multibillion-dollar Mellon family “philanthropic” empire, has poured millions of dollars per year into the “Get Clinton” apparatus since 1992. Hardly a newspaper slander or a legal action has been launched against the President that did not enjoy the generous financial backing of Mellon Scaife, through his various tax-exempt foundations—e.g., the Allegheny Foundation, the Carthage Foundation, the Sarah Scaife Mellon Foundation—and his highly secretive Grandchildren’s Trust, which does not have to report its contributions.

What is somewhat less widely known, is the role that Richard Mellon Scaife played in the 1980s “Get LaRouche” operation, the combined legal and media assault against the noted American System political economist, and intellectual author of President Reagan’s Strategic Defense Initiative. Mellon Scaife directly bankrolled the media salon that churned out a constant stream of Goebbels-like anti-LaRouche hate propaganda, through such media outlets as NBC-TV, *Readers Digest*, the *Washington Post*, *Business Week*, the *New Republic*, and the *Wall Street Journal*. The Get LaRouche salon was an integral part of the “Public Diplomacy” unit, run out of the White House, by George Bush and his gopher Oliver North, which was later exposed as part of the “secret parallel government” behind the Iran-Contra fiasco. Both the Iran-Contra guns-for-drugs criminal enterprise and the “Get LaRouche” operation were run under the aegis of Executive Order 12333.

That Mellon Scaife should emerge today as the “Daddy Warbucks” of the propaganda machinery attempting to destroy the institution of the U.S. Presidency, is absolutely lawful. Mellon Scaife cut his teeth, beginning in the early 1970s, as the financier of a combined British-American black propaganda front, which was such a notorious repository of disinformation, that it was banned by law from operating inside the United States.

Like his father before him, Richard Mellon Scaife was, and remains, an appendage of the British intelligence apparatus assigned to penetrate and manipulate the United States on behalf of the British monarchy and the City of London.

Forum World Features

In 1973, Mellon Scaife took control over a string of Mellon and Scaife family tax-exempt charitable trusts. Almost immediately, those trusts became money conduits for a series of Anglo-American joint intelligence operations. This was by no means the origin of Mellon family involvement with joint British-American covert intelligence activities, however. Richard Mellon Scaife’s father, Alan Scaife, and several members of the Mellon family, served in the World War II Office of Strategic Services, functioning as a key component of the Anglophile faction of OSS, which worked at cross-purposes with OSS chief Gen. William Donovan and President Franklin Delano Roosevelt. But 1973 marked Richard Mellon Scaife’s personal recruitment into the world of clandestine propaganda.

The first of the operations to be funded by Mellon Scaife’s “charitable” empire was Forum World Features, one of three news agencies and about 20 journals that had been created as part of one of the CIA’s earliest Cold War clandestine propaganda fronts, the Congress of Cultural Freedom, founded in 1950. When the CIA funding of the CCF was exposed in 1965, several Anglophile establishment families were called upon to take charge of the various CCF fronts, under ostensibly private auspices. Forum World Features was one such front.

Brian Crozier, an octogenarian veteran of British intelligence, with long-standing ties to Britain's MI5 and MI6 intelligence services, claims, in his autobiography, that he devised the new structure for FWF, forming a holding company named Kern House Enterprises. It was incorporated in Delaware, but operated principally out of London, subsuming several British intelligence news agency fronts in the Middle East, and similar CIA fronts operating in Latin America.

Another account suggests that Kern House Enterprises had actually been created by the grandson of President Theodore Roosevelt, Kermit "Kim" Roosevelt, Jr., who had started his intelligence career side-by-side with Richard Mellon Scaife's father, in OSS. Kim Roosevelt was the CIA's "man in Teheran" when British intelligence, on behalf of British Petroleum, orchestrated the overthrow of the Mossadegh government in the early 1950s. At the time the account has him initiating Kern House Enterprises, Kim Roosevelt "was entrusted with creating the CIA's publishing empire," which involved giving "theme guidance" for thousands of books, and seed money for other media.

The first chairman of Kern House Enterprises, once it was incorporated in 1965, was a raving Anglophile and former U.S. ambassador to the Court of St. James (1956-61), John Hay "Jock" Whitney. He was the owner of the New York City-based Whitney Communication Group, a holding company for the now defunct *New York Herald Tribune*, and the *International Herald Tribune*. Whitney was said to be "witting" about the CIA hand behind Kern Enterprises/FWF—to the point that the CIA conduited some \$325,000 through his J. Whitney Foundation for this purpose in 1964-65.

When Richard Mellon Scaife succeeded, by 1973, in wresting control of the Mellon family foundations, and the more secretive trust, from his sister, Cordelia, he stepped in to replace Whitney as chairman of Kern Enterprises/FWF. This was the start of his still-active relation as "benefactor" to FWF president Brian Crozier.

There is some evidence that even before Mellon Scaife's 1973 takeover of his family's coffers, the Mellon family had had some input into FWF through the National Strategy Information Center, which was one of the family's projects. Formed in 1962 as a "private" intelligence think-tank, the NSIC included on its board Prescott Bush, Sir George Bush's father and business partner of Averell Harriman; and John Norton Moore, of the University of Virginia, who was one of the authors of EO 12333. Crozier confirms that the NSIC was also a major source of information to be processed through the FWF propaganda outlet.

In 1970 using the Current Affairs Research Service Center that Crozier established within FWF, with Kern House Enterprises funds, Crozier formed the Institute for Conflict Studies (ISC). Richard Mellon Scaife soon became a source of money to Crozier's new front group.

Scaife's "hired brain" Daniel McMichael, according to J. Saloma in his 1984 book *Ominous Politics*, is quoted as

boasting that not only was the ISC's work "consistently used by the Thatcher government," but he said that the ISC "has set up solid working relationships with the Heritage Foundation, the National Strategy Information Center, the Institute for Policy Analysis, and a number of other Scaife-supported organizations."

In his autobiography, Crozier reveals that Jock Whitney's investment counselor was John Train, the Anglophile banker-spook who ran the 1983-89 "Get LaRouche" hate-propaganda effort out of his New York City investment service, Smith Train. Crozier heaped praise on Train as "a man of culture as well as money. He had lived in Paris and seemed as interested in the arts as in stocks and shares."

Apart from Scaife's direct contributions to the ISC, some \$140,000 was laundered to Crozier for his discretionary use, through another one of Richard Mellon Scaife's projects, the Heritage Foundation.

Unfortunately for Mellon Scaife, shortly after the publication by former CIA agent Victor Marchetti of *The CIA and the Cult of Intelligence*, a memo revealing the CIA hand in Kern Enterprises/FWF was leaked to a British paper, *Time Out*, in spring 1975. The memo revealed more about the origins of FWF than had so far been told. It was written in 1968 by the CIA's London station chief, Cord Meyer.

Meyer's 1968 memo to Director of Central Intelligence Richard Helms admitted that "FWF was created out of the residue of Forum Service, an activity of the Congress of Cultural Freedom (CCF), from which the CIA withdrew in 1966." The memo continues: "In its first two years FWF has provided the U.S. with a significant means to counter communist propaganda." A handwritten note on the memo adds: "Run with the knowledge and co-operation of British intelligence." The memo elaborates that Forum Service was created as one of three news agencies within the CCF in 1960 out of Information Bulletin, Ltd., whose principal director was Walter Laqueur, now at the Scaife-funded Center for Strategic and International Studies in Washington. CIA funds to the CCF underwrote some 20 publications, including *Encounter*, *The New Leader*, *Socialist Commentary*, and the international association of writers based in Paris known as PEN Club. As former CIA Director of Intelligence Ray Cline put it, all of them "would not have been able to survive financially without CIA funds." Was Cline implying that some, if not all of the private philanthropic funds for these propaganda outfits were actually CIA money, laundered through the tax-exempt private foundations?

This is how Crozier described Forum World Features, in his 1993 autobiography, *Free Agent: The Unseen War 1941-1991*: "The CIA man, whom I shall call James Craig, was ready with an answer which I found cryptic: 'We can't sell Forum in the U.S.,' he said, 'because we are not allowed to propagandize the American people.'

"As I learned later, there was indeed a long-standing revulsion against such 'propagandizing,' born initially of the manipulation of the American public during World War I, by

the British as well as the American government. The revulsion was deepened by the example of Hitler's master propagandist Josef Goebbels during World War II. . . .

"In line with this revulsion, the United States Information Agency (USIA) is still not allowed to circulate its material in the United States and the texts of Voice of America broadcasts are not available in the U.S."

Crozier, who was affiliated with MI5 and MI6, certainly ought to know what he was talking about, since another British intelligence agency with which he was affiliated was the Foreign and Commonwealth Office's "psychological warfare and propaganda" outfit known as the Information Research Department. IRD was shut down in 1978, partly because Crozier had gone overboard, in spinning out disinformation.

Why should it be so devastating, to discover that a news agency, whose own president compared it to Nazi Propaganda Minister Josef Goebbels' efforts, had arisen out of one of the first major CIA operations, the Congress of Cultural Freedom?

The Congress of Cultural Freedom

It would seem to be obvious that if U.S. intelligence was going to mount "cultural warfare" to win the hearts and minds of intellectuals away from Soviet Communism, it would draw upon fundamental ideas such as Gottfried Wilhelm Leibniz's influence upon the Founding Fathers, as those conceptions are embodied in the Declaration of Independence and the Preamble of the U.S. Constitution. It would draw upon the history of the United States as the shining example to all nation-state republics, and draw out the irony that it had been Tsar Alexander II of Russia, who had kept the British from intervening on behalf of the Confederacy during the Civil War—just as Russia had refused to be a pawn of the Holy Alliance against the United States at the time of the drafting of the Monroe Doctrine, to keep European colonialism out of the Western Hemisphere.

Instead, the CCF often promoted ideas associated with the United States' rentier-financier oligarchic enemies, which were as bad as the Stalinism the operation sought to combat. One reason for this gross error, lies in the person of Frank Wisner, the Anglophile originator of the CCF, whose family had deep ties to the Confederate slavocracy, and to those Tory "Boston Brahmin" allies of the South during the Civil War, who had made their fortunes as junior partners of the British East India Company, during the Opium Wars.

Wisner initiated the CCF with significant inputs from the British, when he was head of the Office of Policy Coordination from which the CIA Directorate of Plans was formed. Throughout his tenure in the Agency, Wisner was associated with what has been variously called the "Bankers CIA" and the "Knights Templar," both epithets for the group of Ivy League "WASP warriors" who dominated the CIA during its formative years, often by running brutal purges against ethnic Americans and others.

Ostensibly on the basis of "fighting fire with fire," one of the significant recruiting bases of the CCF was what was euphemistically called the "Non-Communist Left"—Mensheviks, Trotskyites, Bukharinites, and Stalinists recently fallen from favor with Moscow—who, as we shall see, would have a hand in both the "Get LaRouche" and "Get Clinton" operations. Ironically, those like the Trotskyite James Burnham who appears to have made a genuine conversion from Communism, were barred from participation in the CCF.

The CCF was, otherwise, dominated by enemies of the United States, with deep ties to British and other intelligence services. Among these CCF assets were:

Lord Bertrand Russell, one of Britain's leading advocates of "one-world federalism" and the eradication of the nation-state system. Russell played a pivotal role in launching the 1940s and '50s World Parliamentarians for World Government and the Pugwash Conference, both of which worked closely with Soviet intelligence services in Anglo-Soviet operations against the United States.

Stephen Spender. Another British national, this second-generation member of the "Homintern" (Homosexual International, known among the Oxford and Cambridge elites as the "Children of the Sun") wrote for *Forum World Features*. Not surprisingly, his works appeared in John Train's *Paris Review* in the 1950s, together with the writings of hallucinogenic drug advocate Aldous Huxley. In 1968, Spender travelled around Europe and the United States, bringing suitcases full of cash to the most violent of the student radical leaders, including from the Situationist International, then involved in violent street actions, aimed at overthrowing the government of French President De Gaulle.

"The Frankfurt School." OSS members Dr. Karl Frank, Max Horkheimer, and Herbert Marcuse, all members of the Frankfurt Institute for Social Research, became major players in the CCF. The Frankfurt School was created in the early 1920s as an explicit project of the Communist International (Comintern), with the stated objective of destroying Western Judeo-Christian civilization by spreading a Marxist-Freudian syncretic ideology, built on "anti-authoritarianism" and "cultural pessimism." By the 1930s, the Frankfurt School had been fully integrated into the British Fabian Socialist apparatus, which, like Bertrand Russell, always maintained close ties to British intelligence. In the postwar period, the Frankfurt School also de facto merged with the London Tavistock Institute, an official branch of British psychological warfare.

Jay Lovestone. Lovestone had been appointed to head the Communist Party USA by Comintern leader Nikolai Bukharin in the 1920s, but was ousted during the purge of the Bukharinites. Yet, he remained in touch with a faction of Soviet intelligence through, at least, the late 1930s. Under the sponsorship of International Ladies Garment Workers Union leader David Dubinsky, Lovestone and his chief lieutenant, Irving Brown, ran the AFL-CIO International Department for many decades. At the time of the CCF, Lovestone and Brown

were secretly on the payroll of CIA Director of Counterintelligence James Jesus Angleton, himself a World War II OSS liaison to the British “Double-Cross Committee” secret intelligence structure, and a leading figure in the Anglophile cabal at CIA headquarters.

Jean Paul Sartre, the French existentialist.

Jacques Soustelle. This French “synarchist” and cultural anthropologist, was a target of U.S. Army Intelligence investigators during the 1930s and ’40s period of the Hitler-Stalin Pact, as a significant “Nazi/Communist” subversive, operating against the United States in Mexico and Central America. After the war, in France, Soustelle founded the terrorist Secret Army Organization (OAS), which, on a dozen occasions during the 1960s, attempted to assassinate President de Gaulle. OAS was financed through the British intelligence “Murder, Inc.” front, Permindex, which was implicated in the assassination of President John F. Kennedy.

After the Congress of Cultural Freedom’s CIA funding was exposed in 1965, there was a short-lived effort to create a “private” International Association of the CCF. The final conference of this group took place in 1968 at Princeton University, and the featured speaker was Henry Kissinger. In 1971, Richard Mellon Scaife made one final effort to re-start the CFF, by providing seed money to launch the Committee for the Free World. Its leadership included many top “neo-conservatives” who are now involved in “Get Clinton” operations, together with members of the British establishment such as Brian Crozier’s close friend, the late Lord Julian Amery.

‘The white-shoe boys’

Several reliable sources have reported that the people who had a hand in the shaping of Mellon Scaife’s funding of British intelligence-inspired covert and overt operations—including his “Get LaRouche” and “Get Clinton” activities—were former members of the OSS, who served with his father during World War II.

At the beginning of World War II, Gen. William “Wild Bill” Donovan, with support from President Franklin Roosevelt, created the OSS, which was the precursor of the Central Intelligence Agency. From the start, there were three factions within the OSS: an “Oh So Social” group of Anglophile oligarchic families, typified by Richard Mellon Scaife’s extended family, including his father; a performance-oriented group of American citizens, epitomized by future Director of Central Intelligence William Casey, who could accurately make the claim that he was “there at the beginning of the CIA”; and, a group of first- and second-generation American immigrants of the sort represented by Max Corvo, who was key to OSS intelligence operations in Italy.

The Anglophile group, with its “old money” wealth, and its roots in Wall Street and in the Ivy League universities, came to dominate the postwar launching of the CIA, in large measure, because they used the closing months of World War II to unleash a bloody purge of their rivals inside the OSS.

With the death of FDR, not even General Donovan survived the purge. Donovan, Casey, Corvo, and a host of other OSS wartime legends were black-balled from playing any role in the early shaping of the CIA; and the first 25 years of the Agency were dominated by such hard-core “WASP warriors” as Alan Dulles, Richard Helms, Frank Wisner, and James Angleton.

OSS officer Alan Scaife was part of the hard-core Anglophile circle—along with several other members of the extended Mellon clan.

Here are Bill Casey’s impressions of Lt. Col. Alan M. Scaife, as conveyed to Joseph E. Persico, author of *Casey: From OSS to the CIA*. Casey’s description was in the context of Casey’s promotion in the OSS—over the higher-ranking Scaife—in December 1944, by General Donovan, to be chief of the Secret Intelligence (SI) Branch of the European Theater of Operations USA (ETOUSA): “He was one of the original white-shoe boys. He’d done it all in a day. He’d married one of the Mellon heiresses. And that took care of Alan. The guy didn’t have much steam. His people were rattling around with nothing to do. SI was falling apart.”

In terms of his OSS affairs, it is impossible to separate Lt. Col. Alan M. Scaife’s career from that of his in-laws and other affiliated oligarchical families, the collection of wanna-be British aristocrats whom Casey dubbed the “white-shoe boys.” Chief among the Mellon OSS crowd were:

Col. (later Ambassador) David K.E. Bruce. A descendant of the Scottish King Robert Bruce, David Bruce maneuvered into the position of being chief of ETOUSA OSS throughout World War II, operating from a base in London. Bruce’s first marriage was to Ailsa Mellon, whose father, Treasury Secretary Andrew Mellon, had coordinated closely with Bank of England head Montagu Norman, and with Norman’s friend, German banker and Economics Minister Hjalmar Horace Greeley Schacht, in the British-inspired process that ultimately imposed Adolf Hitler upon an economically prostrate Germany. While Andrew Mellon ended his political career as President Herbert Hoover’s ambassador to the Court of St. James, Ailsa’s mother, Nora, was a British subject and relative of the Earl of Guinness. Before World War II, David Bruce had worked with W.A. Harriman and Company, Inc., and he was head of some 25 corporations.

After World War II, Bruce was named ambassador to what were then considered the three top foreign service posts: France, Germany, Britain. According to the memoirs of self-confessed British asset Sir Henry Kissinger, in *The White House Years*, Bruce ended his career on the special body advising the Nixon administration, known as the “Wise Men.”

Major (later Sir) Paul Mellon (a.k.a. “Cantaloupe”). Through his brother-in-law David Bruce’s intervention, Paul Mellon was recruited into the OSS in London. According to contemporaries and official records, Paul Mellon did little of distinction while in the OSS, ostensibly engaged in “black propaganda” work.

He and his first wife, Mary Conover Mellon, had begun psychotherapy at the Swiss cult center of Ascona before World War II, under the satanic Carl J. Jung. After World War II, Paul Mellon set up the Bollingen Foundation, which translated Jung's writings into English. The foundation fell under Congressional scrutiny, when it gave a joint prize, with the Library of Congress, to the Mussolini-style fascist Ezra Pound, who had been saved from trial for treason by the intervention of OSS X-2 (Counterintelligence) chief Angleton, together with other oligarchic influences.

At his Rokeby Farm in Upperville, Virginia, Mellon breeds horses and through that means he became a personal friend of the British royal family. Not only was Mellon named a Knight of the British Empire by Her Majesty Queen Elizabeth II, but he has frequently hosted members of the House of Windsor.

Maj. William Larimer Mellon. Through the intervention of another member of the Mellon family, Larimer Mellon got a commission in OSS, starting as an SI ship spotter in Lisbon, Portugal. He was soon under Allen Dulles's direct command at the latter's Geneva headquarters, where Mellon's job was ostensibly to bribe those German generals who were listed in Edda Mussolini's captured diary as being desirous of surrender. As with the Mellon family and their in-laws, Allen Dulles, scion of an oligarchic Anglo-Swiss family, had a most strange relationship with the Nazis. As an attorney for Sullivan & Cromwell, he had worked with many of the firms that helped finance Hitler's rise to power. And, he, together with his Russian emigré aide in OSS Geneva, Valerian Lada-Mocarski, sat on the board of Schroeders Bank, whose German division was headed by SS Gen. Baron Kurt von Schroeder.

OSS records on file at the U.S. National Archives show that Alan Scaife had occasion to write "Dear Paul" (Mellon) and "Dear David" (Bruce) epistles from his position within the SI Branch ETOUSA OSS. One of the first major assignments Bruce had Scaife carry out, was to return to Washington, D.C. to establish what Scaife's memo described as a London Desk within the British Empire Section of SI at OSS headquarters.

In this posting, Scaife worked directly with British Security Coordinator Sir William Stephenson at Room 2603 in Rockefeller Center in New York.

When Scaife returned to London to become Executive Officer of the SI Branch ETOUSA OSS, he was placed in charge of the Labor Division, where he worked closely with Allen Dulles's recruit, Maj. Arthur Goldberg. Alan Scaife would later work closely with Arthur Goldberg and his SI Branch ETOUSA Labor Division assets, to begin the penetration of Nazi Germany through such missions as "Operation BACH." However, it was the plodding slowness of this operation that, after the Battle of the Bulge, prompted General Donovan to promote Bill Casey over Scaife as chief of SI ETOUSA OSS, for the final push behind the Siegfried line.

The problem with the ETOUSA OSS operation run by Alan Scaife's in-law, David Bruce, was summed up by Dono-

van before the shakeup as follows: "Gentlemen, I find that here in London you have been doing too much planning. Plans are no good on the day of battle. I ask you to throw your plans out of the window."

It was this extended Mellon family crowd that steered Richard Mellon Scaife on his present treasonous course.

Mellon Scaife bankrolls British 'brain warfare'

by Steve Meyer and Jeffrey Steinberg

In 1975, then-Central Intelligence Agency director William Colby testified before the Senate Select Panel on Intelligence (the Church Committee). Among the CIA "family jewels" revealed by Colby during that controversial public testimony, was the existence of a decades-long secret CIA experiment in mind control and brainwashing, known under the acronym MK-ULTRA.

It was later revealed that MK-ULTRA operatives were responsible for the dissemination of millions of doses of LSD-25, inside the United States, thus playing a significant role in launching the 1960s drug-rock-sex counterculture.

The CIA mind-war program drew heavily on British psychiatrists and psychological warfare experts associated with the London Tavistock Institute, and other British intelligence agencies. Tavistock's entire staff had been coopted into the British Army, during World War II, where they ran the psychiatric division. The Tavistock Institute's earlier incarnation, the Tavistock Clinic, had been founded in 1922, by a group of British military psychiatrists who had conducted studies of wartime "shock trauma" on returning British soldiers.

After World War II, the Tavistock Institute set out to dispatch "mobile teams of psychiatric shock troops," in the words of its director, Brig. Gen. Dr. John Rawlings Rees, into communities all around the world, for the purpose of social engineering and mind control, and the promulgation of world government.

Among the Tavistock figures directly involved in the CIA MK-ULTRA were Dr. Ewen Cameron and Dr. William Sargant. American psychiatrist Dr. Louis Jolyon West was trained at Tavistock, before becoming a mainstay of the MK-ULTRA team. Aldous Huxley, the famous British popularizer of psychedelic drug use, was a frequent lecturer in the MK-ULTRA and related secret intelligence projects, which involved both the use of mind-altering drugs, and other, non-pharmacological methods of brainwashing. Huxley worked directly with Dr. West beginning in 1957, and described his young American protégé as "an extremely able young man," in a correspondence with Dr. Humphrey Osmond, the British pharmacologist who also played a central role in MK-ULTRA.

Privatizing the mind-wars

Director Colby's candid public admission that the CIA was involved in illegal domestic mind-control experimentation—ostensibly part of an effort to combat “Manchurian Candidate” brainwashing of captured American servicemen by the Communists during the Korean War—sparked an outraged response, and a flurry of books and magazine articles exposing the program, largely based on approximately 7,000 pages of CIA records. Although a previous CIA director, Richard Helms, an important patron of the MK-ULTRA work, had ordered all CIA files on the mind-war program destroyed, the Agency's finance office presumed itself exempt from the decree, and the financial paperwork of MK-ULTRA survived. These records, ironically, revealed that the CIA had been using a number of tax-exempt foundations—including at least one that was an Agency proprietary—to finance university- and hospital-based MK-ULTRA experimentation. The most scandalous revelations surfaced only a few years ago, when a group of Canadian citizens successfully sued the CIA and the Canadian government, over Agency-funded menticide experiments conducted at the Allen Memorial Clinic at McGill University in Montreal, by Tavistock's Dr. Ewen Cameron.

While the CIA and other U.S. government intelligence services claimed that the mind-war projects were shut down after Colby's revelations, there is strong evidence that MK-ULTRA merely “went private,” employing the usual suspects among the Anglophile oligarchical families to front for the continued illegal intelligence operation of British and contaminated American intelligence circles—including some of the very foundations that had been used, during the “official” phase of MK-ULTRA, to launder CIA and Pentagon dollars.

One MK-ULTRA spawn of immediate relevance to the present study is the misnamed American Family Foundation (AFF), an outfit heavily bankrolled by Richard Mellon Scaife.

It is no coincidence that the same Mellon Scaife-run foundations were also involved with the privatization of the joint British-American propaganda fronts, Forum World Features and the Congress of Cultural Freedom, and with the 1980s “Project Democracy” of George Bush and Ollie North. All of these efforts were part of the program which CIA Director Allen Dulles publicly labelled, in 1953, “brain warfare.” In 1973, establishmentarian Nicholas Katzenbach chaired a study group that advocated the privatization of all of the “brain warfare” programs. Mellon Scaife was on the scene, ready to sponsor the “out-sourcing” of secret intelligence operations.

AFF and CAN

AFF was founded in December 1979, according to documents filed with the Internal Revenue Service. Over the period from 1980 to 1988, the Scaife Family Foundation provided over a quarter of a million dollars to the foundation.

While pretending to be a public interest organization, dedicated to combatting the penetration of “dangerous cults” into American society, AFF in reality provided a cover for some of the leading MK-ULTRA mind-benders to ply their trade—without Congressional or other scrutiny, in the “private sector.”

Take, for example, the case of Dr. Louis Jolyon West. According to an exposé of AFF, published in a special supplement to *New Federalist* newspaper in 1991, “Over the course of thirty years, Dr. West has experimented on the minds of veterans, prisoners, alcoholics, and drug addicts with hallucinogenic drugs, electroshock, isolation, and small group behavior control techniques. In 1977, Dr. West was exposed on the front page of the *New York Times* as being funded by the CIA to perform LSD mind destruction experiments as part of the MK-ULTRA project. . . . Trained in group dynamics at the British Tavistock Institute . . . he ran field studies in the Haight-Ashbury district of San Francisco in the early 1960s to study the effect of drugs on youth.”

Among the Haight-Ashbury hippies that Dr. West profiled was Charles Manson, the leader of the Satanic killer cult. His conclusions, which he recorded in a medical journal article at the time, were: “It may be more convenient and perhaps even more economical to keep the growing numbers of chronic drug users (especially of the hallucinogens) fairly isolated and also out of the labor market, with its millions of unemployed. To society, the communards with their hallucinogenic drugs are probably less bothersome—and less expensive—if they are living apart, than if they are engaging in alternative modes of expressing their alienation, such as active, organized, vigorous political protest and dissent.”

In 1973, West proposed the creation of a Center for the Study and Reduction of Violence, which was to be located in the Santa Monica Mountains, near Los Angeles, “accessible but relatively remote.” “The site,” he wrote, “is securely fenced. Comparative studies could be carried out there, in an isolated but convenient location, of experimental or model programs for the alteration of undesirable behavior.”

Another AFF recipient of Mellon Scaife largess is Dr. Margaret Singer, a veteran of MK-ULTRA, who directly participated in the Korean War-era studies of American prisoners of war, and later joined Dr. West in his guinea pig games with the LSD counterculture in Haight-Ashbury. Her works were published by the Society for the Study of Human Ecology, the secret CIA front group at the heart of the “official” phase of MK-ULTRA.

Kidnappers and torturers

In 1990, Dr. West received the Leo J. Ryan Award for “extraordinary courage, tenacity and perseverance in the battle against tyranny over the mind of man,” from the Cult Awareness Network. CAN has since been exposed, and some of its leading operatives prosecuted, as a kidnap-for-hire service, employing a private army of Hells Angels bikers, Jewish Defense League terrorists, burned-out Vietnam War veterans,

and hooligans. CAN, up until its bankruptcy several years ago, precipitated by a multimillion-dollar civil judgment over one of its kidnappings-gone-awry, worked intimately with AFF in so-called “deprogramming” of victims of coercive cults.

Deprogramming is a euphemism for the very same mind-control techniques — in some instances, outright torture — devised by the Tavistock Institute and its spawns, and tested “in the field” during MK-ULTRA.

‘Get LaRouche’ operations

AFF and CAN were both integral elements within the public-private “Get LaRouche” strike force, activated in 1982 at the behest of Henry Kissinger, and bankrolled by Mellon Scaife, among others. It is not surprising, therefore that the May 1985 issue of the AFF’s newsletter, *The Cult Observer*, reprinted a *Washington Post* slander of LaRouche. The next year, AFF board member Eugene Methvin, a senior editor of *Readers Digest*, published another smear of LaRouche.

On a number of occasions, AFF/CAN kidnapping teams targeted associates of LaRouche. In the two most notorious instances, a CAN team kidnapped Roger Maduro, a young scientist from a prominent Panamanian family, and attempted to spirit him out of the country. Maduro escaped. In the early

1990s, Lewis du Pont Smith, an heir to the du Pont family fortune, was the target of a foiled kidnapping, organized by CAN. His father was indicted in the case, along with several CAN thugs, including Galen Kelly, a protégé of Cleve Backster, one of the CIA’s early brain-warriors.

Given the global reach of the London Tavistock apparatus, which steers the Mellon Scaife-bankrolled AFF/CAN, it is not surprising that evidence has now surfaced that this network was behind a late-1980s effort to shut down the activities of LaRouche collaborators in France. French psychiatric circles teamed up with corrupt French Socialist Party officials, including then-President of France François Mitterrand and his henchman Roland Dumas, to bankrupt the LaRouche political association in France and silence its popular candidate, Jacques Cheminade.

Assistance was provided by U.S. Ambassador Joseph Patrick Curley, who served as the Honorary President of the American Hospital of Paris. Curley, a George Bush appointee, was a director of the Bodman Foundation, the single largest funder of AFF, from its founding (the Sarah Scaife Foundation is AFF’s second-largest source of funding). Curley, who is from Pittsburgh, had close ties to Richard Mellon Scaife, and was, during 1961-75, a partner with J.H. Whitney Co., the firm that ran Forum World Features at the time that Mellon Scaife took it over.

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- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?



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A Who's Who of institutions and personnel

The data that have been assembled, so far, by *EIR* investigators, and are published, in chart and indexed form below, have been organized as follows:

First, a comprehensive list of all of the institutions and individuals prominent in the "Get LaRouche" campaign was assembled. A similar list of all of the "Get Clinton" institutions and individuals was assembled. Each of the lists was cross-gridded by forms of activity: civil legal actions, criminal legal actions, IRS legal actions, activities of the salons, media slanders, legislative actions, and covert actions. In many instances, specific individuals or institutions have en-

gaged in more than one form of activity. In a number of cases, individuals and institutions involved in the Get LaRouche action also showed up as prominent in the Get Clinton activity (people and institutions involved in *both* the Get LaRouche and the Get Clinton efforts are denoted in the charts with an asterisk). In some cases the same individuals played active, albeit different, roles in the two actions.

Following the four charts, which represent overlays of data organized by forms of action, we have included an annotated index of names, to help the reader through the maze of detail.

