

EIR

Executive Intelligence Review

August 7, 1998 Vol. 25 No. 31

\$10.00

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LaRouche memorandum: The Eagle Star Syndrome





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260 pages **\$200**

Available from:

EIR News Service P.O. Box 17390 Washington, D.C. 20041-0390

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EIR (ISSN 0273-6314) is published weekly (51 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451. World Wide Web site: <http://www.larouchepub.com> e-mail: eirns@larouchepub.com

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In Mexico: EIR, Río Tiber No. 87, 5o piso, Colonia Cuauhtémoc, México, DF, CP 06500. Tel: 208-3016 y 533-26-43.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

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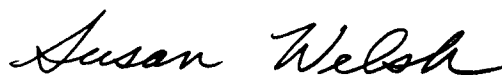
Postmaster: Send all address changes to EIR, P.O. Box 17390, Washington, D.C. 20041-0390.

From the Associate Editor

The standpoint from which to view the current world situation, is that developed by Lyndon LaRouche in his remarks to a “summer school” in Oberwesel, Germany (see *International*). In the coming several months, he said—August, September, October—there will be such changes in the world, as none of us living has ever seen before. The future of humanity will be determined entirely by what we do, in the realm of *ideas*. This is real history; not the history that’s talked about in the newspapers or the textbooks, but *real* history, changing human destiny—either for the better, or for much, much worse.

LaRouche contributes our *Feature* this week, on the British-American-Canadian (BAC) establishment—a sequel to his July 17 article, “Where Franklin Roosevelt Was Interrupted.” The new memorandum identifies three crucial aspects of the BAC’s virtual takeover of the United States. First, is an analysis of the origins of the BAC cabal itself; second, is the intellectual weakness known as “populism,” which has lured the majority of the U.S. citizens into their own undoing; third, is the reciprocal relationship of the “post-industrial” shift in economic policy, to the moral degeneration of the American population.

EIR’s intervention into the fight around narco-terrorism in Colombia, is detailed in a report in *International*, on our conference in Bogotá. This is the third of a series of *EIR* conferences on this issue in the Andean region. During the past several months, we have published several feature packages showing what is actually going on in the region, such as the move by George Soros and the international drug legalizers to set up “coca republics” there. In our issue of May 8, 1998 (“Colombia Must Follow Peru’s Strategy vs. Narco-Terrorism”), we showed why Washington should ally with those who really want to fight narco-terrorism, as Peru has conducted this war—rather than supporting “peace at all costs” negotiations with the narco-terrorists, which end up balkanizing entire countries. Now, in Colombia, with a new President taking office on Aug. 7, the opportunity exists for a break with the previous administration’s disastrous connivance with the drug traffickers.



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Matthew Odong is the Monsignor of the Diocese of Gulu of the Roman Catholic Church, and the secretary of the Religious Leaders' Peace Initiative.

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Notice: In light of recent reports appearing in the Venezuelan press which incorrectly characterize Alejandro Peña Esclusa as being associated with Lyndon H. LaRouche, Jr., *EIR's* Caracas bureau issued the following clarification on July 17: As of May 4, 1998, Alejandro Peña Esclusa, the secretary general of the Venezuelan Labor Party (PLV), voluntarily dissociated himself from Mr. LaRouche and the *Executive Intelligence Review* magazine, its Spanish-language publication *Resumen Ejecutivo de EIR*, and all other political and educational groupings associated with Mr. LaRouche, including the Schiller Institute and the Ibero-American Solidarity Movement (MSIA).

Feature



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Lyndon H. LaRouche, Jr., surveying the current world crisis, addresses the question, “What powerful agency has done this to us?” Look to the wartime development of the British-American-Canadian establishment, and its emergence after the war. Look, too, at the BAC’s manipulation of the poor, typical American populist, who obviously has not the slightest inkling of the threat posed to him by the oligarchy. “The populist does not recognize, that the oligarch’s essential weapon against the poor populist is the populist’s acceptance, like the Sancho Panza of Miguel Cervantes’ *Don Quixote*, of that kind of stupefaction which is all too popular among populists.”

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IMF is a classic 'zombie'; bury it fast and deep

by Marcia Merry Baker

As of mid-July 1998, the Webster's dictionary entry for a "zombie," applies in all essentials, to define the current condition of the International Monetary Fund (IMF): "A person held to resemble the so-called walking dead." Or, an entity which "is held to have died and been supernaturally reanimated."

The present-day IMF, known to be insolvent, known to perpetrate disasters, suffering, and failures, nevertheless still walks and talks in capital cities around the world, for lack of action to bury it. "Bring in the undertaker," was Lyndon LaRouche's advice in February 1997, when he called for an international mobilization for a "New Bretton Woods," an effort by nations to replace the dying IMF-era monetary system. Now, 18 months later, criticism of the Fund is stronger by the day, but still, the man with the shovel has not arrived. The upcoming weeks are the decisive period for action.

Bailout agency is denied bailout

At present, missions and agents of the IMF are still posted in many countries around the globe, in the name of "rescuing" those nations, including Russia, Pakistan, and Ukraine, and IMF delegations are travelling back and forth to Indonesia, South Korea, Thailand, and elsewhere. Since summer 1997, the IMF has been involved in more than 10 bailout packages (four of them for Indonesia; two for South Korea, Russia, and so on), all of them turning out to be a bust within weeks. Now, the IMF itself is running out of funds, and begging the United States for a bailout. Yet, still, it lurches on.

In an interview with the July 29 *Washington Post*, IMF Principal Deputy Director Stanley Fischer importuned for more money, by reporting that the IMF has only \$3-8 billion of its own money left to deal with an array of crises. "The

constraints on our ability to deal with any widening of the crisis are becoming stronger and stronger," he said.

Congressional action to fund the IMF has been stalled since 1997, reflecting the deepening anti-IMF mood in the United States public. As of now, the House of Representatives vote on the U.S. component of the funding increase for the IMF has been postponed until fall. In a late-night maneuver on July 21, House Speaker Newt Gingrich (R-Ga.) withdrew the IMF funding authorization bill which had been scheduled for a full committee mark-up the next day. Most news accounts reported the official explanation, that Gingrich decided to delay consideration of IMF funding until after the effectiveness of the IMF policies in dealing with the Asian and Russian economies, could be better assessed. However, by a plain head count, Gingrich just didn't have the votes.

Capitol Hill sources told *EIR* that not only were there insufficient votes to pass the \$18.5 billion IMF funding request made by the Clinton administration, but even the \$3.5 billion for the IMF's "New Arrangements to Borrow" was in question. Therefore, Gingrich pulled the bill before a vote could take place, which now is delayed at least until September. Earlier in the year, the Senate had passed the \$18.5 billion request, but nothing can happen without House action.

The *Congressional Monitor* noted that Gingrich did not want to run the risk of a contentious floor fight, which would have pitted GOP committee chairmen against one another. Bob Livingston (R-La.), chairman of the House Appropriations Committee, favors full funding at \$18.5 billion, while House Majority Leader Dick Armey (R-Tex.), after some flip-flops on the issue, has hunkered down to lead a floor fight against it.

As reported in the July 23 *Washington Times*, these Re-



Stanley Fischer, First Deputy Managing Director of the International Monetary Fund, laments that the IMF has only \$3-8 billion left to deal with a huge array of crises worldwide.

publican committee chairmen did all agree on one thing: to pull the IMF money bill in order to avoid more public embarrassment for the GOP leadership, which is badly split on the issue.

Some in the leadership are “going along for the ride” with the IMF, in the absence of any competent alternative. Livingston told reporters in early July, “I tend to sympathize with the argument that the IMF is not up to snuff.” Then, a few days later, he rationalized, “but I also agree with the argument that we’ve got an Asian crisis, we’ve got a Russian crisis, and that deferring IMF funding again this year would send a psychological message to the world that America is retreating within its borders and becoming more isolationist.”

The IMF’s Fischer acknowledged this line of criticism in the *Washington Post* interview, saying that the dismal performance of the IMF in South Korea and Thailand has fuelled American opposition to additional funding for the IMF. Fischer also admitted that the Indonesian situation is nowhere near stable, and that the specter of a deeper Japanese crisis makes all of Asia vulnerable. “When the crisis started, the most recent numbers we had from Japan showed very strong growth in the first quarter. We knew it would become slower, but we didn’t realize it would drop off a cliff,” he said.

In the “catalogue of bad tidings” for the IMF, the *Wash-*

ington Post presented an unusually blunt picture, noting that as Fischer “scans the world economy’s trouble spots, he sees plenty of reason to worry that the crisis may take more nasty turns.” Japan’s Nikkei stock market and the yen could drop “swiftly.” Ukraine, South Africa, and Malaysia are all on the verge of needing an IMF rescue package. And, the Russian stock market has fallen 24% since the IMF deal was announced in early July.

IMF is ‘an amputating god’

Other criticism of the IMF, especially from Asia, is not so polite. Singapore’s leading daily hauled out the heavy artillery against the Fund. In its July 26 issue, the *Straits Times* ran a “Crisis Special” in which the editors invited four famous-name economists to assess the IMF’s performance in handling the “Asian contagion.” The editors’ introduction reports that, on Jan. 11, they themselves had asked, “if the International Monetary Fund was the amputating god or angel of mercy?” Six and a half months later, their answer is: “Now, after the IMF has administered its bitter medicine to South Korea, Thailand, and Indonesia, it looks more and more like the answer is the former,” i.e., “the amputating god.”

The editors continue, “The free fall of the currencies may have been arrested, but certainly not the deterioration of the economies. The three countries have been plunged into deep recessions, with widespread bankruptcies, massive layoffs, and sharp rises in poverty. And the Asian crisis looks set to deepen further.

“So what went wrong? The continued downward spiral cannot be attributed to implementation failures by their governments surely, especially when Thailand and South Korea have taken the IMF medicine obediently. Even Indonesia started taking its proper dosage since April.”

The *Straits Times* then runs a joint article by Prof. Jeffrey Sachs and Dr. Steven Radelet, the latter at the Harvard Institute for International Development, followed by an article by Prof. James Tobin (Yale University), titled, “Tighten Belt? No, Spend Cash.” And, an additional criticism of the IMF came from World Bank senior economist Joseph Stiglitz, which first appeared in edited form in *AsiaWeek*.

Group of 22 meets in Tokyo

The best thing that could happen to the IMF, is for the Group of 22, the newly formed grouping of nations supposed to be working on changing the world monetary system, to form an old-fashioned burial society for the IMF. On July 29, a subcommittee of this group began meeting in Tokyo, to take up the task of recommending “early warning” mechanisms for national financial distress. U.S. Treasury Deputy Secretary Lawrence Summers was expected to attend. The G-22 arose out of a meeting of finance ministers in April, hosted by U.S. Treasury Secretary Robert Rubin in Washington, D.C., who spoke of creating a “new financial architecture” for the world monetary system. A crypt for the IMF is urgent.

The IMF 'has failed, and failed miserably'

Malaysian Deputy Prime Minister and Finance Minister Anwar Ibrahim, in Washington, D.C., July 20, *The Star Online*.

Speaking to reporters also in his capacity as chairman of the IMF-World Bank Development Committee, Anwar accused the IMF of a "lack of transparency and consistency," and noted the discussion of reinstating Bretton Woods arrangements, such as fixed currency parities. He was sharply critical of the disparity in the IMF's "high-speed action" in dealing with Mexico in 1994-95, and in Russia in July 1998, compared to stonewalling on disbursements to Indonesia pending compliance on rigid conditions. Anwar declared, "We wish to reiterate the point expressed by many of our colleagues in the region—that we are not satisfied with the manner in which the IMF imposes rigid conditions." The IMF must take into account the impact on the poor in these countries.

He said, "We support [the Russia package] without reservation. Our objection is . . . an apparent lack of transparency and consistency when it comes to disbursement of funds to the countries in the region, in particular, Indonesia." He reminded the IMF/World Bank that the reform measures demanded by them "had been respected, and the new President and government of Indonesia are committed to ensure these reform measures are implemented." He warned that as chairman of the Development Committee, a post he assumed during the April IMF meetings, "I certainly would expect change in the direction and the manner in which the IMF deals with the problem." He said the matter would be taken up seriously at the next general meeting of the two.

When asked about criticisms, including by the U.S. Congress, that IMF measures had failed to overcome the Asian crisis, Anwar claimed that there is no real alternative to the IMF as lender of last resort "for the present." He noted that discussions were taking place on the "international architecture of the financial system." Malaysia's view, he said, is that there is a role for the IMF "for the present. . . . But they must appreciate the complexities and peculiar conditions of each country. Yes, countries must undertake to initiate necessary changes and reforms, but once the parameters are agreed upon, then disbursement must be fast, otherwise you expect all these conditions to be observed and no funds are forthcoming. And that would aggravate the problems already faced by these countries."

Malaysian Prime Minister Dr. Mahathir bin Mohamad, *The Star*, July 21.

Dr. Mahathir conducted a nationwide tour in July to explain the current crisis and organize Malaysians in defense of his government's effort to address the crisis without resort to the IMF. He briefed constituents on the recent cabinet decision to launch large-scale infrastructure projects to stimulate the economy, pointing out that at least 140 industries would benefit from the spin-off effects of such projects. Two key points of attack in his speeches are the role of speculation in triggering the crisis, and the role of foreign media in trying to undermine the country's political leadership, by sowing discord within the ranks of the ruling party and coalition. He particularly hit at the principal opposition party, the Democratic Action Party, for lending credence to smears from the likes of the *Far Eastern Economic Review*.

Dr. Mahathir also took up criticism of the IMF's "lack of transparency," similar to that of Deputy Prime Minister Anwar. Mahathir noted that even though Indonesia changed its leaders, it still couldn't get IMF money. "We can understand if [the IMF] had forced Yeltsin to step down from the administration," he said.

Malaysian Special Functions Minister Tun Daim Zainuddin, speaking to a seminar on "The Economic Crisis in Malaysia and the Role of the Media," *Singapore Straits Times*, July 23.

Tun Daim said that the IMF has "failed, and failed miserably" in handling the Asian crisis. He added that any alternative to the IMF's tight monetary and fiscal policies is considered heresy, but there appears to be a growing consensus among countries affected by the regional turmoil, that a reversal of IMF policies is needed.

At a press conference the same day, Tun Daim released the outline of the government's stimulus program, called the "National Economic Recovery Plan, Agenda for Action," which was approved by the cabinet two weeks earlier. The plan outlines six key areas: Stabilize the ringgit, restore market confidence, maintain financial stability, strengthen economic fundamentals, continue the equity and social-economic agenda, and rebuild adversely affected sectors.

Philippines President Joseph Estrada, welcoming ministers attending the 31st ASEAN ministerial meetings in Manila, July 24.

Estrada called for an international conference on globalization and a "new architecture" for the international financial system. "ASEAN as an association has to participate actively in the shaping of a new architecture of the international financial system, which some have been calling for," he said. "The financial crisis has confronted us with the stark truth that the world is dealing with a new phenomenon. It is the phenomenon of massive amounts of capital flowing across national boundaries at lightning speed, bloating economies into fragile

bubbles as they rush in and shaking economies to their foundations as they are withdrawn. This is one of the aspects of globalization that carries an element of risk and peril. It is an aspect of globalization that requires the most profound examination and the most delicate handling. I reiterate the call [by former President Fidel Ramos in December 1997] for an international conference on globalization and urge ASEAN to take the intellectual leadership in it. Unless ASEAN does so, others will once again shape our destiny for us.”

China’s Foreign Minister Tang Jiaxuan at the ASEAN Regional Forum (ARF), Manila, July 27.

“The past year has been one of continued significant and profound changes in the Asia-Pacific region. . . . Peace, development and cooperation remain the main trend in the regional situation.

“However, destabilizing factors have apparently increased in the Asia-Pacific: India and then Pakistan conducted nuclear tests, plunging South Asia into a sudden wave of tension. As implications of the financial crisis spread, new problems have cropped up one after another in the process of regional development. The Cold War mentality still has its influence in the region. . . .

“The East Asian financial crisis fully indicates that economic security has increasingly become an inseparable part of national or regional stability. The East Asian financial crisis broke out ferociously and has caused such tremendous damage which is no less than that of a war. For this reason, the ARF should approach the subject of safeguarding economic security in an in-depth manner from the perspective of comprehensive security.

“It is true that there are different views and perceptions with regard to the concept and meaning of economic security. It is our preliminary thought that the primary essence of economic security is to safeguard the economic sovereignty of a state, of which financial security stands at the core. Economic security is based, first of all, on formulating the right strategy for economic growth and enhancing a country’s economic might and competitiveness. It is based on political stability, the inviolability of sovereignty, and respect for its model of development. Meanwhile, it is necessary for countries to take an active part in and work to promote regional economic cooperation and coordination, readjust, and improve the existing international economic and financial order and, in particular, to strengthen supervision over and take strict precautions against excessive speculation. Economic security is mutual, and it is inadvisable to try to shift one’s troubles onto others.”

Russian Foreign Minister Yevgeny Primakov at the ASEAN Regional Forum, Manila, July 27.

Noting substantive transformations in the past year, Primakov warned that “we cannot but notice new alarming de-

velopments.”

“Regrettably, the forecast that existing and mounting financial and economic challenges, represent the gravest danger to stability and further progress in the region, has been warranted.

“Many countries of the region face the threat of serious economic recession. As a result, not only internal social problems have been aggravated. This objectively provokes re-emergence of a number of old intraregional conflicts.

“Moreover, the currency and financial crisis in Southeast Asia has reached beyond the region, acquired an Asia-wide dimension, and as such affected the economic interests of majority of nations of the world. Its consequences are likely to have a negative impact for a long time to come.

“We are convinced, however, that the negative consequences of the crisis are not irreversible.” He then called on ARF to study the “causes and consequences” of the Asian financial upheavals with the intent of preventing future such developments. “Today, as never before, it has become evident the region needs a collective economic security system that would include transparency of financial mechanisms, forecasting crisis developments and development of methods of early warning of such situations. Incidentally, such early warning would also be necessary for countries outside the region.”

Coming soon in EIR

Next week’s issue will feature a Special Report on the real story behind the reunification of Germany. On July 7, the Bonn government released hitherto secret documents showing that Chancellor Helmut Kohl, during 1989-90, was put under enormous pressure by French President François Mitterrand and British Prime Minister Margaret Thatcher, to subordinate German sovereignty to the European Union, as the price for the reunification of Germany.

These documents only tell part of the story, however. *EIR* will provide detailed documentation of the battles over policy that were occurring behind the scenes. At the center of the fight were the ideas of Lyndon LaRouche, dating back to his call for an International Development Bank in 1975; his campaign for a ballistic-missile defense program based on “new physical principles,” which later became known as the Strategic Defense Initiative; and his 1989-90 call for a Productive Triangle of Eurasian development.

The Special Report will provide a conceptual overview of the most explosive strategic and economic developments of the past 25 years.

The case of the Bank of New England

Keeping brain-dead banks alive to save the derivatives bubble, is nothing new.

The world's central bankers and finance ministers have devoted considerable attention over the last several years, to developing systems to minimize the impact upon the system as a whole, of the failure of a major derivatives player. The effort, spearheaded by the Committee on Payment and Settlement Systems of the Bank for International Settlements, has focussed on moving the interbank settlement system from settling accounts overnight, to real-time settlement, under the theory that the faster the settlement, the faster the damage of defaults can be contained.

The danger that the failure of a major derivatives dealer could trigger a global financial crisis, was demonstrated in 1990, with the collapse of the Bank of New England. At its peak, BNE was the tenth-largest bank in the United States, with assets of \$32 billion. What was not widely known, was that the bank also had \$36 billion in derivatives.

In the late 1980s, the "Massachusetts Miracle," as the New England real estate bubble was known, popped, and BNE, which had lent heavily to real estate speculators, found itself facing overwhelming losses. By late 1989, it was clear that BNE was dead, but it would not be closed until January 1991, more than one year later. It is what happened during that year, which is relevant to today.

Rather than close the insolvent bank, regulators actively worked to keep it open. In December, they threw out the chairman of the bank, replacing him with a new one of their own choice, and rescinded the bank's divi-

dend to stockholders. During the month, Federal auditors pored over the bank's books, finding the situation much worse than the bank had claimed. The result was a steep rise in admitted non-performing loans, from \$500 million on Sept. 30, 1989, to \$2.5 billion on Dec. 31. The bank reported a \$1.2 billion loss for the quarter, dropping its equity capital below \$500 million, and its capital-to-assets ratio to 2%, well below the required 6%. Large institutional investors, who controlled some \$9 billion of the bank's deposits, began to head for the exits.

By February 1990, the new chairman, H. Ridgley Bullock, declared the bank to be "off the critical list." That statement was a lie, designed to calm public fears and prevent depositor runs. In reality, BNE was comatose, kept alive by billions of dollars of loans from the Federal Reserve Bank of Boston. By the time Bullock made his statement, the bank had already received nearly \$1 billion from the Fed, with hundreds of millions of dollars more pouring in every week.

Slowly, the problems at the bank were publicly revealed. In March 1990, the Comptroller of the Currency and the Fed issued formal cease-and-desist orders to the bank, and in July, the bank admitted, in its second-quarter filing with the Securities and Exchange Commission, that it might need government assistance to survive. This, after some \$18 billion had already been funnelled into the bankrupt bank.

The end for the Bank of New England came abruptly. On Jan. 4, 1991, the bank announced a \$450 million

loss for the fourth quarter of 1990, a loss which wiped out its \$225 million in equity, making the bank officially insolvent. Not surprisingly, the announcement triggered massive depositor runs at the bank, with long lines forming at its offices.

Two days later, on Jan. 6, 1991, Federal regulators officially closed the bank. Federal Deposit Insurance Corp. Chairman William Seidman estimated the ultimate cost to the agency of the failure at \$2.3 billion, at the time the second most costly bank failure in U.S. history, after the 1988 failure of First RepublicBank Corp. of Dallas.

Why did Federal regulators pump billions of dollars of public money into an insolvent bank, keeping it open for a year after it should have been closed? The answer lies with the bank's \$36 billion derivatives portfolio. Had regulators closed the bank at the end of 1989, causing the bank to default on its \$36 billion derivatives, that could very well have led to a domino-like collapse of the global financial system. So, the brain-dead bank was kept open, to defuse the broader derivatives danger.

During November and December 1989, before BNE publicly revealed the size of its fourth-quarter losses, BNE was able to trim its off-balance-sheet exposure by \$6 billion. But, as word of its financial problems spread, banks around the world refused credit to BNE, demanding cash up front to settle derivatives deals. The money from the Fed allowed the bank to make the deals necessary to unwind its derivatives exposure. The Fed also used its clout to induce banks, securities firms, and the derivatives exchanges to work with the bank.

By the end of 1990, BNE had reduced its derivatives portfolio to \$6.7 billion. A week later, the bank was closed.

IMF policies will cause new floods

No real flood-control measures have been put in place, one year after the catastrophe on the Oder River.

On July 25, Chancellor Helmut Kohl visited Ziltendorf, for an event commemorating the big flood along the Oder River in July 1997, which put the village under 10 meters of water.

More rain fell upon the Riesen and Altwater mountains in a few hours, than in six months of a normal year. Some 150 million cubic meters of rainfall caused the worst flood catastrophe in 250 years, as 20% of Polish territory was flooded in the southwestern regions, along the upper sections of the Oder, Vistula, and Nysa rivers.

By comparison, the German regions bordering on the lower section of the Oder suffered far less damage. The German dikes had a few days more to be reinforced than did the dikes in Poland. The flood damage in Germany cost 1 billion German marks (about \$590 million), but damage in Poland rose to at least ten times that sum.

On Aug. 14, 1997, Andrzej Byrt, Poland's ambassador to Germany, gave a preliminary report in Bonn: 2,592 villages, towns, and cities were hit, and 1,362 of them were entirely inundated under a flood of water 10 or more meters high; 671,195 hectares, of which 400,000 were farmland, were flooded; 808 kilometers of dikes along the Oder and 307 km along the Vistula were severely damaged, and had to be restored or substantially rebuilt; 150 hospitals and other medical facilities, with all their inventory, were destroyed.