'Get LaRouche' Institutions

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
ABC-TV's "Good Morning America"					●		
ABC-TV's "Nightline"					●		
American Family Foundation	●	●		●	●		●
American Institute for Free Labor Development					●		●
Anti-Defamation League of B'nai B'rith	●	●	●	●	●	●	●
Arendt, Fox, Plotkin & Kintner	●	●					
Associated Press★					●		
Baltimore Evening Sun					●		
Bild Zeitung					●		
Boston Globe					●		
Boston Phoenix					●		
Bureau of Alcohol Tobacco and Firearms		●					
Business Week					●		
Cahill, Gordon	●	●					
California Attorney General	●	●					
Catholic League for Religious and Civil Rights					●		
CBS-TV's "West 57th Street"					●		
Charlotte Observer					●		
Chicago Catholic					●		
Chicago Star					●		

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
Chicago Sun Times					●		
Christian Science Monitor					●		
Committee for a Free World				●			
Cult Awareness Network	●	●			●	●	
Daily World					●		●
Der Spiegel					●		
Detroit Free Press					●		
Doubleday Publishers				●	●		
Dykema, Gossett, Spencer, Goodlaw & Twigg	●	●					
Ekstra Bladet (Denmark)					●		●
El Nacional (Venezuela)					●		
Farella, Braun & Martel	●	●					
Federal Bureau of Investigation★	●	●					●
Federal Election Commission	●	●					
First Fidelity Bank	●						
Folha de São Paulo (Brazil)					●		
Freedom House				●			●
Hannoch, Weisman	●	●					
Heritage Foundation★				●	●		
High Times					●		
Hollinger Corp.★					●		
Hustler					●		
Information Digest				●	●		
Inside Edition					●		

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IFS				
Internal Revenue Service	●	●	●				
International Affairs					●		
International Herald Tribune					●		
Izvestia					●		
Jerusalem Post					●		
Jewish Telegraph Agency					●		
Jewish Week					●		
John Birch Society★					●		
Joint Chiefs of Staff J-3 Special Operations		●					
KATU-TV (Portland, OR)					●		
Literaturnaya Gazeta					●		
London Guardian					●		
Los Angeles District Attorney	●	●					
Los Angeles Times					●		
Loudoun County Sheriff's Department	●	●					
Loudoun Times Mirror					●		
Manhattan District Attorney	●	●					
Missouri Secretary of State	●	●					
Morning Herald (Sydney, Australia)					●		
National Public Radio's "All Things Considered"					●		
National Review★					●		
National Security Council							●
NBC Television★	●	●		●	●		
NBC-TV's "First Camera"	●	●		●	●		
New Republic★					●		
New Scientist					●		
New Times					●		
New West					●		
New York Attorney General	●	●					
New York magazine					●		
New York Times★					●		
Newsday					●		
Newsweek★					●		
North Carolina National Bank	●	●					
Ogle County, Illinois District Attorney		●					
Our Town					●		
Pepper, Hamilton & Sheetz	●						
Phil Donahue Show					●		
Pravda					●		
President's Foreign Intelligence Advisory Board							●

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IFS				
Readers' Digest				●	●		
Scaife foundations: Allegheny, Carthage, Sarah Scaife, Scaife Family Fund★				●			●
Seattle Times					●		
Smith-Richardson Foundation★					●		●
Sovietskaya Kultura					●		●
Tampa Tribune					●		
Tiempo (Spain)					●		
United Press International					●		
U.S. Attorney General	●	●					
U.S. Attorney-Boston, MA	●	●					
U.S. Attorney-Eastern District of Virginia	●	●					
U.S. Attorney-Maryland		●					
U.S. Civil Rights Commission					●	●	
U.S. DOJ Civil Rights Division		●					
U.S. DOJ Criminal Division★		●					
U.S. DOJ Crim. Div. Fraud Section		●					
U.S. DOJ Crim. Div. General Litigation and Legal Advice Section	●	●					
U.S. DOJ Crim. Div. Public Integrity Section★		●					
U.S. DOJ Tax Division	●	●	●				
U.S. House of Representatives Judiciary Committee						●	
U.S. Information Agency					●		●
U.S. Marshals Service	●						
U.S. Secret Service		●					
U.S. Senate Committee on Foreign Relations, Subcommittee on European Affairs						●	
U.S. Senate Judiciary Committee						●	●
Village Voice					●		
Virginia Attorney General	●	●					
Virginia State Police	●	●					
Vremya					●		
Wall Street Journal★				●	●		
Washington Post★					●		
Washington Times★					●		
Willkie, Farr & Gallagher	●						
Wilmington Trust	●						
Woman's Day					●		

‘Get LaRouche’ Personnel

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
Morris Abram	●				●		
NY AG Robert Abrams	●	●					
David Abshire							●
FBI SA Anthony Adamski		●					
James Jesus Angleton							●
Virginia Armat				●	●		
Arthur “Nicky” Arundel					●		
FBI AD William Baker		●				●	
VA Gov. Gerald Baliles		●					
David Bardine	●						
David Barger★		●					
US AG William Barr★		●					
Robert Bartley★				●	●		
Russ Bellant				●	●		
Chip Berlet				●	●		
Albert Besser	●	●					
L. Bezymensky					●		
Kenneth Bialkin	●	●		●	●		
Howard Blum					●		
MO Sec. of State Roy D. Blunt		●					
Mira Lansky Boland	●	●		●	●		
Dan Bookin	●	●					
Tom Braden					●		
Herb Brin					●		
Joel Brinkley					●		
Tom Brokaw					●		
US Cong. Jack Brooks						●	
Judge Albert Bryan, Jr.	●	●					
VA State Police SA Charles Bryant		●					
McGeorge Bundy							●
Stephen Bundy, Esq.	●						
Fyodor Burlatskii					●		
US DAG Arnold Burns		●					
Leo Cherne				●			●
FBI AD Floyd Clarke		●					
Roger Cabbage		●					
Miles Cunningham					●		
A.E. Daniels		●					
Kenneth de Graffenreid							●
AUSA Brackett Denniston, III		●					
Phil Donahue					●		
Craig Donsanto★		●					
US Sen. Dick Durbin						●	
FBI SA Richard Egan		●					
WA AG Kenneth Eikenberry	●						
Robert Ferguson	●	●					

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
Tom Ferraro★					●		
IRS SA John J. Filan		●	●				
John Fitzgerald		●	●				
Ben Flannagan	●	●					
David Foulke	●						
Donald Fowler	●						
Abraham Foxman	●	●			●		
James H. Geer		●					
AUSA Peter Gelhaar	●						
David Gelman					●		
FBI SA Ed Gibson		●					
Roy Godson				●			●
Sally Greenberg				●	●		
Ted Greenberg★		●					
James Greenleaf		●					
Kenneth Gross	●						
David Halperin	●						
John Harris					●		
IL AG Neil Hartigan	●						
William Hendricks		●					
FBI SA David Higgins		●					
BATF Dir. Stephen E. Higgins		●					
Col. Byron Hooten		●					
Calvin House	●						
Gary Howard							●
US Atty Henry Hudson	●	●	●				
Michael Hudson	●	●		●			
Ellen Hume				●	●		
MN AG Skip Humphrey	●						
Real Jean Isaacs				●			
Sheriff John Isom	●	●				●	
US DAG D. Lowell Jensen		●					
Tom Kavalari	●	●					
Jack Keeney★		●					
Galen Kelly	●	●					
Dennis King		●		●	●		
Paul Kirk						●	
Cynthia Kisser	●				●		
Henry Kissinger★							●
Harvey Klehr					●		
FBI SA Tim Klund		●					
FBI SAC Joseph Krahling		●					
Steve Kroft					●		
Stanley F. Krysa		●	●				
IRS Asst. Comm. CID Anthony V. Langone		●	●				
Cong. Tom Lantos						●	

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
Leah Latimer					●		
Michael Ledeen★							●
Lois Lerner	●						
Mordechai Levy		●					●
Ann Lewis						●	
Fred Lewis							●
Sasha Lewis					●		
Lawrence Lippe		●					
FBI SA Angus Llewellyn		●					●
IRS SA Laurence Lucey		●	●				
IRS SA Lance Lydon		●	●				
Pat Lynch		●		●	●		
FBI SA Richard Lytle	●						
USSS SAIC John Magaw		●					
FBI SA Alan Malenchak		●					
Charles Manatt★						●	
AUSA John Markham		●					
US AG Edwin Meese★		●					
Jörg Meltke					●		
Eugene Methvin				●	●		
Mark Miller					●		
John Mintz★					●		
Paul Montgomery					●		
Dep. Sher. Don Moore	●	●			●	●	
John Norton Moore★							●
NY DA Robert Morgenthau		●					
US Atty J. Frederick Motz		●					
Sen. Daniel Patrick Moynihan					●	●	
Robert S. Mueller, III		●					
Caryle Murphy					●		
Chris Neuchterlein		●					
Lawrence Noble	●						
James E. Nolan							●
Oliver North★							●
Gordon Novel					●		●
Mark Nykanen					●		
USSS SA John O'Connor		●					
US Acting AAG Roger M. Olsen		●	●				
N. Paklish					●		
Clarence Pendleton	●				●		
Sy Perlman					●		
FBI Section Chief Steven L. Pomerantz							●
Dan Popeo★	●						
Vladimir Pustogarov					●		
Ronald Radosh					●		
Mark Rasch		●					
Walter Raymond							●
Dan Rea					●		
John Rees				●	●		●

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
William Rees-Mogg★					●		
LA DA Ira Reiner		●					
FBI AD Oliver "Buck" Revell		●					●
James Reynolds	●	●					
William Bradford Reynolds★		●					
Mark Richard★		●					
AUSA Kent Robinson	●	●					
Herb Rommerstein					●		●
Megan Rosenfeld					●		
A. M. Rosenthal★					●		
VA AAG Stephen Rosenthal		●					
Brian Ross					●		
VA AAG John Russell		●					
MD AG Stephen J. Sachs	●						
Sol Sanders				●	●		
Sergio Sarmiento					●		
Richard Mellon Scaife★					●		●
AUSA S. David Schiller	●						
US DAG Edward Schmults		●					
Jim Schuh					●		
Dennis Schumacher		●					
FBI Dir. William Sessions		●					●
Philip Shenon					●		
Ira Silverman★					●		
USSS Dir. John R. Simpson		●					
AUSA Dan Small		●					
Alexandra Duval Smith					●		
E. Newbold Smith	●	●			●		
US AG William French Smith		●					●
USSS SA Karl Solterer		●					
AUSA Martha Sosman	●						
Peter Spiro				●	●		
FEC GC Charles Steele	●	●					
VA State Police ASAC Daryl Stillwell		●					
Irwin Suall	●	●		●	●		
VA AG Mary Sue Terry		●					
US AG Richard Thornburgh★		●					
Victoria Toensing★		●					
John Train				●	●		●
US AAG Steven Trott		●					
CA AG John Van De Kamp		●					
Barbara Wahl	●	●					
FBI Dir. William Webster★		●					●
William Welch					●		
US Atty/AAG William Weld★		●					
Richard Willard★	●						
Edward Bennett Williams							●
Bob Woodward★					●		
Leonard Zakim	●	●			●		
Yuri Zhukov					●		

‘Get Clinton’ Institutions

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
Accuracy in Media					●		
The American Spectator					●		
Associated Press★					●		
Citizens for Honest Government	●	●			●		
Citizens United (Floyd Brown, David Bossie, “Slick Willie”)					●	●	
Council for National Policy					●		
Daily Mail (London)					●		
Jerry Falwell’s “Old Time Gospel Hour” and National Liberty Journal newspaper					●		
Federal Bureau of Investigation★		●					●
Free Congress Foundation					●		
Greensburg (Pittsburgh) Tribune-Review					●		
Heritage Foundation★					●		
Hollinger Corp.★					●		
John Birch Society★					●		
Landmark Legal Foundation	●			●			
Media Research Center					●		
National Broadcasting Company (NBC)★					●		
National Legal Center for the Public Interest	●			●			
National Review★					●		
The New Republic★					●		

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
New York Post					●		
New York Times★					●		
Newsweek★					●		
Regnery Publishing					●		
Pat Robertson’s CBN and 700 Club					●		
Rutherford Institute	●						
Scaife foundations: Allegheny, Carthage, Sarah Scaife, Scaife Family Fund★				●			●
Smith-Richardson Foundation★							●
Southeastern Legal Foundation	●				●		
Strategic Investment					●		
Sunday Telegraph (London)					●		
Times and Sunday Times (London)					●		
U.S. DOJ Criminal Division★		●					
U.S. DOJ Crim. Div. Public Integrity Section★		●					
Wall Street Journal★					●		
Wall Street Underground					●		
Washington Legal Foundation	●						
Washington Post★					●		
Washington Times★					●		
Weekly Standard					●		
Western Journalism Center					●		

‘Get Clinton’ Personnel

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
James Ring Adams					●		
James Adams					●		
Roger Adelman		●					
Gary Aldrich					●		
George Allen	●						
Ronnie Anderson	●				●		
Dwayne Andreas					●		
Rex Armistead	●	●					●
Russell Banks	●						
David Barger★		●					
Cong. Bob Barr						●	

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
William Barr★		●					
Mark J. Barrett		●					
Robert Bartley★				●	●		
John Bates		●					
Stephen Bates		●					
Jackie M. Bennett		●					
William J. Bennett					●		
Tom Bethell					●		
Stephen G. Binhak		●					
Jeff Birnbaum					●		
Robert J. Bittman		●					

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
Conrad Black					●		
Morton Blackwell					●		
Thomas Hale Boggs, Jr.	●						
Rebecca Borders					●		
Judge Robert Bork				●			
Gary B. Born	●						
David Bossie					●	●	
Stephen Boynton	●	●			●		●
Brent Bozell, III					●		
Ben Bradlee					●		
Eric Breindel					●		
David Brock					●		
Peter Bronfman					●		
Floyd Brown					●	●	
L. D. Brown	●						
Dolly Kyle Browning	●				●		
Robert M. Bryant		●					
Zbigniew Brzezinski					●		
William Buckley					●		
Cong. Dan Burton						●	
John Butzner		●					
Joseph Cammarata	●						
Lord Peter Carrington					●		
Michael Chertoff						●	
Kenneth Clarkson	●						
Roger Clegg	●						
Barry Coburn		●					
Alan F. Coffey	●						
Richard Cohen					●		
Steven Colloton		●					
George Conway	●						
Charles Cooper	●	●					
Kenneth Cribb	●						
John Crudele					●		
Sen. Al D'Amato						●	
Fmr. Cong. William Dannemeyer						●	
David Davenport	●						
Gil Davis	●						
L. J. Davis					●		
James Dale Davidson					●		
Thomas W. Dawson		●					
Mark DeMoss					●		
James V. DeSarno		●					
Joseph DiGenova	●				●		
Craig Donsanto★		●					
Eric S. Dreiband		●					
Eric Dubellier		●					
Terry Eastland					●		

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IRS				
Michael Emmick		●					
Ambrose Evans-Pritchard	●				●		
W. Hickman Ewing, Jr.		●					
William F. Fahey		●					
Frank Fahrenkopf	●						
Sen. Lauch Faircloth		●				●	
Jerry Falwell					●		
Joseph Farah					●		
Jo Ann Farrington		●					
Bruce Fein					●		
Danny Ferguson	●						
Thomas Ferraro★					●		
James Ferrell	●						
Edwin Feulner					●		
Howard Fineman					●		
Gennifer Flowers	●				●		
Jeff Gerth					●		
Cong. Newt Gingrich						●	
Victor Gold					●		
Lucianne Goldberg	●	●			●		●
Sir James Goldsmith					●		
Joseph Goulden					●		
Katharine Graham					●		
Ted Greenberg★		●					
Nick Guarino					●		
Hugo Gurden					●		
Russell Hardin		●					
Trent B. Harkrader		●					
Sen. Orrin Hatch						●	
Rodger Heaton		●					
Sen. Jesse Helms						●	
David Henderson	●				●		●
William Hoskins	●						
Richard Hutchison	●						
Richard Iorio		●					
Reed Irvine					●		
Michael Isikoff					●		
Cliff Jackson					●		
LeRoy Jahn		●					
Ray Jahn		●					
Paul Johnson					●		
Paula Jones	●						
Darrell Joseph		●					
Jack Keeney★		●					
P.X. Kelley	●						
Henry Kissinger★					●		
Daniel Klaidman					●		
Larry Klayman	●						
Ted Koppel					●		

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IFS				
William Kristol					●		
Stephen Labaton					●		
Charles LaBella		●					
Judge Royce Lamberth	●	●					
Richard Larry	●			●	●		●
Barbara Ledeen	●						
Michael Ledeen★					●		
William Lehrfeld	●			●	●		●
Mark Levin	●				●		
Jean Lewis		●					
John F. Lewis		●					
G. Gordon Liddy					●		
Rush Limbaugh					●		
Bronwen Maddox					●		
Charles Manatt★	●						
Ruth Marcus					●		
Roger Marzulla	●						
Pat Matriciana	●				●		
Gary McDowell	●						
Daniel McMichael					●		●
Edwin Meese★	●						
Eugene Meyer	●						
John Mintz★					●		
James Moody	●	●					
John Norton Moore★	●						●
Micah Morrison					●		
Julie Myers		●					
Sheffield Nelson	●						
Larry Nichols					●		
Oliver North★					●		
Patrick M. O'Brien		●					
Barbara Bracher Olson	●			●		●	
Theodore Olson	●			●			
Deborah Orin					●		
Larry Patterson	●				●		
Richard Perle					●		
Roger Perry	●						
John Podhoretz					●		
Dan Popeo★	●						
Wesley Pruden					●		
Lee Radek		●					
Michael Reagan					●		
William Rees-Mogg★					●		
Alfred Regnery					●		
William Bradford Reynolds★	●						

Name	Legal			Salon	Media	Legislative Operations	Covert Operations
	Civil	Criminal	IFS				
Mark Richard★		●					
Pat Robertson					●		
Stephen Robinson					●		
Rod J. Rosenstein		●					
Paul Rosensweig		●					
A. M. Rosenthal★					●		
Chris Ruddy					●		
William Safire					●		
Richard Mellon Scaife★				●	●		●
Susan Schmidt					●		
Judge David Sentelle		●					
Jerry Seper					●		
Sen. Richard Shelby						●	
Judge Laurence Silberman				●			
Ira Silverman★					●		
Joseph Sneed		●					
Kenneth Starr		●		●			
Robert Strauss	●						
Margaret Thatcher					●		
Associate Justice Clarence Thomas				●			
Evan Thomas					●		
Sen. Fred Thompson						●	
Dick Thornburgh★	●						
Victoria Toensing★					●		
Linda Tripp	●	●					●
Mark Tuohey		●					
Emmett Tyrrell					●		
Bruce Udolf		●					
William Webster★	●						
Caspar Weinberger	●						
William Weld★	●						
Paul Weyrich					●		
Jack Wheeler					●		
John Whitehead	●						
Lord Wiedenfeld					●		
George Will					●		
Richard Willard★	●						
Mary Anne Wirth		●					
Solomon L. Wisenberg		●					
Robert Woodson	●						
Bob Woodward★					●		●
Peregrine Worsthorne					●		
Pete Yost					●		

A Who's Who of institutions

ABC-TV's Good Morning America: January 1994, runs an interview with LaRouche as he prepares to leave prison, which introduces him as a "political extremist" and edits interview to mismatch questions and answers.

ABC's Nightline: March 1986, promotes Train salon author Dennis King's effort to discredit Janice Hart and Mark Fairchild, LaRouche associates who won the March 1986 Illinois Democratic Party primary.

Accuracy in Media: Washington-based media organization active in "Get Clinton" media operations.

American Family Foundation: Worked with the ADL and prosecutors to brainwash witnesses and fabricate charges against LaRouche and associates.

American Institute for Free Labor Development (AIFLD): AFL-CIO and U.S. State Dept. agency which instigated defamations and attacks against LaRouche in Ibero-America. Coordinated with African-American Labor Center and Asian-American Free Labor Institute in dirty tricks intelligence operations through the AFL-CIO's international department.

American Spectator: British-linked monthly magazine and a major conduit for Scaife-financed attacks on Clinton. It broke the "Troopergate" story in late December 1993, and, through the American Spectator Educational Foundation, it conduited money from Scaife to the "Arkansas Project" to dig up dirt against Clinton.

Anti-Defamation League of B'nai B'rith (ADL): Helped fabricate criminal charges and evidence, coordinated civil suits, and promoted defamation campaign in direct collaboration with federal and state prosecutors and media. With NBC, it sought discovery against LaRouche in 1986 to set up criminal charges.

Arendt, Fox, Plotkin, and Kintner: Attorneys for the ADL in Washington, D.C. who worked with NBC in fomenting 1984 libels of LaRouche; defended ADL in libel case; and, during 1985-86 coordinated with prosecutors to collect a judgment against LaRouche. Attorneys were Rodney Page, Wayne Matelski, and Barbara Wahl.

Associated Press: Since 1984, it has continuously served, through reporter Bill Welch, as a leak point for prosecutors and the ADL, publishing repeated defamations of

LaRouche which were republished in countless newspapers throughout the United States. Very active in Anti-Clinton journalistic efforts.

Baltimore Evening Sun: In November 1982, it launched a defamation campaign designed to instigate FBI investigation of Debra Freeman's Congressional campaign on behalf of Rep. Barbara Mikulski.

Bild Zeitung: In February 1984, the German daily asserts that *EIR* is a CIA front. Cites Tom Braden on CNN saying LaRouche should not receive federal matching funds.

Boston Globe: In January 1991, it carries article, entitled "Peace Activists Express Concern about Anti-Semites in Movement," warning of LaRouche influence in the opposition to the Persian Gulf War.

Boston Phoenix: April 1985, runs a defamatory article against LaRouche entitled "Follow the Plastic," featuring leaks from prosecutors.

Bureau of Alcohol, Tobacco and Firearms: Federal law enforcement, LaRouche prosecution. Involved in repeated circulation of defamations in law enforcement circles that LaRouche was an armed extremist.

Business Week: October 1978, carries in its economics section a piece which paints LaRouche as a cult leader who gets money from "Iraqi Ba'ath party" and "the Soviet embassy in Copenhagen."

Cahill, Gordon, and Reindel: New York law firm that represented NBC in its actions versus LaRouche, including defamations and legal action; coordinated with prosecutors in collection of civil judgment against LaRouche for alleged interference in an interview between Sen. Daniel P. Moynihan and NBC reporter Pat Lynch.

California Attorney General: John Van de Kamp brought investigations and prosecution of LaRouche associates for alleged election violations.

Catholic League for Religious and Civil Rights: Involved in profiling LaRouche associates and defaming them from 1982 forward; geared up its operations against LaRouche in the wake of the Illinois primary. Michael Novak is on its board. Michael Schwartz, former director, joined entities associated with Paul Weyrich.

CBS-TV's "West 57th Street?": October and December 1987 (eve of jury selection for the Boston LaRouche trial), airs a defamation of LaRouche featuring prosecution witnesses and leaks from prosecutors. Reporter Steve Kroft and producer Jude Dratt use the old characterization that LaRouche "believes that Henry Kissinger is a Russian spy, and Queen Elizabeth a drug dealer."

Charlotte Observer: January 1994, prints a story on the death of Victor Gunnarsson, a Swede once held for questioning in the

1986 assassination of Swedish Prime Minister Olof Palme. The paper uses the news to re-open the discredited lie that LaRouche was tied to Palme's murder.

Chicago Catholic: December 1988, reports slanders by National Council of Churches, American Jewish Committee, and Prairiefire that LaRouche's Food for Peace organization is "preying upon a constituency of unsuspecting and financially distressed farm and rural people."

Chicago Star: January 1994, attacks LaRouche Democrats running in a primary; insists, "Don't vote for them," and repeats ADL-inspired lies that "LaRouchies" are "bigoted" and engage in fundraising frauds.

Chicago Sun Times: June 1979, publishes an article by Chip Berlet, quoting Abbot Rosen of the Chicago ADL that LaRouche is "anti-Semitic."

Christian Science Monitor: April 1986, publishes prosecutorial leaks of state and federal probes against LaRouche and his campaigns.

Citizens for Honest Government: Headed by Pat Matriciana, producer of "Clinton Chronicles" videotape along with Jerry Falwell; paid money to troopers and others making allegations against Clinton.

Citizens United: Maintains huge anti-Clinton database used by news media and Congressional investigators; produced "Slick Willie" tract in 1992 campaign.

Committee for a Free World: Founded by Wall Street spook Sol Sanders, who participated in a Train salon meeting against LaRouche. Norman Podhertz and Midge Dector were involved.

Council for National Policy: The "Council on Foreign Relations" of the far right; umbrella group for religious right and hard-right conservatives; coordinated support for Contras in 1980s. Executive Director is Morton Blackwell.

Cult Awareness Network (CAN): Coordinated brainwashing and kidnapping operations against LaRouche political and financial supporters. Funded by Scaife-linked foundations. CAN members include wife of U.S. Supreme Court Associate Justice Clarence Thomas, a participant in Olson's Get Clinton salon.

Daily Mail: British tabloid which publishes sleazey anti-Clinton articles.

Daily World: October 1984, newspaper of the Communist Party USA; publishes a list of the names and employers of approximately 30 LaRouche campaign contributors.

Der Spiegel: March 1984, runs a four-page slander describing the LaRouche organization as an extreme right-wing political sect, "Nazis without Swastikas," which has a pact with the KKK.

Detroit Free Press: August 1979, runs an attack on LaRouche just prior to founding of the National Anti-Drug Coalition.

Doubleday Publishers: In 1989, released Dennis King's book. Many "reviews" retail King's slanders that LaRouche is a neo-Nazi and an anti-Semite. The book was funded by the Smith-Richardson Foundation.

Dykema, Gossett, Spencer, Goodlaw & Twigg: Attorneys for North Carolina National Bank.

Ekstra Bladet, Denmark: March 1986, writes, "Sources in the police leadership reveal they are looking intensely at right-wing extremist groups, such as Swedish neo-Nazis and the so-called European Labor Party."

El Nacional Venezuela: October 1991, carries a full-page ad warning "public opinion" against LaRouche, quoting from the March 1984 broadcast of NBC's First Camera.

Jerry Falwell's "Old Time Gospel Hour" and National Liberty Journal: Promoted videotapes including "Clinton's Circle of Power" and the "Clinton Chronicles."

Farella, Braun, and Martel: California law firm which brought a civil RICO case against LaRouche, in 1986, in collaboration with the ADL and FBI. Daniel Bookin and George Riley involved.

Federal Bureau of Investigation: Lead criminal investigation agency in LaRouche prosecution. It is deeply involved in operations against Clinton, including on campaign finance, and national-security investigations such as China; as many as 100 agents assigned to Kenneth Starr's investigations of Clinton.

Federal Election Commission: Instigated many campaign finance probes of LaRouche's campaigns from 1980 forward.

First Fidelity Bank: Engaged in civil suits against LaRouche during 1984-86 in coordination with ADL, FBI, and prosecutors.

Folha de São Paulo, Brazil: May 1989, in response to Brazilian legislators supporting freedom for LaRouche, ran articles against LaRouche depicting him as "a threat to Latin America."

Free Congress Foundation: Headed by Paul Weyrich; virulently anti-Clinton, its National Empowerment Television (NET) network provides extensive coverage of Whitewater and other scandals targeting Clinton.

Freedom House: Leo Cherne's major intelligence organization, which participated in Train salon meetings.

Greensburg Tribune-Review: Pittsburgh.

Hannock, Weisman: New Jersey law firm which represented First Fidelity bank in ac-

tions against LaRouche; coordinated with prosecutors, and involved in libel and civil RICO suits, following the unlawful debiting of LaRouche's campaign committee accounts. Lawyer Albert Besser vowed to "do the government's work for it" versus LaRouche.

Heritage Foundation: Institution Analysis publishes defamatory piece on LaRouche by Milt Copolos, quoting ADL, John Rees, and its own 1978 piece done by Francis Watson. Publication is widely distributed to news media, elected officials, and conservative networks nationally.

High Times: May 1981, the magazine prints Chip Berlet's article, "War on Drugs: The Strange Story of Lyndon LaRouche—They Want To Take Your Drugs Away."

Hollinger Corp.: publisher of London *Daily Telegraph* and *Sunday Telegraph*.

Hustler: November 1980, the magazine prints a feature story titled "Lyndon LaRouche: American Political Fanatic," based on Dennis King's book, the ADL, and *New York Times* slanders.

Information Digest: John Rees's publication. In July-August 1986 an article attacks LaRouche-associated businesses. It is widely distributed to news media, Congress, and conservative layers.

Inside Edition: In September 1990, this TV tabloid featured the ADL's May 1989 call for new investigations to finish off the LaRouche political association, and cited IRS sources that a new IRS investigation was under way.

Internal Revenue Service: Federal law enforcement agency, LaRouche investigation. Involved in repeated media leaks about alleged tax violations and illegal actions against LaRouche for three years prior to any authorization to investigate.

International Affairs: March 1987, a Soviet government publication, runs an attack on LaRouche focussing on LaRouche's activities in western Europe.

International Herald Tribune: October 1979, republishes the *New York Times* slander piece.

Izvestia: November 1983, a Soviet government newspaper, it prints an article by its Rome correspondent N. Paklish titled "Sabbath at the Hotel Majestic" describing attendees at a LaRouche speech on the SDI as "cavemen." In March 1986, it runs a piece claiming that "right-wing circles" and "Western circles" are behind the Palme murder.

Jerusalem Post: August 1986, publishes a death threat against LaRouche from JDL terrorist Mordechai Levy. The article says, "Levy said he does not advocate the assassination . . . but insists that if men like . . . Farrakhan and . . . LaRouche gain substan-

tial 'thus dangerous' political power in the U.S., then 'assassination may be the only answer.'"

Jewish Telegraph Agency: From 1984 forward publishes repeated wires characterizing LaRouche as an "extremist" who is "tied to the KKK" and other right-wing groups. These wires are reprinted nationwide by tens of media outlets, e.g., *New York Forward*, *Cleveland Jewish News*, *Raleigh, N.C. Carolinian*.

Jewish Week: February 1986, runs an article which attacks the Schiller Institute and Helga Zepp-LaRouche.

John Birch Society: Spread libels and disinformation about LaRouche and Clinton. Train salon participant and FBI informant John Rees was a JBS member who spied on LaRouche for the John Birch Society. The JBS has been a major purveyor of wild lies against Clinton.

Joint Chiefs of Staff, J-3 Special Operations Division: "Focal point" office used in prosecution of LaRouche, took custody of documents seized in 1986 raid on LaRouche offices.

KATU-TV Portland, Oregon: In 1993, airs slander on LaRouche, including an interview with AUSA Kent Robinson, who prosecuted LaRouche in Alexandria, Virginia, and who suggested that despite his incarceration, LaRouche is somehow criminally active; he also states his opposition to LaRouche's parole.

Landmark Legal Foundation: Represented Jean Lewis, former RTC investigator who started Whitewater; sought independent counsel on Gore regarding the Buddhist Temple event; filed *amicus* brief for Paula Jones; challenged Clinton legal defense fund, called for impeachment of Janet Reno; asked DOJ to investigate James Carville's "threats" to Starr.

Literaturnaya Gazeta: October 1983, a Soviet journal, publishes an article titled "Star Wars/The Space Program: A Casus Belli?" in which it warns that the SDI could drive the Soviets to war. Lyndon and Helga LaRouche are named as leading advocates of the SDI. In March 1984, it publishes a piece calling LaRouche a "Führer," and attacks an SDI forum he addressed in Paris.