One year later, 80% of the damage to private housing and village infrastructure has been repaired in Germany. The restoration of dikes is proceeding slowly, however, because at

the present rate of DM 30-40 million per year for dike-building, the job will take another seven years. Only then will the dike system on the German side of the Oder be in shape to withstand a flood of the dimensions experienced in the summer of 1997.

In Poland, far less has been done since last summer to establish efficient flood control: Only 20% of the damage has been repaired, to date.

The slow progress there cannot be blamed on the Polish people, who have the same interest in rebuilding their homes, villages, hospitals, and bridges as the Germans do. But Poland is run by a government that is loyal to the International Monetary Fund (IMF) and World Bank, and respects all the budget restraints that have been imposed as conditions by its creditors. Germany's government is loyal to the IMF as well, and also has a balanced-budget policy, but the standard of living and condition of the infrastructure are much better there. Even in eastern Germany, which, like Poland, was ruined by a communist regime between 1945 and 1989, the situation is much better than in most of Poland. But, had Germany suffered damage to the extent that Poland did, it would have run into similar problems.

To be able to repair flood damage of \$6-8 billion, the Polish government cannot remain loyal to the IMF, because there is no way to allocate the required funds from the state budget, which is under tight monetarist control. Yet the Warsaw government has maintained its loyalty to the IMF, and so the reconstruction of bridges, dikes, and roads has not made much progress. Only 668 bridges and 1,700 km

of roads, out of the 2,800 bridges and 6,300 km of roads that were damaged last year, have been rebuilt. And of 753 km of dikes, mostly along the Oder River, only 51.5 km have been restored; along the Vistula River, only 19 out of 505.5 km. At this pace, it will take another four years to get back to the pre-flood levels of transport infrastructure and housing.

The figures reveal not only the situation in Poland, but also reflect on the policy of the German government, which insists that the Poles pay obeisance to the IMF, first, and only after rebuild the disaster areas. The German Chancellor also used his visit to Ziltendorf, to call on the Poles to drop their national water development plan, "Oder 2006," for the sake of "protecting nature" and "natural flood control." This would imply measures to decrease the density of population, to create "retention zones" along the river to make room for flooding and to build no dams. It further suggests that Poland be so "nature-minded" as to flood its own territory, to protect Germany's.

This is dangerous nonsense. Set the Poles free from the IMF and allow them to complete "Oder 2006." Germany should cut out the mindless ecologism and start deploying dredges to deepen the Oder River, so that flood waters could flow off to the Baltic Sea.

As a by-product, the Oder would finally be made navigable for big barges — which is what Poland wants, to improve the arteries of supply to its industry in the southwestern regions, and the transport of products from there.

For the underpopulated and under-industrialized regions of Germany that border on the Oder, a similar approach would create incentives for economic development. Instead of trying to talk the Poles out of "Oder 2006," the Germans should contribute to realizing it.

Business Briefs

Trade

Europe picks up Chinese satellite contracts

On July 18, a Chinese Long March rocket launched the first European-made communications satellite, Sinosat-1, made in France, the July 27 *Aviation Week* reported. The satellite had been contracted for by EuraSpace, which is a 50-50 joint partnership between Germany's Daimler-Benz Aerospace and China Aerospace Corp.

EuraSpace was formed in 1994. At that time, the U.S.-based Hughes Corp. had hoped to secure the joint partnership with China, but U.S. technology sanctions imposed on China, and the threat of changes in policy in Washington, gave the Europeans the winning edge.

The "ups and downs" in U.S.-China technology export policy took a dramatic turn for the worse this spring, when the *New York Times* began leveling charges that U.S. national security was being compromised by the satellite launches. This, plus the joint partnership, has given the Europeans a jump start in competing with the United States in the Chinese satellite market.

Italy

Infrastructure blocked by Maastricht Treaty

The Italian high-speed rail network is proceeding slowly, and parts of it have been terminated. So far, work has begun only on the Florence-Rome and Rome-Naples sections; but, even when these have been completed, there will be no connection to northern Italy and central Europe. Cuts in the budget, to meet the criterion in the Maastricht Treaty for European Union, are the primary reason that investment in infrastructure is being cut back or eliminated, as *EIR* had warned would be the case.

In July, the Italian government announced that the planned Milan-Genoa high-speed rail connection will not be built. The 137 kilometer line has been cancelled for "environmental" reasons, among which, the

government says, is that the train would have been "too high-speed." Thus, the largest industrial center of Italy will not have a modern rail connection to Italy's main commercial port. The government is promising that it will double the existing conventional rail connection.

The state-owned rail company also announced in July that the Turin-Milan high-speed connection, and the Italian part of the connection from Turin to Lyons, France (which includes a new tunnel through the Alps), are no longer top priorities. Due to budget cuts, the company has been forced to concentrate only on the north-south connection from Milan to Switzerland, which includes a new Gotthard tunnel.

In a related development, the European Commission rejected a proposal by the Italian government to ease taxes for companies investing in Southern Italy. EU Commissioners Monti and Kinnock declared that Italy would be violating European Union rules of competition.

Finance

Chile under pressure to lift capital controls

The British oligarchy is putting pressure on Chile to further lift controls against speculative capital, most recently in an article in London's *Financial Times* on July 22. The article was reproduced in Peru's *Gestión*.

In June, in a move which revealed how desperate Chile is for cash, the Central Bank weakened its modest controls on hot money, reducing from 30% to 10% the portion of incoming foreign capital that must be deposited in the bank for a year. Now, the *Financial Times* reported, some economists want the remaining controls lifted, to facilitate Chile's access to foreign capital and help lower interest rates.

Backers of the controls argue that they should be kept in place, because they have curbed incoming foreign speculative flows and helped Chile to "avoid the type of financial crisis which hit Mexico in 1994, and Thailand, Indonesia, and South Korea last year."

That the issue is being discussed at all underscores the depth of Chile's crisis. Inter-

est rates of 25% might be attractive to foreign fund managers, one broker is quoted. But, for smaller Chilean companies, interest rates are even higher because of the scarcity of funds. Despite pressure to eliminate the controls, the *Financial Times* laments that the Central Bank has shown no signs of doing so, and has kept in place other regulations on profit repatriation. "These [regulations] appear to have been a useful tool, which have served us well," said Central Bank president Carlos Massad.

Caspian Sea

Russia, Iran reaffirm 1921 and 1940 accords

A dispute between Russia and Iran, following the signing of an agreement between Russia and Kazakstan over the division of the resources of the Caspian Sea, is headed toward resolution. In an interview with the Iranian News Agency, Russian First Deputy Foreign Minister Boris Pastukhov, who visited Iran on July 19, said that Russia still considered the Tehran-Moscow friendship treaty of 1921 and the trade and shipping accord of March 25, 1940 between the two nations, to be valid. He said, "It is not to the benefit of Moscow to distance itself from Tehran."

On July 6, Russian President Boris Yeltsin and Kazakstan President Nursultan Nazarbayev signed an agreement demarcating the Russia-Kazakstan Caspian Sea offshore border along its seabed. This was the first such bilateral seabed border agreement among the states bordering the Caspian, and the first time that Russia legally recognized Kazakstan's claim to its offshore oil resources. Previously, the Russian position, shared by Iran, was that the Caspian was a "lake," and not a "sea," and therefore its resources had to be shared among all its littoral states. The border demarcation is confined to the seabed, and includes oil and gas deposits. Left out is anything built upon that seabed, such as pipelines. (Russia maintains its position that whatever is drilled on Kazakstan territory should be piped out via Russia.)

The agreement cleared the way for the exploitation of offshore Kazakstan oil, and for bilateral agreements among other Cas-

THAILAND'S Deputy Prime Minister Supachai Panitchpakdi called on members of the Association of South-east Asian Nations to "boost emergency rice reserves to ensure regional food security," at a Bangkok meeting of the ASEAN Food Security Reserve Board, the July 7 Singapore *Straits Times* reported.

IN GERMANY, poverty among children is increasing, according to a report by the Ministry of Family and Youth Affairs which the government will not release until after the Sept. 27 elections for national parliament. According to leaks in the media, 12% of the children in western states and 22% in eastern states are living below the poverty level.

CHINA released figures reporting only 7% economic growth so far this year, 1% less than the target. This is a result of the global financial crisis, and a serious problem for China, because the planned 8% growth rate was essential to ensure the re-employment of millions of workers being laid off in the necessary reform of much of China's outdated state industry.

3M COMPANY, "battered by a slowdown in Asia and sluggish U.S. sales, said . . . it would shed 4,000 jobs, or 5.3% of its worldwide work force, by the end of next year," the July 24 St. Paul *Pioneer Press* reported.

ZAPATA CORP., the company co-founded by George Bush as Zapata Off-Shore, has formed an Internet subsidiary, ZAP Corp., and is buying up Internet companies. As of July 6, it had deals pending to buy all or part of 21 Internet sites and "e-commerce" businesses; ZAP claims that these acquisitions will make it one of the ten largest Internet sites, based on numbers of users.

BOEING reported a 46% fall in earnings for the second quarter, and Dow Chemical Co. reported a 26% drop, amid a fall in earnings of Blue Chip firms because of the Asian financial collapse.

pian littoral states. The search for oil will start with a consortium of six international oil companies drilling their first well in Kazakhstan's section of the Caspian. The firms are: Italy's Agip; an alliance of British Petroleum and Norway's Statoil; British Gas; Mobil; France's Total; and Kazakstancaspishelf, a state-owned Kazak oil company.

Pastukhov said the 1921 and 1940 agreements would remain valid until a new regime were completed, and that Russia opposes laying oil and gas pipelines along the Caspian seabed, because of ecological concerns. In a joint statement, Pastukhov and Iranian Foreign Minister Kamal Kharazmi agreed that a legal regime for the Caspian Sea should be completed as soon as possible, with the participation of all five littoral states. They also ruled out any outside parties as mediators in the negotiations.

Investment

London woos Arabs to keep money in Britain

A prestigious event was staged for Arab investors and diplomats in London recently, to urge them to invest in Britain, the Saudi newspaper *Asharq Al-Awsat* reported on July 23. The meeting was attended by high-level representatives of the British oligarchy, including the Duke of Kent, Governor of the Bank of England Eddy George, former Foreign Secretary Douglas Hurd, Lord Frazier, John Bond of Hongkong & Shanghai Bank, and the chairman of the London Stock Exchange. The seminar was arranged by "The British Invisibles Export Council," and was held in St. James Palace with the "special permission of Queen Elizabeth II," the paper said.

"The British are not only desperate; they are begging," a London-based Arab economics editor told *EIR*. "The meeting in St. James Palace was a discreet thing. No international press was invited. Even the report in the Saudi paper was intended to lure smaller Arab investors to invest in Britain." He added, "There is a strong feeling here that big Arab investors, especially those investing heavily in real estate in the U.K., are seriously considering moving to the euro, and

repatriating a portion of their money back to the Gulf, where the economies have been badly hit by the Asian crisis and the oil price fall."

In recent months, there have been repeated calls in the Gulf, including from the Saudi-based Gulf Cooperation Council Chambers of Commerce, to "repatriate the \$800 billion" of Arab investments in London and New York, in order to invest in Arab stock markets and development projects. So far, \$1 billion has been invested in Egypt's water projects by Sheikh Zayed Bin Sultan of the United Arab Emirates, and \$500 million has been invested in agricultural projects in southern Egypt by Prince Al-Walid bin Talal of Saudi Arabia.

Central Asia

Iran, Armenia sign economic deals

Iran's Finance and Economic Affairs Minister Hussein Namazi signed an agreement for economic cooperation with Armenia's Minister for Executive Affairs Shahen Karamanukyan, following the conclusion of the second joint commission in Tehran on July 20. One of the points in the agreement is the readiness of Iran's Export Promotion Bank to grant credits of up to \$5 million to Armenia for purchase of Iranian consumer goods, and a further three-year grant for the purchase of Iranian capital goods.

Armenia announced preliminary agreement for the construction of a 25 kilometer tunnel by the Iranian Mostazafan and Janbazan Foundation. Some 65% of the cost of the project is to be covered through exports, 20% through transport fees, and 15% by the foundation's share in Armenian factories.

Armenia and Iran also indicated readiness to complete an international transport route along the Black Sea, which, they envision, would include the participation of Georgia and the Russian Federation. The agreement notes that the Iranian car manufacturing company, Iran Khodro, is ready to launch a minibus manufacturing line in Armenia and to sell spare parts. The two sides also reached agreement on building a hydro power station over the Aras River.

The Eagle Star Syndrome

by Lyndon H. LaRouche, Jr.

July 20, 1998

Since no later than 1971, the U.S. economy, like that of the world in general, has been looted with a rapacity whose cumulative effect rivals the reputation of Genghis Khan. On this account, reference the summation of the recent fifty-three years' changes in U.S. policy, which was supplied in my July 17 Feature in *Executive Intelligence Review*.¹ Given the many changes in ruling political factions and policies of the sundry governments of the world, which span these five decades, the obvious question posed by my July 17 Feature, ought to be: "What powerful agency has done this to us?"

In the July 17 Feature, we addressed the question: "What is the pattern?" Now, here, ask: "What is the substance, the personality of the causative influence responsible?" Which is the active agency of power, which continues to lurk behind stage, during the successive scene-changes in policy, throughout the decades which span that sequence of reigning "principalities and powers?"

Let us restate this important question. "What powerful, witting agency has been able to control the policy-shaping of our U.S.A. during this time, to such a degree, and with such evident malice, that all but a tiny minority among U.S. citizens, are suffering what has been done to us, if each in relatively greater or lesser degree?" We are not suggesting that the agency involved is either omnipotent or omniscient; if it is not stopped, it, like fabled Belshazzar's Babylon, will inevitably destroy itself very soon. Nonetheless, it is a very powerful agency which, unless stopped *by us*, will destroy itself, and virtually all existing civilization of this planet, besides.

1. Lyndon H. LaRouche, Jr., "Where Franklin Roosevelt Was Interrupted," *Executive Intelligence Review*, July 17, 1998.

For the suffering vast majority among the citizens of the United States, the horror is, that this destruction of our nation's civilization has been done, not only with the tolerance, but even the insistence of our own government! Do not overlook the fact that the U.S.A.'s own ruin is only a facet of a global debacle; but, for the moment, concentrate here upon the identity of those relevant agencies which have forced such economically suicidal decisions down the throats of the government and people of the U.S.A. itself.

For the purpose of this investigation, we, the author and his associates, have the special competence of knowing some of the leading individuals and other agencies, and their actions, which have played a leading part in shaping the relevant developments during these recent decades. Since the middle to late 1970s, we have possessed, and reported, repeatedly and publicly, conclusive evidence of proof, that the North America-based agency most conspicuously arrayed behind all leading news media and other assaults against both Lyndon LaRouche and the tradition previously associated with President Franklin Roosevelt, always was, and remains today, a circle of the Queen's own British-American-Canadian (BAC) establishment, which had been brought together, earlier, as elements of London's "Beaverbrook" spy network of the 1938-1946 period. We have also documented the evidence, showing that the same establishment has been a key player in shaping, mostly directly, most of the crucial changes in policy introduced during the same period.

For the purpose of this investigation, we must distinguish between two types of leading agencies common to the history of oligarchies. The first, is the social process represented by oligarchy as such; the second, is the types of establishments which succeed one another, from time to time, in acting with the powers of a surrogate for each relevant reigning oligarchy. Later, here, we shall focus upon the identity and motivation



U.S. Secretary of State John Foster Dulles (center). He and his brother Allen were among the scoundrels from the British-American-Canadian (BAC) syndicate, who came into prominence in the U.S. Eastern Establishment after World War II, and whose poisonous influence still pollutes American policymaking today.

of the agency, the present oligarchy itself, on whose behalf the present BAC establishment has been acting. Until that later point in this report, we shall continue to focus upon matters bearing directly upon the identity and influences of our more immediate enemy, that BAC establishment.

For the purpose of this investigation, the present, English-speaking, oligarchical establishment, of today's Britain, Canada, and the United States, is rightly described by comparative reference to a most notorious Royal cabinet, known as the "Cabal," dating from the time of the Restoration Stuarts. These most immediate enemies of ours, echo that Seventeenth-Century tradition. The present-day cabal, is the concert of action, which, according to the factual evidence immediately at hand, acting as a surrogate and executive agency for the oligarchy as such, has been chiefly responsible for deploying all the principal evil done to the government and people of the U.S.A., this during a period of no less than a quarter-century to date.

Over the recent decades, the Canada-based corporate interest denoted by the name of Eagle Star, has been typical among the nominally private entities represented by this establishment, this common enemy of both our nation and LaRouche. The Hollinger and Murdoch press empires, are also among the important, related spin-offs of that same (BAC) war-time spy apparatus. Among the individual U.S. agents of this same British-American-Canadian syndicate, are the cabal's "Eastern Establishment" collection of dubious bankers and related "spooks." The latter are typified by the

cases of those (now departed) scoundrels, Allen Dulles, James Jesus Angleton, and Jay Lovestone, who came into later prominence within the U.S. intelligence establishment from their war-time status as London-directed agents of the British-controlled clique within the O.S.S. and related war-time operations.

The U.S. participants in the World War II BAC network, were chiefly members of, or recruits to pre-existing British, Canadian, and U.S. networks, including U.S. agents of British influence. These earlier networks had dated from no later than the Presidencies of Theodore Roosevelt and Woodrow Wilson. However, the "BAC" nest representing the present U.S. "Establishment," was not simply a continuing, gradual outgrowth of the institutions established, beginning 1901, under the Theodore Roosevelt Presidency. The BAC of the 1938-1998 interval, has its own, functionally distinct characteristics.

Admittedly, the political forces out of which BAC was organized, have a long continuing history of hateful opposition to the principles expressed by the U.S. 1776 Declaration of Independence, the 1789 Federal Constitution, and the great reforms accomplished under the leadership of President Abraham Lincoln. The underlying, axiomatic opposition of the BAC to the principles of our U.S. Federal republic, are to be traced, without risk of exaggeration, to no later than ancient Babylon. Since the middle of the Eighteenth Century, the same Babylonian, oligarchical tradition existed in the earlier cabals whose ultimate influence has flowed, as constituent

elements, into the 1938-1946 origins of today's BAC entity.²

However, its forerunners taken into account, the BAC cabal of the 1938-1998 experience could not be rightly understood, unless it is recognized as a new species, with specific differences from even the earlier Twentieth-Century form of that same London-centered, international financier-oligarchical interest which has been the mortal enemy of our United States for more than two centuries. The present and earlier U.S. component of this oligarchical interest has been, and remains, an economic-political oligarchy identified by its treasonous forms of association with Manhattan bankers, New England opium-traders, and Southern slave-holders, since our Eighteenth-Century battle for securing and defending national independence from the hateful British monarchy.

Thus, on this account, ancient roots so acknowledged, and the pre-1938 ancestries of our British foe taken into account, in today's world we must distinguish currently between the two distinct specific forms, pre-1938 and post-1938, of establishment organization which our oligarchical foe has assumed in North America during this century.

To review, briefly, the outlines of BAC's development during this century:

First, as we have noted above, there was the British interest which, increasingly, took over much of both the private economic interests and also of the government of the U.S.A. during the immediate aftermath of the successful, 1901 assassination of President William McKinley. This corruption continued its growing influence through the aftermath of the U.S. participation as an ally of our enemy Britain, in two World Wars, an influence which has been increased at generally accelerating pace during most of the recent fifty-odd years.

Beginning approximately 1938, the alliance of Franklin Roosevelt's U.S.A. with Britain, for the coming war against Hitler, was used to launch what, by 1946, assumed the character of an ongoing virtual coup d'état within the U.S. Department of Justice and other relevant official and private U.S. institutions. This involved what may be termed, included, crucial, cumulative "structural changes" within the composition and character of the leading, pro-oligarchical institutions. This change has its own distinctive characteristics, chiefly characteristics cohering with what our July 17 *EIR* Feature has already treated as the past fifty-three years' succession of radical changes in U.S. economic and related policies. The untimely death of Churchill-foe Franklin Roosevelt, became the circumstance under which the consolidation of that post-1945 counter-revolution against the U.S. Declaration of Independence and Federal Constitution was launched, during the course of the recent fifty-odd years.

2. As Herodotus indicates, the ancient cultures of Sumer, Yemen, Ethiopia, and Canaan were clones established by the ancient, pre-Vedic, Dravidian culture of the Indian Ocean region. The satanic cults of Shakti, Ishtar, Cybele, Isis, and Gaea, are reflections of the spread of the ancient forms of oligarchical religious cults into the Mediterranean littoral.

Under the trends of the recent five decades, the face of our visible enemy, the present establishment, has acquired specific kinds of financial and political power, in our nation's economy and within the permanent bureaucracies of our government. Those specific forms are chiefly to be recognized as an outgrowth of the still-ongoing, degenerative process of qualitative reorganization, of both the corporate and U.S. government bureaucracy's forms of that London-centered British-American-Canadian-Dutch financier-oligarchical power, the which were the goal of preliminary, institutional changes earlier during this century, during the administrations of U.S. Presidents Theodore Roosevelt and Woodrow Wilson. However, all the rest said, it is the cabal pulled together since 1938-1946 developments within the U.S.A., which is of qualitatively distinct, special relevance for understanding, and, hopefully, correcting the worst of the evils afflicting the U.S.A. today.

In this memorandum, we identify three crucial aspects of the way in which the consolidation of the BAC apparatus's virtual takeover of the U.S. has been accomplished. The first such consideration introduced here, is the nature of the BAC cabal itself; we shall turn to complete our discussion of that in the concluding portion of this memorandum. The second of these considerations, is that intellectual weakness, known as "populism," within the U.S. population, which has been lavishly exploited to lure the majority of U.S. citizens into their own undoing. The third, is the reciprocal relationship of the "post-industrial" shift in composition of sources of national (monetary) income, to the moral degeneration in the philosophical world-outlook of the majority of the U.S. population.

The relevant cast of usual suspects

Now, restate our leading argument, as follows. The character of the present-day combination of financier-oligarchical and U.S. Justice Department/Federal courts corruption, now operating behind such exemplary, if transitory figures as Kenneth Starr and Speaker "Newzi" Gingrich, is to be recognized, more narrowly, as reflecting the decades of domination of Wall Street and Washington by the same Anglo-American oligarchical interests earlier associated with the Wall Street names of Harriman and Stimson. Thus, what many patriots will recognize as a treasonous pack of racist, anti-labor rascals controlling the permanent bureaucracy of the Justice Department's Criminal Division, is never to be regarded in any way but as an appendage of that collection of Wall Street-centered financial parasites which presently exerts virtual control over the nation's leading mass news media, and which controls such neo-Jacobin rabble as that rampaging through Congress under today's apparently fading leadership of House Speaker Newton "Robespierre" Gingrich.³

3. It is to be emphasized, that, barely a few days before they were guillotined, the bloody Jacobin tyrants Robespierre and Saint-Just appeared, outwardly,

In this connection, we must distinguish between the process of internal evolution within the post-1938 BAC cabal as a whole, and those sometimes prominent figures and factions, which are, in the last analysis, only the passing predicates of that process. The crucial distinction to be made between such evolving social processes and their predicates, is usually overlooked in today's classroom, textbook, mass media, and popular opinion generally.

To illustrate the point about predicates: since the early 1970s, the Labor Committees have never erred in placing passionately treasonous, London-controlled (Royal Institute for International Affairs—RIIA) agent of influence, Henry A. ("Iago") Kissinger, in no ensconcement other than his London-directed career, as Napoleon Bonaparte would have seen Kissinger, as a "Talleyrand" of the period's reigning "intelligence establishment." Since the mid-1970s, as now, our emphasis on that connection has always been upon such leading Kissinger career-connections as the Rockefeller-funded patronage, and the training and other direction supplied by such Kissinger mentors as Nashville "Fugitive" William Yandell Elliott and Stimson's McGeorge Bundy.

In our reporting on such predicates, we never erred, either in fact, or by exaggeration, in our characterization of Kissinger himself. We concede, that Kissinger has done much to typify the evil which has been lately destroying our civilization from within. However, at the same time, we have also been obliged, repeatedly, to warn against the dangers inhering in what were formerly, during the 1970s and early 1980s, the relatively widespread, populist over-simplifications of the Kissinger problem. The follies of those populists should be taken as a warning, that one must not commit the fallacy of composition, of focussing upon Kissinger so narrowly, so simplistically, that we draw attention from the fact, that the intellectually mediocre Kissinger, nasty as he is, is not the self-subsisting origin of the problem he typifies. Kissinger, at his most influential, is merely one of the more notorious among rather numerous, expendable agents, of those higher, oligarchical interests which own Kissinger, the interests which are actually at the core of the problem.

If we must not exaggerate Kissinger's significance, we must not overlook it, either. To strike the necessary balance,

to have attained the greatest degree of their dictatorial powers. There are Labor Committee members who had discussions with Newt Gingrich back during the late 1970s, when his career in the U.S. Congress was beginning. If Cult of Apollo priest Plutarch were living today, he would almost certainly place emphasis on the evolution of Robespierre, from the time Robespierre knew Benjamin Franklin in Paris, to the process by which Robespierre's career as a Jacobin asset of the British Foreign Office's Philippe Egalité marched to power, and to the gibbet. It is important, never to confuse the unfolding of a political process with the rise and fall of those personalities which the process itself uses, and uses up. Gingrich's ambition made him an instrument of a political process; personalities who achieve such success often find themselves suddenly "used up." In history, there are two classes of famous individuals: those who make careers, as Gingrich has for the moment, and those, exemplified by Plato, who make history.

see Kissinger as like a character from a Greek tragedy (perhaps one which Aeschylus deemed a character too contemptible to present even in his customary public performances). See Kissinger as representing some of the essential elements of the relevant evidence bearing on the doom of the society featured in such a Greek tragedy. In that drama, we have, appropriately, a Classical prescience of Kissinger as menaced by the looming wrath of the Furies. Moving from the Classical stage to today's post-modernist tastes in real-life political stage, he is best viewed as a parody of Bertolt Brecht's "Jenny." The audience should recognize him as, essentially, remarkable for being one of the most disgusting among the superlatively abominable, double-dealing, spin-doctoring scalawags of our nation's contemporary political-intelligence establishment.

Keep a clear view of the distinction between the tragedy and its characters on stage. Remain forewarned; in and of himself, Kissinger is, in actual content, an intellectual mediocrity, a swindler, no better than a hollow bag of flatulent vanity; his skills are those of an "Artful Dodger" of the international community of political criminals. Do not be so shocked by his venality, that you fail to recognize his actual importance as located entirely within the bounds of his assigned role as an establishment lackey. One's appreciation of the carnival operated by the current establishment, should place the em-

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phasis upon the ownership of the carnival, rather than letting ourselves be misled into over-emphasizing those individual “Wild Man from Borneo,” side-show acts, such as Henry A. Kissinger, sometimes deployed by that establishment.

In the larger social process, the BAC establishment remains that enemy of mankind which is the tradition it has inherited from no later than ancient Babylon, or, since Augustus Caesar’s founding of that “new Babylon” called the Roman Empire, or, since the Great Whore of the Mediterranean, Venice, or, since Venice’s founding of its clone, the financier oligarchy headed, still today, by the British and Dutch monarchies.

To situate the modern drama between good and evil within the larger social process, we must recognize the origins of today’s problem within the political and cultural history of global European civilization’s struggles against oligarchism since Solon of Athens. For that purpose, we must choose as our bench-mark, the related emergence of what became Plato’s Classical Greece.

We must take as a bench-mark for the entirety of European civilization’s history to date, Classical Greece’s leading role in destroying the great empire of evil, Babylon, then existing under the Achaemenid dynasty. We must see the enemies of Solon, and of the tragedian Aeschylus, as an expression of our ancient enemy, the oligarchy typified by the Olympian gods of Aeschylus’ *Prometheus Bound*. Similarly, we must continue from Plato’s time, to trace the outcome of Classical Greek culture, under the guidance of the Christian conception of all persons, as made in the image of the Creator. Christian Apostles such as John and Paul led in making the hegemonic culture of the eastern Mediterranean, Platonic Greek culture, the vehicle for that continuing struggle leading into Europe’s Fifteenth-Century Golden Renaissance. We must trace the ensuing history of world-wide European civilization, as emerging out of the radiating influence of that Renaissance. From that Fifteenth-Century Renaissance, came the ensuing establishment of that great American historical exception: the U.S. 1776 Declaration of Independence, the 1789 Federal Constitution, and President Lincoln’s actions establishing the principle of true individual human freedom from all forms of domination by the oligarchical tradition of evil Babylon.⁴ Situate today’s global conflict against that background.

4. Notably, after Plato had died, and Greece was brought under the heel of Persian ally, King Philip of Macedon, it was Plato’s collaborators, of the Academy of Athens, who contributed the key role in steering Philip’s son, and enemy, Alexander the Great, into seizing the throne of Macedon, and marching, always closely advised by Plato’s Academy, to accomplish the obliteration of the Achaemenid Empire. Despite the death of Alexander—plainly a case of murder by poisoning—the impact of the radiation of Plato’s influence through Alexander’s revolution made a Hellenistic culture dominated by the influence of Plato, the dominant culture of the Eastern Mediterranean region. It was the Christianity conveyed in the Classical, Platonic Greek of Apostles such as John and Paul, which supplied the guidance and impetus for every act on behalf of freedom and progress contributed by western European civilization since the time of Christ.

That said, put Henry “Jenny” Kissinger to one side. Contrast this historical setting of the relevant social process, to the lunatic simple-mindedness of the all-too-typical U.S. Department of Justice’s and other populist varieties of “conspiracy theorists.” As we have already promised, we shall return to the subject of the cabal itself, after examining summarily the most relevant of the issues of populism and economic sociology.

Never let your daughter marry a libertarian

Think, for example, of that poor dupe who believes what he reads in the propaganda sheets of lying British establishment sources, such as *The Wall Street Underground*. What makes the typical, “know it all,” American populist, such a habitual sucker, is his typical, ignorant, fanatically simple-minded conceits. Those conceits are typified by the case of the populist variety of “conspiracy theorist,” who premises his argument, axiomatically, upon that same, disgusting misconception of individual “human nature,” which is featured in the writings of such followers of Paolo Sarpi as Sir Francis Bacon, Thomas Hobbes, John Locke, Bernard Mandeville, Adam Smith, and the supremely foul first chief of the British Foreign Service, Jeremy Bentham.⁵ In other words, every populist is a liberal, an empiricist—or, as Immanuel Kant put the point as tactfully as possible, in the Introduction to the First Edition of his *Critique of Pure Reason*, a “philosophical indifferentist.” In plainer words than Kant’s, every populist is a philosophical illiterate. That induced, virtually decorticated state of the typical populist’s mind, is key to his role as a compulsive dupe of the BAC establishment. That Pavlovian factor, is a leading element in the establishment’s customary control over the shaping of the usual majority of so-called “public opinion” of most of the fooled populists, most of the time.

In the standard liberal tradition of Thomas Hobbes and John Locke, this populist misconceives every individual person as an existentialist “blivet” in percussive interactions with a chaotic mass of other “blivets,” all sharing the common, same essential motivations of such typical liberals as Charles Dickens’ literary characters “Old Fagin” and “The Artful Dodger.” Each of these Hobbesian “blivets,” such as John Locke, not only admits, but brags, that his essential behavior is governed by percussive interaction with other such “bli-

5. It was Lord Shelburne protégé Bentham’s 1782 accession to that post which was celebrated by Henry A. Kissinger’s keynote, treasonously anti-American address, on the occasion of the 200th anniversary of Shelburne’s founding of the British Foreign Office. Among Bentham’s notable actions in that post were his personal direction of the Jacobin Terror in France, his personal direction of British anti-U.S. insurgency in Central and South America, and his creation of such notable British Foreign Service protégés as Lord Palmerston. In between such undertakings, Bentham found time to be thoroughly disgusting, including his final action, of having himself stuffed by taxidermists, by which means he was to be taken out of the relevant closet, regularly to preside at annual meetings of London University’s directors.

vets,” as if he were merely one of many pool balls scattering and ricocheting upon one another at the “break.” From the moment of that “break,” the follower of Hobbes, Locke, or Adam Smith insists, all his motives are generated statistically, under the sway of those common, percussive passions known as “The Seven Deadly Sins.” It is fair to say, that for populists in the genre of Hobbes, Locke, or Adam Smith, “conspiracy” is defined as any pair or more of persons acting slyly to the alleged purpose of cheating the complaining party of what the putative victim claims, rightly or wrongly, for his own part, to be his own rightful freedom to cheat as much as he pleases.

For example, those commonly crooked Federal prosecutors, and other liberals, who specialize in claiming to expose those “conspiracy theories” they themselves have, in fact, concocted, are “spin doctors,” who share, thus, the same axiomatic premises of belief which they attribute to those poor American populists whom they commonly libel as “conspiracy theorists.” Since such crooked prosecutors think like typical American populists, during what President Abraham Lincoln identified as “most of the time,” most of our American populists tend to sympathize with the assertions of the crooked prosecutors, up to the moment of their unexpected great awakening, when the noose is put around their own necks.

True to Hobbes’ and Locke’s tradition of British liberalism, today’s most common-place varieties of crooked Federal prosecutors, common populist “conspiracy theorists,” and other philosophical illiterates, are the so-called “libertarian” followers of Seventeenth- and Eighteenth-Century British rascals such as Bernard Mandeville, Adam Smith, Jeremy Bentham, and — “Beetlebaum” bringing up the rear of the parade — Professor Milton Friedman.

Like any among today’s crooked Federal prosecutors, these philosophical anarchists define wickedness, as, essentially, anyone else’s interference with their “inalienable divine right to do pretty much as I damned please.” Those characters should remind us of John Locke’s defense of chattel slavery: “The right of the slave-master to enjoy the ownership of his property.” As the so-called Constitution of Britain’s Confederate States of America illustrates the plain intent of Locke’s argument, Locke’s “Life, liberty, and property” has always been intended to serve as the definition of “freedom” for slave-owners. For the followers of John Locke, the catchword for “conspirator,” is anyone “who is thinking about interfering with my perfect right to do any damned thing I please.” In other words, “libertarians” are essentially immoral persons; they deny the existence of any efficient expression of morality, substituting mere personal opinion instead. For them, as for those preachers of drug-trafficking and other British moral philosophy, Adam Smith and Professor Milton Friedman, morality can be nothing other than the incentives supplied by such lecherous passions as “individual greed.”

The subject of customary immorality, and self-degrading, stubborn ignorance, usually expressed by the contemporary

American populist, is a leading focus for investigation in the principal writings of Plato, notably Socrates’ focus upon the issue of justice, as in the *Republic*. In various of my own lectures and writings, the crucial point is frequently referenced under my discussion of the cognitive standpoint of the *world-historical personality*. The example of the self-doom of Shakespeare’s Hamlet, as featured in the celebrated Third Act soliloquy, points to those moral failings which often foredoom today’s typical American populist to being that dupe of the oligarchy he, unfortunately, usually proves himself to be. His emphasis on “common sense,” and being “practical,” or, as he perverts the use of the term, “realistic,” is key to his recurring ruin at the hands of those who know, like our establishment, how to lure such self-esteemedly “practical men” into cheating themselves.

Crucial is the populist’s disgusting misuse of the term “freedom.” In brief: the typical populist is the type of philosophically illiterate person who refuses to learn the fundamental distinction between animal freedom and human freedom. Like the barnyard animal, who supplies the typical American populist his favorite role-model for mate-selection and other uses, the beasts we own, as cattle or as pets, are delimited in choices by that which he or she is capable of learning, in the animal sense of learning.

The difference among species is relative, not absolute. Lower species participate in the generation of superior species. Thus, similarly, animals under human care sometimes rise above the brutish condition of the wild beast. The animal who depends upon guidance from human judgment, to that degree *participates* in the characteristics of the higher species, mankind.⁶ Thus, by coupling the ability of the tamed beast to participate, with a higher species, mankind, in a common framework of decision, the beast becomes relatively humanized, as we tend to observe this most clearly in the role of the household’s pet dogs. Too often, the reverse is true; populists, and others, imitate the beasts. We shall state in painfully plain terms, shortly below, the quality of relations among persons, which the typical American populists (and similar types) borrow, not from human relations, but, rather, as between some employers (such as General Motors today) and their employees, from relations between a farmer and his barnyard animals. As in the current practice of HMOs, or *maquiladoras* of NAFTA’s Mexico, the aroma of the slaughter-house often wafts into the domain of relations between the relatively helpless and the excessively powerful.

The essential difference between the human and animal individual, as a species-type, is what Plato defines as the *Idea*, as I have elaborated the nature and proof of this conception of *metaphor* in numerous published locations. My difference with Thomas Hobbes on the issue of metaphor, is exemplary of the difference between the person who has risen to the

6. The argument respecting this distinction between man and beast, is taken from Nicolaus of Cusa.

status of true humanity, and he, like Hobbes, Locke, or Adam Smith, who prefers to rut in the “popular,” “practical” muck of American populism and kindred moral depravity.

The distinctive essence of humanity, is the ability and wont to rise above narrowly defined, immediate, “practical” self-interest, above the state of depraved selfishness which the typical populist usually defines as his perceived self-interest. Take the case of the dupe clinging passionately to “my mutual fund account.” In the great wash-out expected soon, most of the populist’s short-term obsession with nominal gains in his account will be crushed by a general financial collapse. With his sly, “practical man’s” passion for gains in the very short term, most of these greedy dupes will, as during 1929-1933, be wiped out financially in the coming, inevitable wash-out.

That fellow with his sly faith in “my mutual funds account,” reminds us of the celebrated, tried and true Malaysian monkey-trap. The trap is a sturdy jar, whose throat presents an opening barely large enough to receive the bait—a tasty nut—intended for the populist-like local monkey. The monkey inserts his paw in the jar, intending to remove, and eat the nut. However, as long as he clings to the nut, he can not remove his paw from the jar. Thus, the Malay citizen captures the foolish, tasty Malaysia monkey. Such are our populists with their “mutual funds” and similar accounts.

Instead of being such a greedy dupe, one must locate the meaning of the totality of one’s individual mortal existence in the outcome which that existence contributes to humanity as a whole: the *world-historical* meaning of the totality of that individual mortal life. This sense of world-historical meaning, is the only true basis for a sense of individual human dignity, for that true sense of individual freedom which has been heretofore lacking in the typical American populist.

This quality of individual freedom, is not located in the crude sense of “freedom to make *arbitrary* individual choices.” It is located in the cognitive potential of the individual human mind, to make validatable discoveries of principle, principles often contrary to all so-called “popular opinion.” To define true freedom, the emphasis must be placed upon “principle” and “validatable,” as exemplified by a replicatable, crucially, experimentally validated discovery of a new physical principle. That capacity for discovery of validatable principle, is the formal distinction which sets the human species absolutely apart from, and above, all other species. It is that sovereign, creative mental capacity inborn in the individual human mind, which defines each human individual as “made in the image of God.” It is that, as we shall show below, which marks the point of separation between the moral individual, and the individual so often morally self-degraded into the mental state of a populist.

Populism: an opponent of God’s law

I come not to bury populists, but, on the contrary, to save them from what they are so often wont to do to themselves.

So far, so good. However, we must not mistake the notion of a replicatable form of experimental discovery of principle for mere *abstract truth*. (As if truth were a merely academic precept held by some dusty old aristotelean curmudgeon.) Truth is always efficient, in the sense I employ the term “anti-entropy” as the fundamental principle of any valid science of economics. In other words, the quality of truth is *universally* efficient.

As I have shown, in numerous published locations: in economics and physical science, true principles are those experimentally, crucially validatable discoveries of principle, by means of which society is enabled to increase the potential relative population-density of the present and future human species. This is measurable as the increase of man’s power over nature, both per capita and per square kilometer of the Earth’s surface. Those principles which generate this increase of power, have thus demonstrated themselves to be in accord with the lawful ordering of the universe at large. But, there is more to this, much more.

This increase of per-capita power of our species is achieved through corresponding changes of hypothesis, as I have defined *hypothesis* in numerous relevant locations. Thus, the notion of the laws of the universe, God’s law, can not be a fixed belief, can not be represented by any fixed body of scientific knowledge. The essence of the matter, as Plato’s *Parmenides* rebukes all reductionists, is *change*: a literally revolutionary change from a previously established set of presumably valid principles, to a new, improved set. Truth lies only in the validatable, universal principle of *change*.⁷ It is that principle of change which is tested, and validated, as man’s proper notion of God’s laws bearing upon the physical universe as such. However, that is not yet the end of the matter.

The successful changes in discovery of physical laws are solely the product of the role of the individual mind’s power of cognition. This power is given its crucial demonstration by any generation of validatable discoveries of principle, discoveries which overcome the challenge of that special quality of seemingly insoluble paradox known as the quality of Classical metaphor, the quality of metaphor which Thomas Hobbes denied to exist. Thus, the issue of truth, as this bears upon God’s lawful composition of the universe,⁸ focusses us upon the task of cognizing a principle of (anti-entropic) self-change of cognition itself. It is that power of self-change, which is the seat of man’s power to increase man’s power over the universe. It is, therefore, only within the domain of that concept of higher, cognitive self-change, this a continuing (anti-entropic) change of human nature within the bounds of human nature so defined, that man’s natural agreement with God’s universal law is actually located.

7. As Plato echoes Heraclitus on this point.

8. In his *Timaeus* Plato uses the term “Composer” to define God, and employs the notion of “composition” to cohering effect, throughout.



The Promise Keepers rally in Washington, D.C. Oct. 4, 1997. "How does one enslave a mass of American populists?" LaRouche asks. "Simple! Merely encourage them to continue being populists. The trick in keeping a slave a happy slave, is to make slavery popular."

Here, we locate directly man as made in the image of God. Here, we locate the totality of one's mortal individual life, in respect to its bearing upon the simultaneity of eternity. Here lies the essence of personal morality, and personal knowledge. Here lies the perfectable source of motivation of the world-historical individual; here lies the sense of fundamental self-interest which governs the world-outlook, and behavior of the world-historical mortal individual. Here, on this principle, stands the only truly moral individual.

Usually, matters are seen quite differently by the typical American populist. Typical of such populists are cases of a widespread form of mental disease often termed "the bi-polar personality" type.

The bi-polar populist personality

What the relevant professional literature identifies as "the bi-polar personality," represents one of the more widespread, and, also, mortally dangerous forms of mental disease.⁹ There are etiological comparisons with a distinctly different, but functionally related form of mental disorder, termed "multiple-personality disorder (MPD)." However, for reasons best known to the members of the relevant professions (who should be ashamed of themselves), the importance of preventive efforts for diagnosis and therapeutic control of the sick-

9. Far worse than the case of bi-polar violence in the United States, is the manner in which the British system maintains a virtual cult of bi-polar violence, as expressed by the instance of the English football fans and the sado-masochistic horror-show which the English proudly present to us as the traditional norm of their public school programs.

ness is not officially recognized to date.¹⁰ Only when the victim of the disease has been caught expressing that disorder by either criminal or similarly undeniable forms of acts of violence, is the offender likely to receive relevant care, often only after they have been committed to incarceration, or related compulsory care, for conviction of a relevant form of criminal, or related kind of act — often, only after the perpetrator's victim is dead.

This specific form of mental disorder correlates in significant degree with the characteristic moral problems of the typical American populist; if, perhaps, only a minority of populists might be prudently classed as suffering a crippling "bi-polar" syndrome, closely related, perhaps only less extreme forms of related types of unhealthy behavior are prevalent among populists at large. Indeed, the bi-polar personality is but the relatively more extreme expression of a pathological tendency which is widespread among broad strata of our population. Viewing the prevalence of this emotional problem, should lead us to an appropriate understanding of the way in which the spread of populism provides the principal political basis for the kind of moral corruption represented by the pattern of increasing influence of the BAC establishment's moral degeneration, during the recent decades. The reader may be astonished to recognize, perhaps from the remarks we are about to supply here, how relevant that connection to the bi-polar syndrome is in fact.

10. There is also a highly energized pattern of "cover-up" of the circumstances, such as paedophilia, surrounding the incidence of multiple-personality disorders.

We may recognize the bi-polar syndrome most readily as the case of that ostensibly sado-masochistic individual, who, in one moment, is whining in pitiable, saccharine expressions of submissiveness, and, then, in another moment, even abruptly, erupts with most aggressive threatening of violence, demanding submission. Relevant is the remarkably frequent case of the passionate, evangelical Protestant “teetotaller,” one who never takes alcoholic refreshment, yet regularly conducts family violence in the very same patterns which are usually attributed to effects of an alcoholic syndrome. Clearly, too often, alcoholism is blamed for exactly that kind of violence which would occur without aid of any actual hooch.¹¹

Such bi-polar forms of violence, hooch or no hooch, are a deeply embedded, widespread pattern within the U.S. population (in particular) at large. These syndromes are usually, traceably associated with family patterns, over successive generations. For related, historic reasons, the pattern of bipolarism associated with past family histories of the American agrarian experience, especially among the most desperately poor and technologically backward, is the most commonly and readily noticed form of expression within the contemporary society as a whole, today.

The image of some German rural communities’ ritual public pig-slaughter comes to mind, and similar experiences in the U.S. rural regions. It is not the act of slaughter itself which ought to excite our attention; it is the unhealthy syndromes which tend to be attracted to the circumstance of the animal slaughter, which should be the relevant focus of our attention here.

Notably, for our specific purposes in this report, the passions which are interlocked with the political syndromes of the populist strata within the population, parallel, and usually overlap the emotions, especially the sado-masochistic political patterns witnessed in outrightly political forms of populist behavior within the population at large.

To assist the reader in situating the point, consider the following observations on the subject of family patterns.

Among the more provocative instances of bi-polar family violence, is the case of the woman who is frequently beaten, often brutally, by her husband, and yet faithfully returns for the same, sometimes life-threatening abuse, again and again. She, too, is part of the general bi-polar syndrome. Contrary to certain feminist myths, not infrequently, it is the mother, who is the primary transmitter of patterns of bi-polar violence within the family. In some of the most pitiable cases of such victimized women, it is as if she were addicted to soliciting such violence! Otherwise, she is often either the principal agent of the violence, or incites it, as an act of dependency,

11. Obviously, any “emotional disorder” is not improved by the introduction of degenerative co-factors. The case of the recurrently violence-prone alcoholic is often observed to present itself as the use of hooch to “license” the outbursts of violence already welling up in the presumed alcoholic.

with persisting determination to bring such an incident about. We see the same pattern in violence of parents toward children, sometimes the father, sometimes the mother the focal point of the various—either overtly violent, or otherwise cruel—modes in which the victims are abused; the scenes of reconciliation between aggressor and victims, following such episodes, are telling. The use of family violence, or threat of such violence, to control the behavior and relations of the targeted persons, expresses the more general expression of this family-related pattern of behavior. Our attention is drawn thus to the relevant instances of all-too-familiar, related patterns of dependency and co-dependency in family and other social relations.

This same pattern spills over from the family, to the bar-room, the schoolyard, employer-employee relations, and other social settings. In effect, the society is largely conditioned, perhaps not to welcome, but to “learn to live with” the complex of social interactions in family, and other relations, centered upon this heritage of successive generations of aggression and submission in perpetuating this pattern of bipolar violence transmitted chiefly through the vehicle of family relations. The stink of the so-called “philosophies” of Thomas Hobbes and John Locke comes to mind.