London Daily Telegraph: Daily newspaper, flagship of the Hollinger Corp. British media cartel, has slandered LaRouche on several occasions, and is at the center of the "Get Clinton" media apparatus.

London Guardian: March 1993, publishes article citing an investigation by Swedish journalist Olle Alsen, accusing LaRouche's associates in Germany of being "neo-Nazi" and resurrecting the Palme assassination slander.

Los Angeles District Attorney: Investigated

LaRouche associates during 1986-88 on bogus charges; brought indictments on election law violations in 1987.

Los Angeles Times: March 1986, story entitled "Two LaRouche Illinois Victories Stun Democrats," does not cover their campaign programs, but instead retails old ADL and FBI slanders about LaRouche. In April 1986, it airs ADL- and Heritage Foundation-concocted lies of the last decade in a front-page story, "In the Spotlight after Illinois Victories; LaRouche: Cult Figure or Serious Political Leader?" Inside, citing ADL and Heritage reports, it says, "The LaRouche group maintains pro-Soviet positions."

Loudoun County Sheriff's Office: Virginia. Coordinated investigations of LaRouche and associates with the FBI, ADL, and states' Attorneys General.

Loudoun Times Mirror: Local Virginia newspaper produced by former CIA black propagandist Arthur Arundel; it features articles every week about LaRouche and many editorials as part of a campaign to promote popular hysteria against LaRouche and his associates.

Manhattan District Attorney: Conducted 1982 grand jury dragnet against LaRouche associates based on allegation that LaRouche satirized *New York Times* and Roy Cohn.

Media Research Center: Offshoot of Accuracy in Media; intelligence-linked "media watchdog" group which attacks most news media for not targeting Clinton enough.

Missouri Secretary of State: Brought charges against LaRouche associates in 1986 and 1988. Secretary of State was part of the John Ashcroft political machine in Missouri.

Morning Herald, Sydney, Australia: February 1993, ran slander entitled "Rage of the Rural Right," targeting LaRouche's supporters in the Citizens Electoral Councils (CEC). A second article in March compares CEC to the Branch Davidian cult.

National Broadcasting Corp. (NBC): From the early 1980s on, it is the chief electronic media defamer of LaRouche. Participant in Train salon meetings. NBC affiliates in Chicago and Boston ran key stories assisting prosecutorial "Get LaRouche" efforts. Its Nightly News aired many leaks from prosecutors, the IRS, and intelligence agencies during in 1984-90. On the "Get Clinton" operations, NBC's Ira Silverman was in Arkansas during 1993-94 working with David Bossie and stalking Beverly Bassett Schaeffer, former Arkansas Securities Commissioner.

NBC-TV "First Camera": Airls a 20-minute slander on LaRouche, with accusations of CIA connections to plotting the assassina-

tion of Jimmy Carter's entire cabinet. The show targets Reagan administration officials who have been working with LaRouche. Wire stories carry the NBC slanders across the nation.

National Legal Center for the Public Interest (NLCPI): Funded by Scaife, umbrella group for right-wing "public interest law firms" which have taken numerous legal initiatives against Clinton, and in support of Paula Jones, Kenneth Starr, etc.

National Public Radio's "All Things Considered": January 1994, airs three-minute spot on the LaRouche slate in Illinois, calling LaRouche "extremist" and reporting Democratic Party slander sheet circulating on him.

National Review: March 1979, the magazine's cover story claims LaRouche has gone from "far left" to "far right," and has links to the Soviets, Palestinian terrorists, and the KKK. It is a major purveyor of Whitewater-related and other scandal stories against Clinton.

National Security Council: Center for George Bush's off-line Executive Order 12333 intelligence operations from 1981 forward. Implicated directly in operations against LaRouche through NSC consultants Roy Godson and Kenneth deGraffenreid, NSC staffer Oliver North, and others.

New Republic: In September 1984, runs an article by Dennis King and Ronald Radosh designed to expose and break LaRouche contacts with the Reagan administration. In 1990, runs an article comparing Soviet authors who support Pamyat to American writers who identify themselves with the KKK or Lyndon LaRouche. It is currently one of leading "neo-con" magazines attacking Clinton; its writer L.J. Davis falsely claimed to have been mugged in Little Rock in 1994 while doing story on Rose law firm, when he just had too much to drink.

New Scientist: October 1981, the magazine labels LaRouche a "crackpot" who is attacking the malthusian Club of Rome, environmentalist groups, and endangering lives of scientists in the Middle East.

New Times: October 1984, a Soviet magazine; it attacks LaRouche and dubs the Schiller Institute, recently founded by Helga Zepp-LaRouche "neo-Nazi." In September 1986, it runs Dennis King's "Nazis Without Swastikas" line, and reports legal action has been taken against LaRouche.

New York Attorney General: Robert Abrams brought civil and criminal investigations and prosecutions against LaRouche associates during 1986-89. The New York convictions were overturned due to prosecutorial misconduct.

New York magazine: October 1980, runs a

Stanley Pottinger-planted article, "Did Cult Hatch Iranian 'Expos'?" saying that a *Washington Post* wire story originated with "a bizarre cult . . . formed around Presidential candidate Lyndon LaRouche."

New York Post: Rupert Murdoch-owned, imitation of a British tabloid; sleaziest coverage of Clinton in any U.S. daily paper, constantly featuring alleged sex scandals against Clinton, promotes Vincent Foster "assassination" theories, etc. Financial columnist John Crudele gets leaks from Starr's office, and focusses on Mena, Arkansas drug-running allegations.

New York Times: In October 1979, publishes a major defamation of LaRouche by Howard Blum and Paul Montgomery, and it is accompanied by a signal piece editorial describing LaRouche as the leader of a bizarre cult. In 1986, publishes defamations as part of the build-up to the LaRouche prosecution. The *Times* ran Whitewater story in 1992, called for independent counsel in January 1994.

New West: In March 1980, the magazine publishes a pastiche of slanders from the old *New York Times's* articles, the ADL, and the DNC.

Newsday: October 1992, coverage of LaRouche's Presidential campaign; says he wants to "investigate Queen Elizabeth II, who he claims is a drug dealer."

Newsweek: April 1986 cover story calls the LaRouche movement a "bizarre cult." Later it retails NBC's "LaRouche killed Palme" lie. *Newsweek* is also instrumental in Paula Jones case; first to publish Linda Tripp's name; first to develop Monica Lewinsky story.

North Carolina National Bank (Nationsbank): Brought civil suit against LaRouche in 1985-86 in coordination with ADL and prosecutors. Joined government's bankruptcy action.

Ogle County, Illinois District Attorney: Brought bogus fraud indictments in 1989, prosecution dismissed.

Our Town: Manhattan throwaway rag published by convicted felon Edward Kayatt, supported by Roy Cohn, and featuring Dennis King; published a 13-part defamatory series against LaRouche which was later laundered through the ADL and the *New York Times* to other media.

Pepper, Hamilton and Sheetz: Philadelphia law firm representing Wilmington Trust in its legal actions, coordinated with prosecutors, taken at the behest of E. Newbold Smith, against LaRouche et al.

Phil Donahue Show: March 1986, airs a segment with Irwin Suall of the ADL, among others, to vent their venom and ADL-inspired propaganda against LaRouche and the Illinois electoral victory of two

LaRouche associates. Sull declaims LaRouche ties to the intelligence community, claims LaRouche has “Soviet connections” and is tied to the Palme assassination.

Pravda: April 1984, Soviet newspaper, labels the Paris SDI forum, addressed by LaRouche, a “Colloquium of Murderers.” In March 1986, it runs a piece claiming that “right-wing circles” and “Western circles” are behind the Palme murder.

President’s Foreign Intelligence Advisory Board (PFIAB): Under EO 12333 and George Bush’s tutelage, it became an important center for off-line intelligence operations. LaRouche 12333 investigation was instigated from this body through David Abshire, Edward Bennett Williams, and Leo Cherne.

Readers’ Digest: In July-August 1986, Eugene Methvin publishes an article entitled “Lyndon LaRouche’s Raid on Democracy.” The article was planned as part of the Train salon meetings.

Regnery Publishing: published anti-Clinton books by Gary Aldrich, Emmett Tyrrell, and Ambrose Evans-Pritchard.

Pat Robertson’s CBN and “700 Club”: Constant anti-Clinton drumbeat; often including pornographic promotion of Paula Jones and sex scandals, Mena drug-running allegations against Clinton, etc.

Rutherford Institute: “Christian Reconstructionist” foundation based in Charlottesville, Virginia, paying for Paula Jones’s current lawyers.

Scaife foundations: Allegheny, Carthage, Sarah Scaife, Scaife Family Fund. Long-time funders of intelligence-related programs and operations; funded seminars and meetings which produced EO 12333 and helped create Bush “secret government” apparatus in early 1980s, including “Public Diplomacy” supporting Contras, targeting LaRouche; finances covert operations against President Clinton, and primary funders of wide variety of anti-Clinton propaganda.

Seattle Times: March 1992, “Inside Politics” column compares LaRouche with David Duke.

Smith Richardson Foundation: Funder of conservative intelligence community projects generally. Funder of Dennis King’s book against LaRouche. The funding was arranged at the Train salon meetings. Funder of various “public interest” law firms and legal organizations in the orbit of Kenneth Starr, Theodore Olson, and others in the “Olson salon.”

Sovietskaya Kultura: August 1986, publishes the first Soviet article explicitly accusing LaRouche of criminal fraud; September 1986, it runs an article which asks, “Why doesn’t anybody ask the question:

Why isn’t the Internal Revenue Service interested . . .” in LaRouche.

Southeastern Legal Foundation: Represented Gary Aldrich; announced “media crusade” on Feb. 6 to defend Starr from attacks.

Strategic Investment: Publication of James Dale Davidson, Jack Wheeler, and Lord William Rees-Mogg.

Tampa Tribune: Published many defamations of LaRouche in the 1980s, including a widely quoted December 1985 piece by William March, designed to recruit prosecution witnesses by promoting claims LaRouche organizers took advantage of elderly supporters.

Sunday Telegraph: Its Washington, D.C. correspondent, and MI6 stringer, Ambrose Evans-Pritchard personally orchestrated the Paula Jones case; accused Clinton of drug-running, murders, and other crimes. Pritchard became prominent anti-Clinton spokesman in U.S. populist networks.

Tiempo, Spain: December 1992, publishes violent tirade by anti-military Argentine journalist Rogelio García Lupo, a former Nazi turned leftist. It says that “LaRouche promotes an international military [alliance] which, at its time of greatest expansion, included Col. Mohamed Alí Seinéldin from Argentina, and Gen. Manuel Noriega of Panama.”

Times and Sunday Times of London: Second only to *Sunday Telegraph* of London in attacks on Clinton and the promotion of defamatory scandal stories which then get laundered into U.S. press through “media food chain.”

United Press International (UPI): Reporter Tom Ferraro from April 1986 on publishes prosecutorial leaks of state and federal probes against LaRouche and his campaigns.

U.S. Attorney General: Involved in national security investigations of LaRouche, and had supervisory authority over all civil and criminal investigations and charges.

U.S. Attorney, Boston, Massachusetts: Instituted initial 1984 formal criminal investigation and conducted Boston criminal trial.

U.S. Attorney, Eastern District of Virginia: Instituted second formal criminal investigation and civil bankruptcy proceeding when prosecutors lost Boston case.

U.S. Attorney, Maryland: Conducted bogus 1982 investigation of LaRouche candidate Debra Freeman’s Congressional campaign based on *Baltimore Sun* articles.

U.S. Civil Rights Commission: Conducted Spring 1986 hearings featuring ADL and John Rees, to promote bogus charge that LaRouche was a dangerous extremist.

U.S. Dept. Justice Civil Rights Division:

Through Assistant Attorney General William Bradford Reynolds, lobbied for continued LaRouche investigations and prosecution based upon CAN-AFF “cult” characterization of LaRouche political association.

U.S. Dept. Justice Criminal Division: Various sections of the Main Justice launched probes of LaRouche. For example: Fraud Section coordinated criminal prosecutions; Public Integrity Section (PIS) investigated LaRouche electoral campaigns commencing 1980, and coordinated Boston LaRouche criminal investigation; the General Litigation and Legal Advice Section (GLLAS) coordinated criminal and civil and foreign counterintelligence investigations, and illegal civil bankruptcy of LaRouche-associated entities. In the “Get Clinton” apparatus: PIS is the center of task force investigating campaign financing in 1996 campaign, targeting Clinton and Democratic Party.

U.S. Dept. Justice Tax Division: Coordinated tax investigation and prosecution of LaRouche.

U.S. House of Representatives Judiciary Committee: Chairman Jack Brooks and his staff met with Loudoun Sheriff’s Deputy Don Moore about initiating a federal prosecution of LaRouche.

U.S. Information Agency (USIA): Under Charles Wick, during the Reagan administration, it became a purveyor of black propaganda versus LaRouche, internationally, including that he was a Soviet disinformation agent. Herb Rommerstein was an employee, and Roy Godson was a consultant. It played central role in the “Public Diplomacy” black propaganda operations supporting the Contras.

U.S. Marshals Service: Involved in illegal bankruptcy against LaRouche and federal deputization of Loudoun Sheriff Deputy Don Moore, who engaged in numerous illegalities against LaRouche. Implicated in the operation of ARGUS, a private armada of tanks and other vehicles maintained through the Loudoun County Sheriff’s office and the designation of J.C. Herbert Bryant, Argus’s founder, as a Deputy U.S. Marshal.

U.S. Secret Service: Federal law enforcement agency involved in task force against LaRouche. In the “Get Clinton” apparatus, many agents involved in spreading rumors and gossip against Bill and Hillary Clinton.

U.S. Senate Committee on Foreign Relations, Subcommittee on European Affairs: On Feb. 13, 1985, at hearings on “Soviet Active Measures,” USIA’s Herb Rommerstein’s testimony implied that a LaRouche associate was an agent of Soviet Disinformation.

U.S. Senate Judiciary Committee: Unidentified individual from the Committee called FBI to promote illegal 1984 national security investigation of *EIR* counterintelligence editor Jeffrey Steinberg.

Village Voice: November 1978, runs a feature, titled "Cult Politics Comes of Age," about LaRouche. Later, it republishes a *Business Week* slander, asking, "Where does the NCLC get its money?" The *Voice's* Joe Conason published many defamations of LaRouche in the 1980s.

Virginia Attorney General: Members of joint federal task force prosecuting LaRouche. Under Mary Sue Terry, instigated investigations and prosecutions of LaRouche associates during 1986-93. Terry's replacements, Steve Rosenthal and Jim Gilmore (recently elected Governor of Virginia), continued the prosecutorial misconduct employed in these cases through appeals and *habeas corpus* petitions.

Virginia State Police: Conducted illegal investigation of LaRouche and his associates during 1984-90.

Vremya: March 1986, Soviet TV program, airs a spot retailing the slander that LaRouche's European affiliates were behind the assassination of Olof Palme.

Wall Street Journal: As planned from the Train meeting, it carried an article, in 1986, targeting LaRouche contacts in the Reagan administration, and later an article titled "The Empire of Lyndon LaRouche," featuring comments from future prosecution witnesses against LaRouche. The "Empire" article, written by Pat Lynch of NBC and Dennis King, outlined the prosecution's case as later presented in Boston, a result of the close collaboration between King, Lynch, and prosecutors. All of the King and Lynch "sources" were, or became, prosecution witnesses. Its editor Robert Bartley is an attendee at Olson's "Get Clinton" salon; its editorial page is violently anti-Clinton; editorials viciously targeted Vincent Foster and other White House officials; runs features accusing Clinton of drug-trafficking, murders, etc., in Arkansas.

Wall Street Underground: A rabid anti-Clinton slander sheet containing some of the most libelous attacks on the President.

Washington Legal Foundation: Formerly known as Capitol Legal Foundation, funded by Scaife, John M. Olin Foundation; chairman and general counsel is Dan Popeo. Starr and Barbara Olson on advisory board; attacked first Whitewater independent counsel Robert Fiske for being too friendly to "liberal" groups.

Washington Post: In 1976, Editorial Page editor Stephen Rosenfeld editorialized that LaRouche should either not be covered or

be defamed. The *Post* has followed its marching orders. In a constant barrage of articles, the *Post* has defamed LaRouche, editorialized for federal investigations, and served as a leak point and conduit for every intelligence community and prosecutorial operation run against LaRouche. Relentless in pursuit of Whitewater, it called for independent counsel against Clinton in January 1994; "Chinagate" and many of other leaks of classified information by Bob Woodward; first print media to break Monica Lewinsky story.

Washington Times: Ran several defamatory pieces against LaRouche in 1986-87. "Get Clinton" paper.

Weekly Standard: Leading "neo-con" magazine, publishes regular, virulent attacks on Clinton.

Western Journalism Center: Scaife-financed, major promoter of Vincent Foster and Ron Brown "murder" theories, accusing Clinton of cover-up.

Willkie, Farr, and Gallagher: Law firm for the ADL's operations against LaRouche and his associates.

Wilmington Trust: RICO litigant against LaRouche in 1985-86 in coordination with ADL and prosecutors, on behalf of E. Newbold Smith, a Dupont relation and father of LaRouche associate and Dupont heir Lewis Dupont Smith.

Woman's Day: January 1991, runs article, "I Gave \$741,268 to the Wrong People," quoting a contributor to the LaRouche movement, Helen Overington, accusing a LaRouche associate of bilking her.

A Who's Who of personnel

Abram, Morris: U.S. Commission on Civil Rights; American Jewish Committee.

Abrams, Robert: Attorney General, New York.

Abshire, David: Head of Center for Strategic and International Studies (CSIS); Reagan-Bush PFIAB member; in January 1983, pressed bogus national security probe of LaRouche, at behest of Kissinger.

Adams, James Ring: *American Spectator*; anti-Clinton.

Adams, James: *Times* of London; *Sunday Times*; anti-Clinton, also slandered LaRouche.

Adamski, Anthony: FBI headquarters special agent who was unit chief of the financial crimes unit during the LaRouche investigation.

Adelman, Roger M.: Former attorney in Whitewater Office of Independent Counsel (OIC)/Starr.

Aldrich, Gary: Former FBI agent detailed to White House; author of *Unlimited Access*, friend of Linda Tripp; anti-Clinton spokesman.

Allen, George: Legal advisory board, Landmark Legal Foundation.

Anderson, Ronnie: "Troopergate" source against Clinton.

Andreas, Dwayne: Hollinger Corp. board.

Angleton, James Jesus: Former CIA Director of Counterintelligence, fired by DCI William Colby in 1972; later entered into collaboration with Kissinger, to destroy LaRouche political movement.

Armat, Virginia: *Wall Street Journal*; attended the Train salon.

Armistead, Rex: Paid by Scaife to investigate Clinton's Mena connections. He is a former director of the criminal investigative section of the Mississippi Dept. of Safety, and was director of the Organized Crime Strike Force in New Orleans in the 1970s. His information on Mena and Clinton was used in the *American Spectator* and by Jim Leach's House Banking Committee.

Arundel, Arthur: Publisher of the *Loudoun Times Mirror*, Leesburg, Va., who conducted intense black propaganda assault against LaRouche in LaRouche's county of residence. Arundel was a covert operations specialist during service in Vietnam and maintained intelligence ties, including to the Bush National Security Council.

Baker, William: FBI Office Congressional Affairs, Public Liaison. (This office recruited "defector" witnesses in the LaRouche investigation.)

Baliles, Gerald: Governor of Virginia, 1985-1989; consulted on LaRouche investigation and prosecution.

Banks, Russell: Legal advisory board, Landmark Legal Foundation.

Bardine, David: Arendt, Fox attorney; CAN.

Barger, David: Asst. U.S. Attorney, Alexandria, Va., who prosecuted kidnapping victim of Galen Kelly on behalf of United States as part of a cover-up of government illegalities committed in LaRouche investigation. In the Get Clinton operations, attorney in Whitewater OIC/Starr; accompanied Kathleen Willey into grand jury on 3/10/98.

Barr, Cong. Robert (Ga.): leading impeach-Clinton drive in U.S. House of Representatives.

Barr, William: Asst. Attorney General 1989, Deputy Attorney General 1990-91, U.S. Attorney General 1991-92. Legal advisory council, NLCPI.

- Barrett, Mark J.:** Attorney in Whitewater OIC/Starr.
- Barley, Robert:** Editor of the *Wall Street Journal*; participant in the Train salon activities, and attends Olson salon.
- Bates, John:** Former attorney in Whitewater OIC/Starr.
- Bates, Stephen:** Attorney in Whitewater OIC/Starr.
- Bellant, Russ:** Train meeting.
- Bennett, Jackie M.:** Attorney in Whitewater OIC/Starr.
- Bennett, William J.:** Sarah Scaife Foundation.
- Berlet, Chip:** Train salon; articles in *High Times* magazine, *Chicago Sun Times*, and other locations.
- Besser, Albert:** Attorney for First Fidelity Bank, at the law firm of Hannoeh, Weisman.
- Bethell, Tom:** *American Spectator*, anti-Clinton.
- Bezymensky, L.:** Soviet *New Times*.
- Bialkin, Kenneth:** Former chairman ADL; Wilkie, Farr & Gallagher.
- Binhak, Stephen G.:** Attorney in Whitewater OIC/Starr; Cornell Univ. 1987; Univ. of Penna. Law 1990; DOJ Tax Division, 1992-94; AUSA S.D. Florida (Miami) since 1994.
- Birnbaum, Jeff:** *Wall Street Journal*, anti-Clinton.
- Bittman, Robert J.:** Attorney in Whitewater OIC/Starr; assigned to work on issues around Hillary Clinton and her law firm work.
- Black, Conrad:** Hollinger Corp. board.
- Blackwell, Morton:** Exec. Dir., Council for National Policy, anti-Clinton.
- Blum, Howard:** *New York Times*.
- Blunt, Roy D.:** Missouri Secretary of State in Ashcroft Administration. Brought criminal security charges against individuals associated with LaRouche.
- Boggs, Thomas Hale, Jr.:** Legal advisory board, Landmark Legal Foundation.
- Boland, Mira Lansky:** Washington, D.C. Fact-Finding Division, ADL. Chief anti-LaRouche operative.
- Bookin, Daniel:** Attorney with Farella, Braun & Martel, brought a 1986-87 civil RICO case against LaRouche in Calif. in conjunction with ADL and FBI.
- Borders, Rebecca:** *American Spectator*, anti-Clinton.
- Bork, Robert:** Attends Olson salon; legal advisory council NCLPI.
- Born, Gary B.:** (London), Legal advisory board, Landmark Legal Foundation.
- Bossie, David:** Citizens United.
- Boynote, Stephen:** Lawyer, works with Scaife; funding of "Arkansas Project" to dig up dirt on Clinton.
- Bozell, Brent III:** Media Research Center; anti-Clinton.
- Braden, Thomas:** Cable News Network.
- Bradlee, Benjamin:** *Washington Post*; anti-Clinton. LaRouche slanderer.
- Breindel, Eric:** (deceased), *New York Post*; anti-Clinton. LaRouche slanderer.
- Brin, Herb:** *Southwest Jewish Heritage*.
- Brinkley, Joel:** *New York Times*.
- Brock, David:** *American Spectator*; anti-Clinton writer, now reformed.
- Brokaw, Tom:** NBC Nightly News.
- Brooks, Cong. Jack (Texas):** Met with Loudoun County Sheriff's Deputy Donald Moore in 1986 in effort to force prosecutions against LaRouche.
- Bronfman, Peter:** Hollinger Corp. board.
- Brown, Floyd:** Citizens United.
- Brown, L.D.:** "Troopergate" source against Clinton.
- Browning, Dolly Kyle:** Anti-Clinton bimbo.
- Bryan, Albert V., Jr.:** Federal judge who presided over the Alexandria, Va. case; and who made a crucial ruling in the civil bankruptcy case brought by U.S. Attorney Hudson's office. He served on the Foreign Intelligence Surveillance Advisory court.
- Bryant, Charles:** Va. State Police case officer, LaRouche investigation; assisted in recruiting "defectors" for the case; had contact with the ADL's Mira Lansky Boland. Former IRS special agent with the Intelligence Division during the Nixon era.
- Bryant, Robert M.:** Current head of FBI Criminal Investigative Division, previous head of FBI National Security Division, 1993-97.
- Brzezinski, Zbigniew:** Hollinger Corp. board.
- Buckley, William:** *National Review*; anti-Clinton publisher and commentator.
- Bundy, McGeorge:** Long described as the dean of the Eastern Liberal Establishment. Singled out LaRouche as a "threat" as early as 1968.
- Bundy, Stephen:** Son of McGeorge Bundy; attorney for Dennis King. During King representation, Bundy was at Cravath, Swaine & Moore.
- Burlatskii, Fyodor:** (Moscow) *Literaturnaya Gazeta*.
- Burns, Arnold:** U.S. Deputy Attorney General 1987-88.
- Burton, Cong. Daniel (Ind.):** chairman, House Reform and Oversight Committee (Chinagate, campaign finance investigations).
- Butzner, John:** U.S. Fourth Circuit. Member of three-judge panel who fired Robert Fiske, appointed Kenneth Starr. On panel that denied LaRouche appeal.
- Cammarata, Joseph:** Former attorney for Paula Jones.
- Carrington, Lord Peter:** Hollinger Corp. board.
- Cherne, Leo:** (deceased), Member of PFIAB; director of Freedom House.
- Chertoff, Michael:** Chief counsel to Sen. Al D'Amato's Whitewater investigation.
- Clarke, Floyd:** Assistant Director FBI.
- Clarkson, Kenneth:** Legal advisory board, Landmark Legal Foundation.
- Clegg, Roger:** VP and general counsel, National Legal Center for the Public Interest.
- Coburn, Barry:** Attorney in OIC/Donald Smaltz, investigating former USDA Sec. Mike Espy.
- Coffey, Alan F.:** Legal advisory board, Landmark Legal Foundation.
- Cohen, Richard:** *Washington Post*; anti-Clinton.
- Colloton, Steven:** Former attorney in Whitewater OIC/Starr.
- Conway, George:** Lawyer who also worked on Supreme Court case for Paula Jones; put James Moody in contact with Linda Tripp.
- Cooper, Charles:** Legal advisory council, NLCPI.
- Cribb, Kenneth:** National advisory board, *National Review*, anti-Clinton publication; Sarah Scaife Foundation.
- Crudele, John:** *New York Post*; anti-Clinton columnist.
- Cabbage, Roger:** DOJ General Litigation and Legal Advice Section.
- Cunningham, Miles:** *Insight* magazine.
- D'Amato, Sen. Alfonse (N.Y.):** Senate Whitewater investigation.
- Daniels, A.E.:** Assistant Director FBI.
- Dannemeyer, (former Cong.) William (Calif.):** Appeared on *Clinton Chronicles* urging impeachment.
- Davenport, David:** President, Pepperdine University, holding position open for Starr; funded by Scaife; director, National Legal Center for the Public Interest.
- Davis, Gilbert:** Partner in Cohen, Gettings, Dunham, and Alper; former attorney for Paula Jones.
- Davis, L.J.:** *New Republic* writer on Whitewater.
- Davidson, James Dale:** *Strategic Investment Review*, anti-Clinton propaganda; head of National Taxpayers Union.
- Dawson, Thomas W.:** Attorney in Whitewater OIC/Starr.
- deGraffenreid, Kenneth:** NSC staff during Reagan-Bush administration; co-author of EO 12333 and leading slanderer of LaRouche among White House staff.
- DeMoss, Mark:** Falwell spokesman.
- Denniston, Brackett B.:** Asst. U.S. Attorney Boston, who was Chief of the Major Frauds section during the LaRouche case.
- DeSarno, James V.:** FBI, DOJ Task Force on Clinton campaign financing.
- DiGenova, Joseph:** Legal advisory council, NCLPI.

- Donahue, Phil:** "Phil Donahue Show," NBC-TV.
- Donsanto, Craig:** Chief of the Election Crimes Unit, and Public Integrity Section in the Criminal Division at DOJ. Now on the PIS, DOJ Task Force on Clinton campaign financing.
- Dreiband, Eric S.:** Attorney in Whitewater OIC/Starr.
- Dubelier, Eric:** Former attorney in Whitewater OIC/Starr.
- Durbin, Sen. Richard (Ill.):** Repeated denunciations of LaRouche from Senate floor.
- Eastland, Terry:** NLCPI.
- Egan, Richard:** FBI Special Agent in the Boston office who was the lead agent on the LaRouche case.
- Eikenberry, Kenneth:** Attorney General, Washington State. Brought civil action against associates of LaRouche.
- Emmick, Michael:** Attorney in Whitewater OIC/Starr.
- Evans-Pritchard, Ambrose:** former Washington correspondent for London *Sunday Telegraph*; anti-Clinton.
- Ewing, W. Hickman, Jr.:** Attorney in Whitewater OIC/Starr, in charge of Little Rock grand jury and prosecutions.
- Fahey, William F.:** Attorney in Espy OIC/Donald Smaltz.
- Fahrenkopf, Frank:** Legal advisory board, Landmark Legal Foundation. Held major press conference vs. LaRouche.
- Faircloth, Sen. Lauch (N.C.):** Friend of Judge David Sentelle, involving in firing Robert Fiske and replacing Fiske with Kenneth Starr.
- Falwell, Jerry:** "Old Time Gospel Hour" and *National Liberty Journal* newspaper; promoted videotapes "Clinton's Circle of Power" and "Clinton Chronicles."
- Farah, Joseph:** Western Journalism Center; anti-Clinton.
- Farrington, JoAnn:** PIS, DOJ Task Force on Clinton campaign financing.
- Fein, Bruce:** *Washington Times* commentator; anti-Clinton.
- Ferguson, Danny:** "Troopergate" source against Clinton.
- Ferguson, Robert:** President of First Fidelity Bank, who was a civil litigant against LaRouche 1984-1986; at all times in coordination with Boston U.S. Attorney and FBI.
- Ferraro, Tom:** Formerly UPI national writer on LaRouche, 1986—numerous direct feeds from ADL, John Rees, prosecutors; now *New York Post*; anti-Clinton.
- Ferrell, James:** Landmark Legal Foundation.
- Feulner, Edwin:** Sarah Scaife Foundation. Heritage Foundation operations against LaRouche.
- Filan, John J.:** Richmond IRS Criminal Investigation Division Group Manager.
- Fineman, Howard:** *Newsweek*; anti-Clinton.
- Fitzgerald, John:** DOJ Tax Division.
- Flannagan, Benjamin:** DOJ General Litigation and Legal Advice Section.
- Flowers, Gennifer:** Anti-Clinton bimbo.
- Foulke, David:** Attorney for E. Newbold Smith.
- Fowler, Donald:** Chairman of Democratic National Committee during 1996 Presidential campaign. Long-time opponent of LaRouche; invalidated 597,853 Democratic primary LaRouche votes in 1996 campaign. Claimed LaRouche and delegates not "bona fide" Democrats.
- Foxman, Abraham:** Chairman of the ADL in the mid-1980s.
- Geer, James H.:** FBI Asst. Director of Intelligence.
- Gelhaar, Peter:** Asst. U.S. Attorney, Boston, in charge of "civil" contempt fines matter against LaRouche et al.
- Gelman, David:** *Newsweek*.
- Gerth, Jeff:** *New York Times*; anti-Clinton.
- Gibson, Edward:** FBI Special Agent in Alexandria, Va.
- Gingrich, Cong. Newt (Ga.):** Speaker of the House, pushing impeachment of Clinton.
- Godson, Roy:** Second-generation inner circle of Jay Lovestone apparatus; on NSC staff in Reagan-Bush administration, and colluded with Kissinger in fostering bogus FBI national security operation against LaRouche. He attended Train salon. Scaife operative.
- Gold, Victor:** *American Spectator*; anti-Clinton.
- Goldberg, Lucianne:** Literary agent, peddles anti-Clinton books; friend of Linda Tripp who suggested Tripp tape her conversations with Monica Lewinsky.
- Goldsmith, Sir James:** (deceased), Hollinger Corp. board.
- Goulden, Joseph:** Accuracy in Media; anti-Clinton.
- Graham, Katharine:** publisher *Washington Post*; anti-Clinton.
- Greenberg, Sally:** ADL Boston.
- Greenberg, Ted:** DOJ Fraud Section during LaRouche investigation. Is now an attorney in Espy OIC/Donald Smaltz.
- Greenleaf, James:** FBI Special Agent in Charge, Boston.
- Gross, Kenneth:** FEC attorney.
- Guarino, Nick:** Publisher of *Wall Street Underground*.
- Gurden, Hugo:** *Daily Telegraph, Sunday Telegraph*; anti-Clinton.
- Halperin, David:** American Family Foundation.
- Hardin, Russell:** Former attorney in Whitewater OIC/Starr.
- Harkrader, Trent B.:** Attorney in Espy OIC/Donald Smaltz.
- Harris, John:** *Washington Post*.
- Hartigan, Neil:** Illinois Attorney General. Brought civil actions against associates of LaRouche.
- Hatch, Sen. Orrin (Utah):** National Board of Advisors, Landmark Legal Foundation.
- Heaton, Rodger:** Attorney in Whitewater OIC/Starr.
- Helms, Sen. Jesse (N.C.):** National Board of Advisors, Landmark Legal Foundation.
- Henderson, David:** VP of American Spectator Educational Foundation (ASEF); longtime friend of Scaife; instrumental in anti-Clinton "Arkansas Project."
- Hendricks, William:** DOJ Fraud Section.
- Higgins, David:** FBI Special Agent Dulles airport residency office.
- Higgins, Stephen E.:** ATF Director.
- Hooten, Col. Byron R.:** chief of Support Activities Branch, Special Operations Division, J-3 Joint Chiefs of Staff in 1986; "focal point" officer who coordinated military custody of documents seized in 1986 raid on LaRouche-associated offices.
- Hoskins, William:** Landmark Legal Foundation.
- House, Calvin:** Attorney for Michael Hudson.
- Howard, Gary:** Texas-based soldier of fortune and government undercover "sting" operative, Howard attempted during 1984 to infiltrate the LaRouche organization on behalf of the FBI and the CIA. His fabricated allegations enabled the FBI to launch a bogus 17-month foreign counterintelligence operation against LaRouche. Howard's efforts were overseen personally by C. Boyden Gray, general counsel to then-Vice President George Bush.
- Hudson, Henry:** U.S. Attorney, Eastern District of Va., 1986-89. In coordination with Weld, brought second indictments against LaRouche and illegal bankruptcy action against companies associated with LaRouche.
- Hudson, Michael:** Brought initial 1981 RICO lawsuit against LaRouche and others. Attended Train salon.
- Hutchison, Richard:** Legal advisory board, Landmark Legal Foundation.
- Hume, Ellen:** *Los Angeles Times* and *Wall Street Journal*; attended the Train salon.
- Humphrey, Hubert "Skip":** Attorney General, Minnesota. Brought civil action against associates of LaRouche.
- Iorio, Richard:** Resolution Trust Corp.; improperly initiated case against Clinton during 1992 election campaign.
- Irvine, Reed:** Accuracy in Media; anti-Clinton.
- Isaacs, Real Jean:** Attended Train salon.

- Isikoff, Michael:** *Newsweek*; anti-Clinton.
- Isom, John:** Loudoun County Sheriff; launched investigation of LaRouche and associates at the point they announced candidates for public office. Had meetings with the ADL's Mira Lansky Boland, and members of Congress about LaRouche. In 1989, nominated Va. Attorney General Mary Sue Terry for governor, which focused on his work with her in going after LaRouche.
- Jackson, Cliff:** Arkansas lawyer; enemy of Clinton.
- Jahn, LeRoy:** Former attorney in Whitewater OIC/Starr; tried Tucker-McDougal case.
- Jahn, Ray:** Former attorney in Whitewater OIC/Starr; tried Tucker-McDougal case.
- Jensen, D. Lowell:** Asst. Attorney General, Assoc. Attorney General, Deputy Attorney General 1981-86.
- Johnson, Paul:** *American Spectator*; anti-Clinton.
- Jones, Paula:** anti-Clinton bimbo.
- Joseph, Darrell:** Attorney in Whitewater OIC/Starr.
- Kavalair, Thomas:** Attorney with Cahill, Gordon, and Reindel, who was lead counsel for NBC in its actions against LaRouche.
- Keeney, Jack:** Deputy Asst. Attorney General, Criminal Division.
- Kelley, P.X.:** board, National Legal Center for the Public Interest.
- Kelly, Galen:** American Family Foundation/CAN. Kidnapper, deprogrammer, also associated with Lubavitch sect in New York and Jewish Institute for National Security Affairs.
- King, Dennis:** Career defamer of LaRouche. Train salon arranged funding for his book against LaRouche through the Smith-Richardson Foundation; Mellon-Scaife; numerous newspaper articles, e.g., *Wall Street Journal*, and radio and TV interviews.
- Kirk, Paul:** Chairman of the Democratic Party in 1986—called for elimination of LaRouche by legal or “other means.”
- Kisser, Cynthia:** Cult Awareness Network.
- Kissinger, Henry:** Initiator of illegal FBI foreign counterintelligence program against LaRouche; self-confessed British agent-of-influence inside U.S. governing circles. On Hollinger Corp. board.
- Klaidman, Daniel:** *Newsweek*; anti-Clinton.
- Klayman, Larry:** president of Judicial Watch; many lawsuits against Clinton administration and Commerce Dept. on Ron Brown and trade missions; on FBI “Filegate,” etc.
- Klehr, Harvey:** Author, *Far Left of Center*, financed by Smith-Richardson Foundation.
- Klund, Timothy:** FBI Special Agent in Alexandria, Va. in charge of the FBI's investigation of LaRouche et al.
- Koppel, Ted:** ABC anchor for “Nightline,” anti-Clinton stories
- Krahling, Joseph:** FBI Special Agent in Charge, Alexandria, Va.
- Kristol, William:** *Weekly Standard*; anti-Clinton.
- Kroft, Steve:** CBS-TV, “West 57th Street.”
- Krysa, Stanley F.:** DOJ Tax Division.
- Labaton, Stephen:** *New York Times*; anti-Clinton.
- LaBella, Charles:** Current head of DOJ Task Force on Clinton campaign financing, replaced Laura Ingersoll.
- Lamberth, Royce:** U.S. District Judge, District of Columbia, who presides over at least seven cases brought by Judicial Watch around Commerce Dept. and Ron Brown trade missions; Hillary Clinton health care task force; FBI Filegate, etc.
- Langone, Anthony V.:** IRS Asst. Commissioner Criminal Investigation.
- Lantos, Cong. Thomas (Calif.):** Repeated denunciations of LaRouche on floor of Congress.
- Larry, Richard:** Sarah Scaife Foundation; administrative aide to Scaife.
- Latimer, Leah:** *Washington Post*.
- Ledeem, Barbara:** Exec. Dir., Independent Women's Forum attacked Clinton around Paula Jones case.
- Ledeem, Michael:** NSC “consultant” during Reagan-Bush administration, leading member of Jewish Institute of National Security Affairs (JINSA). Ledeen was part of ADL-linked group at White House, pressing Reaganites to sever all ties to LaRouche. Now with *American Spectator*; anti-Clinton.
- Ledwith, James:** Attorney with Pepper, Hamilton & Sheetz on the Wilmington Trust case.
- Lehrfeld, William:** Tax attorney for Scaife & Heritage; Exec. Director of Fund for a Living Government; funnelled money to Paula Jones Legal Defense fund.
- Lerner, Lois:** FEC attorney.
- Levin, Mark:** *Washington Times* commentator; anti-Clinton; President, Landmark Legal Foundation.
- Levy, Mordechai:** Founder of Jewish Defense Organization, spinoff of JDL, run by ADL in inciting violence against LaRouche; government witness in Boston LaRouche prosecution; implicated in string of 1985 JDL bombing-murders in N.J., Calif. and Mass.
- Lewis, Ann:** DNC Political Director under Charles Manatt. Sought to discredit LaRouche in Democratic Party. Circulated Dennis King's defamatory materials under her letterhead to Democrats throughout the country.
- Lewis, Fred:** Partner of Gary Howard in the Get LaRouche “sting.” Subject of a May 1986 memo from Richard Secord to Oliver North, revealing White House dirty tricks campaign against LaRouche.
- Lewis, Jean:** Resolution Trust Corp.; improperly initiated case against Clinton during 1992 election campaign.
- Lewis, John F.:** Current head of FBI National Security Division.
- Lewis, Sasha:** *The New West*.
- Liddy, G. Gordon:** Radio talk show host.
- Limbaugh, Rush:** Radio talk show host.
- Lippe, Lawrence:** DOJ General Litigation and Legal Advice Section.
- Llewellyn, Angus:** FBI Special Agent in Alexandria, Va., who had special assignments on Foreign Counterintelligence matters.
- Lucey, Laurence:** IRS Agent in Alexandria, Va. on the LaRouche case.
- Lydon, Lance:** IRS Agent.
- Lynch, Patricia:** Train salon attendee; produced NBC-TV “First Camera” and NBC Nightly News pieces, *Wall Street Journal*.
- Lytle, Richard:** FBI Special Agent in Alexandria, Va. “civil” bankruptcy case initiated by U.S. government against companies associated with the LaRouche movement.
- Maddox, Bronwen:** *Times of London, Sunday Times*; anti-Clinton.
- Magaw, John:** U.S. Secret Service Special Agent in Charge of the Washington, D.C. office during the LaRouche investigation.
- Malenchak, Alan:** FBI Special Agent in Alexandria, Va.
- Manatt, Charles:** Former DNC Chairman. Ran countless operations against LaRouche in Democratic Party and campaigned to neutralize LaRouche's influence. On board, National Legal Center for the Public Interest.
- Marcus, Ruth:** *Washington Post*; anti-Clinton.
- Markham, John:** Asst. U.S. Attorney, Boston, lead prosecutor in both the Boston and Alexandria cases against LaRouche et al. Later, E. Newbold Smith's attorney in the CAN kidnapping case.
- Marzulla, Roger:** Legal advisory board, Landmark Legal Foundation.
- Matriciana, Pat:** Citizens for Honest Government.
- McDowell, Gary:** University of London; Landmark Legal Foundation.
- McMichael, Daniel:** Sarah Scaife Foundation.
- Meese, Edwin:** U.S. Attorney General 1985-88; Landmark Legal Foundation; advisory board, *National Review*; Heritage Foundation; past president, Council for

- National Policy.
- Meltke, Jörg:** (Germany), *Der Spiegel*.
- Methvin, Eugene:** *Reader's Digest* piece on LaRouche arranged at Train salon; American Family Foundation.
- Meyer, Eugene:** Federalist Society; Legal advisory council, NLCPI.
- Miller, Mark:** *Newsweek*.
- Mintz, John:** *Washington Post*.
- Montgomery, Paul:** *New York Times*.
- Moody, James:** Lawyer for Linda Tripp. Formerly worked for Capital Legal Foundation (now the Washington Legal Fund), and for Landmark Legal Fund.
- Moore, Donald L.:** Loudoun County Sheriff's Deputy who interfaced with the federal-state probes of the LaRouche movement. Later hired by E. Newbold Smith for kidnapping of Smith's son, Lewis, who supported the LaRouche movement.
- Moore, John Norton:** Legal advisory board, Landmark Legal Foundation. Wrote EO 12333.
- Morgenthau, Robert:** New York District Attorney, Manhattan.
- Morrison, Micah:** *Wall Street Journal*; anti-Clinton.
- Motz, J. Frederick:** U.S. Attorney, Maryland. Supervised 1982-84 bogus criminal investigation of LaRouche associate Debra Freeman's Congressional campaign against Barbara Mikulski.
- Moynihan, Sen. Daniel Patrick (N.Y.):** Involved in numerous operations against LaRouche, including articles in national publications, appearances on television.
- Mueller, Robert S., III:** Chief Assistant to U.S. Attorney William Weld in Boston for LaRouche prosecution. Promoted to Asst. U.S. Attorney General 1989-90. Asst. U.S. Attorney General, Criminal Division 1991-93.
- Murphy, Caryle:** *Washington Post*.
- Myers, Julie:** Attorney in Whitewater OIC/Starr.
- Nelson, Sheffield:** Arkansas political opponent of Clinton.
- Neuchterlein, Chris:** DOJ Fraud Section.
- Nichols, Larry:** Disgruntled former Arkansas state employee and Contra supporter.
- Noble, Lawrence:** Current General Counsel, Federal Election Commission.
- Nolan, James E.:** Deputy Asst. Director FBI who authored 1982 memo alleging LaRouche and *EIR* were "propitious to Soviet disinformation."
- North, Oliver:** Leading staff operative in George Bush's dirty tricks campaign against LaRouche during mid-1980s. NSC document released by Lawrence Walsh revealed that North was illegally gathering "information against LaRouche."
- Novell, Gordon:** FBI informant; convicted felon; involved in efforts to incite govern-
- ment probe of LaRouche from 1978; appeared on NBC-TV "First Camera" slander against LaRouche, charging that LaRouche plotted murders of top Carter administration officials; later surfaced as leader of Waco protest against President Clinton.
- Nykanen, Mark:** NBC-TV.
- O'Brien, Patrick M.:** Attorney in Whitewater OIC/Starr.
- O'Connor, John:** Lead U.S. Secret Service agent in Boston on LaRouche case.
- Olsen, Roger M.:** DOJ Tax Division.
- Olson, Barbara Bracher:** Hostess of "Get Clinton" salon; chief counsel to Dan Burton's House Govt. Reform and Oversight Committee, conducting investigations of Clinton, Democratic fundraising, China-gate, etc.
- Olson, Theodore:** Hosts regular "Get Clinton" salon gatherings; legal advisory council, NLCPI; general counsel and a director of the American Spectator Educational Foundation; represented David Hale re: Senate Whitewater Committee; represented former State Dept. official Steven Berry, after Berry was accused of leaking information from Clinton's passport to GOP before the 1992 elections.
- Orin, Deborah:** *New York Post* Washington, D.C. reporter; anti-Clinton.
- Paklich, N.:** Rome correspondent for *Izvestia*.
- Patterson, Larry:** "Troopergate" source against Clinton.
- Pendleton, Clarence:** U.S. Commission on Civil Rights.
- Perle, Richard:** Hollinger Corp. board.
- Perlman, Sy:** NBC-TV producer.
- Perry, Roger:** "Troopergate" source against Clinton.
- Podhoretz, John:** *American Spectator*; anti-Clinton.
- Pomerantz, Steven L.:** FBI Terrorism Section of Criminal Investigative Division.
- Popeo, Dan:** According to Michael Hudson, he was referred to Popeo for assistance in his civil action against LaRouche and others. Landmark Legal Foundation, chairman and general counsel; advisory board, *National Review*; chairman and general counsel, Washington Legal Foundation.
- Pruden, Wesley:** *Washington Times*; constant anti-Clinton columns.
- Pustogarov, Vladimir:** *International Affairs*, a Soviet government publication.
- Radek, Lee:** PIS, DOJ Task Force on Clinton campaign financing.
- Radosh, Ronald:** *New Republic*.
- Rasch, Mark:** DOJ Fraud Section.
- Raymond, Walter:** Key official in breaking LaRouche's ties to the Reagan administration within the NSC. Had a role in writing EO 12333 and headed the "Public Diplo-
- macy" black propaganda operations from the NSC.
- Rea, Dan:** WBZ-TV, Boston NBC affiliate.
- Reagan, Michael:** Radio talk show host.
- Rees, John:** Editor, *Information Digest*; Director, Maldon Institute.
- Rees-Mogg, William:** *Strategic Investment Review*; former London *Times* editor, anti-Clinton propaganda.
- Regnery, Alfred:** Heads Regnery Publishing, published anti-Clinton books by Gary Aldrich, Emmett Tyrrell, and Ambrose Evans-Pritchard.
- Reiner, Ira:** Los Angeles District Attorney who prosecuted LaRouche's associates.
- Revell, Oliver "Buck":** Former FBI Assoc. Director during the LaRouche investigation. Has publicly called for law enforcement to use private groups, such as the ADL, to assist in gathering information on citizens.
- Reynolds, James:** DOJ General Litigation and Legal Advice Section.
- Reynolds, William Bradford:** Asst. Attorney General, Civil Rights Div. 1981-87; Assoc. Attorney General, Counselor to Edwin Meese, 1988. Landmark Legal Foundation.
- Richard, Mark:** Deputy Asst. Attorney General, Criminal Div.; supervises DOJ Task Force on Clinton campaign financing.
- Robertson, Pat:** CBN and "700 Club"; frequent attacks on Clinton.
- Robinson, Kent:** Asst. U.S. Attorney, Eastern District of Va., lead prosecutor on the Alexandria, Va. case against LaRouche and his associates.
- Robinson, Stephen:** *Daily Telegraph, Sunday Telegraph*; anti-Clinton.
- Romerstein, Herbert:** Long-time John Birch Society operative; repeatedly defamed LaRouche while staff aide to Cong. Larry McDonald (Ga.). Employed by USIA during Reagan-Bush administrations. Officially cited LaRouche as "Soviet disinformation agent," which results in covert "active measures" being taken against such designated persons.
- Rosenfeld, Megan:** Reporter, editor, *Washington Post*.
- Rosenstein, Rod J.:** Former attorney in Whitewater OIC/Starr.
- Rosensweig, Paul:** Attorney in Whitewater OIC/Starr.
- Rosenthal, A.M.:** *New York Times*; anti-Clinton.
- Rosenthal, Stephen:** Va. Deputy Attorney General in charge of state cases against LaRouche associates.
- Ross, Brian:** NBC-TV and NBC Nightly News.
- Ruddy, Chris:** Formerly at *New York Post*; now at Scaife's Pittsburgh *Tribune-Review*; accuses Clinton White House of cov-

- ering up Vincent Foster and Ron Brown deaths.
- Russell, John:** Va. Deputy Attorney General who was lead prosecutor in state cases against LaRouche associates.
- Sachs, Stephen J.:** Attorney General, Maryland. Brought civil action against associates of LaRouche.
- Safire, William:** *New York Times*; anti-Clinton.
- Sanders, Sol:** *Business Week*; Train salon.
- Sarmiento, Sergio:** Spanish-language editor of Encyclopedia Britannica Publishers; penned article in the *Wall Street Journal*, titled "Lyndon LaRouche's Latin American Connection," lifted from an ADL report.
- Scaife, Richard Mellon:** Primary funder of anti-Clinton propaganda and covert operations. Bankrolled "Get LaRouche" John Train salon.
- Schiller, S. David:** Asst. U.S. Attorney in Richmond office of the Alexandria, Va. division; initiated first-ever bankruptcy action with government as single creditor, against companies associated with the LaRouche movement.
- Schmidt, Susan:** *Washington Post*; anti-Clinton.
- Schmults, Edward:** U.S. Deputy Attorney General, 1981-1984.
- Schuh, Jim:** *Boston Phoenix*. Wrote "Don't Follow the Plastic" against LaRouche based on prosecutors' leaks.
- Schumacher, Dennis:** District Attorney, Ogle County, Ill. Prosecuted LaRouche's associates.
- Sentelle, David:** member of three-judge panel who fired Robert Fiske, appointed Kenneth Starr.
- Seper, Jerry:** *Washington Times*; anti-Clinton.
- Sessions, William:** Director, FBI, 1987-93.
- Shelby, Sen. Richard (Ala.):** Anti-Clinton spokesman.
- Shenon, Philip:** *New York Times*.
- Silberman, Laurence:** U.S. Court of Appeals judge, District of Columbia; attends Olson salon.
- Silverman, Ira:** Producer and reporter with NBC; harassment of friends of Clinton in Little Rock.
- Simpson, John R.:** U.S. Secret Service Director.
- Small, Daniel:** Asst. U.S. Attorney, Boston, during LaRouche case.
- Smith, Alexandra Duval:** London *Guardian*.
- Smith, Edgar Newbold:** Initiated bogus financial incompetency proceedings against his son, Lewis Du Pont Smith, and multiple investigations and litigation against LaRouche based on son's affiliation with LaRouche. Used CAN, Galen Kelly, Loudon Sheriff's Dept. in these investigations, coordinating at all points with William Weld, FBI. Smith's family foundation, Crestlea, was a contributor to CAN.
- Smith, William French:** U.S. Attorney General, 1981-85.
- Sneed, Joseph:** Judge on U.S. Ninth Circuit. Member of three-judge panel who fired Robert Fiske, appointed Kenneth Starr.
- Solterer, Karl:** Special Agent, U.S. Secret Service.
- Sosman, Martha:** Asst. U.S. Attorney, Boston; chief of the Civil Division in Boston during the LaRouche case.
- Spiro, Peter:** *New Republic*.
- Starr, Kenneth:** Whitewater independent counsel; legal advisory board, Landmark Legal Foundation; NLCPI.
- Steele, Charles:** Former General Counsel, Federal Election Commission; close friend and contributor to William Weld.
- Stillwell, Daryl:** Va. State Police case officer, LaRouche investigation.
- Strauss, Robert:** Legal advisory board, Landmark Legal Foundation.
- Suall, Irwin:** National Director of ADL Fact-Finding Division.
- Terry, Mary Sue:** Va. Attorney General, 1986-93; took lead in prosecuting LaRouche and his associates. In a Sept. 1986 memo, the FBI expressed concern that Terry's conduct was so "politically motivated" that it would spoil the joint Federal-state prosecution.
- Thatcher, Margaret:** Hollinger Corp. board.
- Thomas, Clarence:** Assoc. Justice, U.S. Supreme Court; attends Olson salon; advisory board, *National Review*.
- Thomas, Evan:** *Newsweek*; anti-Clinton.
- Thompson, Sen. Fred (Tenn.):** National Board of Advisors, Landmark Legal Foundation.
- Thornburgh, Richard:** U.S. Attorney General, 1989-91. Legal advisory council, NLCPI.
- Toensing, Victoria:** Deputy Asst. Attorney General, Criminal Div., 1985-88.
- Train, John:** Headed media black propaganda salon to destroy LaRouche, beginning April 1983; Wall Street investment banker; long-time participant in Anglophile U.S. intelligence operations, in league with Richard Mellon Scaife.
- Tripp, Linda:** Probable Bush mole in Clinton White House; formerly civilian employee of U.S. Army special operations command at Ft. Bragg, N.C., and U.S. Army Intelligence and Security Command (INSCOM) at Ft. Meade, Md.
- Trott, Steven:** Asst. Attorney General, Criminal Div., 1983-86; Assoc. Attorney General, 1986-88.
- Tuohey, Mark:** Former attorney in Whitewater OIC/Starr.
- Tyrrell, Emmett:** Editor and publisher, *American Spectator*; anti-Clinton; attends Olson salon.
- Udolf, Bruce:** Attorney in Whitewater OIC/Starr.
- Van De Kamp, John:** Attorney General, California. Prosecuted LaRouche's associates.
- Wahl, Barbara:** ADL law firm, Arendt, Fox, Plotkin & Kintner. Lead lawyer for ADL in LaRouche's libel action against NBC and the ADL.
- Webster, William:** Director, FBI, 1978-87. At the request of Henry Kissinger, Webster opened an investigation of LaRouche. Board member, NLCPI.
- Weinberger, Caspar:** Board member, NLCPI.
- Welch, William (Bill):** Associated Press.
- Weld, William:** U.S. Attorney, Mass., 1981-86. Instigator of LaRouche prosecution, promoted to Asst. Attorney General in charge of the Criminal Div. DOJ, 1986-88. Now on legal advisory board, Landmark Legal Foundation.
- Weyrich, Paul:** Free Congress Foundation, sponsors NET TV network; extensive anti-Clinton coverage.
- Wheeler, Jack:** *Strategic Investment Review*; anti-Clinton.
- Whitehead, John:** Rutherford Institute, which funds Paula Jones legal case against Clinton.
- Weidenfeld, Lord:** Hollinger Corp. board.
- Will, George:** Hollinger Corp. board.
- Willard, Richard K.:** DOJ Civil Div.; consulted by Weld on bringing civil bankruptcy action against LaRouche-associated companies. Legal advisory board, Landmark Legal Foundation; NLCPI.
- Williams, Edward Bennett:** Washington power-broker; member of Reagan's PFIAB; endorsed bogus national security probe of LaRouche and associates; maintained active behind-the-scenes role in Weld's prosecution of LaRouche.
- Wirth, Mary Anne:** Attorney in Whitewater OIC/Starr.
- Wisenberg, Solomon L.:** Attorney in Whitewater OIC/Starr; accompanied Kathleen Willey into grand jury on March 10, 1998.
- Woodson, Robert:** Landmark Legal Foundation.
- Woodward, Bob:** *Washington Post*; anti-Clinton.
- Worsthorne, Peregrine:** *Daily Telegraph*, *Sunday Telegraph*; anti-Clinton.
- Yost, Pete:** Associated Press; many anti-Clinton stories.
- Zakim, Leonard:** ADL, Boston, Mass.
- Zhukov, Yuri:** *Pravda*.

How Clinton's 'partnership with Africa' can work

by Linda de Hoyos

Perhaps no single initiative taken by President Bill Clinton in his tenure at the White House more vividly points to the necessity for the President to carry out economist Lyndon LaRouche's proposals for a New Bretton Woods and a global infrastructural development, than the President's March 23-April 3 six-nation tour of Africa.

Setting forth the themes of that tour during his first stop on March 23 in Accra, Ghana, President Clinton told 500,000 enthusiastic greeters: "My dream for this trip is that together we might do the things so that 100 years from now, your grandchildren and mine will look back and say this was the beginning of a new African renaissance. . . . We must build classrooms and companies, increase the food supply and save the environment, and prevent disease before deadly epidemics break out. The United States is ready to help you." And up through March 27, the President has called for a new "partnership between the United States and Africa."

In his speech, the President implied that the presence of the United States in Africa—a continent in which it has had very little economic or strategic interest, in general—would directly aid the process of finally freeing Africa from its colonialist past: "With a new century coming into view," Clinton said, "old patterns are fading away. The Cold War is gone, colonialism is gone, apartheid is gone. Remnants of past troubles remain, but surely there will come a time when everywhere reconciliation will replace recrimination. Now, nations and individuals finally are free to seek a newer world where democracy and peace and prosperity are not slogans but the essence of a new Africa. . . . For centuries, other nations exploited Africa's gold, Africa's diamonds, Africa's minerals. Now is the time for Africans to cultivate something more precious: the mind and heart of the people of Africa, through education."

But how can this possibly be achieved, unless the United

States takes the lead in creating a new monetary system—this time dedicated to the purposes of *global* economic recovery, and thereby ending the "post-colonial" free-trade framework of the International Monetary Fund and World Bank that has so completely prohibited the development of African national economies?

Historic trip

With this trip, President Clinton becomes the first President to carry out an extensive tour of Africa (Jimmy Carter stopped briefly only in three countries). Clinton is visiting Ghana, Uganda, Rwanda, South Africa, Botswana, and Senegal.

The delegation accompanying the President is likewise unprecedented in size and scope, including three Cabinet members—Alexis Herman, Secretary of Labor; William Daley, Secretary of Commerce; and Rodney Slater, Secretary of Transportation. Among the numerous administration officials also travelling are Samuel Berger, Assistant to the President for National Security Affairs; Brian Atwood, head of the Agency for International Development; Jesse Jackson, Special Envoy for the President to Africa; Howard Wolpe, Special Envoy to the Great Lakes; Susan Rice, Assistant Secretary of State for African Affairs; John Shattuck, Assistant Secretary of State for Democracy, Human Rights, and Labor; Joe Wilson, National Security Council senior director for African Affairs; and David Leavy, NSC director Strategic Planning.

The Congressional delegates are Representatives Charles Rangel (D-N.Y.), Donald Payne (D-N.J.), William Jefferson (D-La.), Maxine Waters (D-Calif.), Edward Royce (R-Calif.), John Conyers (D-Mich.), Corrine Brown (D-Fla.), Elizabeth Furse (D-Ore.), Eddie Bernice Johnson (D-Tex.), Chaka Fattah (D-Pa.), Sheila Jackson Lee (D-Tex.), Juanita Millender-McDonald (D-Calif.), Harold Ford, Jr. (D-Tenn.), Jim Mc-

Dermott (D-Wash.), and Amory Houghton (R-N.Y.).

Other members of the delegation include John Sweeney, president of the AFL-CIO; Kweisi Mfume, head of the NAACP; Carl Ware of Coca-Cola; Detroit Mayor Dennis Archer; Denver Mayor Wellington Webb; the CEOs of Xerox Corporation, Cargill, CAMAC Holdings, National Urban Coalition, and the United Bank of Philadelphia.

The Clinton administration had prepared the way for the trip in the United States with its fight for the passage of the Africa Growth and Opportunity Act (AGOA), which passed the House of Representatives on March 11. The bill seeks to encourage investment in sub-Saharan Africa by extending loan guarantees and creating equity and infrastructure funds, add to the list of African products entering the United States duty-free, and directs the President to negotiate trade agreements. The bill seeks to increase trade, but not at the expense of development aid, and cancellation of bilateral debt owed to the United States by the poorest African countries.

The President's trip is thus intended to usher in for Africa the aggressive investment and export drive to developing countries championed by the late Commerce Secretary Ron Brown. Nine days after the House passage of AGOA, Transportation Secretary Slater, who has been charged with implementing Clinton's economic policy toward Africa, told the press that the President "wishes to reissue a proposal he first presented at the Summit of Eight meeting last June. That proposal was known as The Partnership for Economic Growth and Opportunity in Africa," which goes beyond AGOA. Slater listed as the key objectives of the Partnership: "1) debt reduction and forgiveness; 2) vast multilateral infrastructure enhancement; 3) promotion of private sector development and investment in the region; 4) trade promotion; and 5) increasing bilateral development assistance under existing Agency for International Development programs."

Arriving in Ghana on March 23, President Clinton placed the economic "partnership" in political context, outlining three goals for U.S. foreign policy for Africa:

"First, we want to work with Africa to nurture democracy, knowing it is never perfect or complete," Clinton said.

"Second, democracy must have prosperity. We have an African Growth and Opportunity Act now before Congress. Both parties' leadership are supporting it. By opening markets and building businesses and creating jobs, we can help and strengthen each other. By supporting the education of your people, we can strengthen your future and help each other."

However, the President's economic initiative has *gone beyond the limits set for developing countries by the onerous conditionalities of the International Monetary Fund*. The economic landscape of sub-Saharan Africa—where up to 90% of the population resides in the countryside and is engaged in agriculture, and where electricity consumption is one-sixteenth the world's average—cannot be changed without massive infrastructural projects which require the participation of governments.