We have referred to the more or less common patterns of seemingly alcoholic-like patterns of bi-polar, in-the-family violence associated with “teetotalling,” revival-meeting-going Christian fundamentalists. Correlate that image with the case of such a person coming to the altar call at a revival meeting; as he pours out the litany of his sundry infamies, one is tempted to comment, “Is he confessing, or bragging?” This particular incident, although relatively commonplace in such quarters, may not be the general case, yet the incident is pointing us toward something of more general importance about the American populist in general.

The popularity of “revivalist” forms of “fundamentalist” observance among historically poorer strata, especially from agrarian-rooted family histories, is associated with an obsession with not only the right, but the doctrinal obligation to be a “sinner.” (“Is he confessing, or bragging?”) We should be familiar with this as a syndrome of mass behavior from studies of such archetypical cases of gnosticism as the Bogomils (“Cathars”). The disgustingly perverse definition of abstinence in practices among the gnostic “elect,” points to the meaning of such games. Putting to one side, the more exotic varieties of cases, focus on the prevalence of the doctrine, that one must accept being a “sinner,” almost to the point of sinning as frequently as might be deemed necessary to maintain one’s standing as a devoutly sinful person.

The most relevant point here, is the connection to the gnostic cult of “free trade:” the doctrine, that society must be constituted in such a way that the “Seven Deadly Sins” shall be given the freedom to rule over society without interference. The relevant charismatic evangelical, by adopting the “free trade” dogmas of such Mont Pelerin Society offshoots as the

Heritage Foundation and American Enterprise Institute, is making a religion of sin.

The complementary expression of such aberrant religious beliefs, is some British-influenced fundamentalist's impassioned objection to *Genesis* 1's insistence that man and woman are made in the image of God, that each man or woman is naturally imbued thus with the divine spark of Reason. Many of the relevant sects insist upon a contrary doctrine, demanding a doctrine of the essential, incurable depravity of mortal man. Many particular such British-influenced, fundamentalist sects hang upon the determination to allow no view contrary to their own on this point. In opposition to Christian doctrine, such sectarians deny the principle of redemption of man and woman made in the image of God; thus, they demand continuing evidence of unimpaired depravity as a precondition for admission to Paradise. (In what strange sort of god do such perverse creatures believe?)

The congruence of such gnostic dogmas with the maintenance of traditions of bi-polar violence in the family, and extension of those traditions to social relations in general, is the miserable, self-imposed condition of the typical American populist. Such a populist is attracted to such fellow-populists, and, as the history of American political and social movements informs us, such fellows make a political religion of co-dependency upon the banalized sentiments of populists such as themselves.

The positive political and moral principle at issue, is the fact that it is the creative side of human nature, the divine spark of Reason, which is in accord with God's law for this universe as a whole. It is that creative side of individual nature, which is to be developed, and to be redeemed. It is the commitment to devote the span of one's mortal life to doing good according to that principle, as that great American patriot Cotton Mather argued, which is morality. This includes a tender regard for the protection and nurture of this same quality, this divine spark of goodness, in others.

That difference, between these two, mutually opposing conceptions of individual nature, shows us why the inner life of even the nominally devout American populist so often turns out to be a particularly hellish one.

Economy and morality

The most notable degeneration in the moral values of the population generally, is directly traceable to the effects of the shift from a society based upon benefits of scientific and technological progress, to a "post-industrial" utopia hostile to the American economic tradition of Benjamin Franklin, Alexander Hamilton, John Quincy Adams, Abraham Lincoln, et al. The functional connection ought to be obvious.

For a relevant comparison, go back to the interval 1940-1963, when the majority of employed Americans were engaged, directly or proximately, in the production of physical goods or essential, production-related kinds of professional and other technical services. The difference between being a

factory drudge and promotion to some technologically more responsible position, was the disposition to learn, including a quality of learning which was, at worst, closely related to the mental act of validated discovery of some physical principle.

As I have stressed in various relevant locations, including the already-referenced July 17 *EIR* Feature, the cognitive development of most technically qualified members of the post-war, post-Depression generation, was impaired, but still far from extinct. Beginning the 1964-1972 cultural-paradigm shift, away from the perspective for scientific and technological progress, to "post-industrial" utopianism, the degree of cognitive impairment converged, as a trend, upon what must ultimately become Pavlovian-dog levels of virtual inertness. Compared to the agricultural, industrial, and professional labor-force of the pre-1964 period, the "Baby Boomer" and "Generation X" strata of the labor-force have suffered an increasing loss of the simple ability to think rationally. They converge on being the Yahoos of Jonathan Swift's fable.

Symptomatic, is the case of an operation steered, from Pennsylvania's Wharton School, by London Tavistock Clinic official Eric Trist. Trist, a pioneer brainwasher in the field of industrial employment, provided key connections to the systematic destruction of the United Mine Workers Union, and was linked to a general brainwashing operation, run under backing from "New Detroit," which targetted the automobile industry labor, during the 1970s. Related, have been the impact of Lewin centers at MIT and Ann Arbor, and related "New Age" monkey-factories at Stanford and elsewhere. The quality of both general industrial employment and management practice, has undergone a radical degeneration during the recent thirty-odd years, a trend which conforms in all crucial respects with a general process of dismantling the possibility of maintaining, or re-creating a technologically progressive, viable form of modern agro-industrial society.

Prior to 1964-1972, industrial and related performance was key to the cognitive and related aptitudes and attitudes developed in management and industry. There were terrible abuses, against some of which I have complained loudly, during the 1950s and more recently. Nonetheless, back then there existed, among industrial operatives and managements, as among progressive farmers, a standard of competence which still existed to the degree that its standard could be violated. With the recent rampage of "out-sourcing," *maquiladoras*, and other Malaysian monkey-trap-like follies in "out-sourcing" practices, the kinds of management and operative work-places which demanded a quality of employee suited to modern society, have virtually gone off the labor-market. There is but a rapidly collapsing percentile of the new recruits to the total labor-force which still brings any significant technical competence or cognitive potential to the place of employment. We have transformed what had been the world's leading labor-force of the early post-war period, into virtually a pack of Yahoos.

The most conspicuous symptom of this degeneration of

the quality of both the labor-force and general citizenry, is the tell-tale catch-phrase, “I don’t go there.” One could imagine such an astronaut, deserting his space-craft, midway on the journey to Mars. “I simply refuse to go a step further in this direction,” he explains, just before closing the hatchway and stepping, hopelessly, as existentialists are wont to do, into the void of solar space around him. A flight from reality governed by utterly impulsive, utterly irrational motives (“preferences”), is increasingly typical of the kind of labor-force (and population) whose development has been shaped by shifts in patterns of employment, from scientific and technological progress, to flipping hamburgers on a run-down way-station on the road to “post-industrial” utopia.

What one defines as a duty, a challenge, and what one accepts as the standard of performance so required, is the microcosm of daily life. A circumstance which calls upon the development of the cognitive potential of the individual, and the betterment of the general conditions of life for future mankind, breeds a different sort of morality, than that flight from reality which is to be recognized as the content of “post-industrial” utopianism. The intersection of the intellectual and moral degeneration fostered by the existentialist’s cult of “post-industrial” utopianism, combined with the existentialist tendencies inhering in typical American populism, produces a population with an increasingly fragile grip on such essential prerequisites of survival as even the simplest forms of rationality.

The result of such degeneration, is, once more, the Yahoo. To understand how and why our children are being transformed, from actual people, into Yahoos, one must examine the relevant master of the plantation, the typical example of such modern oligarch as London *Times* veteran editor Lord William Rees-Mogg.

The mind of the oligarch

Throughout the present memorandum, as in all my relevant earlier writings, my standpoint is that of a certain definition of “human,” as an implicitly world-historical individual, an individual defined by those developable cognitive potentials which set the human species absolutely apart from, and above animal life. This is otherwise the traditional standpoint of western Christian civilization’s view of each man and woman as made, essentially, in the redeemable image of the Creator. That is, actually, or implicitly, the view of man inhering in the U.S. 1776 Declaration of Independence, and in President Abraham Lincoln’s correct reading of the intent underlying the U.S. Federal Constitution of 1789.

The oligarch is defined, and controlled by adherence to an entirely different, entirely opposing definition of the human species.

As typified by that evil Dr. François Quesnay, the oligarch asserts what we, his opponents, would consider the human population, between principally two species: the one, the landlords, the other, the cattle. His view of the distinction

between landlord and cattle is fairly described as “Darwinian.” Those who rise to become the landlord species, are the landlords, and those who fall into the social-political-economic condition of cattle are the cattle. The principle of oligarchy is essentially that simple, but the ramifications are as complex as they are ugly.

The essential, functional definition of all varieties of oligarchs, is that they are parasites, living by means of various forms of usury at the expense of that class of statutory victims whose misfortune has been to fall into the status of cattle. Like all cattle, these are cultivated by the parasite-class (the landlords) by approximately the same methods employed to transform captured, rebellious wild beasts into sleek, stupid cattle, prized, usually, for their meat and milk. (See how the British, French, and Portuguese colonialists tame and cull the wild herds, and so-called “natural resources” of the people of sub-Sahara Africa, an arrangement managed chiefly by Tiny Rowland’s London, through agents in place in Dar es Salaam and the Republic of South Africa.)

Among the most useful promptings of insight into the nature of oligarchy is provided by Aeschylus’ *Prometheus Bound*, a drama in keeping with the available collection of historical and quasi-historical sources on the subject of the origins and character of the cult of Olympus. The world’s usurpatiously ruling oligarchs, Zeus and his crew of Olympians, have relegated mankind to the status of a subject-class of stupefied cattle. Prometheus liberates the humans with the kind of knowledge exemplary of a principle of scientific and technological progress. For this, Prometheus is not forgiven. However, Zeus does not prevail; he and his oligarchy bring their destruction upon themselves. Prometheus thus triumphs on behalf of mankind.

We *Prometheans*, who established the modern form of western European civilization, used the principles of knowledge, and of scientific and technological progress in particular, to create a new form of society, which the oligarchs were impelled to imitate, however reluctantly, out of their strategic concern to achieve political parity with the challenge of the new form of anti-oligarchical society, the sovereign form of modern nation-state. However, the ultimate strategic objective of the oligarchy, is to regain total power over the planet, through destroying the nation-state institution, and degrading the citizens of republics to the condition of brutish — or, if you prefer, British — Yahoos. The oligarchical objective, virtually more an instinctive impulse than a calculated plan, is to re-establish, at whatever cost, a form of world society in which the reign of the oligarchical landlord-class over the human cattle is an arrangement established and preserved forever. It is, in the last analysis, just that simple.

One of the more revealing expressions of the oligarchical strategy is the unwholesome symbiosis between Britain’s Prince Philip (Duke of Edinburgh) and his satanic religious adviser, Martin Palmer. Out of his oligarch’s pure hatred of Christianity and the modern nation-state, Prince Philip has

resurrected the ancient satanic cult of Gaea, and has proposed to eradicate Christianity by means of superseding it with a mish-mash "world religion," the latter incorporating all those degraded features of sundry religions which are consistent with Olympian hostility to science and do not promote the dignity of the individual person as "made in the image of God."

The difference between humans and beasts, is the role of what Plato defined as *ideas* in determining the history of the human species. This notion of *ideas* is inseparable from that notion of the sovereign cognitive powers of individual reason which defines the human species as made in the living image of the Creator. This is key to the conflict between oligarch and republican. The republican, whose principle rejects the division of mankind between landlord and human cattle, can not tolerate the rule of oligarchs over society. The very existence of the oligarch depends upon crushing out of existence the mortal challenge which the notion of man in the image of God presents to the continued existence of oligarchy. It is this elementary issue, which defines the nature and shaping of the global strategic conflict between the two.

The poor, typical American populist obviously has not the slightest inkling of the threat posed to him by the oligarchy. The populist does not recognize, that the oligarch's essential weapon against the poor populist is the populist's acceptance, like the Sancho Panza of Miguel Cervantes' *Don Quixote*, of that kind of stupefaction which is all too popular among populists. How does one enslave a mass of American populists? Simple! Merely encourage them to continue being populists. The trick in keeping a slave a happy slave, is to make slavery *popular*.

This brings us to the matter of the oligarchical form of establishment, as typified by the current, BAC form of that establishment. *Don Juan* is obviously a typical oligarch of simple-minded motives. *Leporello* typifies such a Don Juan's indispensable "establishment." Oligarchs, by and large, tend to be stupid, as we see from studying the behavior of the typical oligarchical playboys and playgirls of Europe, or, that degenerate class of parasites known as the U.S.A.'s own surrogate aristocracy, its popular entertainers. With all that stupidity running rampant within the larger body of the oligarchical class, some virtual Leporello must exist to supply the vacant-headed oligarchical class in general with a tricky lackey's advice and counsel.

Thus, the bulk of the oligarchical class of parasites, is essentially stupid, brutishly so. It knows its own class interest in approximately the same sense a stud recognizes a bitch in heat. Most of them do not actually think, would not wish to be compelled to think, and perhaps could not, even if their lives depended upon it. They are predominantly parasitical creatures, drones, of debased instinct. Their sense of class self-interest does not rise above the intellectual level of a speculator's passion for a hoped-for rise in next week's mutual-funds account.

To fill the intellectual void of the oligarchy as a class, a surrogate, a pack of sly, Venetian-style, stiletto-wielding lackeys is required, a lackeydom which serves as an intelligentsia, a Roman-imperial-style of permanent bureaucracy. Clever as these rascally lackeys may sometimes be, they suffer a deadly flaw; they are enslaved to defend the brutish sense of self-interest which they are called to serve, the brutish instinct of that brutish pack of parasites, which is the oligarchy as a class.

We have reached that critical point in the history of this century, at which either we replace the oligarchy's rule very soon, or the entire planet will be plunged into a prolonged "new dark age" as early as, or even earlier than the beginning of the coming century. The danger is posed by an implicit cohabitation between the brutish, instinctive stupidity of the parasitical oligarchical class, and the matching, barnyard brutishness of the American populist and kindred prospective victims. In the larger scheme of things, mankind has reached a point at which the oligarchical system could not survive in its present forms, whatever the net outcome might be. Thus, we have before us the opportunity to step in and provide available solutions, when no one but we ourselves has workable alternatives to offer. The question is, have we the capacity to succeed in this venture, under these circumstances? We have no moral choice but to try.

LAROUCHE ON THE NEW BRETTON WOODS

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Hollinger boss calls for 'BAC' revival

by Jeffrey Steinberg and Scott Thompson

The man whose media empire has been leading the British assault against the U.S. Presidency, since the day Bill Clinton was sworn into office, is publicly calling for a revival of Winston Churchill's World War II "alliance" between Britain, Canada, and the United States. If this sounds both paradoxical and hypocritical, it is.

As in the time of Churchill, this call for a twenty-first-century revival of the Britain-America-Canada ("BAC") alliance is premised on the immediate destruction of any vestiges of the American anti-colonial policies and outlook of President Franklin Delano Roosevelt. To the extent that President Clinton, the late Commerce Secretary Ron Brown, Treasury Secretary Robert Rubin, and others in the Clinton administration have shown even a tendency toward an FDR policy impulse, they have been mercilessly attacked by the BAC forces and their minions, typified by House Speaker Newt Gingrich (R-Ga.) and independent counsel Kenneth Starr.

On July 6, Conrad Black, the CEO of the Hollinger Corp., delivered a speech at the annual meeting of the Centre for Policy Studies in London, the flagship think-tank of the radical free market Mont Pelerin Society. In his speech on "Britain's Final Choice: Europe or America?" Black attacked the European Union as "the greatest engine for collectivism, illiberalism, and hyper-regulation in our national life." He called upon Britain to abandon any plans to join the European Monetary Union, and, instead, to formally press for membership in an expanded, transatlantic "super-NAFTA" (North American Free Trade Agreement).

"None of the continental European countries has a particular affinity with the United States and Canada," Black asserted, "or anything slightly comparable to Britain's dramatic modern historic intimacy with North America. . . . Such an expanded NAFTA would have every commercial advantage over the EU. It is based on the Anglo-American free market model of relatively restrained taxation and social

spending. The United States will make no significant concessions of sovereignty and does not expect other countries to do so."

A second-generation 'BAC' spook

The emergence of Conrad Black as a leading spokesman for the call to revive the BAC alliance is of no small significance. Black's Hollinger Corp. is one of the leading media cabals in the English-speaking world. Its London flagship, Telegraph Plc, is the house organ of the Thatcherite Tories and Prince Philip's core of the Club of the Isles. The Hollinger-owned *Jerusalem Post* is the mouthpiece for Israeli Likud Prime Minister Benjamin Netanyahu's assault on the Clinton Middle East peace initiative. In recent years, Hollinger has purchased the *Chicago Sun Times*, thereby adding an American big city daily newspaper to its fleet of several hundred suburban U.S. news dailies and weeklies. Its grip on the Canadian and Australian media is substantial.

Hollinger Corp. is the second generation of a Churchill government wartime intelligence front, War Supplies Ltd., which was at the forefront of the British Special Operations Executive (SOE) penetration of the United States. Created at the behest of the British Ministry of Munitions to secure American military equipment and financial backing for Churchill, War Supplies Ltd. was headed by Canadians Edward Plunkett Taylor and George Montagu Black, the latter being Conrad Black's father. The *New York Times* described the mission of Taylor and Black as an effort to accomplish "a virtual merging of the economies of the United States and Canada."

After the war, War Supplies Ltd., which had been run as a commercial front and had amassed profits of \$1.3 billion (an enormous sum at the time), was simply transformed into a "private" closed-ended investment fund called the Argus Corp. Under Taylor and George Black's guidance, Argus became a media powerhouse, and, when Black and Taylor retired, the company was turned over to Conrad Black. In the 1980s, Conrad Black changed the company name to the Hollinger Corp., moved its headquarters from Toronto to London, and escalated the media-buying spree.

Black also maintained the ties to British intelligence that his father and E.P. Taylor had. For many years, the Argus-Hollinger board included Arthur Ross, a New York City investment banker who had been Lord Beaverbrook's British intelligence station chief for many years, according to family sources. Black also was an intimate of the late Maj. Louis Mortimer Bloomfield, the SOE's wartime liaison to J. Edgar Hoover's FBI, and the head of a postwar Montreal-based British intelligence proprietary, Permindex, which was implicated in the assassination of President John F. Kennedy and the attempts to kill French President Charles de Gaulle.

Today, Hollinger maintains an international advisory board headed by former British Prime Minister Lady Marga-



Conrad Black

ret Thatcher. Her two senior advisers are self-professed British agent Henry Kissinger and Lord Peter Carrington. Other advisers and board members, drawn from the upper echelons of the Club of the Isles, include: Lord Evelyn de Rothschild, chairman of N.M. Rothschild and Sons, Ltd.; Henry Keswick, chairman of Jardine Matheson; Lord King of Wartnaby, chairman of British Airways; and R. Donald Fullerton, chairman of Canadian Imperial Bank of Canada.

A heated debate

Black's speech at the Centre for Policy Studies immediately sparked a feverish debate within the British establishment. On July 17, 1998, Michael Heseltine, a onetime Thatcher Defense Minister, wrote a blistering attack on Black, which was published in Hollinger's own *Daily Telegraph*. Heseltine threw in his lot with the European monetary and political union, and claimed that Thatcher had been one of the pioneers of the Maastricht Treaty and European integration. After making a pitch for the inevitable triumph of globalization, Heseltine concluded, "Perhaps, Mr. Black should try to persuade his fellow Canadians to contemplate their forebears and consider an application to join the European Union. The idea is no more preposterous than the idea that Britain should choose an American destiny."

Black shot back the next day. "Mr. Heseltine claims every Conservative Prime Minister since the war has been a Euro-federalist except for Eden," Black wrote in an article entitled "European Debate: The Final Word." "It is illustrative of the desperation of his argument that he would make this claim on behalf of Lady Thatcher, whose most insidious, not to say treacherous, opponent he was. She has publicly expressed agreement with 'every word' of my address to the Centre for Policy Studies that he attacks."

Later in the article, Black also claimed the endorsement of several North American legislators for the super-NAFTA scheme. "He [Heseltine] writes that the North Americans won't have Britain in NAFTA. They will, as the Speaker of the U.S. House of Representatives and the Canadian leader of the Opposition have written in the *Daily Telegraph* recently. And he advises me to go back to Canada and persuade Canada to join the EU. I do not accept Mr. Heseltine's implicit theory that being from Canada is a subject for embarrassment."

Black's claim that he has Thatcher and Gingrich's support for his super-NAFTA plan is accurate. In April, House Speaker Gingrich travelled to London, where he delivered a series of lectures, some hosted by the Thatcher Foundation, during which he floated his own rationale for the British to join NAFTA. On April 20, he penned an article for the *Daily Telegraph*, on "Europe's Great Gamble," in which he formally extended the invitation. After waxing on about the flaws of the regulated economies of continental Europe, with their "subsidies" to workers, Gingrich warned that the

European Monetary Union is a high-risk venture, likely to fail. His conclusion: "It is understandable that Britain is hesitant to join monetary union or go now much further into an integrated Europe. If, as appears likely, there is a movement in the U.S. Congress, as there has been in the Parliament of Canada, to offer Britain some associate status in the North American Free Trade Agreement, I would support it. Britain must know she still has friends on the other side of the Atlantic."

And Thatcher announced, in late July, that she plans to come to the United States, later this year, to campaign for her "good friend," Malcolm "Steve" Forbes, to be chosen as the Republican Party's Presidential candidate in 2000. It looks like a full Redcoat invasion.

A genuine fight erupting?

The Black-Heseltine exchange appears to be one indication that a brawl is taking place inside the British elites, over how to deal with the European Monetary Union (EMU). The fact that the British elites know that the global financial system is headed for a crash is at the heart of the policy battle. The Black-Thatcher Tory hard core has aligned with Prince Philip and the inner circle of the Club of the Isles raw materials cartels, to grab up the world's strategic raw material supplies, and let the chaos come. This group intends to build up its assets inside the United State to block any American intervention, along the lines of Lyndon LaRouche's proposal for a New Bretton Woods system, at the point that the crisis hits. The fact that Black's "Torygraph" led a recent media assault against LaRouche and *EIR*, for mooted that Prince Philip might be implicated in the Aug. 31, 1997 murder of Princess Diana, was a tip-off to this crowd's intentions.

At the same time, British Prime Minister Tony Blair has moved to strengthen the pro-euro forces within his Cabinet, with some personnel changes, announced on July 28. Blair promoted Joyce Quin, the Prison Minister, to the post of Minister for Europe at the Foreign Office. She is a former Euro-parliamentarian and an avid EMU supporter. Peter Mandelson, Blair's campaign guru and a leading light at the Royal Institute for International Affairs, has been named head of the Department of Trade and Industry. Lord Sainsbury, former head of Britain's largest supermarket chain, immediately signed on as a "pound-sterling-a-year man" at the DTI. Both men are strong advocates of British membership in the EMU. While Prince Charles has been described by several sources as being in favor of participation in the EMU, Blair is reportedly ready to stake Britain's involvement in the euro on his ability to rule the "Euro-Socialist" roost. If the monarchy becomes an obstacle to Blair's schemes, he could turn against the Windsors in a heart-beat. Then, the falling out among the oligarchical thieves could turn very bloody.

New setbacks for royals' cover-up of Diana murder

by Jeffrey Steinberg

The British monarchy, the British and French governments, and everyone else involved in the effort to cover up the vehicular attack in Paris that claimed the lives of Princess Diana, Dodi Fayed, and driver Henri Paul on Aug. 31, 1997, have suffered a string of recent setbacks, that improve the prospects of the truth eventually coming out.

The first setback came on July 20, in London, when after a detailed police inquiry, precipitated by bogus claims of theft against Mohamed Al Fayed, the father of Dodi Fayed, brought by British intelligence dirty-trickster Tiny Rowland, the Crown Prosecution Service announced that there would be no prosecution recommended. The Crown Prosecution Service stated that there was no evidence, whatsoever, that afforded any likelihood of a conviction; in short, the complaint was a hoax.