Secondly, as the case of IMF darling Yoweri Museveni's Uganda shows, investment for purposes of export only results in profits being channeled only to debt repayment, repatriation of monies by foreign owners, and to the favored few in the country's elite. Without debt cancellation and ending IMF prohibitions on government investment in education, medical services, and infrastructure, the buying power of developing countries cannot expand. Either the Clinton administration breaks with the IMF system and creates a New Bretton Woods, or the U.S.-Africa Partnership becomes a dead letter.

London's wars a danger

"Third," the President stated in his Ghana address, "we must allow democracy and prosperity to take root without violence. We must work to resolve the war and genocide that still tear at the heart of Africa. We must help Africans to prevent future conflicts."

Given the mass death that has occurred in East Africa in particular since 1990 and the end of the Cold War, achieving this goal challenges the geopolitics of the Anglo-French imperialist framework. In particular, the President's stated desire for peace stands in stark contrast to the bellicose utterances of Secretary of State Madeleine Albright in Uganda in December, when she pledged U.S. backing to Uganda's military containment of Sudan.

In the days preceding the President's trip, reports have been circulating that the Ugandan, Eritrean, Ethiopian, Congolese, and Rwandan militaries are preparing for assaults on Sudan, on the Kivu province of Congo, and on Burundi. According to eyewitness reports, truck caravans of military equipment have been travelling from the port of Mombasa, Kenya, to northern Uganda, in preparation for invasion.

In Entebbe, Uganda on March 25, Clinton met with regional heads of state—including Museveni, Rwanda's Pasteur Bizimungu, Ethiopia's Meles Zenawi, Tanzania's Benjamin Mkapa, Congo's Laurent Kabila, and Kenya's Daniel arap Moi. With the exception of Moi and Mkapa, these leaders, with the addition of Eritrea's Isaias Afwerki, are the "new leadership" of African militarists first heralded in January 1997 by the London *Times*. War on behalf of British Commonwealth resource interests has been the major business of this grouping—in Rwanda, Burundi, and Zaire—at the cost of millions of Africans' lives.

During his stopover in Kigali, Rwanda, a visit demanded two weeks before by warmonger Roger Winter of the U.S. Committee on Refugees, Clinton appeared to give backing to the Rwandan Patriotic Front, as if it had not been involved in both the bloodletting in Rwanda in 1994 and the murder of thousands of refugees in east Zaire.

The President's Partnership for Africa can be broken quickly, if the United States is perceived as backing endless wars of aggression in Africa. The President's goal of "preventing future conflicts" will require aggressive action *for peace*.

Rugova's victory, U.S. can stop Balkan war

by Umberto Pascali

The British are continuing their efforts to reignite a Balkan war in the predominantly ethnic Albanian region of Kosova, using their assets, principally the "Greater Serbian" dictator Slobodan Milosevic and a plethora of "irregular warfare" groups, commonly referred to as terrorists. Though they have not yet succeeded in provoking the hoped-for general explosion, their plan is becoming more and more obvious. It is obvious as well that their target is the United States, not only in a direct way, but more insidiously, by using Milosevic's latest atrocities to isolate the United States in foreign affairs.

Concretely, this means to force a split between Washington and Moscow, and between the United States and western Europe. This was visible in the context of the March 25 meeting in Bonn of the foreign ministers of the six countries of the so-called Contact Group, which includes the United States, Russia, France, Italy, Germany, and Britain. The group, which was created to deal with the Bosnia crisis, had met in London on March 9, and in Bonn was supposed to decide punitive measures against Milosevic's Serbia. Despite the strong declarations of U.S. officials, including from Secretary of State Madeleine Albright and President Clinton's Special Envoy Robert Gelbard, the final communiqué was extremely weak — weaker even than the previous one. Basically, no real decision was taken to deter Milosevic from continuing with his plan for a final solution for Kosova Albanians.

"In London we called on President Milosevic to take rapid and effective steps to end the violence through unconditional dialogue," the statement reads. "We insist that an urgent start be made to the process of unconditional dialogue with the leadership of the Kosova Albanian community. . . . We have agreed to maintain and implement the measures announced, including seeking adoption by March 31 of the arms embargo resolution [against Serbia]. . . . We demand that authoritative delegations from both sides convene rapidly in order to agree on a framework for substantive negotiation."

The bottom line is, the Contact Group gave Milosevic four weeks more to stop his plans. Even the March 31 deadline for an arms embargo resolution was made conditional on stopping the armaments that are supposedly being delivered to Kosovars over the border with Albania.

London excited by U.S.-Russia 'attacks'

The main reason for the ambiguity of the language was

Russia. While Russian Foreign Minister Yevgeni Primakov refused to participate in the first Contact Group meeting, he did participate in the one in Bonn. There, he made clear that Russia would not allow a harsh "anti-Serbian" line. In the days leading up to the Bonn meeting, it was also announced that Milosevic had received an invitation to visit Moscow, and U.S. media reported on a deal for sale of weapons, including tanks and helicopters, from Russia to Serbia. Russian officials denied the deal, in general terms, which would have violated the Dayton agreement and thus created a potentially serious crisis with the United States.

Seeing an opening, the British media began to play up what they described as "attacks" by the United States on Russia. One news agency quoted an anonymous high-level U.S. official at NATO headquarters in Brussels saying, "It is fair to say that . . . one nation — Russia — continues to have a significantly different outlook on both the analysis of the [Kosova] situation and the remedy." The agency remarked that the U.S. official was "dismayed" by the stance taken by Moscow. Meanwhile, British propagandists repeat the refrain that the United States has only one trustworthy ally: Great Britain, because other European nations are conditioned by the Russian position.

British dirty tricks

Reality is quite different. The Balkans have been engulfed in genocide launched by Milosevic and "Greater Serbia" criminals, such as Radovan Karadzic and Ratko Mladic. But such genocide was possible only because of British "remote-control," as *EIR* has documented (see, for example, *EIR*, March 20, "Kosova: Britain's War Against the U.S."). One of the tenets of British policy is "divide and conquer." London operatives have been working incessantly to use their "Greater Serbian" assets to provoke a clash between the United States and Russia. According to the ideological profile, Russia should have gone into a pan-Slavic, pan-Orthodox hysteria in defense of their "Serbian brothers." When Russian President Boris Yeltsin and others did not respond like Pavlov's dogs, London deployed its tricks.

For example, *EIR* has detailed the schemes of the British-run Lord Byron Foundation for Balkan Studies, which was caught red-handed promoting the line in Moscow that the United States intervention against Milosevic was in reality a "war" against Moscow, and thus Moscow should fight back and save its "Orthodox brothers." The British establishment behind the foundation also has been telling the Russians that they have only one ally in this situation: Great Britain!

Unfortunately for London, such tricks have lost their spell. For example, *EIR* has reported the story of the British traitor Maj. Milos Stankovic, the officer who passed every major NATO plan for the Balkans to indicted war criminal Ratko Mladic, Milosevic's man in Bosnia. On Oct. 16, 1997, Stankovic was finally arrested, because of pressure from the United States, and over British resistance. Stankovic is be-

lieved, among other crimes, to have passed information to Mladic's gangs which helped them overrun the UN protected area of Srebrenica in Bosnia and carry out the biggest massacre of civilians in Europe since World War II. When the story of Stankovic popped up in the U.S. press, it was viewed as a warning to Milosevic on Kosova. After total media silence, on March 15 the British establishment responded with a defense of Stankovic in the London *Sunday Times*. The traitor is characterized as "The Schindler of Sarajevo"—referring to a German functionary during the Nazi period who helped Jews escape. The *Times* paints an outrageous picture of the right-hand man of UN troop commander Gen. Sir Michael Rose: "To hundreds of rescued Bosnians he is a hero. To the CIA he is a suspected spy."

Rugova's victory smashes terrorist mystique

Another front on which the British media have been very active is their support of the Kosova Liberation Army (KLA), the terrorist organization composed of Yugoslavian Army cadres that has been activated in Kosova in conjunction with the "anti-terrorist" gangs of Milosevic. This is a typical "gang-counter-gang" scenario, and was aimed at exploding Kosova, and, more specifically, preventing parliamentary and Presidential elections organized by the "shadow government" of Kosova Albanian leader Ibrahim Rugova.

The leading British media sent journalists into the mountains west of the Kosova capital, Pristina, to interview KLA leaders. The journalists crossed the Yugoslavia police checkpoints undisturbed. In the days leading up to the Bonn meeting and the Kosova elections, the British media went overboard promoting a sort of "guerrilla mystique." Originally, when the Albanian leaders were stating that they never heard of the KLA, it was the British Broadcasting Corp. that reported the KLA communiqué, and made the KLA a factor. The British dailies then got into the act. In particular, the *Times*'s laudatory pieces on March 22 and 23 sounded like movie scripts, such as "Kosova 'will fight to death'—Tom Walker hears brave talk from ethnic Albanian guerrillas, during a night maneuver." The *Times* also reported the death-cult-style KLA oath of allegiance, and statements by KLA "commanders," such as, "My mother brought me into this world to die for Kosova and I am prepared to do this."

The *Times* explained the KLA *raison d'être*: The "KLA emerged about 18 months ago from frustration with the passive resistance of Ibrahim Rugova—the 'Gandhi of the Balkans.'"

In fact, Rugova, who enjoys massive support among the Albanian majority in Kosova, was the target of the whole operation. The Kosova Albanian elections, which the Serbian government does not recognize, had to be postponed two times. Milosevic—and the British—badly needed another provocation to stop the third attempt at elections, on March 22.

They did not succeed. Despite everything, 85% of the Albanian majority in Kosova voted, backing Rugova over-

whelmingly.

In one of his first public statements after the election, Rugova reaffirmed his commitment to nonviolence, and requested the participation of the United States in any talks with Belgrade. Rugova, who is reportedly personally close to U.S. Undersecretary of State Strobe Talbott, made clear that with the strong, and, now, official, support of the population, and with strong guarantees from the United States, he will be able to deal appropriately with Milosevic and his puppetmasters.

Interview: Dr. Nedzib Sacirbey

A Bosnian view of the crisis in Kosova

Dr. Sacirbey is the ambassador-at-large of the Republic of Bosnia-Herzegovina. He was interviewed on March 17 and March 25 by Umberto Pascali.

EIR: Ambassador Sacirbey, as special representative of Bosnian President Alija Izetbegovic, and as a prominent leader of the Muslim community in the U.S. and other countries, you have a special insight into the Balkan situation. How do you see the situation in Kosova?

Sacirbey: At this time, there are certain basic elements to be considered: The Helsinki agreement guaranteeing the borders in Europe—this is number one. Then, the fact that [Serbian dictator Slobodan] Milosevic does not respect the Constitution of Yugoslavia, and abolished the autonomy of Kosova and Vojvodina in 1989. Administratively, at this time, the province of Kosova does not exist, because Milosevic divided Kosova, mixing it with some other counties and so forth. How can there be autonomy, if someone can come and destroy or abolish that autonomy? The autonomy of Kosova was affirmed by the Constitution of Yugoslavia of 1945; its autonomy was enlarged slightly with the new Constitution of 1974. In the so-called joint Presidency of Yugoslavia, there were not just the representatives of six republics, but also two additional members: one from Kosova and one from Vojvodina.

EIR: Despite all this, in 1989, at the height of his chauvinist



hysteria about the rebirth of the so-called Greater Serbia, Milosevic went to Kosova, gave his infamous "Greater Serbia" speech, and whipped up the most racist tendencies among the Serbians. As a consequence, the autonomy of Kosova, and of Vojvodina, whose population is largely Hungarian, was brutally and unilaterally abolished. . . .

Sacirbey: Exactly. How can they [the Kosovars] accept such "autonomy" again from Serbia, when Serbia can again change it so easily? Concerning the debate on autonomy or independence for Kosova: Kosova is ethnically Albanian, by a large majority. At the same time, it is more developed than Albania. Albania is in turmoil, and so is Kosova. You have all kinds of influences there: old communists, anti-communists, many Christian missionary groups, and also many Muslim missionary groups, which are there to encourage their religious identity and help with education. This means that the situation in Kosova is unstable in one way, and the situation in Albania is unstable in another way. But, probably, the beginning of a solution is to give back autonomy to Kosova, and for Europe and the U.S. to guarantee that autonomy, so that nobody from Serbia can change the Constitution and violate this autonomy, as happened in 1989.

EIR: So, this Serbian delegation that Milosevic sent to Kosova, supposedly to negotiate, is just a show for the world media?

Sacirbey: I would put it like this: The Serbian delegation did not really come to Kosova to negotiate. . . . What will you negotiate about? There was an agreement between [Kosova President Ibrahim] Rugova and Milosevic about education, but it was never implemented. These negotiators that are sent from Belgrade to Kosova are a screen to hide Serbian atrocities and killings of civilians in Kosova.

EIR: Do you think that the mission of U.S. Undersecretary of State Strobe Talbott, who is considered close personally to Ibrahim Rugova, a fellow writer, could supply the key to a just solution? Do you think the proposal of an official European mediator will be accepted, despite Milosevic's opposition to the mediation of former Spanish Prime Minister Felipe González?

Sacirbey: I believe that both sides expect certain moves. Not all Serbs are the same in Kosova; that's why the most extreme forces want a violent radicalization. Definitely among Serbs there are people who are trying to negotiate with the Albanians and others who advocate the most hard-line position. Not all the Serbs of Kosova are supportive of Milosevic. . . . Obviously, no negotiator could accept the status quo. The Albanians would like to negotiate, but not with the Serbs [directly]; they would like to deal with someone who can apply pressure from the international community, so that Kosova would not be just a Serb problem.

Rugova has asked explicitly for American mediation, obviously because the U.S. has been the most dynamic force,

and because America is the most powerful country in the world. Rugova would like to have mediation and an internationalization of the problem. He would like to have solid guarantees. You cannot go to the Russians, where so-called Greek Orthodox solidarity will dominate. And they do not want to go to the Germans, the Italians, and so on. . . .

EIR: On March 22, Rugova gained a big victory in the elections of the Kosova Albanians. In fact, the deployment of the paramilitary gangs by Milosevic was launched just before the deadline for the elections.

Sacirbey: It was a victory for Rugova and a defeat for those forces who opposed the elections. Kosova's people know better than we do what they want, and despite everything, including the call by Albanian opposition leaders not to vote, they went to the ballot in a massive way. This election is a manifestation of the will of the Albanian people.

EIR: Many have called for a NATO intervention. The last was Albania leader Salih Berisha, who proposed a deployment of NATO troops in Albania along the borders with Kosova, Macedonia, and Montenegro.

Sacirbey: I do not expect that NATO will deploy troops on the borders. NATO will intervene in a special way. Albania will have a special agreement with NATO, and will receive armaments and training. . . .

EIR: Milosevic tried to justify the deployment of the paramilitary gangs and the massacres in Kosova with the need to stop the Kosova Liberation Army's attacks on the police forces. There are many reports of a close connection between the KLA and Yugoslav Army. Bosnian President Izetbegovic, addressing the Organization of the Islamic Conference meeting in Teheran in December, condemned terrorism as intrinsically against the moral and religious teachings of Islam.

Sacirbey: The KLA is not a significant force and it is not recognized by anybody. They are used. People have the right to call them terrorists, but they have nothing to do with Islamic and Muslim values. It is quite possible that there is a connection with Yugoslav intelligence, because there is an old connection with members of the communist party. And Albanian communists and Serbian communists did collaborate. There is something else: When you have small groups like this Kosova Liberation Army, it is easier to be controlled by intelligence agencies than when you have a movement, because the KLA is a small group and Rugova's Democratic Party is definitely a movement of Albanians. They do not consider that the KLA has influence over them or that they have influence on the KLA. Albanians are not only Muslim; you have also Albanian Catholics, and if someone wants us to see the fight there as a clash between Christians and Muslims, then the whole thing becomes an example of bigotry and hatred.

Convene an international commission of inquiry on stopping violence in Algeria

Dr. Brahim is the former Prime Minister of Algeria (1984-88) and was a founding member of the National Liberation Front (FLN). He is currently director of the Institute for Maghreb Studies in London. He has been active in calling for peace, dialogue, and national reconciliation, as the only means to change the tragic situation now facing Algeria. He was interviewed by Dean Andromidas in February.

EIR: In the last weeks, we have seen several hard-hitting exposés in the international press create an outcry over the civil war in Algeria. It was hoped that these exposés would have broken the conspiracy of silence on the part of the international community, on the true role of the Algerian government in the violence that has engulfed Algeria since 1992. But this has not been the case. Can you explain?

Brahimi: Insecurity has become a deliberate policy of the regime; in other words, insecurity has been created by the regime itself, in order to justify its existence. That is why the regime, since 1994, has created a militia of 200,000 Algerians, in addition to the Algerian National Army of 150,000, in order to maintain a given level of violence. The collective massacres we read about in the international press are organized by these militias, under the direction of the Army and the government. The victims have always been the Islamists or people who voted, in 1991, for the Islamic Salvation Front (FIS). Nonetheless, in its attempt to discredit and demonize the FIS, the regime has always attributed the massacres to the Islamists. This is the way this regime hopes to get more support from the West. The fact is, the Algerian regime has been organizing these collective massacres for years. As one of the regime's former Prime Ministers, Redha Malek, said in 1993, "It is time to terrorize the Islamists." The same was said by Salim Saadi and Cherif Meziane, two former Ministers of Interior who are outspoken supporters of this regime. Since 1994, the militias, armed by the government, have been used to fight the FIS, and have been used in areas where the FIS is strong, to force Algerian citizens to take up arms against the FIS. But if citizens refuse to take up arms, they are killed, with their families, by these same militiamen. This has been nurtured by the government.

Moreover, I would say that if the regime really wants to

guarantee security, it is possible. They seem to have no problem protecting the hydrocarbon areas and installations in the south and north of the country, near Skikda and Oran. So, it is possible. But the bloodshed has become a deliberate policy of the government.

Now, if you look at a map of the massacres, it corresponds exactly to the map of where the FIS had a strong showing in the 1991 elections. And, it also corresponds to the map of the national elections of June 1997, when the FIS, which, of course, was not allowed to participate, called upon Algerians not to vote. The overall turnout was much lower than the government will admit—below 50%—and in those regions which did not vote, we see collective massacres taking place. For example, since the militias were set up, since 1994, we can see these massacres concentrated on the plain near Algiers, the capital, and mainly in Blida, Bouaerik, Medea, Meliana, Ain Defla, and Chelif. Since last year, these collective massacres have been taking place in M'Sila, Batna to the east of Algiers, Djelfa in the south, and Tlemcen, Saida, and Relizane in the west.

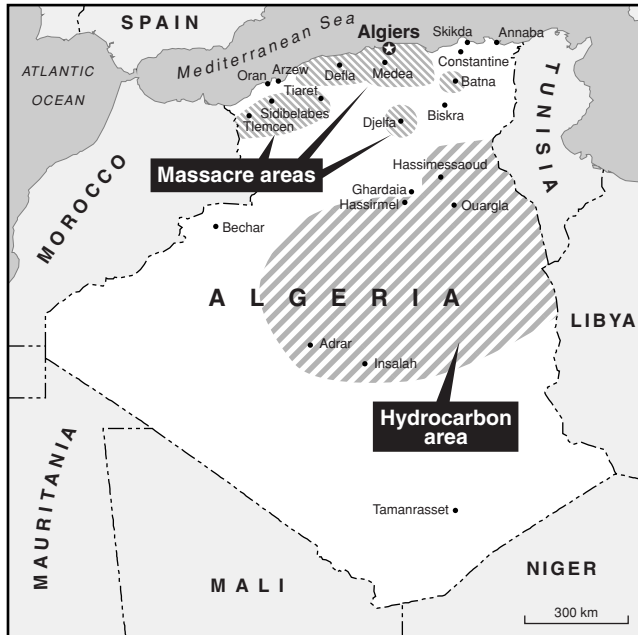
According to credible sources, there were more than 900 villagers recently killed on the same night, while the Algerian press reported 400, quoting Algerian military sources, and the government admitted only 78. The government always tries to minimize the number killed.

Through the use of terror, the junta wants to force people to accept its political line.

Now, the situation is very serious, the escalation of violence on the part of this regime is such that we cannot see any solution outside of the establishment of a genuine dialogue between the regime and the parties that signed the national contract in Rome in January 1995, that is, the Sant' Egidio group. Unfortunately, the Algerian regime continues to reject this proposal to stop bloodshed and to negotiate a period of transition, to return to the democratic process.

In recent months, the international media and public opinion have been following what is happening in Algeria much more closely. So, I think it is time to set up an international commission of inquiry to investigate these massacres. The refusal of the Algerian government to accept such a commission, shows that they have something to hide. The regime

FIGURE 1
Areas of frequent massacres in Algeria



claims such a commission would be a violation of national sovereignty, but Algeria saw its sovereignty reduced starting in January 1994, when it accepted the IMF [International Monetary Fund] program. Now, the budget of Algeria cannot be approved by the Algerian Parliament, unless it meets the requirements of the IMF. So where is our sovereignty?

When foreign intellectuals or politicians denounce the government's wholesale violation of human rights, they say they are interfering in Algeria's internal affairs. But when it suits their own needs, for example in the 1990, 1995, and 1997 national elections, the Algerian government itself called for international observers to monitor these elections. But, when we call for an international commission of inquiry, they say, "No, no, you are interfering in our own affairs."

This is no longer acceptable. I think the only way to have the truth, is to set up an international commission of inquiry in order to investigate these collective massacres.

In this context, there was the European Troika mission, led by the British Foreign Secretary, last January. It was a failure. They were not able to meet anybody. How could they? It lasted only 18 hours. They were only allowed to speak with government officials and some other people whom the Algerian government wanted them to meet. So, they had no idea what was going on. The European Commission sent a delegation to Algeria in February, and that was also a failure. Even if we find some voices, like Daniel Cohn-Bendit, or the Belgian representative, who wanted to contact everybody, including the FIS, they were unable to do so. But the head of this commission, Mr. Soulier, a European Parliamentarian from France, tore up letters given to him by the chairman of

the human rights commission in Algeria, which included a letter from the FIS and from Ahmed Ben Bella, the former President of Algeria. And he tore up one of these letters right in front of the media, saying, "We do not have to talk with the FIS."

France, as a European nation, does not have to follow the instructions of the Algerian regime. They should, to be objective. But this has not been the case. That's why it was a failure, because they were not able to talk to everybody, and especially, they were not allowed to visit the zones where the massacres took place, and were not allowed to talk with the survivors and the families of the victims. Therefore, I think the only way to get at the truth, is to have the United Nations step in and set up an international commission of inquiry.

EIR: What role do you think the United States can play?

Brahimi: Unfortunately, the policy of the United States has been changing toward Algeria. In 1994, we heard public statements made by former Deputy Secretary of State [Robert] Pelletreau, to the effect that the cancellation of elections of 1992 was a political error, and that a dialogue should take place between the regime and the Islamists, once they renounced violence. Now, the FIS has renounced violence, but unfortunately, in the last year, the United States policy has followed that of France, which has been involved in the conflict from the beginning, and therefore they are, unfortunately, backing up the regime.

This is reflected in a recent statement made by the former U.S. ambassador to Algeria, who is currently Deputy Secretary of State, Mr. Ronald Newman, who said a few weeks ago that the State Department is satisfied with the Algerian government. He said this on other occasions also. Last October, I attended a hearing in the Senate, in Washington, where Mr. Newman said the Algerian government is acceptable, and that they were only awaiting the outcome of the elections, which were to take place on Oct. 26. He said that after those elections were completed, the U.S. would only be waiting for economic reforms, and then the violence would stop. Of course, this was not true. The violence has not stopped, and it continues to be carried out by the regime itself. As long as the regime is not in a dialogue with the FIS, peace is not possible. The FIS represents a larger portion of the population; millions voted for the FIS and are ready to vote for the FIS again. So, I don't see any miracles happening. The violence will stop only when real political and economic reforms are carried out.

So, we hope that the United States will once again assess the situation objectively, and move away from the current French policy.

EIR: Could you inform our readers who in France is complicit with the Algerian regime, in continuing this unacceptable policy?

Brahimi: We have two sets of factors, internal and external.

The responsibility of France is clear, but France could not do anything, if there were not Algerians with strong links to France. So, since 1992, you have had in Algeria, for the first time since 1962, the year of our independence, an Algerian Army which is led by *generals who were all former officers in the French Army during our national liberation struggle*. For example, General Lameri, the Chief of Staff of the Algerian Army, was in the French Army; he wasn't even an officer; and now he is at the highest level. So, it took France 30 years to have six or seven of her men controlling the whole Army. That is why I do not accuse the Algerian Army as a whole, or as an institution, but I am accusing only some generals, who were in fact former military officers in the French Army before our independence. It is these officers who created and now direct the militias who are responsible for the collective massacres. It is these officers who, through having deeply infiltrated it, manipulate the so-called Armed Islamic Group (GIA), to carry out terrorist attacks.

In Algeria, we call them the Party of France. They got the green light from France for the coup d'état of 1992. In Algeria, they enjoy marginal support; that is why they were eliminated politically by the free elections of December 1991, and that is why they cancelled these elections. Outside of Algeria, this military regime receives its primary support from France.

In this context I think it is worth noting that François Mitterrand, who was President of France in 1992, and gave them that green light, had been Minister of the Interior in November 1954, when our revolution started. At that time, he declared that the only way to deal with the National Liberation Front, was "war by every means."

And Charles Pasqua, who was Minister of the Interior between 1993 and 1995, and lent his full support for the Algerian military regime, was a parachutist in the French Army 40 years ago, during our national liberation war. As Interior Minister in 1993, he was given the Algeria file by Prime Minister Edouard Balladur, because he considered Algeria an internal affair of France. Pasqua took, as special adviser for Algeria, Jean Claude Machiani, who, like Pasqua, was a former parachutist in the French Army who fought against the liberation of Algeria. Machiani worked with the French *piénoirs*, former active members of the Secret Army Organization (OAS), famous for its crimes against innocent Algerians in 1961-62. These French colonialist forces still exercise powerful influence at the top of the French administration and the intelligence services. It is as if they are trying to have their revenge, by operating through this putschist group, to finish the job they could not accomplish during our national liberation war.

Now, everyone can see that Algeria has lost the prestige that it had earned for more than a century, for 132 years, 60 of which it spent fighting against French colonization. And now, we have these massacres that have taken place since 1992.

So, I think one can say that the French are trying to reconquer Algeria by other means, than the colonialism of the last

century. That is why the French government is pouring military assistance and very sophisticated weapons into Algeria, in order to eradicate Islamism from Algeria. It is very critical to see this, and as a matter of fact, the Algerian regime is now trying to bring Algeria into the Francophone club, as the French wish to reconquer their lost colonies.

As a justification, the French claim their historical links to Algeria. But history has shown that it was military, political, and economic repression that characterized French colonialism, the 132 years of French colonial rule. It was bloody, oppressive, and inhuman, and followed by a savage war against the Algerian people from 1954 to 1962.

Economically, France still considers Algeria its captive market. For example, in 1991, Algerian imports from France were only 17% of its total imports, but after the coup d'état, Algerian imports from France jumped to 34%. If you add to this official trade, the informal imports, this figure jumps to more than 50%. Another example: All food and industrial products imported from France are sold to Algeria at 30-40% higher than world market prices, because there is no international competition, rampant corruption, and other factors. So, I think one can better understand why certain people in France and Algeria are against democracy, transparency, and competition, both economically and politically.

EIR: IMF Managing Director Michel Camdessus once re-

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ferred to Algeria as the economic model for implementing IMF policies. Could you comment on how cynical such a comment is, in light of the reality facing Algeria?

Brahimi: The economic situation is a catastrophe. All of the economic and social indicators have been in the red since 1993. Now, you have the impact of the privatization of the economy. You have two factors here. First, you have the privatization of the state farms, which have belonged to the state since the departure of the French in 1962. In 1987, there was a law passed which gave priority in the sale of the land to the farmers themselves. It wasn't bad, because only the workers could buy the land. But unfortunately, now it has been reported that the massacres have been very intense in the area near Algiers, in precisely the area where these privatizations are taking place. The plan is to clear the land by killing people, and after killing them, to give it to the military and the friends of generals. So the privatization is not benefitting the people, but only a narrow group of people in the regime.

Second, you have the privatization of state companies in the industrial and service sectors. This privatization will bring about 400,000 layoffs; the already high level of unemployment will be even higher. To give you an example, the unemployment figure rose from 1.3 million in 1992 to more than 2.5 million in 1996; there will be 3 million unemployed by the end of this year. Since opportunities for job creation are very poor, because of low rates of investment, unemployment will increase even more. Now, according to my calculations, there is an increase of 250,000 potential new workers coming into the labor force each year, which means that the unemployed workforce will increase to 4.5 million by the year 2002.

Also, because the IMF ordered the Algerian government to devalue its currency, the dinar, this devaluation increased the prices of all imported goods, and Algeria is importing 90% of its consumer goods, so you can imagine its impact on the Algerian population. Prices have gone up very steeply, especially in food products. This causes a drop in purchasing power of the population, leading to a growth in poverty, and I now have reliable information from Algeria that the average salary is unable to cover the basic needs of the average household, let alone the situation of the unemployed. So, the situation is very serious. You cannot have economic growth without investment, and, except in the hydrocarbon sector, the rate of investment is very, very low—I would say it is the lowest in the last 30 years, since our independence. All the economic and social indicators are very bad. Besides that, you have corruption, and the external debt jumped from \$26 billion in 1992 to \$40 billion in 1998, if the military debt is included. It is a very, very dramatic situation, and I don't see by what miracle the economic situation will improve in the next three or four years. I would say, to the contrary, that I expect that the Algerian economy will be bankrupt in the next few years.

What's at stake in jailing of Shubeilat

by Our Special Correspondent

Anyone desirous of understanding what the prospects are, for peace or war in the Middle East, should carefully follow the developments in the case of Laith Shubeilat, the independent Jordanian Islamist currently being held in prison, on charges of incitement to riot and *lèse-majesté*. If plans proceed, to put Shubeilat on trial before a military tribunal, ram through a conviction, and serve him a lengthy sentence, it means that



Laith Shubeilat

some time this summer, war will engulf the region. It may begin as a revival of the Palestinian Intifada against Israeli occupying forces, and/or as fratricidal strife fomented among the desperate Palestinian population; it will most likely lead to an Israeli military move to expel up to a million Palestinians from the West Bank, into Jordan, along the lines of the plan associated with Israeli Infrastructure Minister Ariel Sharon, known as the "Jordan Is Palestine" option. Some in the region are even mooted that the "surplus" Palestinian population would be driven into Iraq, perhaps under a different government. Regardless of the variations in the scenarios, one thing is clear: This would destroy Jordan as a nation, as well as Iraq, if it were thus besieged.

Shubeilat is being kept in jail because he is the only opposition figure with the political credibility and courage to speak out and denounce the process which is leading in the direction of catastrophe for the region. He has consistently denounced the "normalization" process of Jordan with Israel as a fraud, and detrimental to the economic interests of Palestinians and Jordanians. Most significantly, he has led the charge against the International Monetary Fund and its systematic destruction of the Jordanian economy since the IMF structural adjustment policy was imposed in 1992.

To keep Shubeilat quiet, and to terrorize anyone who might share his views, he was thrown in prison Feb. 20 on hoked-up charges. To keep the entire political class quiet, the press has been ordered not to print anything pertaining to his case. On March 19, following a request from State Security Court Prosecutor General Ma'amoun Khasawneh, the head

of the Press and Publications Department of the Interior Ministry, Bilal Tal, sent a circular to all press, telling them not to "run any news or information related to the case of Mr. Shubeilat." Although the move was rightly contested by Shubeilat's defense attorney, Hussein Mjalli, on grounds that it was unconstitutional, and a petition of leaders of 13 political parties was issued March 21, protesting the quasi-martial law situation in the Kingdom, the security authorities have not budged.

The war party

The driving force toward confrontation within the region, is the current Israeli government. As Lyndon LaRouche characterized it in the radio broadcast "EIR Talks" on March 18, there is Sharon, "a well-known butcher," and Netanyahu, "who is a legitimate fascist." And, LaRouche continued, "the time has come where someone has to step on Netanyahu, almost as if he were a bug. Because . . . he's pushed Jordan to the point that Jordan could explode." LaRouche pointed to the fact that King Hussein, a "stability factor," is reportedly ill. "Then," he added, "you have a friend of mine, Laith Shubeilat, who is an Islamic figure, who is a leader of the Engineers' Society, one of the key stabilizing figures inside Jordan. And he is now being framed up for prosecution, for something in which he had no part, simply as rounding up the usual list of suspects, and possibly shooting them." LaRouche warned, "If the King were to die, and Laith were to be imprisoned or otherwise destabilized or killed, then you could see very easily, a scenario for the disappearance of Jordan as a nation-state from the face of the planet, which is something . . . which Ariel Sharon has long desired, is to break up Jordan."

Both Netanyahu and Sharon escalated their provocations toward the Palestinians and Jordan in the last ten days of March. Sharon, while on a visit to Jordan, was quoted on Israeli television, saying that Israel had informed Jordan that it was committed to "finish off the job" of assassinating Hamas leader Misha'al, whom the Mossad had tried but failed to kill in Amman. Sharon later said he "respected Jordan's sovereignty," which referred to his qualification that this time, the Mossad would not kill the man on Jordanian soil.

At the same time, Netanyahu, coming under increasing pressure, exerted by the United States and by UN General Secretary Kofi Annan (see *International Intelligence*, in this issue) responded by rejecting any outside attempt to "dictate" policy. The Israeli Prime Minister again spat in the face of President Clinton, who was reportedly preparing a new initiative to restart peace talks, and threatened to mobilize "Israel's congressmen," among the Zionist lobby and friends of televangelists Jerry Falwell and Pat Robertson, to stonewall any administration move for an Israeli military withdrawal.

If that were not sufficient, Netanyahu's message was, that perhaps a terrorist incident could be arranged, to provide the pretext for a definitive end to the peace process. Thus, on March 24, the *Jerusalem Post* reported, Israel security had

gone on a terror alert, fearing new attacks by Islamic Jihad and Hamas. The "general and growing alert in anticipation of terrorist strikes" was reported by security sources. This came as a result of a strategy session, during which security agencies reviewed recent events they said constituted a pattern. The paper listed them, as if they were a sociological phenomenon, whereas in fact, they all document Israeli provocations. It wrote, "These included the incident at the Tarkumiya road-block, where three Palestinians were mistakenly shot dead by [Israeli] soldiers, growing unrest on the Palestinian street, the violent eviction of Palestinian squatter families by the IDF [Israeli Defense Forces] from Israeli-controlled territory, and the deadlock in the peace process." The paper noted that the situation in the territories was "worse than ever," and that Hamas had reemerged to lead demonstrations. It concluded with an ominous statement attributed to the security source, "A terror attack [launched] from the Palestinian Authority now against Israel would cause the complete collapse of the [peace] process with the Palestinians."

Time is running out

In his interview, LaRouche pointed to the deterioration of the economic situation as a major factor in the crisis, and emphasized the emergence of an opposition to Netanyahu's policies in Israel. Yet, the United States, he said, continued to hesitate, "because of the factor of the Falwells and the Robertsons, who are the main constituency behind the Starr operation, and because of the influence on Hollywood money, and so forth, of certain Zionist operations, which are either part of the Netanyahu operation, or which do not want to oppose it, that is, do not want to be in a position of getting into a fight with them. They don't want to appear to the 'betraying Israel,' " he said, "even if the government is a virtual Hitler."

The tone and content of Kofi Annan's message in Israel, may well be the product of discussions the UN diplomat held with President Clinton in Washington prior to his trip, and may indicate a concerted effort to force the issue with Israel. "The United States," LaRouche said, "is going to have to step in forcefully, with other countries, and put a foot down on this operation. It affects us all. They can't do that. They cannot be allowed to go ahead with this Hitler-like lunacy that Netanyahu is pushing in the Middle East."

One critical move, in stopping the drive toward regional chaos, would be to set free the one political figure in Jordan, who has mobilized an effective opposition to the Sharon-Netanyahu lunacy, and that is Laith Shubeilat.

Calls for the release of Laith Shubeilat should be addressed to the Royal Court at fax number 00962-6-4627421. Copies of letters or petitions should be sent to the Jordanian Engineers' Association (JEA), at fax number 00962-6-5676933, and to the newspaper Al Arab Al Yawm, at fax number 00962-6-5602266.

Controversy breaks out in Italy over British role in Moro assassination

by Claudio Celani

Twenty years ago, on March 16, 1978, a terrorist commando squad kidnapped Italian political leader Aldo Moro, chairman of the Christian Democracy (DC); he was killed after 55 days' imprisonment. The assassination is the most dramatic political murder in Italy's recent history; but, although the Red Brigades terrorists who carried out the kidnapping and murder were arrested, tried, and sentenced, the case is still unsolved. An animated debate has now broken out, over the question of who pulled the strings of the assassins, and why. Not by chance, Lyndon LaRouche's views on the case have been prominently featured.

Aldo Moro was the architect of a "national solidarity" government for Italy: a project that was supposed to include Italy's largest opposition party, the Italian Communist Party (PCI), on the condition that it split from Moscow. Cooperation between the pro-industrial factions of the PCI and the DC would have enabled Italy to become a bridge for the development of the Middle East and Africa, as envisioned by industrialist Enrico Mattei in the 1950s and '60s.

Such a shift, however, was anathema to the British oligarchy, which deployed what was referred to as a "strategy of tension," using both left- and right-wing terrorism to destabilize the Italian nation.

The LaRouche movement, including its representatives in Italy (known at that time as the European Labor Party, POE) ran a campaign to expose the role of the British and their assets. In October 1978, the POE published a book, *Who Killed Aldo Moro*, which charged: "The backbone of Italian destabilization is the feudal and oligarchical aristocracy, which shares a common worldview and an identification with the British Crown and other monarchies. It is a faction that has never accepted industrial capitalism, hates scientific progress, and aims to establish a world system in which they will be allowed to express all their bestiality. They look at the United States and the U.S.S.R. as temporary agencies, destined to be balkanized and taken over."

The British geopolitical destabilization made use of an intricate web of intelligence agents and political assets, including former U.S. Secretary of State and National Security Adviser Henry Kissinger and a motley assortment of Italian freemasons.

For example, an effective police search of Moro's prison was sabotaged by Interior Minister Francesco Cossiga, a Brit-

ish agent, who had put in place a "crisis committee" which made sure that all clues that could have led to Moro's liberation, were suppressed or disregarded. In 1981, it was discovered that the "crisis committee" was controlled by the Propaganda-2 (P-2) freemasonic lodge, affiliated with the Scottish Rite.

Moro's policy collapsed with the elimination of its author. Although a "national solidarity" government, led by Giulio Andreotti, lasted for two more years, without Moro, factional struggles and external manipulation prevailed over higher national interests.

'Limited sovereignty'

With that historical background in mind, consider the fact that on March 17, 1998, the Milan daily *Il Giornale*, owned by opposition leader Silvio Berlusconi, ran a front-page article by Renato Farina, citing the POE's 20-year-old book on the Moro assassination. The author, who disagrees with analysis in the book, uses it to attack the views expressed only two days earlier by the current chairman of the Italian Parliament, Luciano Violante, a former prosecutor and influential member of the PDS party, the post-communist successor to the PCI and a member of the current ruling coalition.

Violante, in an interview with the Turin daily *La Stampa*, had stated that the real truth about the Moro case has never come out, because the convicted terrorists always refused to collaborate with investigators. However, Violante is convinced that the Moro murder and other terrorist acts have to be considered a "case of surrogate warfare among states." Violante added that "all the conditions existed" for a role of foreign secret services in the Moro case. "Italy was a country with limited sovereignty, with slight legitimacy on an international level. In that phase, many international analysts thought that terrorism could be 'surrogate warfare.' "

By "limited sovereignty," Violante was referring to the veto, often imposed by the British through NATO or American channels, against the participation of a party such as the PCI, a co-drafter of Italy's Constitution, in any government coalition. Violante asked, "Who was sovereign at that time, politics or the bureaucracy? I do not know whether somebody, in the institutions, said: 'Moro must die'; I do know that a successful drive to free Moro was not put into motion."

The fact, Violante said, that the heads of the secret ser-



The Italian daily *Il Giornale* features a book issued by the *LaRouche* movement in 1978, titled *Who Killed Aldo Moro*, in which the role of Henry Kissinger and the British oligarchy was investigated.



vices and many members of the crisis management committee belonged to the Propaganda-2 lodge, “is a circumstance that did not favor the liberation of Moro. The P-2 lodge had different political aims than Moro, and since, for a P-2 member, freemasonic loyalty must prevail over institutional loyalty, the consequence is that a loyal P-2 member must not liberate Moro.”

Violante noted an episode which has implications for the current situation: “The greatest mystery in the behavior of state authorities is the Via Gradoli story.” This refers to a terrorist safehouse which was known to the police but, for reasons never clarified, was not searched (see accompanying interview with Sergio Flamigni). Violante attacked then-Interior Minister (and supreme police chief) Francesco Cossiga, an enemy of Moro who made a career for himself after Moro’s murder. Cossiga became Prime Minister two years after Moro’s death, and was eventually elected President. On orders from London, Cossiga promoted, in 1992, a Jacobin “anti-corruption” investigation which destroyed Italy’s traditional political parties, including the Christian Democracy, and which still keeps Parliament under blackmail. Currently, Cossiga is building a new party which is supposed to help destroy parliamentary alliances and drive the country toward further Jacobin chaos, with the ultimate aim of overthrowing the Constitution.

The fact that Violante decided to attack Cossiga is therefore of the utmost importance. However, it will come to nothing, if the British role is not fully exposed. Unfortunately, Violante represents a faction which is itself being manipulated by the British into thinking that the Americans are responsible for Italy’s destabilization, including the Moro murder. Partly, this confusion comes from the prominent role of such British assets as Kissinger, who, as is well known,

threatened Moro in 1976, warning him that his “national solidarity” policy was dangerous. But the confusion is also due to an element of Jacobinism that characterizes Violante’s faction, which prompts them to consider Moro’s party, the Christian Democracy, as a traitor to national interests.

In reaction to this radical posture, representatives of the Christian Democratic tradition (the DC no longer exists) defend both the party and the United States, by denying that there ever was a string-puller behind the Red Brigades. In this way, each faction is being manipulated into quarreling impotently with the others.

Il Giornale deputy editor Farina, for example, belongs to a group of former Christian Democrats who have fallen into the trap of denying a political conspiracy to kill Moro. Probably without intending to do so, he let the cat out of the bag. In his article, starting on the front page with the title “Queen Elizabeth on Via Fani” and jumping to an inside page with the headline “The Red Brigades? On Orders from Her Majesty,” Farina brings up the POE’s book.

“We traced back,” Farina writes, “the literary precedent, the political brother, maybe the moral clone of Chairman Violante. It is the European Labor Party, domestic branch of the American millionaire [sic] *LaRouche*. . . . The POE goes after Britain, and especially after Queen Elizabeth, besides Kissinger and the Knights of Malta. They even bring documents to support it. Perhaps Violante . . . does not refer to the Queen, but to Kissinger for sure, yes.”

While Farina’s intent is sarcastic, the fact is, that the role of Kissinger and his London masters is now back on the front pages of the Italian press. And, as the accompanying interview shows, there are some political leaders today who are not afraid of telling the truth. If Italy is to survive as a nation, that comes not a moment too soon.

The 'spider web' behind the assassination of Aldo Moro

*Sergio Flamigni started his political career as a young fighter in the Liberation war against Fascism. He served many terms in the Italian Parliament and was a member of the secretariat of the Italian Communist Party (PCI), under pro-Western leader Enrico Berlinguer (1922-84). As a collaborator of Berlinguer, Flamigni was one of the participants in the project of Christian Democracy (DC) chairman Aldo Moro for a national unity government, in 1976-78, a project which was crushed by Moro's kidnapping and murder by the terrorist Red Brigades (March 16-May 8, 1978). As a witness and protagonist during those years, Flamigni took upon himself the mission of finding the truth about those tragic events, and bringing it to the light of day. It was through his groundbreaking work *The Spider Web*, published in 1988, that the "secret government" apparatus, complicit in Moro's murder, was conclusively exposed. Among other things, Flamigni was inspired by the dossier published by the LaRouche movement in October 1978, *Who killed Aldo Moro*, which exposed the role of Henry Kissinger and pro-British networks in Italy and in the United States, in the conspiracy to kill Moro. Flamigni was interviewed by Claudio Celani on March 16; the interview was translated from Italian.*

EIR: Senator Flamigni, exactly 20 years ago, Aldo Moro was kidnapped by the Red Brigades, who killed him after 55 days' imprisonment. In these 20 years, there have been five official trials, and a sixth investigation is going on in Rome. The Red Brigades members have been arrested and sentenced. Has the full truth come to the surface?

Flamigni: Absolutely not. As an example, I will tell you that yesterday, an Italian TV broadcast released an opinion poll, according to which 98% of Italians believe that "no," the truth has not been revealed. Only 2% answered "yes," they think that everything is known.

Indeed, many aspects remain in full darkness, although discussion in all these years has never ceased. It is a fact, that those terrorist leaders who know the full truth, have consistently refused to come forward with the truth. And, especially the two Red Brigades leaders, Moretti and Gallinari, who are the only ones who had personal access to Moro during Moro's imprisonment, absolutely refuse to speak. They do not want to tell the truth.

EIR: What are the most important issues still to be clarified?

Flamigni: First of all, how could the terrorist commando know that Aldo Moro was going to drive through Via Fani, that morning? It is known that Marshal Leonardi, the head of Moro's security detail, who was killed with all members of the escort, changed the route every day. Leonardi knew that Moro was under threat. Moro himself, as is shown in an interview he gave to journalist Di Bella shortly before his kidnapping, lived in a state of anxiety because of this threat. A series of events had indicated that Moro was being followed, and this had prompted his security staff to file a request for an armored car for Moro's safety. The request was denied, under the pretext that there was no car available. This is a lie. I myself witnessed, on March 16, when I entered Parliament, a state undersecretary coming to Parliament with an armored car. And like this guy, many other politicians or government officials, who were all risking much less than Moro, received more protection than Moro.

EIR: Who was responsible for assigning armored cars?

Flamigni: Two persons, the chief of police and the Interior Minister.

EIR: Before we talk about them, what other issues have not yet been clarified in the trials?

Flamigni: Who was the sharp-shooter who, with extreme skill, fired 49 shots, the most deadly ones, that killed Moro's security team? The only security agent who even succeeds in drawing his weapon and firing two shots, is blown away by this mysterious figure. From the expert analysis of the bullets, it is clear that this figure killed Leonardi and his colleague Ricci. A witness, a gasoline dealer who watched the scene from a distance of 80 meters, saw one person firing at Moro's car from a short distance. Then, he jumps back, with extreme agility, broadens his fire and shoots at the security car. The witness is a weapons expert: He served in the military Corps of Engineers, where he was responsible for repairing weapons.

Neither this person nor the weapon used has ever been found. The Brigade members who were arrested, claimed that this person did not exist; but they were absolutely not able to act in such a professional, military way.

Furthermore, during the trial, one Brigade member, Valerio Morucci, called on a very ambiguous figure to support his version of events. Morucci called on a weapons expert, Morin, to help him try to demonstrate that the Scorpion submachine gun found in the safehouse where he was arrested, was not the same one used in the Via Fani assault. Of course, during the trial, it was demonstrated that it *was* the same weapon. But Morucci's "expert," Morin, was afterwards revealed to be a member of the clandestine NATO "Stay Behind" structure, known as "Gladio."

Another mystery is the presence, that morning in Via Fani, of Colonel Guglielmi, a member of the secret service. This fact was revealed by a witness, a secret service officer named Ravasio, who had been part of a Gladio training camp in Sardinia, in Capo Marrongiu. Ravasio furthermore revealed that the secret services had infiltrated an agent into the Red Brigades, who revealed the Brigades' plans to kidnap Moro!

Guglielmi appeared in court and explained that he was at Via Fani, because he was going to have dinner with a friend and colleague, Colonel D'Ambrosio. At 9 o'clock in the morning!

D'Ambrosio confirmed that Guglielmi appeared at his house that morning, shortly after 9:00 a.m.; but D'Ambrosio had not invited him.

EIR: What about the famous Via Gradoli story, maybe the most extraordinary sabotage of police operations to find Moro?

Flamigni: Yes, this is the most astounding case. Via Gradoli, a street in Rome, was a safehouse where Mario Moretti, a leader of the Red Brigades military command, was hiding. It was later discovered that the police had been there *several times* during that period, and had searched the building, but did not enter that apartment. All this came out later, in a sort of circus routine.

It is now confirmed that on March 18, that is, two days after Moro's kidnapping, the chief of police, Zanda Loi, was informed about a possible terrorist safehouse on the Via Gradoli. The police were sent to the place, and a report was written by Brigadier Merola, after the operation. Merola's report says that the police went to a building at 96 Via Gradoli, at 7:30 a.m. There are two buildings at that number, and the police went directly to the right one (this means that they had precise information). They were in front of the door of the flat rented by Brigade member Moretti, under the false name of Borghi. They knocked at the door. Nobody answered. The police left.

Do you understand? *A police team was in front of the flat where, according to information, Aldo Moro's kidnappers could be hiding. And they left, after knocking on the door!*

Before leaving, the police were approached by a young woman, living on the same floor as "Mr. Borghi." The woman revealed that, during the night, she heard somebody

transmitting in Morse code from the neighboring flat. The woman is the daughter of a Navy officer and has familiarity with Morse transmissions. She heard somebody transmitting and receiving from 2:30 to 3:00 a.m. She would go that day to report to the police, but since the police were there now, she begged them to file her information with Commissioner Cioppa, the head of the local police station. Brigadier Merola promised that yes, he would report to Cioppa.

The police claimed that they never received a report on the strange Morse code transmissions. Furthermore, Merola's report about the Via Gradoli search disappears.

Several days later, police authorities were again informed about Via Gradoli. This time, it is none other than Romano Prodi, currently the Italian Prime Minister. He reported to the government that, during a media briefing, the name "Gradoli" popped out. It is of course a cover, to protect the source of their information. But nevertheless, it is another indication. At that point, the police are sent to—Gradoli, which is a village outside Rome!

Despite this, Moro's wife, Eleonora, suggested to the police that it might be a street with that name. She was told that such a street does not exist. Later, in court, the police officer defended himself by saying that they looked in an old street directory and did not find it.

A few weeks ago, former state President Francesco Cossiga, who, as I said, was police minister at that time, testified before the investigating committee on terrorism of the Italian Parliament. He was confronted with this question, and he asked to be questioned in secret. I was told that he went on a rampage against Mrs. Moro, basically saying that she lied when she insists that she had indicated that "Via Gradoli" had to be searched. Cossiga has no critical words about the police operations during that 55-day period.

EIR: Luciano Violante, current chairman of the Parliament, stated in an interview a few days ago that, on this issue, he believes Mrs. Moro and not Cossiga.

Flamigni: I agree with Violante. It is not clear who was the go-between between Mrs. Moro and Cossiga (some say Tina Anselmi, who has been an influential member of Parliament); however, I believe Mrs. Moro.

When they finally "discovered" the Via Gradoli safehouse, it was April 18. The same day, there was the famous circus of the Lago della Duchessa search, which I will discuss in a second. But two days later, on April 20, the Brigades issued the death sentence against Moro. It was predictable, and there is a connection between the two facts.

The Via Gradoli flat was discovered because, after the Brigades had abandoned it, "somebody" left the shower running, and even turned it so that the water would soon drop from the ceiling of the flat beneath.

When the police opened the flat, they "discovered" that this had been Moro's safehouse. I believe that this occurred because somebody wanted to put pressure on the terrorists.

The message was: "You see, we are after you, we will get you. Now, make it short, make an end to it!" Keep in mind that the only terrorist safehouse discovered during the period of Moro's kidnapping was exactly the one where Moretti, the head of the commando, was.

That same day, the police were sent to the Lago della Duchessa, a lake in the Appennine Mountains, because a so-called Red Brigades release announced that Moro had been killed and his body thrown in that lake. This was an incredible circus, which Cossiga set up. It was clear that the release was false. Domenico Spinella, head of the Rome investigative police, refused to act on the basis of it. Cossiga sent there Emilio Santillo, national head of the police, together with Rome state attorney De Matteo. As soon as they got to the lake, Santillo also realized that this was clearly a fake. It had been snowing for days, there were no footprints, the lake was covered with a thick layer of ice. But despite that, the circus went on for two days, with divers breaking the ice and looking for Moro's corpse in the lake.

EIR: This brings us to Cossiga's role in the Moro affair. Is he responsible for sabotaging police operations?

Flamigni: Cossiga was not the head of the police, he was the minister. But he appointed all the persons who were responsible for police operations, and the anti-terrorism fight in particular. Later, it was discovered that they all belonged to a secret masonic lodge, called P2 [Propaganda 2], which a parliamentary committee has found guilty of a plan to overthrow republican institutions.

Cossiga had an entire apparatus, with personnel, skills, and experience in the fight against terrorism, but he hardly used it. He created three committees to manage the crisis, and filled them with personnel from outside the administration. They were mostly members of the P2. I can name Grassini, Santovito (heads of military intelligence), and Pelosi (head of internal intelligence). In particular, he preferred Grassini, a Carabinieri general, to Emilio Santillo, who was really the only police officer with a professional anti-terrorist background. Santillo had successfully led the national police anti-terrorism squad, with brilliant results. He had practically eliminated a whole terrorist organization, the NAP. But in January 1978, two months before the Moro kidnapping, Cossiga dissolved Santillo's team, created a new one, called UCIGOS, and appointed a provincial head of the police, Fariello, as its director. Fariello was a man whom Cossiga could totally control, who came from Sassari, Cossiga's hometown. But Fariello was totally incompetent in terrorism matters.

Cossiga had a pretext for this reorganization: the new bill which reformed Italy's secret services, splitting the existing SID into two branches: a military one, called SISMI, and a civilian one, called SISDE. But, while the SISMI is practically the old SID with a new name, the civilian SISDE is totally new. And, he invented UCIGOS, a section of the

police, with new personnel. This is the background to a new revelation, concerning a plan that Cossiga made in those days, and which allegedly was rejected by the government. Reportedly, Cossiga drafted a plan for establishing a special military corps on the model of the British SAS. This, he said, would be an efficient instrument to look for terrorists. It was called the Pater plan. In the polemics surrounding this newest revelation, the litany has been repeated that law enforcement agencies were unprepared for the kind of threat which unfolded with Moro's kidnapping.

How can you say that? Terrorism had been targeting Italy for years, taking hundreds of victims: politicians, businessmen, law enforcement officers, and even trade unionists. And you, Mr. Cossiga, say that the state was unprepared? But then, it is entirely your responsibility, if you are unprepared. At least you should have had a preventive plan!

In a release issued by the "Strategic Command of the Red Brigades" in December 1977, their strategy was officially announced: They celebrated the assassination of German business leader Hanns-Martin Schleyer, and the "European role" played by the German RAF [Red Army Fraction] terrorists, and they announced that they would "hit the Christian Democratic Party, starting at its central levels." And Moro was the most central figure of the DC!

But despite this, on March 16, when the news of Moro's kidnapping and the assassination of his bodyguards reached the authorities, Fariello ordered the implementation of the "Zero Plan." It really was a "zero" plan: nothing! It was a plan developed and adopted for kidnappings in Sardinia, common criminality. But nobody could find the plan. It had been left in Sardinia!

EIR: Can you tell us who Cossiga is, what his background is?

Flamigni: Cossiga was originally a political opponent of Moro within his own party, the Christian Democracy. He is a protégé of Antonio Segni, an old Notable who represents Italy's traditional landowning class. Segni, a former Prime Minister and state President, appointed Cossiga as liaison between his office and the secret service. Cossiga kept up this liaison during a cabinet chaired by Moro in 1966. When the truth about a coup d'état plan, called "Piano Solo," which Segni had supported, was revealed, Cossiga was the person who guaranteed the secrecy of key parts of those documents, which will never be known to Parliament.

The Solo plan was supported by Segni and then-Chief of Secret Services General Di Lorenzo. It contained a list of prominent politicians and trade unionists to be jailed in case a state of emergency were to be declared, in which key constitutional guarantees would be suspended.

EIR: Aldo Moro's son has recently declared that his father's name was probably on that list.

Flamigni: Yes. But the documents have disappeared. It is

thought that the list of persons to be jailed concerned not only opposition figures, but also Moro and his followers. That is Cossiga's political background.

EIR: What is the role of London in the whole story?

Flamigni: Cossiga bases himself a lot on the British. His reference point is the SAS, and the SAS praises Cossiga's plans, such as the "Pater" plan. I discern a British presence in the secret part, whose records have disappeared. But Cossiga covers also for other elements, for instance, Steve Pieczenik, a man who worked under Henry Kissinger at the State Department. He was sent to Italy at Cossiga's pressing request, to "help" in the Moro case. The Carter administration had decided that the CIA would be activated in the Moro case only if U.S. security were directly threatened. But Cossiga insisted, and the State Department sent Pieczenik, Kissinger's man (remember that Moro had been threatened by Kissinger, who did not like his policy).

Parliament learned about Pieczenik only years later, when Minister Scotti informed us about him. Cossiga says that he covered for him, because he believed this was a state secret.

As for London, again, if we consider the role of Freemasonry, then we learn a lot. As I said, the secret P2 masonic lodge had tight control on law enforcement during the Moro imprisonment. And, certain P2 members had been directly affiliated with London.

I remember that I was impressed, when I read the dossier published by the LaRouche people in 1978, *Who Killed Aldo Moro*, where Britain is indicated as responsible for Moro's murder. I picked up a sentence by Cossiga reported in that dossier: "We will have to get accustomed to living with terrorism." I traced back the original text and I saved it.

EIR: Why was Moro murdered? What was his policy?

Flamigni: The idea of "national solidarity" was the matrix of all of Moro's policy. He comes from a region, Apulia, where he witnessed the widespread poverty among peasants. His mission in politics was to put an end to that poverty. Moro represented what is otherwise called the "social doctrine of the Church." In his life and political career, his early friendship with Cardinal Montini, later Pope Paul VI, counts for a lot.

He first applied his idea of "national solidarity" in the center-left governments, in 1964. This was the government alliance between the Christian Democracy and the Socialist Party, on a clear pro-Western orientation. He was the mastermind of that project, but let somebody else, [Amintore] Fanfani, lead the government. At the same time, Moro's desire for Italy's independence showed itself in his foreign policy: During the 1973 Arab-Israeli war, Moro denied Henry Kissinger the use of military bases on Italian territory. Kissinger was furious about that.

In the new phase that opened in 1976, Moro developed

his solidarity concept to include all constitutional forces for an independent policy. The new center-left would include, this time, Berlinguer's PCI. Again, he was the mastermind of the project, but had somebody else, [Giulio] Andreotti, lead the government.

EIR: Did Moro's center-left project intersect Kennedy's policy?

Flamigni: I would say, yes. In 1961-62, Kennedy sent advisers to Rome and gave the okay, on the condition that the center-left would stay clearly in the pro-Western camp. The real shift occurred after the Cuba crisis. Moro's foreign policy was a development of Kennedy's; Moro's policy is also the same as that of Enrico Mattei, the founder of Italy's national oil industry, who was murdered in 1962, shortly before he was to meet with Kennedy.

EIR: Kennedy, Mattei, and Moro were assassinated. Is there a single thread linking the murders?

Flamigni: I have examined the question. I have compared Moro's murder to the Mattei and the Kennedy cases. Why did they not do with Moro what they did with Mattei and Kennedy? I mean, a "simple" murder. No, they kidnapped him and kept him such a long time in prison, knowing well that, in the end, they would have him killed anyway. Well, with Mattei, everything went through his person. Eliminate him, and you eliminate his policy.

But had they killed Moro on the Via Fani, he would have become a martyr and his policy, his "historical compromise," would have been strengthened. But the aim was to dismantle all the work Moro had done. His work was dismantled in 55 days of national suffering. During those days, the national solidarity was broken. A split occurred among the political parties on how to deal with the terrorists, who posed unacceptable demands to the state, and promised, in exchange, to free Moro.

They would not have freed him, of course; Moro's sentence was written from the first day. But they succeeded in destroying his policy.

I think that the final aim of the forces that deployed the Red Brigades terrorism was to destroy Italian institutions. The terrorists proclaimed that they wanted to destroy the heart of the state. At that moment, the DC and the PCI were the largest forces among those that had written the Italian Constitution, at the end of the war. In the Constitutional Congress, the PCI, in particular, made fundamental choices, accepting a democratic order, something that the Red Brigades characterized as "betrayal." In writing the key passages of the Constitution, Moro had played a key role, through his direct collaboration with PCI leader Togliatti. So, I think that there is a "parallel convergence," to use an expression invented by Moro for other purposes, between terrorism and the old oligarchy that has never accepted that Constitution.

India's new BJP government spells out its top priorities

by Susan Maitra and Ramtanu Maitra

The newly sworn-in coalition government led by the Bharatiya Janata Party (BJP) leader Atal Behari Vajpayee, has identified five policy priorities and has sought cooperation from other politicians in nation-building. The BJP-led government has been asked by President K.R. Narayanan to prove its majority in the Indian Parliament before March 29.

In the 12th Lok Sabha (lower house of Parliament) election that ended in February, the BJP emerged as the largest party, winning 180 of the 545 seats. Its coalition partners brought in another 80 seats, to make the group the largest. Subsequent alliance by a handful after the election helped the BJP to form the government. Despite alliance-making efforts which lasted for more than a week, the BJP government will have a razor-thin majority, making it highly vulnerable.

Promising signals

The BJP is the only political party that is growing nationally; in the last polls, the BJP for the first time won seats in the south and northeast. The other national party, the Congress Party, has been on the wane throughout the 1990s. It remains a powerhouse in certain states, however, and managed to secure 140 seats in the Lok Sabha, to emerge as the second-largest party.

The decline of the Congress Party is due to the growing mistrust of party leaders by the electorate. Too many promises, too many misdeeds, and too much power corruption have weakened the once-mighty political party of India.

In contrast, the BJP's image is that of an untested entity. There is a realization within the top echelon of the BJP that, in order to keep growing, the party in power must deliver goods, in significant amount, to the people. Analysts point out that there were a number of factors behind the success of the BJP in the just-concluded polls. These include the huge credibility gap of the United Front-Congress Party alliance, and the BJP's image of a sincere and honest, albeit naive, party, which has been kept out of power by the machinations of the old establishment. If this analysis is correct, then the BJP leadership must realize that unless its promises are kept, the growth trend that the party now enjoys will evaporate in no time.