It is no secret in London that Rowland, the former head of the Lonrho Anglo-African raw materials cartel, had been a sworn enemy of Mohamed Al Fayed ever since the Egyptian-born businessman took over Harrods department store in 1985, at the behest of Harrods' shareholders who were battling to prevent a hostile takeover by Rowland.

Following the car crash in Paris that claimed the lives of Dodi Fayed, Princess Diana, and Henri Paul, the British monarchy and allied factions of the British establishment declared open season on Al Fayed, vowing to drive him out of Britain and France. The "blood sport" against Al Fayed was, from the outset, an integral part of the Crown's effort to bury evidence proving that the crash in Paris was anything but a traffic accident caused by high-speed drunk driving. Ten months after the crash, the monarchy is still desperately trying to cover up royal "murder by decree" that could bring down the House of Windsor.

From the outset, Rowland was a key player in the Windsor-commissioned dirty tricks campaign against Al Fayed.

Upon being informed of the Crown Prosecution Service decision, Al Fayed issued a press statement which began, "Tiny Rowland's allegations of theft from his deposit box at Harrods always were a total fabrication. There never were any diamonds, emeralds, rare silver coins or any other valuables. . . . Mr. Rowland was unable to produce any credible evidence that he had ever kept such items in his safe deposit box or that he had ever acquired or owned such valuables."

Al Fayed added, "Sadly, Tiny Rowland's vendetta against me and my family continues. Today's announcement by the police is the only outcome we had ever expected. . . . I await repetition on oath by Mr. Rowland and those supporting him of the same false allegations in the civil proceedings. I have every confidence that they will similarly fail and Mr. Rowland's true motives and behavior will be exposed."

And finally, he said, "The collapse of criminal proceedings against us is a triumph for the truth."

Death of a scoundrel

On July 27, it was announced that Tiny Rowland had died. According to an obituary published that day in the *Washington Post*, the 80-year-old Rowland, who had cancer, took ill while cruising in the Mediterranean on his yacht, and he was flown by air ambulance to London, where he died. Curiously, the exact date of his death and further details of the circumstances of his demise, were kept secret. One source close to the Rowland family hinted that he was devastated by the decision by the Crown Prosecution Service to drop his complaint against Al Fayed, and that he "lost the will to live."

On learning of Rowland's death, Mohamed Al Fayed sent a generous message to Rowland's widow, which stated that he "takes no joy or delight whatsoever in Tiny Rowland's death. He leaves a wife and children, and condolences are extended."

The British press, as well as the *Washington Post*, were nowhere near as dignified as Mohamed Al Fayed in their reaction to Rowland's demise. The media delighted at the opportunity to kick Rowland after he had departed. The *Washington Post* obituary began with a quote from former Tory Prime Minister Edward Heath, who once called Rowland "the unacceptable face of capitalism." And, while acknowledging that most of black Africa's rulers were on intimate terms with the Lonrho boss, including South African President Nelson Mandela ("He was a tremendous friend to the whole country" who made "an enormous contribution, not only to South Africa, but the whole of Africa," Mandela had once said), the *Post* and most of the British press portrayed Rowland as a scoundrel, who was constantly embroiled in controversy.

In fact, Rowland's entire career as Britain's imperial buccaneer, looting the African continent and fomenting genocidal civil wars, often in collusion with Soviet bloc intelligence services, was sponsored and protected by British MI6 and the royal family.

After *EIR* published an exposé of Rowland's intelligence and criminal pedigree in our Dec. 19, 1997 issue, his wife, Josie, wrote to *EIR*'s Associate Editor Susan Welsh, expressing her distress at the article, which, in her words, characterized Rowland as a "homosexual Nazi who was at the same time violently pro-Soviet and perpetually employed by 'the British crown' to do their evil will, whatever that is." Her own words, indeed, provided an apt epitaph for Tiny Rowland.

Reaching across the Atlantic

Just 24 hours after the Crown Prosecutors exonerated Mohamed Al Fayed on all of the Rowland-foisted bogus charges, the Harrods owner scored another major public relations coup, when the NBC-TV "Dateline" program aired an exclusive interview with him, by Katie Couric. The interview afforded Al Fayed the opportunity to present his views on the British royal family and the British establishment, to an American audience already predisposed to despise the Crown and suspect foul play in the deaths of Princess Diana and Al Fayed's son, Dodi.

Al Fayed made it clear that he is convinced that the Paris car crash was not a "garden variety" traffic accident. However, he said, given the fact that there are crucial ongoing investigations into the details of what happened, he was not at liberty to comment further.

Indeed, Magistrate Hervé Stephan, the French official in charge of the investigation, has made it clear that there are still many unanswered questions about the Paris crash, and he does not expect to complete his probe until October, at the earliest. The final forensic report on the Mercedes 280-S that carried Diana, Dodi, and Paul to their deaths, is to be finished sometime during August.

In early June, Magistrate Stephan convened an extraordinary group interrogation of the nine paparazzi who potentially face charges of manslaughter in the case. A dozen witnesses,

as well as the civil parties to the case were present in the courtroom, including Al Fayed.

Earlier, Stephan had ordered a complete *de novo* probe of the emergency medical response to the crash. It took rescue workers one hour and 43 minutes to get Princess Diana, who was still alive, to a hospital, less than four miles from the Place de l'Alma tunnel. She bled to death moments before she was brought into the operating room. The so-called rescue effort was overseen by Philippe Massoni, the Police Chief of Paris, and Interior Minister Jean-Pierre Chevènement.

Stephan has also stated, in a rare public comment on the investigation, that the case cannot be considered closed until the missing Fiat Uno, that collided with the Mercedes at the tunnel entrance, causing the crash, is found, and the driver questioned. Both car and driver have been missing since minutes after the crash.

Another bombshell

In the closing moments of the "Dateline" broadcast, interviewer Couric dropped another bombshell, one that promises to send shocks through Buckingham Palace. She reported that Washington attorneys for Mohamed Al Fayed have submitted a request to the U.S. House of Representatives Intelligence Oversight Committee to initiate an investigation into possible CIA knowledge about the events in Paris.

The request was apparently triggered, in part, by the April 20, 1998 arrest of Oswald Le Winter in Vienna, Austria. Le Winter tried to extort \$15 million from Al Fayed, in return for "classified CIA documents" proving that British MI6 had enlisted the assistance of the CIA and the Israeli Mossad in carrying out the vehicular assassination of Princess Diana and Dodi Fayed. The Le Winter documents were shown to have been forgeries, and Le Winter is now awaiting trial in Austria for the fraud. He has also been indicted in Germany on charges of tax evasion and art forgery.

Despite the fact that the Le Winter documents were part of a scam, believed to have been initiated by Tiny Rowland (see *EIR*, July 24, p. 44), there are other, credible reports that U.S. intelligence agents operating in the Middle East had detected signs that British intelligence was targetting Dodi Fayed. According to one well-placed Washington source, CIA officers in the Middle East had alerted several friendly Arab governments about possible British operations against Fayed and Princess Diana.

To the extent that a U.S. Congressional committee takes up the issue of the Paris crash, this could have major ramifications for the cover-up that the British and French establishment are aggressively attempting to impose. Princess Diana had a close relationship with President and Mrs. Clinton; and she saw Washington, D.C. as one of the few world capitals where she could take refuge from the constant harassment by the paparazzi, harassment that took on an ever-increasingly ugly character, following her divorce from Prince Charles.

LaRouche movement meets in Germany: 'Real history is the history of ideas'

by Our Wiesbaden Staff

Lyndon H. LaRouche, Jr., in a speech in Germany on July 26, emphasized to his friends and collaborators that we are living in a time, "when the fate of humanity for 500 years, perhaps, to come, will be determined by what we do, in these weeks, months, and years ahead. And what we do, will not be based on the swinging of swords, or great physical events; what we do, will be determined entirely within the realm of ideas. *Ideas*. The choice of ideas and the ability and passion to act for those ideas which ensure the continuation of humanity."

LaRouche, his wife Helga Zepp-LaRouche, and other leaders of the LaRouche movement engaged in a dialogue concerning such great ideas, with an audience of some 250 people at the annual "summer school" of the European Labor Committees and the Schiller Institute on July 25-26, in the town of Oberwesel, above the Rhine River.

Helga Zepp-LaRouche, the founder of the Schiller Institute and currently a candidate for the Chancellorship of Germany, delivered the keynote speech, on the theme, "The Fight to Overcome the Oligarchical Control of the World in Light of the Last 50 Years, and the Struggle for the New, Just World Economic Order." She detailed the crucial interventions the LaRouche movement has made during the last 25 years, with a particular emphasis upon the 1989-90 conjuncture, the period of German reunification, during which Germany's elites missed a crucial opportunity to defeat oligarchism. "Either mankind rids itself, in the coming short period of time, of the unjust oligarchical structures," she said, "or the entirety of civilization will be destroyed."

In 1989-90, as she showed, the four Allied powers forced Germany to adopt a disastrous strategy, against its national interest, leading to the economic destruction of eastern Europe, and eventually to the deadly crisis we are witnessing right now in Russia, Ukraine, and elsewhere. Instead of adopting the LaRouche "Productive Triangle" program for high-technology and infrastructure development of Eurasia, Germany opted to mortgage its sovereignty to the European Union, under control of the Anglo-French oligarchy.

The German government on July 7, 1998 published hitherto-secret documentation of this process; Chancellor Helmut Kohl himself admits that he agreed to pursue a policy of self-containment of Germany, as the price for national unification.

Kohl only agreed to this after his close friend and collaborator, Deutsche Bank chairman Alfred Herrhausen, was murdered, on Nov. 30, 1989. Herrhausen's plans for development of eastern Europe went in the same direction as the LaRouche policy.

Mrs. LaRouche said that the reason Kohl—contrary to usual practices of keeping such sensitive matters classified for about 30 years—published these documents now, less than three months before the next national elections, was, that he wanted to "cover his behind, which in itself would be a huge job to do," in order that, should the international economic situation get out of control *before* the elections, he could tell people, "It was not my fault; I was blackmailed from the outside to do this; this was the price for our unification!"

Point by point, Mrs. LaRouche then presented the facts as they unfolded over the course of 1989-90, using both the official documentation released by the German government, and the most crucial interventions of the LaRouche movement, including the Schiller Institute's "Benjamin Franklin Brigade," from the United States, which visited Checkpoint Charlie at what was formerly the Berlin Wall, in December 1989, and the addresses by prominent members of the "Martin Luther King movement" to the famous Leipzig "Monday demonstrations," which swept the communists from power in East Germany. If the German elite had gone with our concepts, she said—the New, Just Economic Order, the Productive Triangle, the Strategic Defense Initiative—"it could have functioned; the majority of the population was behind this; the only thing lacking in the German elite was the presence of mind to boldly overthrow their narrow thinking in oligarchical terms, and pursue the true interest of mankind instead!"

EIR will soon be releasing a special report, in both English and German, on the subject of the German government's recent revelations, and on the LaRouche movement's interventions into the political process in Europe dating back to 1975.

Lyndon LaRouche: The system is doomed

Addressing the seminar on the second day, Lyndon LaRouche underlined the revolutionary nature of the circumstances in which we find ourselves today. "In the coming several months," he said, "August, September, October, there



Lyndon LaRouche (inset) and Helga Zepp-LaRouche (speaking) at the Oberwesel "summer school," July 25-26, 1998.

will be such changes in the world, as none of you living has ever seen before.

"The change in the course of European and world history, which has been ongoing for the last thirty-odd years, is most comparable to the destruction of European civilization, which occurred from the death of Frederick II, in the middle of the 13th century, through the collapse of European civilization in the so-called Dark Ages of the 14th century."

The present world monetary and financial system, LaRouche said, is doomed; it will not live out this century. We are at a turning point in history. "For someone to live in such a time as this, is to live what people have not lived for a thousand years, the time of crisis when everything changes, when nothing is simple any more. This is *real* history. Not the history that's talked about in the newspapers or the textbooks or the classrooms these days: This is *real* history—a fundamental change in human destiny, for the better, or for the terrible."

History does not mean what event occurs, who is elected, what war is won, he said. "History is *ideas*. History is the principles, like the discovery of scientific principles, relative to the physical universe, or those principles we call artistic principles, these are the principles which determine how humanity behaves, how it governs itself. And we come to a turning point, where we must choose between two sets of ideas: the set of ideas, on the one hand, which are generally accepted; which are upheld by the press; which are presented

by the television; which are the commonly accepted terms of conversation; which are the common terms of discussion among parliamentarians; and so forth and so on. The common street-corner types of discussion. All of this is nonsense. It's finished, it's gone. It's over."

A new set of ideas will either take over, in the months and years immediately ahead, or, if we do not have a revolutionary change, then the level of the human population will collapse, to much less than half of what it is today; whole civilizations will disappear. Entire languages and cultures will vanish, doomed, because they lack the ideas, the moral fitness to save themselves.

"What we are going to have to do," LaRouche said, "will probably, to most, seem impossible, in the next weeks and months ahead—is to make a great revolution, which will erupt, as people realize that everything they believed in up to now, is *false*. That government is *false*, the economy is *false*, institutions are *false*, that world credit institutions must vanish, globalization must vanish, free trade must vanish, Prince Philip of England must vanish, carried by the Erinyes, who are quite useful for carrying out such garbage. We purge ourselves of these things, or we do not survive."

If we fail, LaRouche concluded, "humanity will be *purged* of those of us who have failed, because we are unfit to survive, like Belshazzar, or ancient Babylon. If we become unfit to survive, like the empires in the dust, we shall go in the dust too. A new civilization will come to replace it, perhaps to

do better.

“But we have now the chance, one chance, a momentary chance; and to live in such a time, when the fate of humanity is in our hands, *that is to live in real history.*”

Science, music, and statecraft

In the two days of the conference, other speakers developed at greater length, some of the issues of science and epistemology involved in this political battle.

Dr. Jonathan Tennenbaum, director of Germany’s Fusion Energy Forum, spoke on “Gauss at Play: The Story of the Regular 17-Sided Polygon.” He reminded the audience of Friedrich Schiller’s words, that man is only man when he *plays*. It was the 19th-century German mathematician Carl Friedrich Gauss who told his students, that in mathematics or in other sciences you cannot always base your motivation on the simple question, “What is it good for?” The neglect of great ideas, Gauss said, was a reason for many of the political problems his contemporaries were facing at this time. Instead, a scientist must rely on “love of truth.” And Gauss liked to refresh his mind with a very special kind of play, something he called “higher arithmetic.” Like the Renaissance’s Nicolaus of Cusa before him, Gauss didn’t perceive “arithmetics” and “numbers” as a business of counting, but as an area of developing new hypotheses, or principles of changes. Here the “numbers” play a similar role to notes in the case of great music.

A very special kind of “higher arithmetic” led Gauss to discover at the age of 18, the principle of a solution to a more than 2,000-year-old problem: whether regular polygons with 7 sides, or with 17 sides, can be constructed by ruler and compass.

Bruce Director, of the Schiller Institute in the United States, then described key aspects of Gauss’s involvement in a geodesic project in Hanover, Germany, which resulted not only in a better understanding of the physical shape of Earth, but at the same time fostered the development of more advanced geometrical ideas. To decide whether our physical geometry is governed by some anti-Euclidean geometry, Director said, you cannot tackle the problem in a purely theoretical way; you have to go out in the world and start to “measure nature.”

Gauss was able to arrive at a very good measurement of the ellipsoid shape of the Earth. But, by first assuming an overall fixed ellipsoid shape, Gauss and his collaborator, H.C. Schumacher, discovered a discrepancy of a few arc seconds, which others probably would have blamed on faulty instruments. Instead, Gauss solved the problem of this discrepancy by correctly rejecting any specific ellipsoid, and by going to an irregular, non-uniform shape of the Earth, which involved also the establishment of higher geometrical hypotheses. Tennenbaum and Director co-authored the lengthy exercise “How Gauss Determined the Orbit of Ceres,” for the Summer 1998 issue of *Fidelio*.

Jacques Cheminade, a former Presidential candidate in France, spoke on the LaRouchean concept of physical economics. He traced the steps of some of LaRouche’s leading intellectual ancestors, from ancient Greece to the last century, to show how the concept of “physical economy” came into being. He quoted the French scientist and statesman Lazare Carnot, speaking of the need for true mathematicians to deal with political economy, and thus to create a new science, “warmed by a love for humanity, in order to transform the governments of states.” This is what LaRouche has done, Cheminade said.

Jean Gahururu, from the Rally for the Return of Democracy and Refugees (RPR) of Rwanda, described the “sad story” of what has happened to his country and to the entire African Great Lakes region. Stressing that it is ideas which count in the historical process, he said that people do not *want* to know the reality of what is happening in Africa, because if they did know, they would realize that they would have to do something to stop the tragedy.

Gahururu recalled that Rwanda had been actively engaged in the fight against slavery and the slave-trade since the ninth century, and that this tradition has become a part of the self-consciousness and pride of the population. Another important feature of Rwandan history, is the successful fight to rid the country of a monarchy, which occurred in 1959.

The Rwandans are “more American” than many Americans, he said, because the U.S. Declaration of Independence was the source of inspiration for the Rwandan overthrow of the monarchy. “We are not anti-American, as some would present us; we are pro-American, more American than one senator I spoke to, in the sense that we are like Lincoln, and fight for a government of, by, and for the people.” He added that Rwanda had supported the fight led by Franklin Roosevelt, before his untimely death, for the elimination of the British imperial system.

Rosa Tennenbaum, of the Schiller Institute in Germany, discussed the reform of education, and particularly the ideas of Wilhelm von Humboldt, the 19th-century German philosopher, scientist, writer, and diplomat. Humboldt, as Minister of Education in Prussia in 1809, designed an educational system based on developing “the whole human being”—emotion and intellect alike.

Claudio Ciccanti, of the Schiller Institute in Italy, then presented the artistic and political work of the painter Raphael Sanzio, showing that the main feature of the Golden Renaissance was that man changed from being a passive observer in history, to becoming an active participant.

Finally, **Anno Hellenbroich**, of the Schiller Institute in Germany, discussed the concept of *Motivführung*, or motivic thorough-composition, in Mozart’s “Mass in C Minor.” The Schiller Institute chorus and orchestra in Germany has recently started working on parts of this mass, and musical examples were presented by a small chorus and a string quartet, plus double bass.

Faxist party battles to destroy Italy's national sovereignty

by Claudio Celani

Italy is truly ruled by a Faxist party. That is no spelling mistake! Italy's new *squadristi* use a modern weapon, the fax machine, just as Mussolini's punitive squads used the *manganello* (night stick) and poured liters of cod liver oil down their opponents' throats, in order to intimidate them. At least, the effect is the same. The modern Faxist party has no more than 1,000 militants, who obey orders coming from a group of prosecutors based in Milan, called the Clean Hands Pool—a tool of the international financial oligarchy. Since at least 1992, when the go-ahead was given on board Queen Elizabeth's yacht *Britannia*, as it anchored off Italy's coast, the Faxists and the Pool have dictatorially run Italy, eliminating politicians and entire political parties which opposed globalization and the looting of Italy's national resources.

Here is how it works: As soon as Parliament or anybody in the government moves in a way that the financial markets dislike, the Pool orders the Faxisti into action. They inundate newspapers and party offices with messages threatening revenge from "offended public opinion." If the target is deaf to this first blast of intimidation, then the "leaders of public opinion"—i.e., the Pool itself—proceed by eliminating, by judicial means, the uncooperative politician or the party.

In the last seven years, Italy has proceeded a long way down this path, so much so that the descent into anarchy and dictatorship might already be irreversible. Now, a new phase of this destructive process has started, coinciding with the second round of the Asian-driven meltdown of the international financial system. In this new phase, however, if national forces do not continue to act according to profile, they could wage a successful battle to turn the process around, and Italy might even become the first member of the European Union to break out of its self-imposed annihilation of national sovereignty.

Target: Berlusconi

The current target of the Milan Pool seems to be opposition leader Silvio Berlusconi, founder and leader of the Forza Italia party, who has already been sentenced three times on charges ranging from illegal party financing, to bribery and false accounting. He received the last two sentences on July 7 and 13.

Irrespective of the truth of the matter, Berlusconi was convicted on the basis of a judicial "theorem," according to

which he, as the head of a huge media conglomerate, "should have known" about illegal financial transactions involving his company. The leaders of all of Italy's anti-communist postwar parties have been indicted and sentenced on the basis of that very same procedure. The most famous case is that of Bettino Craxi, former Prime Minister and head of the Socialist Party, who has exiled himself in Tunisia, in order to avoid a prison term. Craxi received several prison sentences on the grounds that he "should have known" that his party was the recipient of illegal financing. Some of these verdicts against Craxi have since been reversed on appeal.

As for Berlusconi, he is no angel, and his role as a media tycoon and formal supporter of "free-market" values in politics, has not exactly been therapeutic for the country. But the real target of the investigations and the charges against him (including the charges of collaboration with the mafia that will soon be added to the rest, according to rumors), is the political class as a whole. There is even the suspicion that the Pool does not want to *get* Berlusconi, so much as to push the conflict between the judiciary and Parliament to a new level of intensity. Even if Berlusconi decides to step down, the next judiciary operation is ready, this time against a faction in the government. The Rome-based daily *Il Messaggero* has correctly compared the assault to U.S. special prosecutor Kenneth Starr's politically motivated campaign against Bill Clinton.

For this reason, at the beginning of July, Parliament was reaching a consensus on establishing a committee to investigate judiciary abuses. The aim of the committee would be to find out, by hearing testimony from witnesses and promoting independent investigations, whether the Milan Pool has been politically motivated in the "anti-corruption" fight that started in 1992. Such a mandate would empower the committee to investigate connections between prominent Pool members and, for instance, intelligence and financial circles. It could establish whether the Pool's actions were an element of a destabilization strategy, including the famous meeting on board the *Britannia* and the massive speculative attack against the Italian currency that, in September 1992, forced the lira out of the European Monetary System. It could also ascertain whether the wholesale privatization of Italian state-owned firms (in 1997 totalling more than \$55 billion, the largest in the world), was an included target of the same strategy. In



Former Prime Minister Silvio Berlusconi is one of the latest to be targeted for political prosecution by the Clean Hands Pool.

other words, whether the “globalization” of Italy and the progressive destruction of its state system was part of a plot, in which the Milan Pool played a central role.

Of course, it could also turn out that the members of the parliamentary committee will fail to accomplish all this, and instead, like tragic characters on stage, will use their powers only to carry out acts of personal revenge—i.e., that they would limit themselves to hitting certain local puppets, without exposing the international string-pullers.

Craxi threatens to ‘tell all’

A taste of what could happen was given in an interview by former Prime Minister Craxi, broadcast by the second channel of the national television network RAI on July 15. Rightly fearing that the broadcast version of the interview would be heavily cut, journalist Augusto Minzolini published the hottest parts in the Turin daily *La Stampa*. Craxi, casting himself as the Little Napoleon waiting to come back from exile, decided not to play by the rules. “The 1992 Clean Hands investigation,” he said, “was a coup to destroy political parties. I was eliminated because I was going to become Prime Minister again. If a Parliamentary committee is established, I could come back under immunity and tell everything. The Milan prosecutors could be indicted for violating the Italian Constitution.”

Craxi then said a few words that had the effect of political

hand grenades: He accused current Prime Minister Romano Prodi of being a collaborator of international speculator George Soros, something which *EIR* revealed first. Behind the 1992 coup, he said, “there are international financial circles which do not accept the mediation of politics still in fashion in Europe. Large financial groups wanted to grab the public economy of this country. See how they have eaten it up and are still eating it? Look at the banks. According to this scheme, government must be run by advisers to the large groups. What is Prodi, if not an adviser to George Soros?”

Craxi also accused the initiator of the Clean Hands campaign, former prosecutor and Milan Pool member Antonio Di Pietro, of being an intelligence agent. Di Pietro, who is now a senator, but is still campaigning against Parliament, “was a fourth-tier man in the secret services—military intelligence, I believe.”