In his first address to the nation, Prime Minister Vajpayee promised a lot:

- States to be empowered to clear Foreign Direct Investment up to 15 billion rupees in core sectors;
- Food production to be doubled in 10 years;
- Rapid expansion and improvement of drinking water, housing, sanitation, education, health care, and other social sectors;
- Rapid expansion of physical infrastructure—power, oil, petroleum, roads, transport, ports, telecommunications, etc.;
- Adoption of a National Water Policy;
- Making India a global information technology power;
- Safeguarding the national interest in the World Trade Organization (WTO).

Although Vajpayee's priority list contains some of the items that were earlier approved as the National Agenda by the BJP and its allies as a common goal for the government, it does not include all the items in the BJP's own priority list, such as adoption of the nuclear option for national security. It is, however, widely known that the present government has no intention of giving up the nuclear option as of now.

The first impression one gets listening to Vajpayee's Cabinet ministers, is that there is a recognition that the country is stagnating badly, due to policy indecision. The new government has to move quickly. This came across clearly in Power Minister P.R. Kumaramangalam's first meeting with the media.

Acknowledging a gross shortage of power throughout the country, the Power Minister said that the BJP-led government is working out a mechanism to clear fast-track power projects in three months. He said that a committee is likely to be set up to look into the delay of projects, worth over 860 billion rupees (more than \$2.2 billion), that are presently gathering dust in the bureaucracy. Kumaramangalam added that the government would welcome foreign investment in the power sector, but "we are not going to depend on these investments fully," and added that internal resources, too, would be mobilized to meet the country's power generation requirements.

Problem areas

The biggest problem facing the new government is surely the economy—more precisely, the financial situation. Fi-

nance Minister Yashwant Sinha, who was the Finance Minister in the Chandrashekhar government (1990-91), has acknowledged that all is not well with the economy. The marked slowdown of the domestic and international economy has drawn his attention.

Sinha told the press, after assuming his job, that his priorities include removal of imbalances from the government's budget and reversal of the shortfall in the government's revenue earnings. He also assured the multinational corporations and foreign investors, that the new government would not set up roadblocks to foreign investment. He pointed out, however, that the government would clearly define the priority areas where the country needs foreign investment. "We will not leave anything vague and we will also streamline procedures to facilitate greater foreign investment in the country," he added.

On the exchange rate, the Finance Minister made it clear

that he does not subscribe to the theory that a lower currency value encourages exports. "We will like to have a stable exchange rate," he told the press, and maintained that "the exchange value of the rupee is only one component in the export business."

Despite the assurance given by the Vajpayee government that it would not make any drastic change in financial policy, apprehensions abound. Industrialists and businessmen estimate that the Vajpayee government will not be able to deflect pressures exerted by a faction of the Rashtriya Swayamsevak Sangh (RSS—see *Documentation*) on economic policy. The foremost worry among this circle is whether the *swadeshi* (which really means, "India first") lobby will scare away foreign investment and lead to further stagnation of the already-backward technologies in the core sectors. There is no doubt that the pressure group within the RSS pushing *swadeshi* is a powerful one.

Who is Prime Minister Atal Behari Vajpayee?

Born in 1926, Atal Behari Vajpayee campaigned for his first parliamentary election in 1957 as a member of the Jana Sangh, the party he helped to found in 1951. The Jana Sangh was the political arm of the Rashtriya Swayamsevak Sangh (RSS). The organization was formed in 1923, at a time when tension between Hindus and Muslims had intensified under the British Raj, and the colonial rulers were systematically fragmenting Indian society with the ultimate objective of breaking up the country at their departure. The BJP was formed in 1980 by members of the Jana Sangh, which had been merged with the then-governing Janata Party in May 1977.

Vajpayee is an articulate orator and an accomplished parliamentarian. He served the Janata Party-led government (1977-80) as Foreign Minister, and then became Prime Minister for 13 days in 1996, when the BJP staked a claim for power, but subsequently failed to show the required majority in the Lok Sabha.

Despite being a very important leader with the RSS, which is still considered an "untouchable" by many Indians, Vajpayee is regarded as a BJP leader who is neither communal nor narrow-visioned. After the swearing-in, in his first meeting with the media, Vajpayee spelled out his government's approach to the much-debated issue of secularism. Invoking the Tamil philosopher Thiromoolar's dictum, "We all belong to one clan, there is but one God," Vajpayee said that this is the "only valid meaning of secu-

larism," as far as he and his colleagues are concerned. He said that his party would re-create the spirit that guided India's freedom struggle: bringing together people of all religions, all regions, all professions to create a strong, confident, and surging India.

Vajpayee has kept the Foreign Ministry portfolio in his own hands, with a young woman parliamentarian from Gwalior as his deputy. Vajpayee was the Foreign Minister in the 1977 Janata Dal-led government, and this stint of his is considered even today as one of the most potent periods of diplomacy by any Indian Foreign Minister. His tenure as Foreign Minister is warmly remembered by most Pakistani politicians and bureaucrats as the period when India showed genuine interest in developing friendly relations with its neighbors. In fact, many consider that the much-touted Gujral Doctrine (named after outgoing Prime Minister I.K. Gujral), which identifies India's prime objective as earning the friendship of its neighbors by settling disputes to the neighbors' satisfaction, was really pioneered by Vajpayee. Vajpayee also has the distinction of being the first Foreign Minister to visit China after the 1962 border skirmish.

While most BJP stalwarts, such as L.K. Advani and Murli Manohar Joshi, are considered as political representatives of the RSS, Vajpayee has developed a large political grassroots base of his own. This base includes caste Hindus, lower caste Hindus, scheduled caste and scheduled tribes, Muslims, and Christians. Vajpayee's network also includes a large number of BJP politicians who have little or no connection to the RSS.

A man who loves to write poetry more than engage in politics, Atal Behari Vajpayee is perhaps the trunk from which the BJP tree has flourished in recent years.

The Finance Minister's stated concern about the industrial slowdown has prompted discussion on exactly what he wants to do. There are indications that the BJP may go for pump-priming the production base. This would rekindle domestic growth, but would also enhance imports, leading to an increase in the external payment imbalance. Some analysts claim that by weakening the rupee, exports can be enhanced to offset the increased external payment imbalance. There are many who claim that the rupee is overvalued, particularly in light of the weakened Southeast Asian currencies.

Another problem area for the new government is its non-recognition of the fundamental causes of the financial devastation that has been wrought in Southeast Asia. As yet, none of the BJP leaders have responded to the scheduled April 16 meeting in Washington, D.C. of 22 nations on global economic and financial matters.

Foreign reactions to the new government

U.S. President Bill Clinton, in an unprecedented move, telephoned the Indian Prime Minister and expressed Washington's desire to "move the relationship forward." The Clinton-Vajpayee conversation, which lasted for about ten minutes, emphasized the values that India and the United States share. Clinton also told Vajpayee that he is looking forward to visiting India this year.

Similar positive signals came from both Bangladesh and Pakistan. Pakistani Prime Minister Nawaz Sharif was put under pressure by the hard-liners to rebuff the "Hindu nationalist" BJP government and put on hold future talks with New Delhi on various disputes that have poisoned the two countries' relations, including trade and commerce.

Congratulating Vajpayee on assuming power, Nawaz Sharif offered to go "an extra mile" toward improving bilateral relations, and invited the new Indian Prime Minister "to work closely with us for ushering in a new era of durable peace and stability in South Asia."

While Islamabad and Washington welcomed the new government, the media in London, not unlike the orthodox Islamic hard-liners in Pakistan, called it a "motley ruling coalition," and saw in the government a coalition of neo-fascists, religious extremists, and Hindu nationalists, among others. Most of the British papers chose to use "neo-fascists," "Hindu chauvinists," or "Hindu nationalists" as labels to identify the BJP.

Apprehension over the BJP was also broadcast by Standard & Poor's. Clearly overstepping its brief, S&P declared that India's economic health is not good, two days after the

government was sworn in, and also stated that the BJP-led coalition was a group of "opportunistic parties with no ideological coherence." S&P said that it would continue to downgrade India's credit rating unless the new government shows "a clear commitment to fiscal prudence, including more credible reforms in the public sector and rapid movement toward privatization."

The peg on which the British, along with the Islamic and other BJP-baiters, hang their hats in identifying the BJP as "neo-fascist," is the fact that many believe that the organization is controlled by the Rashtriya Swayamsevak Sangh, a cadre organization. The RSS celebrates the glory of India prior to the invasions of the Turks, Mughals, and British, and trumpets the uniqueness of Hindu civilization. The RSS was banned thrice by the government of India. The first banning came in 1948 following the discovery of its links to the assassin of Mahatma Gandhi. It was banned again in 1975 following the imposition of a state of emergency by Mrs. Indira Gandhi. Then, the RSS was accused of anti-social activities with the purpose of bringing down the government. The last banning came in 1993, following the demolition of an Islamic mosque, the Babri Masjid, in Ayodhya. The RSS, along with two other Hindu religious groups, were accused of masterminding the demolition, although the ruling Congress government's involvement in the demolition, and events leading to the demolition, is not beyond suspicion.

No doubt the RSS tightly controlled its political wing as long as it remained small and insignificant. It is generally acknowledged today, however, that the RSS has been reduced to merely an important faction within the BJP, as the party has grown multifold and now has a huge political machine of its own. Moreover, beginning in 1996, the BJP began to bring under its fold regional political parties which have little commitment to the Hindu religion. Prior to the 1998 polls, Punjab's Sikh-religion-based Akali Dal became an important ally of the BJP, and in the post-election adjustments, Dr. Farooq Abdullah's Muslim-dominated National Conference party of Jammu and Kashmir threw its support to the BJP.

Although the BJP has never been in power in Delhi, it is not an unknown quantity. Over the last decade, it won electoral victories in a number of Indian states and at present holds power in the most populous state of Uttar Pradesh and such other important states as Maharashtra, Gujarat, Rajasthan, and Delhi. In all these states, the BJP functioned as well as one could expect, and yet allegations against the party continue to appear galore in the British and other media.

In addition, those who conjure up the fear of "neo-fascists" riding to power in Delhi, ignore the fact that many of the individuals who are now in the Vajpayee Cabinet had also served as ministers in the Congress or United Front governments earlier.

Victoria's private prisons explode

Once again, the British are involved in setting up inhuman penal colonies in Australia.

On March 11, prisoners at Melbourne's privately run Port Phillip Prison went on an eight-hour rampage, destroying thousands of dollars worth of property, and nearly murdering a prison guard. Eight days later, two prisoners hanged themselves.

These incidents are merely the latest in a series of disasters to afflict Victoria's private prisons since the first one opened just 18 months ago. Riots, robberies, suicides, self-mutilations, and drug abuse have been rampant, under conditions in which one prison guard will sometimes have to oversee 500 inmates. The Port Phillip Prison, the state's newest, has the worst record: Since it opened last September, there have been 7 deaths, 41 self-mutilations, and 10 drug overdoses. Despite having only 22% of Victoria's record prison population, Port Phillip has accounted for 70% of all Victorian deaths in custody.

Like the rest of Victoria's privatization program under Mont Pelerin Society pin-up boy, Premier Jeff Kennett, the new prisons are a British import, complete with British owners. Port Phillip, for instance, is owned by the British firm, Group 4 Securitas.

Following the fifth death at Port Phillip in early January, the opposition spokesman on prisons, the Labor Party's Andre Haermeyer, charged that it was Kennett's "horrendous" privatization program which caused the mayhem: "These private operators are in the business of making a profit, and to do that they cut costs by cutting corners in safety and security, and that is totally unacceptable," he said. In just 18 months, Kennett has transferred

50% of Victoria's prison population to private prisons, the highest proportion of prisoners in private jails in the world. This compares with 3% for the United States, and 7% for Britain.

Officials in Victoria's judicial system have also attacked the privatized prisons. In February, senior magistrate Brian Barrow recommended an Aboriginal man not serve any of his sentence in a Victorian private prison, because his life would be in danger. Last June, one of the state's most senior judges, Justice Frank Vincent, charged that privatization meant no accountability and the likelihood of cover-ups, with which governments "might become complicit for political reasons."

As if to prove Justice Vincent's fears, Kennett's Director of Correctional Services, John van Gronigen, told the Law Institute of Victoria on Oct. 16, 1997, that private prison operators had the right to keep secrets, for "commercial" reasons. "There are things in prisons systems and procedures and ways of doing things that I feel, if you tried to explain it to the public . . . they would never accept it and . . . they would never understand," he said.

Port Phillip Prison's private operator, Group 4 Securitas, was the first private prison operator in Britain, and is an investor in other British privatizations, including that of the gas industry. Group 4 has a lunatic "market approach" to prison operation, and defines prisoners as "customers." The company's director of Australian operations, Stephen Twinn, told the *Herald Sun* on March 23 that "keeping the

customers satisfied, with good food, good visitation rights, and civilized treatment," is a sound investment, and that "it was a 'commercial death' for a private operator to have a major disturbance caused by poorly treated prisoners."

But, the day after the March 11 riot, Twinn astounded the prison's guards, police, and emergency workers by downplaying the riot as a "passive demonstration." The guards were already outraged by Twinn's refusal, at the peak of the riot, to issue them batons. This caused a tense stand-off between guards and management, until Twinn eventually backed down. Following the riot, the prison officers union, the Community and Public Sector Union, demanded changes, including increased staffing levels and the completion of overdue repairs to broken cell trap doors (through which food is passed). Anecdotal evidence suggests poor morale among guards under Group 4's management: a prison officer was found hanging by his belt in his home in February. In a face-saving effort, Group 4's international managing director, David Banks, flew in from London on March 20 to announce that the company will be flying in 15 senior British staff to take control of the situation at Port Phillip. Haermeyer responded that importing British officers would not solve the problems. "It's their system that caused the problems," he said. "Why bring more of them out here?"

On March 24, Haermeyer attacked Twinn in Parliament as a "reject from the United Kingdom," highlighting Twinn's removal from his post as the director of Britain's first private prison, Wolds Remand Centre, amid reports of drug abuse, violence, and poor discipline among inmates. The Wolds record under Twinn in 1992 is strikingly similar to Port Phillip's problems today.

International Intelligence

Mideast expert: Lift sanctions, rebuild Iraq

The March 19 issue of the *International Herald Tribune* ran an opinion column by Mideast specialist Judith Kipper, calling for the United States to take the lead in getting UN sanctions lifted from Iraq and rebuilding its economy. According to *EIR*'s sources, Kipper has contacts throughout the Middle East, and is connected to U.S. Democratic Party policy circles. Her proposal bears much similarity to one that has been attributed to former Israeli Prime Minister Shimon Peres, although he has never admitted it publicly.

Her proposal includes: rebuilding Iraq's conventional military forces under close supervision; a peace treaty with Israel and the construction of an oil pipeline to the Jordanian-Israeli ports of Aqaba-Eilat; and, an international fund for the reconstruction of Iraq, drawn from a percentage of Iraq's oil revenues, among others. Economic development, she writes, "would create a much-needed economic boom in the area and significantly contribute to stability in the region. . . . Tensions in the area over Iraq would be lessened and the stagnating Arab-Israeli peace process prodded, creating a new geopolitical landscape."

Annan slams Netanyahu on peace process

United Nations Secretary General Kofi Annan sharply chastised Israeli Prime Minister Benjamin Netanyahu, while in Israel on March 25. Speaking at the Israeli Council on Foreign Relations, he said, "As a friend, it gives me no pleasure to recite a list of grievances which the international community has against Israel. But I think it is important for you, my Israeli friends, to try to understand that those grievances do not come out of a clear blue sky. Here is what the great majority of the member states of the United Nations say: They regard Israel as having been responsible, directly or indirectly, for provocative acts that undermine

goodwill and spark hostilities."

Annan underscored that the formula of the Oslo agreements, land for peace, is "the only principle that has a chance of bringing peace to this land." In the view of the great majority of the members of the UN, he said, Israel has violated its obligations. He listed the settlements, hardships imposed on Palestinians by restrictions on their movements, and "other actions that take from Palestinians their homes, their land, their jobs, their residence permits—their very dignity."

Annan said that almost every Arab leader he had met before coming to Israel was "skeptical about the good faith of the current Israeli government" and suspected that the conditions Israel places on any progress "mask an unwillingness to carry out your side of the bargain. I have found, in short, a crisis of confidence."

British terrorist handler on pilgrimage to Syria

George Galloway, the British Labour MP who led the fight to block legislation banning terrorists from operating in Britain, was on a pilgrimage to Hafez al-Assad's Syria in mid-March. Accompanying Galloway was John Taylor, a leading handler of the Kurdish Workers Party (PKK) terrorists. According to Syrian state television, "They looked forward to the day when Syria will impose its sovereignty over the [Israeli-] occupied Syrian Golan, and when the Israeli occupation of Syrian or Lebanese territories will be dismantled." Syrian TV added that their talks with Syrian officials "reflected a steady improvement in Syrian-British ties."

Galloway is quoted as saying: "When we speak of putting pressure on Israel, we mean what we say. If Israel's intransigence remains unchanged with the end of [British Foreign Secretary Robin] Cook's tour, if it continues with its utter defiance of international resolutions, and if Israeli Prime Minister Benjamin Netanyahu persists in his defiance of the world public opinion, we must then identify the means that will make him comply, evacuate the territories he is

occupying by force, and show respect for international law."

The British are playing a double game, as usual. In motivating the House of Commons vote against banning terrorist gangs based in Britain, Galloway had urged that "one man's terrorist is another man's freedom fighter."

Indonesia sends new ambassador to Washington

Dr. Dorodjatun Kuntjoro-Jakti submitted his ambassador's credentials to President Clinton on March 16, and read a statement on the importance of U.S.-Indonesian ties. "The United States and the Republic of Indonesia have, for many years, enjoyed a cordial and multi-dimensional relationship which has been tested in history," the statement said.

"While we acknowledge that our relationship has once in a while faced difficulties during these past years, however, those have been solved by the personal and cordial relationship that has developed between President Clinton and President Suharto. . . .

"Noting that the United States and Indonesia are respectively the third- and fourth-ranking large-population countries in the world, we are convinced that there is much we can do in our mutual cooperation, bilaterally, regionally, and multilaterally. . . ."

U.S.-German relations boosted by new academy

The united Germany is the most powerful engine for building the new Europe, said U.S. Deputy Secretary of State Strobe Talbott in his keynote address at the March 20 inauguration of the American Academy in Berlin. "As a new Europe emerges out of what Americans still think of as the Old World," he said, "we see a united, democratic Germany as both an important symbol and a powerful engine of what is happening, and what can happen, in Europe as a whole."

Talbott also counterposed U.S. policy toward Germany to Britain's posture: "I'm

ISRAEL lifted the entry ban against Brooklyn Rabbi Avraham Hecht, who on Oct. 9, 1995 gave religious sanction to the murder of Prime Minister Yitzhak Rabin, which occurred a scant month later. Hecht is the personal rabbi of Edmond Safra, a kingpin of the Israeli mafia. He is also a leading official in the Lubavitch Hasidic cult, itself deeply involved in organized crime, which bankrolled Netanyahu's election campaign.

GEORGE SOROS boasted to Italy's *Corriere della Sera* on March 22, that he is expanding into Africa. In Senegal, on Goree Island, which in the 18th century was the main center for slave trade to America, Soros is financing "an anti-racist think-tank." He also hopes to set up a "human rights tribunal" in Rome this May, but remains under investigation by two Italian agencies for his speculative attacks on the currency.

THE PAKISTANI government is considering banning 20 foreign-run non-governmental organizations, the *Pakistan Observer* reported on March 12. Pakistani official sources commented to *EIR* that the most problematic NGOs are: Amnesty International (Britain), Human Rights Watch (Soros), Christian Solidarity International (Britain), and Anti-Slavery International (Britain).

CHECHEN National Security Service Director Lecha Khultygov has made accusations that "secret agents of the Russian Federal Security Service, and Islamic fundamentalists in Dagestan, have in particular prepared a plan to launch a series of provocations in areas bordering Chechnya."

CAMBODIA'S KING Norodom Sihanouk on March 22 granted his son Prince Ranariddh a pardon from his conviction of working with the genocidal Khmer Rouge to overturn his own government in 1997, when the Prince was co-premier with current head of state Hun Sen. The pardon is part of a Japanese-devised peace plan, and came after talks between King Sihanouk and Hun Sen.

moved here to recall Lord Ismay's famously offensive witticism about NATO's putative purpose. The Alliance, he said, existed to keep the Americans in, the Russians out, and the Germans down. In 1949, when he made that remark . . . it would soon be downright wrong. NATO actually helped foster this country's security, prosperity and, very importantly, its international leadership."

A spokesman in the Berlin Senate told *EIR* that the American Academy was first conceived by Richard Holbrooke, Clinton's former special envoy to Bosnia, after Clinton's June 1994 trip to Germany. Holbrooke himself told Berlin media, that U.S.-German cooperation is particularly important, because the EU has been unable to formulate and practice a common foreign policy, such as in the Balkans. This kind of partnership is essential, he said, in the effort to deal with crises such as that in Kosova.

Iran rings in New Year; Clinton sends greetings

"For the first time, President Clinton has sent a message to the Iranian people to congratulate them for the New Year," the official IRNA Iran news agency announced in Teheran on March 21. IRNA reported that President Clinton's message hailed what he called the close and historic links between the peoples of the two countries.

The Iranian New Year, 1377, began on March 20. *Iran News* listed among the country's achievements in 1376: the successful Presidential elections, the summit of the Organization of Islamic Conference, and rapprochement with many Arab countries, including the first visit by an Egyptian delegation in 19 years.

Among the difficulties, the editorial focussed on the oil price collapse, which has severely affected the economy, citing "the Southeast Asian financial crisis" and "a worldwide economic depression." Looking to the future, the paper said that the "most important topic" will be the economic crisis. It suggests that this crisis should be used as the incentive "to root out our economic de-

pendence on oil, and thus move toward a dynamic and constructive economy."

The White House, meanwhile, is reportedly backing away from imposing sanctions on foreign energy companies that are investing in Iran, the *New York Times* reported on March 20, citing senior U.S. official sources. No decisions on sanctions will be made, until Clinton holds his summit with the European Union in mid-May.

Korea four-power peace talks adjourn in limbo

Four-nation talks for a peace treaty in Korea, convened by President Clinton, ended in Geneva, Switzerland on March 21, with no announcement of if, when, or where they would reconvene. The four powers are the United States, China, and the two Koreas. The issue is North Korea's demand that the withdrawal of the 37,000 U.S. troops in South Korea be on the agenda, which has set Pyongyang and Washington at loggerheads from the start. "The current situation on the Korean peninsula, more or less a state of war, results from the stationing of U.S. troops on the peninsula, and foreign intervention," Pyongyang's Deputy Foreign Minister Kim Gye Gwan told the press. "Therefore, the withdrawal of U.S. troops and the conclusion of a peace treaty are essential issues. If we are not in a position to discuss these fundamental issues, I do not think we have any point in coming to this forum and wasting time."

U.S. delegation chief, Assistant Secretary of State Stanley Roth, told reporters, "We proposed to negotiate steps to reduce tensions and build confidence on the Korean peninsula. Unfortunately, the North Korean delegation was not prepared to do so." Chinese Assistant Foreign Minister Chen Jian, who chaired the talks, said in his closing statement, "There were problems with all delegations. I understand why the United States and North Korea take the present positions. They feel it is their national interest. But we were disappointed. We were close to agreement, and that would have been an important step."

Securities transfer tax on agenda in New Hampshire

by Marianna Wertz and Rochelle Ascher

A bill to tax the transfer or sale of stocks, bonds, securities, and speculative financial instruments, is on its way to a vote in the New Hampshire House of Representatives. The House Finance Committee took testimony on March 16-17 on H.B. 1671, which would establish a 1% tax on the transfer or sale of stocks, bonds, securities, futures, options, swaps, and other derivative financial instruments, in order to fund the state's public education system.

The proposal to tax speculation to pay for needed services, at a time when municipalities and states are slashing services right and left, was first widely circulated in 1993, when Lyndon LaRouche proposed a 0.1% Federal tax. Similar legislation is now pending or introduced in Pennsylvania, Alabama, and Louisiana, and legislators from those states sent supporting statements to the New Hampshire hearing (see *Documentation*).

Testifying in support of the bill were chief sponsor Rep. Bill McCann (D-Dover), former Assistant Whip, who is also president of a Service Employees union local and a school board member; Rep. Roland Hemon (D-Dover), who introduced a similar bill last year, which was killed; and Rep. Arthur Pelletier (D-Dover), a member of the Education Committee and a former teacher. All three are signers, together with 50 other current and former New Hampshire state representatives, of the Open Letter to President Clinton calling for LaRouche's exoneration.

The bill, and others which propose different funding sources, will be reported out for full House debate in the next few weeks.

H.B. 1671 was prompted by the Dec. 17, 1997 decision by the State Supreme Court, in the *Claremont* school funding lawsuit, which held that in its current form, the property tax, which is raised locally, disproportionately burdens property-poor school districts. The decision also struck down the state's definition of educational adequacy, ruling that providing an "adequate" education is a state responsibility, not a local one. The court gave the Legislature until the end of the current legislative session to adopt a proposal to change the funding system for education, and until April 1, 1999 to have it in

place. The Finance Committee set itself a May 1 deadline for reporting out bills on the subject.

New Hampshire, by law and tradition, has no state sales tax or income tax, and first-term Gov. Jeanne Shaheen, a Democrat, has already announced she will veto any such tax if it is proposed and passed.

Benefits of the tax

In a March 16 memo to Finance Committee Chairman Rep. Neal Kirk, Representative McCann wrote:

"I have filed this bill for a variety of reasons. First, it will give the Legislature the funds necessary to deal with educational funding due to *Claremont II*. Second, it is good public policy, since this proposal will also tax a financial market, which is, to some economists, out of control. Third, it will, with bills in other states, raise the issue of regulating speculative markets in the future by other states or the Federal government."

The estimated revenue from the first year of the tax, calculated by the Secretary of State, Bureau of Securities Regulation, is \$384 million, McCann said. However, this estimate includes *only* revenues from the sales of stocks and bonds, and *not* derivatives or other purely speculative instruments. McCann estimates that, if all securities were included in the estimate, the revenue would be in the range of \$5 billion over four years, far more than the \$1 billion estimated by the Legislature to "adequately" fund education in New Hampshire for the next four years.

The transfer tax could also become a crucial weapon against illegal drugs, according to the executive summary of the bill submitted by McCann. "According to law enforcement sources, unregulated trading of financial derivatives is a significant means of laundering dirty money. The disclosure requirements of a transfer tax would also allow easier detection of money-laundering schemes."

Tax history

A tax on the sale or transfer of financial securities has been applied frequently throughout the history of the United States,

with bipartisan support, as *EIR* has documented. McCann reports the following instances in his executive summary:

“The earliest examples of a stock transfer tax are those instituted in 1862 by President Lincoln and 1898 by President McKinley, both Republicans. A state-level financial transaction tax has also been implemented, at various times, in Pennsylvania, New York, Massachusetts, Florida, and South Carolina.

“The Pennsylvania stock transfer tax was on the books from 1915-1957. The New York stock transfer tax has been on the books from 1905 to the present day. The South Carolina tax was effective even though, unlike New Hampshire, there was *no* stock trading done in the state.

“The Securities and Exchange Commission currently operates a stock transfer fee, which allowed the SEC to return \$288 million to the Federal Treasury, in 1996. Various types of securities transaction taxes have been on the books for 103 out of the 222 years of American independence.

“Recent advocates of restoring a transfer tax include prominent economists such as Yale University professor and Nobel Prize-winner James Tobin, as well as many Congressional leaders. Recent studies by the Congressional Budget Office and the General Accounting Office support the feasibility of such a tax.”

The hearing

The Finance Committee hearing on the bill, over two days, drew heavy media attention, and very heavy opposition, principally from the securities and banking sectors. In an interview with this news service on March 18, the day after he testified, Representative McCann said that the crucial question was whether collection of the tax could actually be enforced.

McCann read to the committee from Rep. Harold James’s letter (see *Documentation*), citing U.S. Supreme Court precedents and noted, with a touch of irony, “We also are confident that brokers who want the Commonwealth’s business will not encourage tax evasion. I have also argued that the state must be just as tough on ‘tax cheats,’ as we have been on ‘welfare cheats.’”

McCann acknowledged in the interview, that the committee’s uncertainty represents the level of opposition they face from the financial interests involved in derivatives speculation.

McCann is not certain of the outcome of the bill. “I think the lobbyists for the stock and bond dealers have gotten the committee’s ear to some degree, and it’s going to be a question of what happens when the committee starts looking at this bill in comparison to the other six or eight that are in there for money-makers. I think, in reality, ours is the less onerous tax, because you don’t get into an income tax, which is a political disaster in New Hampshire; you don’t get into a sales tax, which quite frankly wouldn’t generate enough revenue to solve the problem; the other taxes that are being talked about don’t have a history outside of the state, like the Securities Exchange excise tax does. That’s the advantage I think we have.”

Documentation

House Bill 1671

The following are excerpts from H.B. 1671:

An Act establishing a securities transfer excise tax to meet state obligations in funding education.

Be it Enacted by the Senate and House of Representatives in General Court convened:

Legislative Intent. It is the intent of the general court to provide a disincentive to financial speculative activity destructive to the economic well-being of the citizens of this state. It is the further intention of the general court to encourage stable investment and job creation and to provide funding for education through the enhancement of state revenues without harm to the lives or health of the people. . . .

Tax Imposed.

I. A tax is imposed on the sale or transfer of any bond, stock, security, future, option, swap, or derivative. The tax shall be payable by the seller or transferor at the time of the transaction.

II. The rate of tax payable by the seller or transferor shall be as follows:

a) One percent of the face value of any stock, bond, or security.

b) One percent of the value of the underlying asset supporting any derivative, future, option, or swap.

III. This tax shall not apply to the sale or transfer of treasury bonds or securities of the United States or of the state of New Hampshire. . . .

Administration.

Education Fund; Distribution of Revenue.

I. All monies collected by the department of revenue administration under this chapter, less costs associated with administration and enforcement, shall be deposited in a special, nonlapsing, continually appropriated education fund by the state treasurer. . . .

Testimony on H.B. 1671

Bill McCann

Summary of testimony of Rep. Bill McCann (D-Dover), principal sponsor of H.B. 1671, March 17, 1998, to the Finance Committee of the New Hampshire State House of Representatives.

Three months ago today, the Supreme Court issued the *Claremont II* decision, the impact of which is viewed by people in different manners. Some want to avoid dealing with it, some are “disappointed” in the decision, and some, like me,

who have been involved in education for 30 years, see this as a challenge and an opportunity to finally deal with the fundamental issue of school equity and fairness.

Given the reality of how limited our options are — no income tax, no statewide property tax, and no broad-based taxes — I looked into other areas. I think the securities excise tax is a good vehicle to address several public policy issues. One of the stated goals of this legislation is to provide a disincentive to speculative activities. A perfect example of this is the matter of derivatives.

The rise in derivatives is alarming. For example: The value of all stock trades in 1997 is estimated to be ten or eleven trillion dollars. The value of *all* off-balance-sheet derivatives in 1997 is estimated by the Federal Deposit Insurance Corp. to be \$25.4 trillion, an increase of more than 25% from 1996, according to the FDIC. This type of speculation would be impacted by the excise tax, since the tax is based on the face value of the underlying asset. For example, a derivative on a \$100,000 bond may sell for \$2,000. However, the tax is based on the \$100,000 face value and would be \$1,000. This would deter speculation in futures and derivatives.