Craxi’s televised interview was watched by 2 million Italians, but the above passages were cut out, due to a preemptive action by the Faxisti faction inside state television.

The Faxisti against Parliament

Things looked favorable for a large parliamentary majority in favor of such an investigatory committee, especially after State President Oscar Luigi Scalfaro had given a prominent, although indirect, endorsement of the initiative. Scalfaro, himself a former prosecutor, was speaking at the yearly meeting of the Supreme Council of Magistrates, the self-governing body of the judiciary, of which Council the Italian President is the chairman. Referring to an episode in 1994, when the Milan Pool issued a warrant against Berlusconi, who was then Prime Minister, timed to coincide with the beginning of an international conference against crime in Naples, Scalfaro indicated that the Pool action was objectively destabilizing. Nothing would have changed, Scalfaro said, if they had issued the warrant one week later, rather than the very same day that Berlusconi was scheduled to open a conference with international heads of state and government, including Bill Clinton.

Instead, a climate of political instability was created, which was also used as pretext by the London financial markets to speculate against the lira.

The Pool reaction came immediately, through Di Pietro, who accused Scalfaro of being a “liar,” and said that the investigating committee would be an instrument for the comeback of “corrupt” politicians. “The people will not accept it,” Di Pietro declared.

That was the signal for the Faxisti to go into action. Newspapers and party offices were deluged with hundreds of hysterical messages. As a result, the Senate group of the largest government party, the Left-Wing Democrats (Democratici di Sinistra, DS), reversed their position and voted *against* the idea of a committee. Now, Parliament is split. Most probably, a vote will take place on a motion by the opposition. As things stand now, with the help of a few votes from the majority bloc, the resolution should pass.

The British call for blood

The British oligarchy has already announced that, whatever the outcome of the current conflict, blood will flow. The *Wall Street Journal*, which since 1992 has put out the British oligarchy's line on Italy, wrote on July 16: "Whatever the outcome, the battle of the magistrates is likely to be bloody and a drain on the valuable political energies of many of Italy's best public servants." The newspaper also indicated that Berlusconi deserves to disappear from the political scene, because he did not keep his promises to "liberalize markets."

The London *Economist* intervened even more heavily, in an editorial on July 18, calling Berlusconi "a thrice-convicted criminal." "If you accept Mr. Berlusconi's explanation of what is going on, Italy is a country whose judiciary acts politically. If you reject his explanation, it is a country whose opposition is ready to follow a leader who is a criminal. Either way, Italy fails the normality tests." Thus spoke the organ of a British establishment which distinguishes itself by killing members of its royal house, in the tunnels of Paris.

Such provocations, which normally would be considered a diplomatic insult, are instead taken as orders by some. The arguments given by the *Wall Street Journal* and the *Economist* will become the axioms of the brainwashed minds of Italy's global Jacobins. And thus the prophesy will become reality.

Economic typhoon hitting Italy

A third official mouthpiece of the British oligarchy, the London *Financial Times*, touched on the economic background of the political destabilization, predicting that the Italian government "is heading for a rough autumn." This has a bit more to do with reality.

Italy has already been hit by a combination of the Asian-centered financial typhoon and the effects of the self-imposed Maastricht budget austerity. New figures show that more than 10% of the population is living in poverty, concentrated mostly in the Mezzogiorno, Italy's south. Official unemployment rose to 12.5% (but, according to studies by Rome University, real unemployment is around 20%); and even the much-touted financial recovery, which had brought Italy into compliance with the Maastricht budget deficit parameters, is over. Due to the collapse of the internal market and the slowdown of exports, the GNP has stopped growing. In the first quarter of 1998, GNP declined 0.4% compared to the previous quarter. In the second quarter, predictions are that there will be a further 0.6% negative growth compared to the first quarter.

As a result, revenue flows into the state Treasury have decreased. In June, the state budget showed a surplus of only 18,000 billion liras, compared to the 48,000 billion of June 1997. Experts predict a further hole of 8-10,000 billion in tax revenues, for a total of 30-40,000 billion. This means that, in order to stay within the Maastricht guidelines, the government will have to promote equivalent cuts in next year's budget. It will have to do what the financial markets

have so far demanded: start privatizing pensions and the health system.

But this is not the whole story, because it is based on a linear projection of current trends. In fact, the effects of the Asian crisis have just begun to hit, and they will increase in a non-linear manner in the near future.

Already, trade unions have announced autumn mobilizations, calling for investments. Both unions and business agree that jobs must be created in industry and infrastructure, through capital investment. The Faxist-directed government, instead, has cut off any dialogue with either labor or business, and announced a make-work program based on the introduction of the 35-hour work week and labor-intensive programs. A timid attempt to promote industry in Italy's impoverished Mezzogiorno, through tax breaks for investments, was turned down by the supranational authority of the European Commission, led by the Britain's Neil Kinnock, as "a violation of fair competition rules."

"Our only resort is a general strike in September," said trade union leader Sergio D'Antoni, in an interview with *Corriere della Sera* on July 23. D'Antoni complained that the government is bypassing agreements reached between labor and business, and cancelling infrastructure projects like the modernization of the Milan-Genoa railway line, and is opposing construction of the "project of the century," the bridge across the Messina Strait. Parliament voted in favor of the

Videos Provide Evidence of DOJ Corruption

In August-September 1995, a group of distinguished state legislators and others, with the aid of the Schiller Institute, pulled together independent hearings "to investigate misconduct by the U.S. Department of Justice." They examined three types of cases: Operation Fruehmenschen against black elected officials; the LaRouche case; and the cases brought by the DOJ's Office of Special Investigations (OSI), including that against John Demjanjuk.

Two videos are currently available:

- DOJ Misconduct: 4 Case Studies (104 minutes)**, order number SIV-95-002, \$35.
- LaRouche Case (60 minutes)**, order number SIV-95-005, \$25.
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bridge project, but rejected a more ambitious text, in favor of a government formulation which does not mention any deadlines.

“Public works spending between 1996 and 1997 diminished by 6.5% in southern Italy,” said D’Antoni. “This government is happy only when it can say ‘no’ to the Messina Bridge, ‘no’ to the Turin-Lyon and the Milan-Genoa high-speed railway.”

As recently as 1995, Italian unions brought millions of people into the streets, when they mobilized against pension cuts. A general strike today, if D’Antoni’s proposal goes through, would be a similar show of force. Who will be the arbiter of the country’s destiny? Millions of workers or a few hundred Faxisti?

Italians rebel against Clean Hands inquisition

by Umberto Pascali

“If Kenneth Starr lived in Italy, he would be one of the stars of the ‘Clean Hands’ Pool,” wrote Alberto Pasolini Zanelli, Washington correspondent of the Milan-based *Il Giornale*, in a “letter to the editor” to his own newspaper, published on the front page on July 3. “He has the same aggressivity . . . and, above all, the peculiar conviction that . . . it is legitimate to overturn the natural order of the law: Instead of ascertaining that a crime has been committed and looking for the guilty party, one identifies the ‘guilty one’ and, then, goes hunting for crimes that he could have committed; crimes that are supposed to become evidence to corner him. . . . In your editorial the other day, you, dear editor, defined as ‘avenging judges’ some of the Clean Hands’ magistrates. Maybe you did not realize it, but you were drawing the portrait of Kenneth Starr.”

This unusual “letter to the editor” was a symptom of the growing rebellion on the part of many Italians against six years of “legal” destabilization of their nation, and the beheading of the country’s leadership by the “anti-corruption” exploits of the Clean Hands Pool of magistrates. After the recent conviction of opposition leader Silvio Berlusconi (see previous article), demonstrations against the Pool took place in front of the Milan courthouse. A large majority of Italians now declares their opposition to the Milan magistrates, breaking free of the Jacobin demagoguery that trapped them for years in an infantile, populist, and suicidal rage against “corruption in high places.”

The Clean Hands International

The question now is: When will Italians be able to identify and to mobilize against the real plotters against their nation’s

sovereignty? A large enough rebellion in Italy could trigger a broader reaction against the process of undermining of the nation-state that has been launched all over the world—and especially in the United States—using the magic words “fight against corruption.”

Thanks especially to *EIR* and other publications of the LaRouche movement, a growing number of Italians now have an idea of the international control apparatus behind the Clean Hands Pool. They know that Milan prosecutor Antonio Di Pietro explicitly planned an international “Operation Clean Hands,” in which Italy was to be only the first step. They also know about the role of the supranational “anti-corruption” octopus known as Transparency International (TI) and its close connection with the Clean Hands Pool. They know about the role played by Britain’s Prince Philip in the creation of TI. They know that this organization is just the “enforcer” for the main institutions of the international oligarchy, such as the International Monetary Fund and the World Bank, from which TI borrowed its leaders, including its chairman, former World Bank executive Peter Eigen.

It was IMF Managing Director Michel Camdessus who launched the worldwide “French Revolution” strategy, at a meeting of TI in Paris, calling for ever closer collaboration between the IMF and TI (see “Transparency International: Camdessus Unleashes Anti-Corruption Pimps,” *EIR*, June 12, 1998).

On the other hand, the same forces that brought Italy Operation Clean Hands, are doing everything possible to focus the debate in a narrow, localist way.

Interestingly, one of the images recently used in Italy to attack Clean Hands and its sponsors, is to label them as “Jacobins,” referring to the most extreme faction of the French Revolution that unleashed the Reign of Terror. “The Flight Before the Jacobins” was the title of a recent front-page article in the main Italian daily, *Corriere della Sera*, which denounced the cowardly subservience of most of the political parties to the Pool.

The reaction by the main media supporter of the Pool, the daily *La Repubblica*, was swift and harsh. The paper, edited by Jacobin Eugenio Scalfari and owned by financier Carlo De Benedetti, who is very close to former U.S. President George Bush, countered: “Scrambled Jacobins and Clams Liberal,” trying desperately to be ironical.

It is noteworthy that at the end of June, Bush was in Italy, as the guest of De Benedetti, who organized a semi-secret summit for the former President and the chairman of Merrill Lynch Italia, Reginald Bartholomew, along with key Italian bankers, businessmen, and economists. De Benedetti was indicted for corruption himself, but, uncharacteristically, the “avenging magistrates” were sympathetic to him, and he never saw the inside of a prison, unlike many politicians and industrialists, some of whom died in jail.

Finally, a book is widely circulating in Italy, *The Italian Guillotine, Operation Clean Hands and the Overthrow of*

Italy's First Republic, by Luca Mantovani, the spokesman for Berlusconi's Party, and U.S. diplomat Stanton Burnett. The book was only published in English, outside Italy, because the authors feared trouble from the "avenging judges." Their fears were well-founded, as Stefano Zurlo, a journalist who interviewed the American author of the book, was immediately sued for "defamation" by two of the Pool's magistrates, Gherardo Colombo and Francesco Greco. *EIR* will soon publish a review of the book, which, although very accurate in its description of the Clean Hands phenomenon, gives only very limited attention to the international dimension.

Michael Ledeen enters the fray

The most eerie intervention on the issue of Clean Hands, however, was an article in the *Wall Street Journal, Europe* by Michael Ledeen, an adviser to the U.S. National Security Council during the Reagan administration. Ledeen, known for his book promoting the concept of "Universal Fascism," and for his role as an intermediary with the Iranian government in the Iran-Contra affair, has been involved in many scandals, including that of Italy's Propaganda-2 lodge, the kidnapping and murder of former Prime Minister Aldo Moro, and the plot concerning Jerusalem's Temple Mount.

Ledeen's article, titled "Italy's Incomplete Purge," is a clear attempt to divert the explosive debate into petty localism, and to freeze the ferment provoked by the anti-Pool revolt. Ledeen argues that the manifestation of popular support for Berlusconi is due to the fact that the "purge" was not complete. The "left" has been spared, he complains. Thus, everything is reduced to a local "left vs. right" scenario. The danger that the latent revolt against the "Clean Hands International" would spill out of Italy, maybe even targetting the sinister Transparency International, is to be avoided, in Ledeen's view.

The elements for a real fight against this international conspiracy are all there. For example, certain high-level circles are debating the fact that Transparency International's "bible," the so-called *Source Book*, dedicates particular attention to the office of the independent counsel in the U.S. legal system. Clearly, what makes that office so attractive to TI, is that it constitute a form of very effective "legal" destabilization, through which—for the first time—the President and the highest offices of the U.S. government can be assaulted under a judicial cover.

Ledeen, while painting the Italian events as the result of a little domestic squabble, has very different ideas on the destabilization of the United States. In the July 20 issue of William Buckley's *National Review*, he wrote: "The punishment of the Clintons and their friends is desperately needed, because if we fail to root out corruption, our freedom is placed at risk. . . . The only way to demonstrate this is to bring them down and subject them to public humiliation. . . . Impeachment is the most dramatic and effective way to punish and humiliate Bill Clinton and put us back on the road to virtue."

Egypt, France initiate Mideast peace effort

by Muriel Mirak-Weissbach

The "peace process" in the Middle East has long since not had anything to do with peace. Rather, as Prime Minister of Israel, Benjamin Netanyahu has done everything in his power not only to sabotage further progress in Israeli-Palestinian talks, but to tear up the agreements signed by his predecessors at Oslo in 1993. Particularly in the wake of provocations mounted by Netanyahu's government—confiscating Palestinian lands and houses, expanding existing Jewish settlements and starting new ones, declaring the extension of the city limits of Jerusalem, etc., all in direct violation of the peace agreements—parties in the Arab world have recognized the imminent danger that the current situation could degenerate very rapidly into open war.

It has become obvious to all, that either the United States President exert the power he retains, to force through compliance with the agreements, including the "American initiative" for an Israeli partial withdrawal from 13.1% of the occupied territories on the West Bank, or war will result. The reluctance on the part of Washington to use the instruments of pressure it has, among them, withholding \$3 billion in aid to Israel, has thus become an obstacle to peace. Due to the unwillingness of the White House, to buck the lobbies inside the United States behind Netanyahu (especially the "Christian evangelical" fanatics of the Pat Robertson and Jerry Falwell stripe, but also certain Hollywood-linked financial groups), the Israeli Prime Minister has maintained his position inside Israel, even despite significant domestic opposition.

Thus, the question, whether the peace process can be restarted, or, less euphemistically, whether war can be averted in the short term, is a question of whether President Clinton will act.

Due to what are perceived as insuperable internal constraints, the White House has engaged the assistance of America's leading ally in the Arab world, Egypt. Having signed a peace treaty with Israel at Camp David in 1978, Egypt is in a position to talk tough with the Israelis. Its relations with the Palestinian Authority and PA leader Yasser Arafat are excellent, and it has been increasingly upgrading and improving its contacts with those officially opposed to the current form of the peace process, such as Iran and Syria.

Egyptian President Hosni Mubarak has taken the lead in denouncing Netanyahu, as the cause for the crisis. During a visit to Paris in May, in an interview with French TV Channel 5, he said that the Israeli government's policy is against peace.

“We have now reached almost a dead end in this danger,” he stated, “and what I fear most is that matters will be more complicated if the situation drags on like this. This will lead to grave consequences.”

Mubarak’s international conference

While in Paris, Mubarak held extensive talks with French President Jacques Chirac and others, in an effort to find a way to break the deadlock in the region. Mubarak proposed that an international conference be convened, to organize massive pressure on Israel. The idea, which had originally been suggested by Arafat, was for an Arab summit with additional participation, or, a revival of the Madrid conference launched in 1991.

Following their meetings, Mubarak and Chirac issued a call in which they said: “We reiterate our commitment to the peace process begun in Madrid,” on the basis of “honest implementation for the United Nations Security Council Resolutions No. 242, 338, 425, in addition to the principles that were agreed upon in Madrid, on top of which comes the land-for-peace principle.” In the text, they said, “This . . . should lead the Palestinians to establish their independent state and to have the right to self-determination. Moreover, we underscore the necessity of sincere and accurate implementation of the concluded agreements within the framework of Oslo.” Furthermore, they called for “refraining from taking unilateral measures that contradict with the agreements and principles, especially that related to settlement activities.” Emphasizing the “pressing need to resume negotiations on both the Syrian and Lebanese tracks,” they turned to the crucial aspect, which is the role of the United States: “We stress the responsibility shouldered by all international powers, particularly the United States, the European Union [EU], and the Russian Federation. Therefore, we call on these powers to painstakingly work to overcome obstacles hindering the resumption of the peace process at all tracks.” There followed the call for the conference per se, which “would maintain and confirm all existing principles and agreements.”

On July 29, the French press announced that the foreign ministers had hammered out a plan for the Franco-Egyptian initiative, and that a conference could be convened within a month. The conference would see the participation of “countries committed to save the peace in the Middle East,” including the United States, Russia, the EU, and several Arab states. Those directly involved in the negotiations, Syria, the Palestinian Authority, Israel, and Lebanon, would not attend the first round. It was specified that the initiative was being conducted “in a concerted fashion” with the United States, and was not to be seen as “competition” with the U.S. initiative, which both countries support.

Nonetheless, the initiative was immediately characterized as an independent step, taken “by Europe against the U.S.,” particularly in light of the fact that Chirac had been working overtime to reassert French presence in Lebanon, through his

recent visit there, and through his hosting the visit in Paris of Syrian President Hafez al Assad, in July. If there is good reason to suspect that the French position harbors ulterior motives, i.e., the desire to carve out a sphere of influence in the region, should the American initiative fail utterly, yet, there is no doubt that the intention of the Egyptian government is honest and well-informed.

The London *Financial Times*’s version was that Egypt and France “want the Americans to define more openly their own proposals and then pursue them more vigorously, even if this means a head-on confrontation with the Israeli government—which the Clinton administration has sought to avoid.” It is a “safety net to prevent the region being destabilized by the Israeli government’s continued refusal to hand over West Bank territory to the Palestinians as agreed in the Oslo Accord.”

The strategic dialogue with the United States

What has not been highlighted in the press accounts of the initiative, is the fact that Egypt and the United States have very significantly upgraded their relations, in the form of what the two governments have defined quite formally as a “strategic dialogue.” This leaves no doubt, that, at least as far as the Egyptian approach is concerned, the new conference is *not* aimed against Clinton.

It was on the occasion of the ten-day visit of Egyptian Foreign Minister Amr Moussa to Washington, in mid-July, that the two sides hammered out a strategic dialogue. In the “Egyptian-U.S. Joint Statement,” it is stated, “The strategic partnership shared by the Arab Republic of Egypt and the United States of America reflects our common and strong commitment to peace and to regional stability. Sharing a strategic outlook on issues affecting the Middle East and beyond, we have cooperated on numerous undertakings which have benefitted our two countries and advanced the cause of comprehensive and just peace, regional stability, and economic development and progress.” Primary among their concerns is the regional crisis: “Both countries have played leading roles in the Middle East in pursuit of a comprehensive and just peace, regional stability and welfare, and security for all. Given their steadfast commitment to these objectives and *to meet new challenges*, the United States and Egypt have *found it incumbent on them to engage more closely through the mechanism of the Strategic Dialogue, to further promote these shared objectives in the Middle East and to exchange assessments on how best to realize them*” (emphases added).

The Strategic Dialogue is presented: “In order to ensure similarly close coordination on political and diplomatic matters and *to draw public attention to this aspect of our strong bilateral relationship*, the governments of Egypt and the United States have agreed to establish a ‘Strategic Dialogue’ between the Department of State and the Ministry of Foreign Affairs” (emphasis added). Concretely, the dialogue will be

carried out through regular meetings at that level, alternating between Washington and Cairo for the venue. The text adds that mechanisms will be established to enhance cooperation in the military, economic, and commercial areas.

In light of these facts, the statements made by Moussa to various gatherings in Washington, and to the press, take on a different weight. Interviewed by BBC at the end of his trip, the Egyptian Foreign Minister explained that the conference his country proposed, should examine the reasons for the failure of the peace, and stress the principles of the 1991 Madrid conference (land-for-peace, and the UN resolutions). He said that the venue for the conference could be Cairo, Paris, or Washington, "as Cairo did not seek to isolate Washington's role in the peacemaking process," according to a release. Most importantly, "Moussa warned anew that Israeli intransigence was pushing the whole region into violence and chaos, saying that: The current situation and the failure of the peace process would replace negotiations with violence and terrorism," according to the Egyptian State Information Service. Moussa said that the United States should get tougher on Netanyahu: "If an Arab country were the one that rejected the U.S. proposals, it would be a subject for denunciation and condemnation.

But Netanyahu is getting away with it without being blamed," he said. And, in answer to a question by CNN, regarding Israel's "not being impressed" by the UN statement on Jerusalem, he said, "If Israel is not impressed by the UN Security Council action, is not impressed by the United States involvement, and is not impressed by Egypt's efforts to set into motion the peace process, then the consequences will really be very bad, because this is a serious challenge to international order."

What will happen now? If, as planned, such a conference comes into being within one month, it must be seized as the golden opportunity for the U.S. administration to exert political muscle, to force the rule of law on Israel. If this means, that such pressure will have the effect of bringing the Netanyahu government to a crisis, so much the better. President Mubarak has often noted, that that possible development would be more than welcome. If, on the other hand, Netanyahu stiffens his stance, challenging this broad coalition of forces, there will be no way that Washington can continue to tolerate it. There is no excuse now, for President Clinton to hesitate to take the political action he has thus far avoided.

Franco-Egyptian plan backs U.S. peace effort

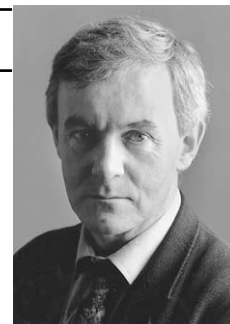
Asked in an interview with the Paris daily *Le Monde* on July 29 whether the Franco-Egyptian initiative would be considered by the United States as a way to "short-circuit" U.S. attempts to force through peace, Egyptian Foreign Minister Amr Moussa said, "No. They are two separate things. The Franco-Egyptian project not only does not contradict the American initiative, but supports it. It treats only one aspect [of the peace process] relative to a new Israeli redeployment and a precise point of one of the phases of the peace process, whereas the French-Egyptian idea wants to save the process, by supporting the American initiative."

Regarding Israel's rejection of an international conference, Moussa replied that Israel was not even being invited to the first conference, and "it does not have a veto right over the wishes of Egypt . . . or France." Asked if Israel's refusal to attend the second conference would torpedo the plan, he said that they would "cross that bridge when we come to it." On the participants for the first conference, he said it still had to be defined, but "at the head will be the U.S., there will also be the Russian Federation, the European states, Arabs, Asians, Latin Americans."

Le Monde asked whether Moussa considered the situation urgent. He replied, "Yes, because of the degeneration of the process. The policy of Israel is simply unacceptable and it is increasingly being denounced. Israel is committing a tactical and strategic error by thinking it can impose its solution on the Arabs." He said that Netanyahu "must understand that no Arab party can accept a peace on Israel's conditions," and added that the Arabs want peace, but on the basis of the original principles.

Moussa criticized the current "talks" between Israel and the Palestinian Authority, because they do not deal with the U.S. initiative, which Arafat has accepted. Thus, they are "a vicious circle." On the "silence" of the United States, Moussa said, "We are all awaiting the American reaction to the unacceptable behavior of a small state like Israel toward a power like the U.S.A. But no one is ready to wait to the end of time. There is a limit to everything. Sooner or later, one drop will make the vase overflow." He said that although the United States says it will not change its proposal to accept Israeli conditions, it has indicated it thought Israel might be able to "persuade the Palestinians to accept their conditions." This, he said, Arafat will not do.

In conclusion, Moussa said, "If the Israeli attitude remains the same, it will make it necessary to review the process as a whole, because this policy is leading us to a catastrophe. All those who will have accepted [this state of affairs], will be held responsible."



Book on British terror in N. Ireland banned in Britain

In our July 24 issue, EIR reviewed The Committee: Political Assassination in Northern Ireland, a book in which author Sean McPhilemy documents collusion between prominent “citizens above suspicion” in the Protestant community in Northern Ireland (working through a private group called “The Committee”), and the Royal Ulster Constabulary (RUC), in planning and carrying out the murder of Catholics and/or Republican paramilitaries. On July 20, Jeffrey Steinberg and Mary Jane Freeman interviewed McPhilemy in Washington, D.C., as he began a ten-city U.S. tour to promote his book.

EIR: Two critical questions remain to be answered after reading your book: How high up does the coordination and control go between the RUC, loyalist paramilitaries, and “The Committee”? And, is it conceivable that British intelligence was unaware of all of these events?

McPhilemy: I see the book as phase one. It is an interim report on a murder conspiracy conducted by what might be called the elite, the security elite, in Northern Ireland. You’ve got to put yourself back to what it was like in 1989, 1990, 1991. The IRA [Irish Republican Army] terror campaign had been going on for about 22 years. From the Loyalist perspective, the IRA had succeeded in forcing the British government into signing the Anglo-Irish agreement, which, for the first time, gave Dublin, as a right, to be consulted in the way the province of Northern Ireland is governed. They saw that agreement, correctly, as a decisive transformation of the constitutional status of Northern Ireland. So, what you might call the Ulstermen—the people who had run the province for their own benefit from 1920—decided that they should look forward to the day when the ultimate betrayal by Britain would come.

Now, there are 13,000 people in the RUC. There’s an additional 30,000 military presence back then. So, to answer your question, is it conceivable? My own judgment is that it is *inconceivable* that British intelligence is unaware of a group that is meeting every four to six weeks to organize murder of Republicans.

Now, the Committee made one very bad mistake. They had in their midst a man who revealed the existence of a murder conspiracy to a national television network—a pretty stupid thing to do.

The Committee’s second bit of misfortune was that this man blurted it out to my company, because once I heard it, I appreciated the significance of the story, and I was determined I would pursue it until the truth came out. So, I think it is a most important question: How high up did the knowledge go? In the book, there is a chapter called “Ken Kerr.” Kerr and I were in touch for about 18 months. He reported that he was a double-agent on the Committee working for British intelligence. I would be astounded if there wasn’t someone working on that Committee working for British intelligence, whether it was Ken Kerr or someone else. And, I would even go so far as to say, it is highly unlikely that they relied on just one member.

EIR: The book made a tantalizing, but brief reference to a kind of triangle of gun- and drug-running that financed the death squads in Northern Ireland, involving South Africa and certain Israeli networks. Is there anything more you can say on that?

McPhilemy: Jim Sands, the source, told me that he had only been abroad once, and that was to Israel on a weapons expedition. This man Sands is uneducated, but cunning, and clearly in a supportive role, like a message boy, for more important people. He told us that a member of the Committee ran an insurance company in Portadown, which was the conduit for the money to South Africa which financed the importation of weapons. It is not disputed that there was a huge consignment of weapons in 1987 financed by a bank robbery.

EIR: When you say it is not disputed, what is the evidence?

McPhilemy: The evidence is that the police caught one man with some of these rifles. But, most of the consignment mysteriously made its way to where it was intended. It is a complicated story. I decided to be very focussed, and to rely on the actual direct testimony of my source. I thought the best way to persuade people of the truth of the story, was to let them hear what I had heard, by way of copious quotations from this man about meetings that he had attended. This way, you read the first-hand testimony of a man who had participated in a murder conspiracy. I drew a distinction between events he said he witnessed, and the reports he gave us of, let us say, attacks themselves, because he was more of a political strategist and not a military type, so he didn’t go on any of the

attacks. Similarly, I doubt very much that he would have been involved in any of the money laundering or bank robberies or anything like that. He took part in the political discussions that directed the operations.

EIR: I don't know if you saw some recent news articles in which a former high-ranking Israeli intelligence official named Rafi Eytan said that he had been brought in by former British Prime Minister Margaret Thatcher, apparently in the early 1980s, to bring Israeli hit squads and similar capabilities to bear against the IRA in Northern Ireland. It seems to me that it buttresses the story-line in your book.

McPhilemy: Well, it certainly is not out of character with Margaret Thatcher, that she would have considered such a thing.

EIR: You raise in the book the Brian Nelson case, which was featured earlier this year in the British press. There are so many parallels between the Nelson case, his being provided RUC Special Branch files to facilitate hits on Republicans, and the *modus operandi* of the Committee—the differences being the time frame, and that the British Army was directly involved in the Nelson caper instead of the RUC.

McPhilemy: One point Sands forcefully made, in essence, was: “We don't trust the Brits.” Meaning, “We are Ulster Protestants, and we are preparing for an independent Ulster because we don't trust them. Look, they signed the Anglo-Irish agreement,” so he said. “Anything we learn from British intelligence or its sources, such as information they learned from Nelson, we will use. But it is a one-way flow. We don't let any of these people come to Committee meetings.” Of course, Sands didn't know who might be present at those meetings. First of all, he didn't know the names of everyone. But even those who did know the names, like Billy Abernethy—presumably, Abernethy, the chairman, would have known the identity of everybody. That does not mean that British intelligence wouldn't have somebody present.

However, to answer your point directly, we quizzed Sands about the Pat Finucane murder. He said that documents had made their way, via Brian Nelson, to the Committee. But, he told us, Nelson was never invited to attend a meeting. Yet these documents were used to help the Committee come to the conclusion that Pat Finucane was too close to the IRA, and that he should be murdered. They then decided to murder him. Sands was quite specific about the Finaghy Orange Hall meeting at the end of January 1989, where the decision was taken.

It is very simple, in a way, this book of mine. At its core, it sets in context the story of this group. And my source on it, I'm certain, was telling the truth. He didn't have the intellectual capacity to invent and fabricate as he would have had to do. It was an immense piece of good fortune to have found him. Fortunately, all the conversations, the audio and video, are in existence. These will be provided to my attorney in

New York, who is dealing with the Prentice brothers' lawsuit against me filed here in the United States. There are seven videotapes with Sands talking directly in front of the camera, talking about all the murders that he helped to plan, with the people listed in my book, and others.

Now, I have survived seven years of black propaganda against me. I'm perfectly capable of surviving another few years, until the whole story is out.

EIR: It says in the book that Abernethy was the head of the Belfast office of the National Westminster Bank, which is a subsidiary of—

McPhilemy: I didn't say he was the head. He's a senior manager.

EIR: Okay. What is his role there? What kind of responsibilities does he have? It is a rather important bank in the history of the oligarchy.

McPhilemy: Oh, it's a very important bank, the National Westminster Bank. It is intriguing to me, that since my book has come out here, two or three months ago, as far as I'm aware, nothing has been done about it. One of the interesting things is that the book has sold more than 20,000 copies. It has had extensive coverage both in the Irish community in the U.S. and in the nationalist papers in Ireland. But, you have total silence about the book on the BBC, on the other British television networks, as far as I'm aware. Up until now, no mainstream British news organization has referred to it at all. It is not as if I'm unknown, or that I don't have a track record.

EIR: When was your film production company, Box Productions, founded?

McPhilemy: In 1986. I have been a television producer for more than 20 years. I exposed an American entrepreneur in Belgravia, England, who was planning to export toxic waste to Africa. He departed from Belgravia shortly thereafter. I don't want to say more about it.

I also showed that the European Airbus A320, which was supposedly a superior aircraft to the Boeing 737, was relying upon unreliable software, and that it was going to crash, which it promptly did. There were fatal crashes in Strasbourg and Abstein on the German border, and at Bangalore, where everyone was killed. That was a successful investigation, which showed that the attempt to leap-frog Boeing by using untested technology was highly irresponsible. European Airbus was incandescent with rage against us, but I said, until these questions are answered, there will be a question mark over the safety of that aircraft. That shows you that we have, or had, a very wide remit.

EIR: Did you look into the Lockerbie disaster, the downing of Pan Am Flight 107 over Lockerbie, Scotland on Dec. 21, 1988, in which 270 people were killed?

McPhilemy: I'm still looking into the Lockerbie matter. I'm

most interested in it. I think I have a very significant lead. But that is for another day.

EIR: The Good Friday Agreement will bring into being a Commission on Policing, and the Tony Blair government has appointed Chris Patton to head it. Do you know if your evidence on the Committee is being considered by that Commission, or whether anyone will seriously look at the evidence, since they are now reevaluating the role of the RUC and how it should be structured?

McPhilemy: One of the most significant, and so far, unreported developments — and there is no reason why you couldn't break it as a news story — is that when I was investigating the Committee, I interviewed this man Ken Kerr. Kerr, unquestionably, was a member of this Committee. That was my own, and others', judgment, based on 18 months of conversation with Kerr. He knew all the people who are listed in the book, and many more. He's given me the names of police officers who were involved in the Committee. It is my view that a lot of what he gave us, which remains unpublished, is true. But, it was deliberately polluted with demonstrably false information which, if I had not been extremely cautious, would have sabotaged my whole project.

Part of that deception by Kerr involved extracting £5,000 from me. He told me, "I'll give you a tape recording of a Committee meeting," and further, a tape of "me reporting to my handler within British intelligence on the activities of the Committee, but I want money for it" — although he was clever enough not to specify how much. When I had established that the tape recording was a fake, I discussed it with my solicitor [attorney], and he said we ought to report the deception operation to the RUC, give them a copy of the tape, and see what they do.

The RUC, supposedly, carried out an inquiry, and they submitted a report to the director of public prosecutions in Northern Ireland. Last week, they informed us that there will be no prosecution. So, I infer from that that it is perfectly acceptable to the RUC and the director of public prosecutions, for a man to admit his involvement in multiple murders, unsolved murders, and to extract £5,000 from an investigative journalist, and it gets the green light from the authorities in Northern Ireland.

EIR: So, would it be fair to say that you don't place an enormous amount of confidence in Chris Patton's ability?

McPhilemy: I will be amazed if there is a serious investigation by the Patton inquiry into the allegations in my book. I believe that what we have is political management of a thorny issue, which is that the nationalist population of Northern Ireland do not trust the RUC.

EIR: The recent events around the Orange Order standoff at Drumcree have a character of cleaning out some of these networks. Indeed, some of the people named in your book, Mr. Monteith and Mr. Black, were arrested. Rev. Hugh Ross

was covered in the news expressing his hard-core "no surrender" position. Yet, all this Orange Order activity has been isolated in a certain way, and the RUC came off looking good, in terms of the way it handled the standoff. The other two things in that profile are the death of Billy "King Rat" Wright and Robin "the Jackal" Jackson.

McPhilemy: Yes, let me just — this is all very complicated material, as you know. So, we have to just disentangle these things. The first thing to say about Sands, is that he gave us 19 names back in 1991. The RUC responded to the revelations, condemning them as "outrageous." As I say in the book, it is not my allegations that are outrageous, but the facts themselves.

We asked, Channel 4 asked, Box Productions asked for a public inquiry. The inquiry was put in the hands of the RUC itself. Far from arresting anybody, the RUC turned 'round and said that the whole program was a "hoax." Further, that the hoaxster was Sean McPhilemy. This was amplified by the *Sunday Times*, and millions of readers read how the British television audience, and the wider public, had been hoaxed, by me. They also said in their report to Channel 4 that some of these names do not exist. But, it now turns out that they *all* exist. It's true that a man called Cecil Kirkpatrick, mentioned in our dossier, did not exist. But, they failed to tell Channel 4 that there was a man called Cecil Kilpatrick that existed, and he was on the executive of the Orange Order, and the Ulster Independence movement. It's also true that there's no Will Davison. But, there *is* a Will Davidson. So you can see, they are clutching at straws to escape from the evidence.

Sands told us of 19 murder conspirators. But he also told us, most significantly, that the whole operation is managed by an illegal police force within the RUC, run by a group called the Inner Circle. There has been no investigation of that, and I wager there will be no investigation of that by Chris Patton, even if he had the resources, because it would lead to the abolition of the RUC, which I discovered to be, in large part, a terrorist organization, not a police force.

EIR: Do you believe that there is an effort under way, at the same time that the attempt to discredit you escalates in the court and so on, to engage in damage control, because the Committee operation does stand exposed, by forcefully eliminating some of the people, and perhaps taking some of the leaders and putting them in jail or —

McPhilemy: Well, as you rightly say, three of the hit-men are gone. Billy Wright was murdered, very publicly —

EIR: — and quite suspiciously —

McPhilemy: — and very suspiciously, in the Maze prison. We were told that Robin Jackson was dying of lung cancer. I don't think anybody was in a position to say whether it was true or false. The next thing we hear is that he's dead and buried. Died on a Saturday, buried on a Monday, and I've discovered that the undertakers were not local. They came from many miles away. It is deeply suspicious how it can all

be done at such speed. Incidentally, I'm told, that one of those standing at the grave site as Jackson was lowered into the grave, was Monteith.

Then, a man named R.J. Kerr, who figures in my book —

EIR: — was blown up.

McPhilemy: Yes, was blown up. The suspicion now is that it was aviation fuel that was in the canister. As we know, it wouldn't be too difficult to — one small shot into a canister of that and you are vaporized.

Always ask: Who benefits? Who benefits from the death of these people? Well, all those who feared what they might reveal, benefit.

Let me just say. It is extraordinary that a mainstream journalist, which is what I am, should publish a book in the United States (which has had great success) about a murder conspiracy involving the State in Northern Ireland, and it has gone completely unreported in Britain. That in itself is a phenomenon, I believe. It is such a small world now. On the internet, there is a whole website devoted to that book. It has become a political matter. In Northern Ireland, there isn't a lawyer or judge in Belfast, according to what I've been told, who has not read that book.

EIR: Do you have any indication of the response from British Prime Minister Tony Blair's, or Dr. Mo Mowlam's, his Northern Ireland secretary, circle to your book?

McPhilemy: No one has approached me and said, "That's an interesting book, could we talk about it? We would like to know how we could investigate these allegations, that the police have been helping to murder Catholics in Northern Ireland." It is a scandal! They are hoping that the book will go away. Well, it is a misplaced hope, because I'm here for a two-week promotion, in ten cities. I don't think Irish-Americans are going to allow this to be suppressed.

EIR: There is an active Irish-American caucus in Congress. Have you gotten any feedback from those quarters? This is something which bears very much on U.S. British policy. President Clinton has placed a certain foreign policy stake in his Presidency on moving the Northern Ireland issue off dead center. Obviously, the Kennedy family; Rep. Peter King (R-N.Y.) is a very prominent voice in Congress for the Irish-American community. Do you have any sense of where it might go here?

McPhilemy: You would be aware that the Good Friday Agreement is built upon the conversion of David Trimble, from Orange extremist into the De Klerk of Northern Ireland. But, you will also be aware, that in my book, I reveal that Trimble sat down with Billy Abernethy, the chairman of the Committee, at the time that that man was running death squads, murdering Trimble's own constituents. Can there be a lasting peace in Northern Ireland without a Truth Commission to establish the full facts about David Trimble? I doubt it. I believe that it will prove not to work unless the truth is exposed and confronted. Only then, when people say, "I'm



British Prime Minister Tony Blair. From Blair's circles, McPhilemy comments, "no one has approached me and said, 'That's an interesting book; we would like to know how we could investigate these allegations that the police have been helping to murder Catholics in Northern Ireland.'"

sorry. We must not do these things again," and they have reformed the police so that it cannot happen again — only then can you expect to have a lasting peace.

EIR: Have you gotten any feedback on the book from, say, the Sinn Fein people in Northern Ireland?

McPhilemy: I haven't talked directly to any of them. But, I understand that they have not found it unhelpful.

EIR: Why did Channel 4 back down from a libel action against the *Sunday Times* et al.?

McPhilemy: They told me, and I have no reason to doubt it, that they see the libel courts as a lottery, and thus not a desirable way of establishing the truth. One couldn't disagree with that, except that in the absence of any remote possibility of an official inquiry into these murders by the British government, it was the only forum that I thought I could possibly succeed in winning in. As it turns out, I was right. I won my libel action against the *Express*, and now the *Sunday Times* is in the frame for a enormous apology — and a check-writing ceremony, one hopes.

EIR: Then, of course, there is a venue here in the United States, which is another opportunity.

McPhilemy: Before we come to the action in the United States, I would like to make the point: If I win against the *Sunday Times*, which I'm confident I will, it will be accepted in the High Court that the program was not a hoax. That immediately puts the RUC in difficulties, because it was the RUC which was the first organization to accuse me of hoaxing. That is, that their verdict will be undermined. That, in turn, means that the original allegations presented in my documentary are back, unanswered. It is a controversy that will not go away.

EIR: Can your documentary be shown anywhere else, or must you wait for the legal proceedings to be completed?

McPhilemy: The copyright is owned by Channel 4, but there is no reason why it shouldn't be shown anywhere that Channel 4 is prepared to show it. My understanding is that Channel 4 won't show it.

EIR: What is your best hope for where things go from here? You've got the court actions in Britain and the United States. Obviously, this is a major factor in how the peace process proceeds in Northern Ireland.

McPhilemy: It is extremely important that I force the *Sunday Times* to apologize, and retract the hoax allegation. Once that has happened, it changes everything, because it will be established, beyond dispute, that the two newspapers, the *Sunday*

Times and the *Sunday Express*, had printed lies about the program, and about me. That then puts into play the allegations first disclosed by Sands, that the RUC was running death squads.

The success the book is having is already changing the landscape, and it is becoming extremely difficult to do a piece of spin-doctoring on the image of the RUC. It makes it impossible to pretend that the RUC is the vehicle for the future. In my opinion, it has got to be abolished. There will not be a peace settlement in Northern Ireland. The Catholics of Northern Ireland—and not just the Catholics, but since it was Catholics who were murdered—they will not give their allegiance to such a police force. That means that the Good Friday Agreement will not work, if the attempt is to play down the significance of what the RUC was involved in. Also, as I've said, Trimble will have to deal with the allegations in my book; that he sat down with Billy Abernethy and John McCullagh of Ulster Resistance while they were involved in the murder of his own constituents. It is not possible to pretend that the past did not exist. That, of course, is what the British government is trying to do, and therefore they are pretending that the book has not been published. I want to see it widely read everywhere, because until it is accepted that that is what happened, I will have failed in my objective, which is: to bring about a peaceful settlement in Northern Ireland based on the truth.

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EIR holds third Andean seminar, to stop creation of 'Coca Republic'

by Gretchen Small

Addressing an *EIR* seminar on "The Peace Process in Peru and Colombia," held in Bogotá, Colombia on July 23, one of Colombia's most distinguished retired officers, former Presidential candidate Gen. Harold Bedoya, declared that should it rally the will to do so, Colombia *could*, with international aid, defeat the drug trade and terrorism, even in as short a time as two years.

The Bogotá seminar was the third in a series organized by *EIR* in the Andean region, to lay out for national elites, the concepts required to win the war against narco-terrorism, in the context of today's world financial crisis. The first was held on May 28 in Caracas, Venezuela; the second on June 5, in Lima, Peru. Speaking along with Bedoya in Bogotá, were two well-known LaRouche spokesmen in the region: Luis Vásquez, *EIR*'s bureau chief in Peru, and Maximiliano Londoño, president of the Ibero-American Solidarity Movement (MSIA) in Colombia.

The timing of the seminar, and a packed schedule of meetings throughout that week for Peru's Vásquez, allowed *EIR* to intervene in the policy debate raging during the crucial transition period before Colombia's new President, Andrés Pastrana, takes office on Aug. 7. In presentations before numerous institutions in Bogotá, Vásquez outlined the case of Peru, as exemplary of how victory is possible, if the "risky" political decision is taken to defeat the drug cartels and their armed terrorist wings. As he reminded the Colombians, when the Fujimori government acted in 1992 against the Shining Path narco-terrorists, Peru was at the point of disintegration—much as Colombia is today. We publish excerpts from presentations at the seminar in the pages that follow.

Shall the cartels get their own country?

Pastrana, unlike his predecessor Ernesto Samper, is not a narco. However, under strong international pressure, he has already begun to seek peace with the narco-terrorists, at any price. He has promised that, upon taking office, he will order the withdrawal of all military forces from an area in the heart of the cocaine- and heroin-trafficking region in Colombia, which is twice the size of El Salvador. Thus will the Colombian Revolutionary Armed Forces (FARC), be given command of nearly 50,000 square kilometers of territory.

What is this, but the establishment of an independent "Coca Republic"? From this enormous, uncontested base of operations, where will the cartels strike next? Has no one

considered the security threat that such insanity represents for neighboring nations, such as Bolivia, Ecuador, Venezuela, Peru, and Brazil? Is it not assured that the impact will soon be felt on the streets of the United States, as the cartels pour in the drugs?

That prospect has woken up some people in the Colombian establishment. In a July 21 editorial, the daily *El Tiempo* warned that the decision to hand territory over to the FARC "could be the beginning of the irreparable division" of Colombia, and must be reconsidered.

Yet, almost no voices have been raised internationally against the creation of a "Coca Republic." Instead, Pastrana's peace plans have been repeatedly endorsed by the U.S. State Department. The German government, joined by prominent members in the hierarchy of the Catholic Church of Germany and Colombia, is even hosting negotiations.

Consider what is today endorsed as "peace" talks:

- On July 10, Pastrana, accompanied by only one aide, met with the head of the FARC and its top military commander. There, he promised to hand over the territory, a unilateral concession for which he received only promises of more talk. The man who made the talks possible, Alberto Levya, could not attend, as he had fled Colombia to avoid an arrest warrant on charges that he accepted money from the Cali Cartel.

- During July 12-15, in Mainz, Germany, the notorious Heideggerian Bishop Karl Lehmann, and government "spook" Werner Mauss, directed talks between the National Liberation Army (ELN) and leaders of Colombian "civil society." An accord was signed, in which the ELN, too, was promised territory. In return, the ELN promised to stop kidnapping children, people over 65, and pregnant women, and even specified that they might stop kidnapping for ransom altogether—if they were paid "sufficient resources" in return. German officials have suggested that they will seek European Union financing for the ELN. Multinationals operating in Colombia may also be asked to finance the ELN, with a figure of \$14 million being mooted as a goal.

- Recognizing a good thing, the paramilitary United Self-Defense Groups of Colombia (AUC) has held negotiations with "civil society" representatives in Colombia, in which they, too, demanded control over territory, and promised to stop kidnapping children. They, however, said nothing of elderly people, or pregnant women.

The strategic plot to balkanize Colombia

Here are excerpts of a speech given on July 23 by Maximiliano Londoño, at a conference entitled “The Peace Process in Peru and Colombia,” organized by EIR and the Ibero-American Solidarity Movement (MSIA). Londoño is the president of the MSIA in Colombia.



Maximiliano Londoño

Colombia is currently involved in negotiations in Mainz, Germany with all the narco-terrorist groups, in which everyone is being offered territory. It remains only for us, present here, to also demand our own municipalities, and stand in line to see what we get. But it's not true that this will bring us peace; what we'll get is national fragmentation. Nor is it true that this is a conflict internal to Colombia. It is part of the international strategic situation, as the issues of terrorism and narco-terrorism have always been. We Colombians are not genetically violent, nor are we genetically predisposed to cultivating drugs. Our situation today is the result of the wars launched against us by supranational oligarchical forces.

There are several myths which have been propagated and which need to be destroyed. The primary myth is the one that says we'll achieve peace by embracing Tirofijo ["Sureshot," Manuel Marulanda Vélez, head of the narco-terrorist Colombian Revolutionary Armed Forces, or FARC], or Gabino [Nicolás Rodríguez Bautista, head of the National Liberation Army (ELN) since the death of "the priest" Manuel Pérez], or the heads of the drug cartels. Supposedly, by sticking together and holding hands, we'll all arrive at some understanding, because, as the myth goes, the guerrillas can't take power, and the military can't defeat them. But, this is not true.

The fact is, that we have never wanted to establish order and justice in Colombia. Here, everything is negotiated, even kidnappings. Until just a few weeks ago, kidnapping was a crime, at least formally. But, after the talks at Mainz, kidnapping is now regulated. One can kidnap anyone who is older than 16 and less than 65 years of age. This is complete absurdity.

We are going to prove that this crisis is not a domestic matter, but comes from abroad — which is not to say that there aren't people who are operating inside Colombia.