In our revenue estimates, we used stock trades as the basis of revenue, even though the basis is far broader. The tax operates in a simple fashion: 1% of the total volume of stocks, bonds, futures, and derivatives based on our population. At present, the conservative estimate of all stocks, bonds, and derivatives sold in a year in this country is \$100 trillion. Since New Hampshire has about 0.5% of the population, one-half of 1% of the volume of sales can be estimated at \$500 billion, so a tax of 1% in New Hampshire could raise \$5 billion, on the conservative *high end*, or it could raise as little as \$277 million to \$380 million. We have gone out of our way to give this committee low revenue estimates, so as not to mislead this General Court on the potential tax impact.

The Legislative Budget Assistant has estimated revenue to be \$384 million [not including revenue from derivatives sales].

One point which was brought to my attention last week, was the issue of the New Hampshire retirement system. When the bill was drafted, it was done with the presumption that the system was tax exempt. I still believe that it is. The underlying presumption would be that if retirement is taxed at the estimated \$30 million, then the cities and towns which are supposed to benefit from tax relief would have to pick up the \$30 million in higher rates for their employees. This is not what I would want to happen. So on March 12, 1998, an amendment to this bill was drafted to clarify legislative intent, that retire-



ment would be exempt. I offer that amendment for the committee's consideration.

Once we capture this revenue, the intent of the bill is to provide money to local school districts, using existing distribution plans, which will ensure no greater bureaucracy and the continuation of existing local control.

Step one would be to increase foundation aid to 200% of the existing formula. Using the assumption that \$123.5 million would equal 100% funding, this would mean \$247 million to our school districts in FY '99.

I would urge the committee to read my March 16, 1998 memo on this bill, to get more detailed fiscal data. In short, this bill will increase the state percentage of aid from just above 4% to over 16%, and will increase other categorical aid by at least 5%.

The bill will generate enough revenue to meet budget expected needs for education for the next three to five years or more. I ask for your support of H.B. 1671. Thank you.

Roland Hemon

Excerpt of testimony in support of H.B. 1671 by Rep. Roland E. Hemon (D-Dover), March 16, 1998, to the Finance Committee of the New Hampshire State House of Representatives:

The tax structure of this state is so skewed in the direction of the poorer elements of the population, as to create a condition of subsidizing the rich. The securities transfer tax has a tendency to remove this injustice.

It is not a broad-based tax (sales, income tax), which is anathema to some. It does have existing roots in the tax structure of the state. I refer to the real estate transfer tax. The securities transfer tax uses the same mechanics and rationale as the real estate transfer tax, only applies them to the transfer of stocks, bonds, options, derivatives, and other such securities.

Its potential for income to the state is tremendous. If 1% is insufficient to produce the necessary revenue, then amendment to 1.25%, 1.5%, etc. is quite possible.

Arthur Pelletier

Summary of testimony in support of H.B. 1671 by Rep. Arthur Pelletier (D-Dover), March 16, 1998, to the Finance Committee of the New Hampshire State House of Representatives:

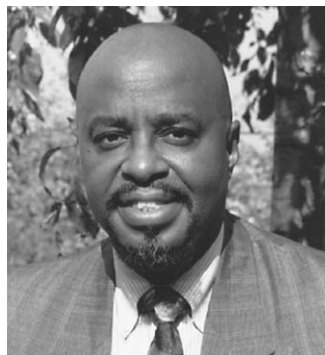
Representative Pelletier discussed in detail how the bill would fund the state's educational needs. He emphasized that the revenues it will generate, by the most conservative estimates, will far exceed the anticipated expenses. Given the hostility to an income tax in New Hampshire by a vocal minority, he said, and the governor's opposition to any statewide tax, H.B. 1671 is a "viable alternative" to generate adequate revenues for an "adequate" education, as defined by the state

Supreme Court, while utilizing existing funding formulas without “growing the state government.”

Harold James

Testimony in support of H.B. 1671 by Pennsylvania State Rep. Harold James (D-186), who is also the chairman of the Pennsylvania Legislative Black Caucus. The statement was read into the record at the Finance Committee hearing on March 17, 1998. Representative James’s “Tax Fairness” bill would tax the sale of stocks, bonds, derivatives, and other financial investments at the rate of two-tenths of 1%, or 20¢ per \$100:

I am the author of a bill to create a securities transfer tax in Pennsylvania, which I introduced into the Pennsylvania State Legislature last year, along with a bi-partisan group of 12 other state representatives, and we will soon be holding hearings. I have spoken about this proposal with other legislators around the country, and also with Members of Parliament of Germany and Italy, and have found growing support for the idea. I am certain that positive action by New Hampshire will lead to supportive action, not only in other states, but perhaps in other nations as well.



I understand that some have argued that this legislation is unenforceable and impractical. Allow me to point out that the securities transfer tax has a rich historical tradition in the United States, with many successful precedents on the state and national level. Among other examples, the securities transfer tax has been applied successfully in the following cases:

- under the Presidencies of Abraham Lincoln and William McKinley;
- from 1915 to 1965, under the form of a national stock transfer tax;
- in New York State, from 1905 until the present day;
- in Pennsylvania, from the years 1915 until 1957;
- in the states of Florida, South Carolina, and Massachusetts.

Also, a securities transaction fee currently funds the operations of the Securities and Exchange Commission, allowing the Commission to return hundreds of millions of dollars to the U.S. Treasury.

My staff has researched the issue, and we are quite confident that the tax can be collected on Pennsylvania residents, including transactions by Pennsylvania residents made out of state. Certain Supreme Court decisions, such as *National Bellas Hess, Inc. v. Department of Revenue of the State of*

Illinois, and *Quill Corp. v. North Dakota*, give the state power to collect the tax on transactions technically made out of state. We also are confident that brokers who want the Commonwealth’s business will not encourage tax evasion. I have also argued that the state must be just as tough on “tax cheats,” as we have been on “welfare cheats.”

In short, there is no technical difficulty with this proposal.

Charles J. Hudson

Testimony in support of H.B. 1671, by Louisiana State Rep. Charles J. Hudson (D-40), which was included in the record at the Finance Committee hearing on March 17, 1998:

I am introducing a Securities Transfer Tax bill in the 1998 Regular Session of the Louisiana Legislature.

Based on reliable data, there are strong indications to me that the securities transfer tax is a realistic way of raising needed revenue for governments.

It is my understanding that the concept of a securities transfer tax is gaining strong support in other states and countries.

I wish to express my personal best wishes to the author(s) and supporters of the proposed securities transfer tax for the State of New Hampshire.

Thomas Jackson

Testimony in support of H.B. 1671, by Alabama State Rep. Thomas Jackson (D-68), which was included in the record at the Finance Committee hearing on March 17, 1998:

I am very happy to hear that a bill similar to mine (H.B. 1111, for a 1% securities transfer tax) is being introduced in other states around the nation. It is a good bill when it comes to getting revenue, when there are no other sources of funds, the same situation we face in Alabama. My bill was introduced last year in the Alabama State Legislature, and we found it to be a good source of revenue, but we could not get the big power brokers to support us on this thing. One of the largest opposition groups was the Alabama Power Company, which we found out opposed the bill because they are so heavily invested in derivatives!

Even though the bill was not reported out of committee last year, a House Joint Resolution was passed for a study commission, which would be appointed by the House Speaker and the Lieutenant Governor, to include three members of the House and three in the Senate, to study how the projected revenue generated from this tax, estimated at approximately \$500 million, could be used to finance desperately needed infrastructure in the poverty-stricken Black Belt of Alabama.

Funding of \$7,500 has been approved for this study. We are going to reintroduce this bill in this session of the legislature. Therefore, I am quite happy to hear that you are involved in carrying out the same work that we are attempting here in Alabama.

House rejects troop pullout from Bosnia

On March 18, the House voted 225-193 against a concurrent resolution that would have directed the President to withdraw U.S. troops from Bosnia under the War Powers Resolution. The language of the resolution would have required a court ruling on its constitutionality prior to its execution.

Supporters of the resolution, led by sponsor Tom Campbell (R-Calif.), said that their only purpose was to restore Congress's constitutional authority over overseas deployments of U.S. troops. Campbell avoided any discussion of the policy implications of his resolution, despite the fact that he is on record opposing the U.S. troop presence in Bosnia. He said that his resolution asserts "that it is the right and it is the obligation of the Congress of the United States to say yes or no before United States troops are engaged in hostilities overseas." He insisted that the situation in Bosnia is one in which there is a potential for "imminent hostilities," as defined by the War Powers Resolution.

Opponents based most of their arguments on policy considerations. International Relations Committee Chairman Ben Gilman (R-N.Y.) said that the resolution "would send an untimely signal that this House no longer supports the Dayton peace agreement for Bosnia, an agreement that is now just showing signs of succeeding." He said that the United States has spent \$7 billion to implement the Dayton agreement, and "withdrawal at this stage would place that considerable investment at risk, with no guarantee that we would not be called upon in the future to once again introduce our forces if the conflict re-ignites."

Gilman said that, rather than restoring Congress's authority to declare war, "this resolution would take the au-

thority and place it in the hands of the court." Sheila Jackson-Lee (D-Tex.) added, "The real question is whether or not we want the courts to run our foreign policy, or do we want the right kinds of decisions to be made on behalf of the people in the Balkans who need the peacekeeping troops who have been there to provide peace." She concluded that the resolution "makes no sense. . . . It adds to the disruptiveness of the process of a foreign policy of which our allies can count on."

Livingston dominates GOP leadership scramble

House Appropriations Committee Chairman Bob Livingston (R-La.), who had originally said that he would not challenge Majority Leader Dick Armey (R-Tex.) to succeed Newt Gingrich (R-Ga.) as Speaker of the House, has mounted a vigorous campaign for that post since early March, and claims that he already has more than 80 votes lined up. Included among that support is Lindsay Graham (R-S.C.), who leads the dissident grouping within the House GOP that plotted the failed coup attempt against Gingrich last year.

Livingston's campaign, which is based on the expectation that Gingrich will resign in 1999 to run for President, is causing friction within the House GOP. A letter from committee chairmen, led by Ways and Means Chairman Bill Archer (R-Tex.), Agriculture Committee Chairman Bob Smith (R-Ore.), and Judiciary Committee Chairman Henry Hyde (R-Ill.), to the Republican Caucus, called on their colleagues to "cool off some activities that seem to be rather premature." They fear that Livingston's campaign may split the GOP. For his part, Armey, on Washington, D.C.'s Fox

News Sunday broadcast on March 22, said that he didn't have time to "speculate" about what Gingrich will do, and that he is only interested in running for Majority Leader in 1999.

There is an added complication: When it took control of the Congress in 1995, the House GOP amended the House rules to term-limit committee chairmen to six years, which for many, expires in 2000. Many senior Republicans are jockeying to gain coveted committee chairmanships when they must leave the ones they now hold. For example, Resources Committee Chairman Don Young (R-Ak.) is angling for the Transportation and Infrastructure Committee, and the chairman of that committee, Bud Shuster (R-Pa.), has stated interest in the Intelligence Committee.

Anti-HMO bill threatens to split House GOP

Yet another source of tension in the House GOP is legislation to bring some accountability to health maintenance organizations (HMOs), specifically, a bill sponsored by Charlie Norwood (R-Ga.), which would allow patients to sue HMOs for wrongful injury or death. According to a spokesman for Norwood, the bill "goes to the heart of every horror story you ever hear about HMOs."

Norwood's bill has 225 co-sponsors and broad bipartisan support, but Harris Fawell (R-Ill.), chairman of the Employer-Employee Relations Subcommittee of the Education and Workforce Committee, is refusing to mark it up. Fawell is getting backup from House Majority Leader Dick Armey (R-Tex.). Insurance industry lobbying groups are trying to obfuscate the issue, lying that the bill allows

employees to sue employers who contract with negligent HMOs.

On the Senate side, the Senate Labor and Human Resources Committee held a hearing on March 19 on the implementation of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), which allows employees who are laid off from their jobs to keep their employer-provided health insurance. Committee Chairman James Jeffords (R-Vt.) said that a Government Accounting Office report has found that in states which rely on the Federal language to implement the law, premiums for HIPAA-required policies were 140-600% higher than standard rates. Jeffords said, "From the report, it is clear that some insurance companies are using marketing practices to avoid enrolling those who need health care the most." Edward M. Kennedy (D-Mass.) has introduced legislation to correct the deficiencies in the original HIPAA.

Senate heads into gridlock again

The NATO expansion treaty became bogged down in the Senate on March 20, in a dispute over an education savings account bill championed by Paul Coverdell (R-Ga.). The Coverdell bill has been held up by Byzantine maneuvering by Democrats, who object to the fact that Majority Leader Trent Lott (R-Miss.) wanted to limit the number and type of amendments Democrats could bring to the floor. In retaliation, Lott postponed the NATO expansion treaty for at least a week. The Clinton administration is counting on rapid ratification of that treaty.

The Coverdell bill, the Education Savings Account Act, would allow tax-free withdrawals from individual

retirement accounts to pay for education expenses, including for private and religious schools. Passed in the House, the bill has been tied up in the Senate by Democratic filibusters since last October.

The NATO expansion treaty, however, is also not without its problems. John Warner (R-Va.), a key member of the Armed Services Committee, during debate on March 19, said, "Nations should be invited into NATO only if there is a compelling military need for additional members, and if those additional members will make a positive military contribution to the alliance." Such a case, he said, "has yet to be made persuasively with regard to Poland, Hungary, or the Czech Republic." He said that he has filed an amendment to the treaty which would impose a moratorium of three years on further expansion, if the treaty is ratified.

On the schedule, Lott said that getting back to debate on the treaty "depends on what we can get done on the supplemental appropriations (\$2 billion for disaster aid and military operations in Bosnia and Iraq) and on the education savings account." Lott scheduled the supplemental for March 23 and 24, but it is running into problems because of disagreements over where the additional money will come from. The White House wants the money to come out of the budget surplus, whereas House Republicans are demanding offsets from existing FY 1998 appropriations.

Budget is headed for another clash

On March 19, the Senate Budget Committee passed the budget resolution for fiscal years 1999 to 2003 in a straight party-line vote of 12-10. The Democrats had offered a substitute resolu-

tion based on President Clinton's budget, but that failed by a vote of 14-8.

The Republican plan calls for \$147 billion in surpluses over the next five years, and Budget Committee Chairman Pete Domenici (R-N.M.) has vowed that the surpluses will be used to save Medicare, placing him on collision course with the Democratic leadership and the White House. The Republican plan also includes a \$30 billion tax cut. Domenici complained that the Clinton budget, instead of saving the surplus to be used where needed, adds \$125 billion in new spending programs, which exceeds the caps set in last year's budget agreement by \$60 billion.

A House group of conservative Democrats, led by Charles Stenholm (Tex.), Gary Condit (Calif.), and David Minge (Minn.), proposed on March 19 that the entire surplus "should be maintained and allowed to grow, with the ultimate goal of balancing the budget without having to rely on the Social Security Trust Fund." Minge reported that the FY 1998 budget includes approximately \$100 billion in borrowings from the Social Security Trust Fund, putting the budget about \$90 billion in the red instead of \$8 billion in surplus.

Disputes have not only developed over how to spend the so-called surplus, but also on expected revenues from legislation to implement the tobacco settlement reached last year between cigarette makers and state attorneys general. Democrats want the tobacco money, including a \$1.50 tax on a pack of cigarettes, which the GOP has expressed opposition to, to go to health programs, such as Medicare, medical research, and anti-smoking campaigns targeted at children. However, the Republicans are suggesting that the tobacco legislation may not even be completed this year.

National News

Kathleen Willey has her '60 Minutes' of infamy

In an article in the March 23 issue of *Newsweek*, Kathleen Willey, the latest to join the conga-line of Kenneth Starr's key witnesses against President Clinton, complained that the White House is "trying to make me look like a wacko"—by releasing letters that Willey herself wrote, that contradict her steamy allegations on "60 Minutes" that President Clinton sexually affronted her in 1993.

But what really makes Willey look wacko is the story reported about her in the March 23 issue of *Time*. Willey's former friend Julie Hiatt Steele told the FBI in an interview that, in the middle of 1995, Willey told her boyfriend, British-born soccer coach Shaun Docking, that she was pregnant with his twins—which was not true. The reason? She was mad at him for Fourth of July plans gone awry. Willey then told Docking that she was going to have an abortion, and later that she had had a miscarriage. She apparently has never informed Docking that she was lying.

Meanwhile, the *Washington Post* reported on March 23 that Starr conducted extensive negotiations, beginning in January, with CBS's "60 Minutes" about a possible appearance, apparently seeking to defend himself from accusations against him for having arranged for Linda Tripp to secretly tape Monica Lewinsky.

Dole: 'No excuses' for inaction to save Kosova

Former Sen. Bob Dole, now an adviser on veterans affairs for President Clinton, wrote a scathing condemnation of Western do-nothingism to stop the Serbian ethnic cleansing against the majority Albanians in Kosova. His article appeared in the *New York Post* on March 18. The West, he said, "appears to be retreating" from the resolve of a military response, enunciated by President Clinton at the start of his administration, to "the Serbian regime's brutal, systematic,

and long-term deprivation of the Kosovar Albanians' most basic human rights." He warned, "Such a retreat bodes ill for the people of Kosova, as it did earlier for the people of Bosnia and Croatia.

"Threats of economic sanctions and other quick fixes have already been tried, to no avail. New ones will at best defer a true resolution. In any case, half-measures helped sustain Bosnia's suffering for four bloody years. This time, we must act deliberately and decisively. The U.S., its European allies and the people of the former Yugoslavia cannot afford the instability, the strategic risks, or the physical and moral toll of another Bosnia. . . .

"Only two years after the end of the war in Bosnia, a brutal regime in the former Yugoslavia is committing war crimes against innocent civilians. . . . Resolute Western action stopped that carnage [in Bosnia], demonstrating both the effectiveness and the necessity of U.S. leadership in such crises. Sadly, it took the West four years to respond. This time we have no excuses. . . . We also know that this crisis has been brewing for far too long. When I travelled to Kosova in 1990, the region's 2 million ethnic Albanians—90% of the province's population—had already been under Belgrade-imposed martial law for one year."

IRS hits Robertson's CBN for campaign donations

Pat "Elmer Gantry" Robertson's Christian Broadcasting Network (CBN) must pay a "significant penalty" to the Internal Revenue Service, and will lose its tax-exempt status, retroactively, for 1986 and 1987, according to the March 21 *Washington Post*. Neither the IRS nor CBN would disclose the amount of the settlement, but the agreement stipulates that CBN funds were used in violation of tax laws to promote televangelist Robertson's 1988 Republican Presidential campaign. The IRS is allowing CBN to retain its existing tax-exempt status, Robertson noted in a press release.

CBN gave Freedom Council, which the *Post* described as "orchestrating" Robertson's campaign, at least \$250,000 a month

during 1985 and 1986; the total amount CBN turned over to the tax-exempt Freedom Council is estimated at some \$8.5 million.

Observers believe that the IRS action in the CBN case, which has been in dispute for more than 10 years, may signal a hard-line position in a related case: the eight-year-long efforts of Robertson's Christian Coalition, to win tax-exempt status. The Coalition claims the exemption as a group which, wrote the *Post*, "promotes public welfare." The Federal Election Commission has charged the Christian Coalition with spending more than \$1.4 million to help elect GOP candidates, including nearly \$1 million to George Bush's 1992 reelection campaign, and \$325,000 to the Republican Senatorial Committee, in violation of federal election laws.

FBI sting in Houston runs into trouble

A Justice Department/FBI sting against black and Hispanic city councilmen and others in Houston ran aground on March 16, when defense attorneys exposed the FBI sting-man Julio Molineiro as a "thief" and "cocaine user" in court. On trial are two city councilmen, two former councilmen, and two lobbyists. Molineiro was part of a two-man FBI sting team who posed as wealthy investors offering bribes to minority city councilmen, in exchange for preference in the building of a city-subsidized hotel project.

The defense moved for a mistrial, after defense attorney Mike Ramsey presented evidence that Molineiro had been fired by the Drug Enforcement Administration for stealing \$20,000, and had been a heavy cocaine user even as a DEA informant. Moreover, this key FBI witness had become a DEA informant after being convicted of drug charges in Chile. The mistrial motion is based on the grounds that prosecutors failed to turn over exculpatory documents related to Molineiro. Chief prosecutor Mike Attanasio denied he knew the allegations about Molineiro, and tried to explain them away, saying that they could be "serious," but they may also be "nothing more than an

FRONTS FOR two terrorist groups, the Tamil Tigers and the Kurdish Workers Party (PKK), both of which enjoy safe haven in London, are seeking to have the U.S. Anti-Terrorism Act of 1996 declared unconstitutional. A lawsuit was filed by the Center for Constitutional Rights on behalf of the Humanitarian Law Project of Los Angeles, which engages "in extensive political advocacy on behalf of the PKK and the Kurds," and Tamil-American organizations.

HOUSE DEMOCRATIC Whip David Bonior (D-Mich.) and Sen. Edward Kennedy (D-Mass.) announced on March 19 that they would introduce bills (H.R. 3510, in the House) to increase the hourly minimum wage by \$.50 in both 1999 and 2000, to bring it up to \$6.15 per hour.

OHIO PRISON UNIONS and their allies protested the growth of privately owned prisons at a state-house rally in Columbus, in mid-March, and condemned pending legislation to privatize the entire state prison system. Local 11 of Afsme pointed to the level of violence—two dozen stabbings and two murders during the first eight months of operations at a Youngstown facility owned by Corrections Corp. of America.

MISSOURI STATE Rep. Chuck Graham has introduced a gruesome law that would allow death row prisoners to have their sentences commuted to life imprisonment, if they donate vital body parts, such as a kidney, for transplant, while they are still alive.

JUDGE ROYCE LAMBERTH, the federal judge hearing a number of the "Get Clinton" cases in Washington, D.C., departed from the sentencing guidelines in order to sentence Ronald Blackley to 27 months in prison. Under the guidelines, Blackley, former Agriculture Secretary Mike Espy's chief of staff, should have gotten probation. Lambirth is rapidly winning adoration among the "Get Clinton" mob, especially from the *Wall Street Journal*.

inter-agency squabble."

On March 17, Federal Judge Hittner ordered prosecutors to "scour DOJ files" for information on Molineiro's background. He ordered the prosecutors to deploy extra staff to expedite government files on Molineiro. On the stand that day, Molineiro admitted that he stole money and used cocaine, but said he is no longer using it.

Pennsylvania Senate passes HMO 'bill of rights'

The Pennsylvania Senate on March 16 passed legislation that would create a "bill of rights" for the 4.7 million Pennsylvanians enrolled in so-called health maintenance organizations (HMOs). The Senate bill was sponsored by freshman Republican Sen. Timothy Murphy of Pittsburgh.

The *Philadelphia Inquirer* noted that legislators were responding to "a torrent of complaints from constituents." A companion bill, sponsored by Rep. Patricia Vance (R-Cumberland), a registered nurse, and co-sponsored by Rep. Harold James (D-Phila.), is nearing passage in the House. Gov. Tom Ridge, a Conservative Revolution darling whose Act 35 cut a scant half-million working poor from state health-care assistance, put a finger to the wind and has reportedly expressed support for both measures.

Already 46 states have passed laws addressing some facet of "managed care," such as the medically unjustifiable practice of "drive-through deliveries," and a dozen states have enacted broad patient-rights measures.

Clinton responds to Pope's visit to Cuba

President Clinton responded to the Pope's recent trip to Cuba with a decision to ease certain restrictions on U.S.-Cuba relations. At the White House press briefing on March 20, spokesman Mike McCurry said, "To build on the impact of His Holiness the Pope's recent visit to Cuba, to support the

role of the church and other elements of civil society in Cuba, and to help prepare the Cuban people for a transition to democracy," the President has decided "to resume licensing direct humanitarian charter flights to Cuba; second, to establish new licensing arrangements to permit Cuban Americans and Cuban families living here in the United States to send humanitarian remittances to their relatives in Cuba; and third, to streamline and expedite the issuance of licenses for the sale of medicines and medical supplies and equipment to Cuba."

In addition, McCurry said, the President has instructed Secretary of State Madeleine Albright to work with Congress and the public "to develop approaches for the transfer of food and foodstuffs to the Cuban people, who have long suffered under the totalitarian regime of Fidel Castro."

Paula Jones has no case, say President's lawyers

In a legal response on March 20 to papers filed in mid-March by Paula Jones opposing Clinton's motion for summary judgment of her harassment suit against him, the President's lawyers called Jones's pleadings a "90-page press release." They said that her 600 pages of exhibits filed along with it are "immaterial," "scurrilous," and "nothing more than a smoke screen intended to camouflage the fact that plaintiff has no evidence to support essential elements of her claims."

Clinton's pleadings asserted that the opposition filed by Jones "is the best evidence that plaintiff has no case, and is only using this litigation as a vehicle to vilify the President." Clinton's lawyers say that Jones used her filing "as an opportunity to dump on the public record page upon page of salacious material," whose "real purpose . . . appears to be to make spurious charges of criminal conduct against the President."

The President's motion to strike many of Jones's exhibits, based on abuse of discovery, include those relating to Kathleen Willey, Monica Lewinsky, Dolly Kyle Browning, Gennifer Flowers, and a number of state troopers, on the grounds that they have no relevance to Jones's claims.

London's terrorist role exposed

For nearly 50 years now, the British monarchy has succeeded in carrying out its divide-and-conquer, geopolitical, imperialist operations in the relative shadows. The “big, bad guy” was always the United States, usually manipulated by its British partners. The strings of terrorist groups would be traced to the Soviet Union, or China, or some other power besides Great Britain. Even in nations which had been directly under the yoke of the British Empire, as in Africa and the Middle East, it seemed as though the British were off the hook.

Thanks in large part to the truth which *EIR* has told about London's control of international terrorism, as well as the ongoing power of the British imperial Commonwealth, this situation is now beginning to change. Up until recently, the leading accuser of the British was President Hosni Mubarak of Egypt. On Nov. 17 1997, after London-based terrorist groups massacred 62 tourists and others in Luxor, Egypt, Mubarak took off the gloves, and blasted London for harboring terrorist groups.

Mubarak did not go as far as *EIR*, however, as he stopped short of accusing the London intelligence operatives of actually deploying the terrorist groups which they were protecting.

Now, from Iran and Pakistan, the fight against British control of international terrorism has been taken one step further. From Teheran on March 9, 1998, came the following report.

The Iranian daily *Keyhan* cited Pakistani government sources reporting that British MI6-controlled Islamic terrorist organizations are behind the recent Shia/Sunni sectarian terrorist killings in Pakistan, and related murders of Iranian Shiites there. The British intent, the paper reports the Pakistani officials as stating, is to harm Pakistani/Iranian relations, to allow Britain to dominate the region.

The paper quotes a Pakistani judicial official involved in investigation of the series of killings as saying: “The clues in this incident [in Multan, Pakistan]

indicate that the killings of the Iranians were carried out by a terrorist group affiliated to the MI6, the British Intelligence Service. In the initial investigation we found some important evidence, but, unfortunately, after the publication of this news in the Pakistani newspaper *Asas*, a British diplomat suspected of being involved in the killings of Iranians left the country, and thus the key to the enigma was lost.”

The source added that the Pakistani Ministry of Justice had discovered classified information that “indicates the extent of the conspiracy,” and the “specific *modus operandi*” behind the killings. “This *modus operandi* targets three groups, namely, the Shiites of Pakistan, the Sunnis, and the Iranian Shiites, and its objective is to foment increasing tension among the followers of religious denominations in Pakistan, and strain relations between Iran and Pakistan.”

The paper quotes another Pakistani government source as explaining: “The British still harbor the hope of returning to the Indo-Pakistan subcontinent. Therefore, they strive to create artificial crises, to remove obstacles in their path, that Britain feels compelled to remove, for a revival of its position in the years prior to 1940. The assassination of individuals and, subsequently, the marring of relations between Iran and Pakistan, the greatest impediment in the path of the return of the British to the region, are considered the usual conspiracies in this regard.”

Right on target! If other governments do the same job of tracing the headquarters and funding of the terrorist groups acting against them—everywhere from Russia to China to the Middle East and the Western Hemisphere—they will find that not only do the strings lead to London, but the strategic guidance comes from there as well.

As Lyndon LaRouche has long said, the exposure of the British control of terrorism is the most direct and sure way of deterring the terrorist threat. The Pakistanis and Iranians—familiar as they are with British imperial tactics—have shown the way.

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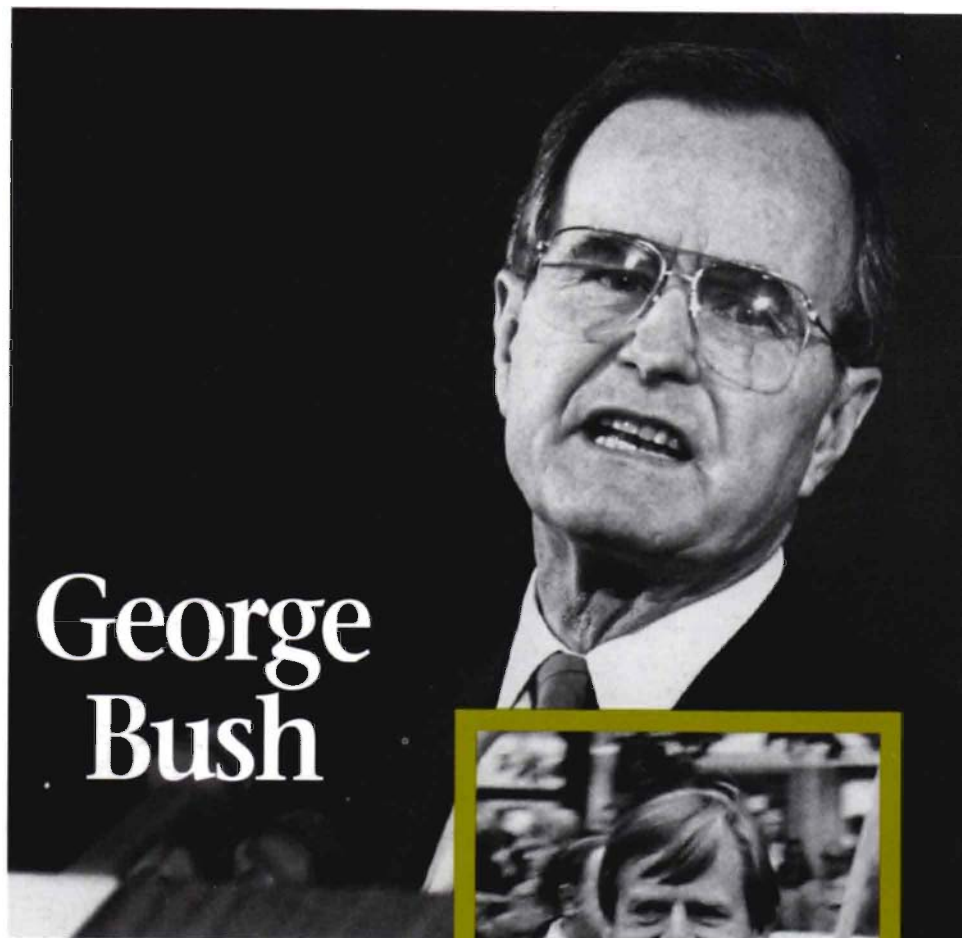
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