Supranational plot

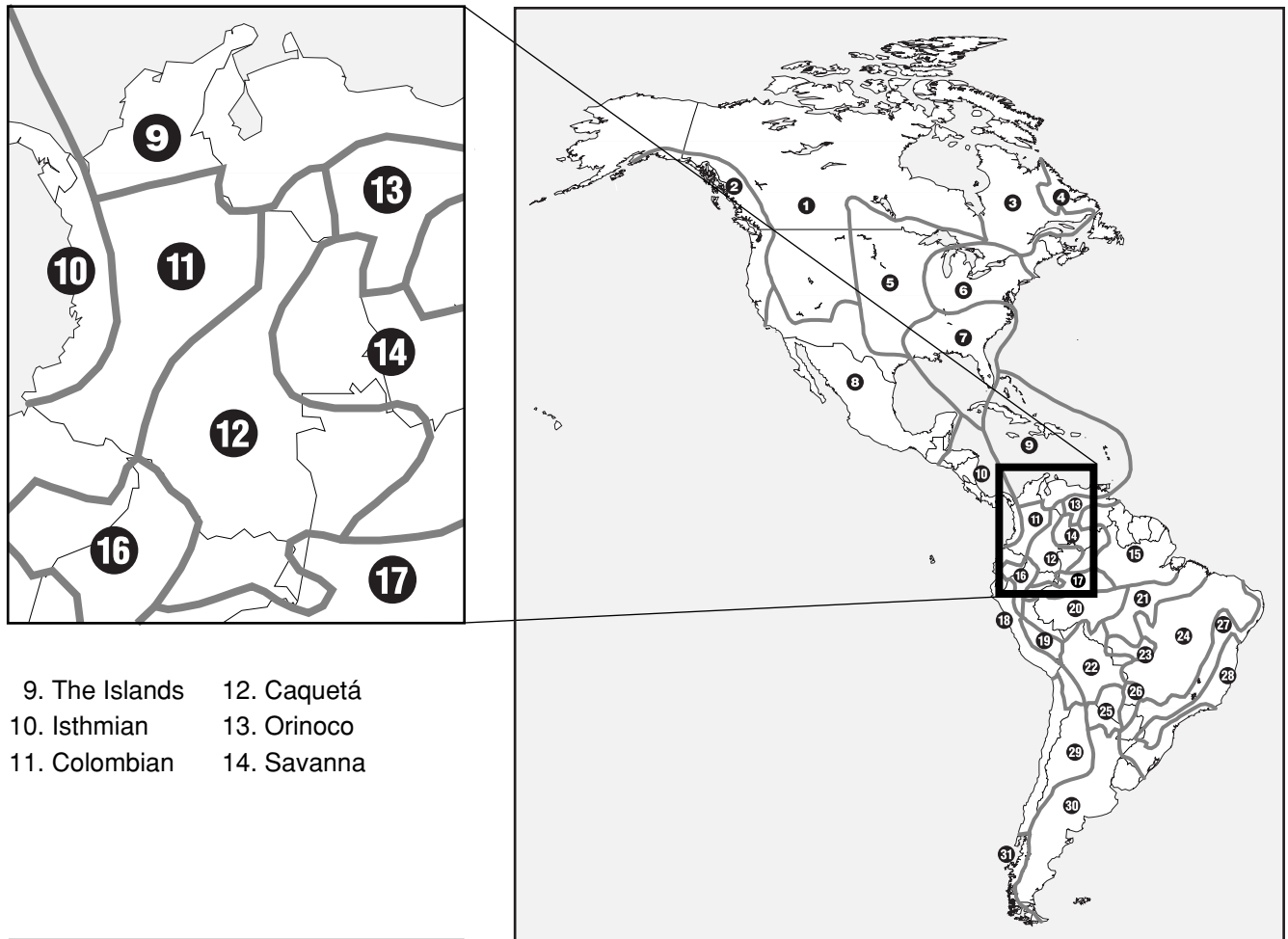
In 1995, *EIR* magazine published **Figure 1**, based on the proposed division of the Western Hemisphere into 31 “nations,” as per maps prepared by Joel Garreau, the Royal Dutch Shell-funded author of *The Nine Nations of North America*, and Yale University's *Encyclopedia of World Cultures*. That same Royal Dutch Shell, the Anglo-Dutch oil company, showed up in Colombia a few days ago with an insert in the daily *El Tiempo*, under the title “Destiny Colombia.” In the insert, they talked about 42 prominent men, including two retired officers of the Colombian Army, and a group of sociologists and “violentologists,” headed by a Canadian named Kahane. This Kahane is from Shell; he has worked for Shell, penning “scenarios.” That is his specialty. “Scenario” means a guide for what could be Colombia's future, for what could come to pass. Only later, surprisingly enough, these powerful gentlemen and their friends begin to put into place the very scenarios they have predicted. These scenarios are activated by a series of political, economic, and even military operatives, so that events develop just as they predicted they would.

Therefore, this map is interesting, because it documents their “scenario” for the fragmentation of the entire Western Hemisphere. Some could argue that this is a conspiracy by the United States, but in this map the United States itself appears fragmented. The same with Brazil, as with all of our Ibero-American nations. And then, they make a very interesting new political configuration.

If we expand the part that corresponds to Colombia, we see that the shoreline of Colombia's Atlantic coast would be joined with part of Venezuela, to form a region that they call “The Islands” (9). Surely, they refer to the British islands, since there are in the Caribbean several British islands. The Pacific coast region of Colombia would become part of something they call “Of the Isthmus” (10), which would include the area where an interoceanic canal is going to be built, whether it be the Atrato-Truandó or a second Panama Canal.

It is worth recalling Jeremy Bentham at this point, who in the past century, as director of Great Britain's foreign intelligence, encouraged the independence of our countries, not exactly out of British altruism, but because that was the way the British hoped to take away Spain's colonies. Bentham wrote whole constitutions, corresponded with all of our heroes, trying to influence them, as with Santander, who was a Benthamite. Bentham is the father of economic liberalism, as well as the father of pederasty. He wrote a little book, called *In Defence of Pederasty*, in which he defended sexual intercourse between children and adults. He also wrote another treatise, entitled *The Defence of Usury*.

London's proposed Balkanization of Colombia



There is, as you can see, some correlation between certain so-called personal aberrations, with a defense of free trade. But that is the subject of another presentation. What is relevant here, is that Bentham wrote a proposal for creating an Anglo-Saxon enclave which would extend from Mexico to Colombia (that is, precisely what this map identifies as number 10), in which an interoceanic canal would be built under British control.

Colombia's Andean region the Shell map generously dubs "Colombia" (11). It would be all that is left to us. The eastern flank of the Cordillera Oriental mountain range would be called "Del Caquetá" (12). How interesting that this is the region where a military evacuation is going to be ordered on behalf of the FARC, an evacuation which has already begun with Cartagena del Chairá and with the Caguán zone in Caquetá, and which will be completed with the townships of Meta!

Finally, we see a zone called "Sabana" (14), correspond-

ing to Colombia's Eastern Plains, and to the Western Plains of Venezuela.

But now, let us turn to **Figure 2**. The darkest gray area (a) is the region of Caguán, which was given to the FARC in 1997 as a pledge, so that the FARC would release 70 soldiers they had kidnapped. This, plus five more townships (b), is what President Samper wanted to hand over to the FARC, but the situation fell apart because Samper was very involved with the so-called "8,000 File," and the charges that his electoral campaign had received million-dollar contributions from the narcos. Besides, Gen. Harold Bedoya (who spoke here at this seminar just a few moments ago) denounced the efforts to hand over territory as an act of treason against the fatherland. The result was that the scenario had to be postponed.

Region (b) is the zone which is expected to be handed over to the FARC now. President Andrés Pastrana was sounded out on this, in this pre-inauguration period, and he has already agreed. We are talking about 50,000 square kilometers, not

Colombia: the FARC's 'Coca Republic'



some little piece of dirt. The surrounding zone, marked with lighter lines, is the zone of expansion of FARC-ELN influence, the zone which is potentially under their control.

In just the five townships they are going to militarily evacuate for the FARC (1), some 120,000 people live. It has low population density, but there are already people there who are fleeing to other regions, because they don't want to live under a FARC dictatorship. Put another way, the zone is being depopulated, because it is going to be given to the FARC. Until 1988, the FARC maintained a certain political control in that region, but they lost mayoralties during the elections of the 1990s. Now, however, with the evacuation, they are clearly going to become the government. The reality is that they are not simply handing over five townships, but all of Meta, all of Caquetá, Guainía, Vaupés, and Putumayo—more or less half of the national territory. And for what? To preserve the production of coca. Because that is the “strategic element,” stated outright, that is exported from that region.

The striped area to the north of the country (2), along the border with Venezuela, is part of what the ELN is now demanding, preliminarily, because they still haven't finalized their demands. They also want to include other areas in the south, along the coast, on their list. But for now, they are asking for the Santander provinces, Arauca, and so on. The third zone (3) is what the private justice, or so-called “paramilitary” groups, are demanding from the nation. In other words, everyone is demanding their piece of the nation.

Parks and Indian reserves

Things don't stop there. The British also propose to take from us those areas which correspond to nature parks, which also happen to be areas where there is no state presence, because they are supposedly ecological preserves which no one is allowed to touch. They are sanctuaries, such as the Sierra Nevada of Santa Marta, where drug production and terrorism thrive. The British used this same scheme in Africa. Further, they have created small nature parks which straddle borders, half in one nation and half in another. For example, they have a project for a nature park which is situated along the border between Ecuador and Peru, which no one knows who will administer: the UN, or perhaps some private licensee. The full sovereignty of the state cannot be exercised in these zones.

The same thing is happening with Indian reserves. According to the 1991 Colombian Constitution, we supposedly have various nationalities, or peoples, in Colombia. The fact is, in Colombia we are all Indians, because we all have some Indian, some African, some white in us. We are a mix. However, the sociologists, the violentologists, the anthropologists, all these new “ologists” which have been created, have tried to “revive” the Indian “nations,” and it is said that they are going to have sovereignty over these territories. And so they say that the Araucos, or the Paeces, or the Uwas, are owners of their territories and of their resources, and should negotiate

directly with the multinationals. There are already cases of this happening. And then, the subsoil would no longer belong to the state, but to the “Indians.”

If we superimpose all these maps of ceded territory, we see what is left to us Colombians—that is, without the nature parks, without the Indian reserves, without the areas they are going to cede in negotiations to the FARC and to the ELN, and without that which they are giving to the paramilitaries—and you can believe that many groups are going to surface, because once there is no state, then anyone is going to feel justified in taking up arms and becoming an avenger, and the chaos in which we live will increase. If we take all this into account, we are going to see how little remains of national territory.

Now, let us take another look at the map the British and Shell made. Here we see that their Caquetá, which appears as a distinct nation, corresponds to that which they are going to cede to the FARC. What farsightedness the British reveal in imagining that such things would come to pass! They are absolute prophets!

What we have here is not a national problem. It is a strategic plan of the supranational powers, which seek to fragment nations. Here we are explaining only the case of Colombia, but the case of other nations of the Americas could be documented in much the same way. And what is it they want to preserve? The production of narcotics, which includes the fact that in Colombia we are now starting with poppy and heroin. They are building a “Coca Republic.”

This was already done before by the British, with the Opium Wars in the mid-19th century, when Great Britain produced opium in India, which at that time was a British colony, and sold it in China. When the Chinese did not like this arrangement and fought back, the British sent in their Navy. As a result of these confrontations, Hong Kong was seized by the British as war booty.

The main problem we face in continuing to be victimized by these schemes is chauvinism, is failing to understand the international strategic situation, because we are localists and think this is just a particular situation. We must understand the strategic situation, see what is going on and come up with a strategic plan: What do we want of Colombia? For it to be a drug-trafficking colony, or a place for producing assassins, a no-man's-land? Or, do we want it to be a decent nation, which has machine tools, technology, that has relations with other nations?

It's our job to work on this, and this is the call we issue. We stand here as we did in the days of independence. At that time, we achieved only political independence, without economic independence. But now, we are on the verge of losing what we had as territory. So, now it's our job to organize house meetings, gatherings, as was done during Independence, when people met, talked, planned things, and then acted. We are called upon to act, because a group of rogues, on foreign orders, are putting an end to our nation.

General Bedoya: In two years, we can get rid of the drug trade

The following speech by former Colombian Army Commander Gen. Harold Bedoya Pizarro (ret.) was delivered at a seminar organized by EIR and the Ibero-American Solidarity Movement in Colombia, on July 23. The seminar was entitled, "The Peruvian and Colombian Peace Processes." General Bedoya was a Presidential candidate in the recent national elections.

Rather than pointing the finger at other nations and making them out as criminals for the drug-trafficking problem, what Colombia needs is allies and partners. Specifically, to resolve the problem of drugs and terrorism, Colombia needs to ally with nine countries: Bolivia, Ecuador, Peru (the coca producers and processors), the United States (the major consumer), Mexico (transit country), Spain (drug entry port into Europe), Holland and Germany (which are the major producers of "Ecstasy" and of various chemical precursors in making illegal drugs), and with Russia (which like other former Iron Curtain nations, sells weapons to the mafia and the narco-terrorists). In Colombia, one can find Russian rifles, Russian rockets, Russian-made ammunition. Russia is involved here, as are other countries which were from the Iron Curtain. For example, weapons are also coming in from Central America, from Cuba and Nicaragua.

If we ten nations were to join forces and agree, we could eliminate this problem. It would be an agreement in which we would allocate tasks: Colombia, of course, would have to eliminate the crops and laboratories, pursue the drug-trafficking mafias, and fight against terrorism caused by the drug trade. The United States would have to end drug consumption. Peru and Bolivia would have to reduce their production of coca leaf. The Dutch and Germans would need to stop selling precursor chemicals, and the Russians would have to stop selling weapons. We could, in this way, certify—or decertify—each other, according to whether we met our responsibilities or not.

The United States would be decertified if it continued to consume, as would Holland and Germany if they continued to sell precursor chemicals, or Russia, if it continued to sell weapons to the drug-trafficking mafias. Thus, we would do away with hypocrisy, and with the farce that Colombia is the only country responsible for all this.

Look at the size of the problem: In the United States, between drug consumption, rehabilitation of addicts, and the fight against the drug trade, they spend in one year, the equiva-

lent of Colombia's entire Gross National Product. That's right: \$90 billion! In Colombia, we spend nothing to fight consumption and drug addiction, not a single peso. In the fight against the drug trade, we hardly spend anything. In the fight against the cartels, we spent practically nothing. How much does the United States give Colombia? Very little. They are trifles: a few old helicopters which fall apart daily from obsolescence.

But, they say Colombia is the only one responsible. Well, it is true that we bear a great deal of responsibility for what we have accepted, and what we have lived through. But the responsibility is worldwide. What we military men call the "theater of operations" of the mafia and the drug trade, is worldwide. Within the theater of operations is the zone of operations, the zone of communications, the supply zone, the rear guard—this type of analysis works perfectly for this case.

For example, here in Colombia, we are consuming \$3-4 billion a year in contraband generated and financed by the drug trade. The same is true of the drug-money laundries. This contraband is what has given Colombia an unemployment rate above 15%, and in cities like Cali, unemployment is already above 20%, since it is the area where more drugs are produced, the city where the drug mafias live and operate. It is a demonstration of how the country is narcotized. The country is in bad shape, destroyed. Colombia is no longer producing food, it's not trading. Colombia has been left nearly exclusively with just a little coffee, with the little oil left to us; nothing else is produced.

A Marshall Plan is needed

Every day one can hear that the country is in total crisis. Well, to resolve this problem, a Marshall Plan is needed, like that with which Europe recovered after World War II. We are talking about a plan to rebuild a country from the ashes. In the first place, we need to ally with the industrialized countries, with the Group of Seven, for them to invest in the reconstruction of the country, especially in all those zones which are devastated by the drug trade, such as the south of the country and the eastern part of Colombia, which are saturated with drugs.

If the industrialized countries were to invest in Colombia, we could develop the Marshall Plan, which would involve contributions of capital, of technology, trade, services, and the creation of poles of development. In Colombia, we need several poles of development. One such would be in the south,



Former Presidential candidate Gen. Harold Bedoya (ret.): "A Marshall Plan is needed, like that with which Europe recovered after World War II. We are talking about a plan to rebuild a country from the ashes."

with its base being Florencia (capital of Caquetá), to cover the southern region: Putumayo, Amazonas, the Amazon region. With this development pole, we could rebuild areas devastated by the drug trade, and we would rehabilitate these zones, putting the land to work once again to grow food instead of drugs, recovering the jungle that was burned or slashed to produce coca, while researching how to exploit the jungles which are very rich in biodiversity. In this project, the whole Colombian government would participate, as well as the United States and other industrialized nations.

To accomplish this, a civil-military operation would be needed, in which military engineers would participate in rebuilding the area, in building bridges, highways, landing strips, trains, schools, everything that could be done. And, logically, there would be great involvement on the part of the Colombian government, especially from the Presidency. This would be a development pole to embrace the entire south, including the borders with Ecuador, Peru, and Brazil.

Another development pole would have to be located in the north of the country —Urabá, Chocó—with the same intent, but embracing the entire Gulf of Urabá. They, too, have crops of narcotic drugs, drug laboratories, and there, too, there has been devastation caused by terrorism and violence.

Still another development zone would be the region of Colombia's northeast. We are talking about Arauca, Casanare, where the development pole would be headquartered in Arauca. This zone also has more or less the same problems: border problems, drug problems, terrorism problems. We would also have another development pole to cover the north, the Santander provinces, the area of Catatumbo River, another

border area that is affected by the drug trade. This region includes southern Bolívar province, southern César, where we daily have the problem of terrorism. This development pole would have Bucaramanga as its epicenter.

And so, we have to begin to economically develop the country, with both domestic and international resources, with the participation of the government, with the active participation as well of the Armed Forces. I am certain that if we do this, four years is more than sufficient to rebuild the country.

And then there is the alliance we must forge with the developed countries. It is the alliance we must convoke to fight the drug trade and the drug mafias. Colombia holds several "first places": first place in coca production, first place in drug laboratories, first place in mafias. We can get rid of these "first places" through this alliance. We must develop a strategy for weakening, and then eliminating, the drug trade.

In two years, we can lick this problem. I don't see this being a difficult matter. The fact is that up until now, we haven't wanted to actually fight the drug trade. We have allowed the drug trade to reach up to the Presidency of the Republic, and when this happens, then there is simply no political will to take on the problem. If one achieves power with dirty drug money, one cannot launch the battles required. That is why there has been an appearance of fighting the drug trade over the last four years, but you all well know that during those four years, Congress has dedicated itself to legislating in favor of those criminals.

With this great political problem resolved, which I believe is already resolved—or at least that regime of corruption and drug trafficking has been defeated—then we can make this

alliance. It is an alliance of all our friends to do away with the entire drug process. You know that the drug problem includes the crops, the laboratories, the cocaine production complexes, and it takes a large military, police, and judicial alliance to defeat these criminal organizations, and so that is where all the nations involved in this problem must participate. We only need a little time to accomplish this, not a lot of time. It is already known where the crops are, where the laboratories are. Just getting into an airplane and looking down tells you where they are. So, we must simply uproot this. Then enters the other plan, the reconstruction plan, so that at the same time that we are eradicating, we are also immediately rebuilding around the development poles.

That is how we will get the country going again.

War on narco-terrorism

The other thing is the war against terrorism, which is another fight we have never wanted to take on. The picture is very painful and very sad. Very sad to see how they are running kidnappings, running the drug trade, from the jails. They are running terrorism from the jails; from the prison cells they give orders on how to handle the national geography; and from the jails, they have practically put the Colombian people up against the wall. This fight must be waged.

The government will give the members of these criminal organizations—call them drug traffickers, terrorists, narco-

terrorists, or what you will—an opportunity to surrender to the state, since in the end it is the state which is responsible for how Colombians live, and these opportunities will be given when and where the government considers it convenient and when circumstances permit. The peace, or dialogue, process, can be held, but without the state renouncing its obligations, because the first obligation of the state is to guarantee life, honor, property. This cannot be renounced. The only one responsible in all this is the state: The government, Congress, the justice system, all the institutions must work in this direction.

Obviously, the country will have to make a series of reforms. This country is left without the legal tools to take on such a problem. Along came General Clark, a U.S. general who headed the Southern Command, then headquartered in Panama when I was Army Commander. And he came because there was U.S. radar in Vichada, which monitored the flight of airplanes in that sector of Colombia's east. He went with me one day to fly over all of Vichada, observed everything, and asked me a question: General Bedoya, what is the size of the department of Vichada? I answered that it was more than 90,000 square kilometers. Then he asked me how many soldiers we had in Vichada, how many helicopters, how many military bases and air bases. I answered: "We have what you saw. One air base and one helicopter, nothing more." He told me that "the area of Vichada is nearly equal to that of Vietnam, which is a little more than 100,000 square kilometers, and in Vietnam, we had 2,000 helicopters. I don't know how you do what you have to do with your fingernails, without anything; you are really making miracles, without any help. You are heroes."

I tell you this story to give you an example of how we have had to fight in Colombia, without anything, against a powerful and rich enemy, which has every resource, which is well armed, which has an international diplomatic corps that functions, that has its delegates in Europe, in the United States, in the world media, which is supported by multiple non-governmental organizations (NGOs). From this, they are battling the entire country and are morally destroying it.

The narcos violate human rights

The country must make a great effort. The entire world must make a great effort, because we are waging a war that benefits the entire world, and yet the world is indifferent. Four months ago, I was in Washington, and there I had a television debate with Mr. Vivanco, who is the director of Human Rights Watch. They invited me to participate in those debates in the United States, because they say I am a great violator of human rights here in Colombia. And these organizations always want to put me up against the wall. So I asked them to allow me to ask a question, since there were three of them against me, as always. I asked them a single question: "You are always fighting for human rights, which is something we all do, because I too want human rights respected. We all want peace,

**"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."**

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we all want the drug trade to be ended. I know that in the United States there are 20 million drug addicts, sick and crazy people in the streets and in the hospitals, because of the mafias and the drug traffickers. Why don't you denounce the drug traffickers as violators of human rights? Why haven't you demanded that the drug trade be considered an international crime, a crime against humanity?"

But, there was no answer. They didn't understand that the drug trade produces weapons, produces violence, produces terrorism. That the drug trade produces sick people, destroys the ecology, destroys the jungles, destroys the rivers. That the drug trade takes over governments, as happened here. Here we have a drug-trafficking government. The President has just said so on television. He admitted that he brought in Cali Cartel money. He reached the Presidency and lasted four years ruling Colombia.

If the mafias do all this, why don't we try them internationally? The only thing left to the people after the mafias' operations is what has been left to us: poverty, misery, unemployment, corruption, a bankrupt economy, congressmen on trial for corruption. The drug trade leaves all that human misery behind it. So, why don't we try them? Why do we allow these gentlemen their international showcases, like that which has been put together in Germany, and which are being put together in Colombia and in other parts of the world?

The world must join Colombia in this battle; we Colombians have been left with no other choice but to defeat the drug trade, to defeat terrorism, because if we do not, the country is not going to have jobs, is not going to have development, there will be no capital investment, there will be no industry, there will be no international confidence. Everything we produce in Colombia will be ephemeral. No one is going to want to come to Colombia when they know they could be kidnapped. The first thing we have to do is clean up this drug-trafficking problem, and I guarantee you that Colombia will start to live again. But, if Colombia does not make this decision now, starting Aug. 7, a decision to go all out and have the whole world back us up, and we Colombians support the government in making that decision, which it has never until now made—we tell lies every day and the world knows we are telling lies, but it likes us to tell lies that we are waging a great battle against violence and the drug trade—if we don't make that decision, there will be poverty, there will be hunger, we will face all the plagues of Egypt.

This is what I wanted to tell you tonight. I will promote the cause of Colombia winning this fight and that it overcome this problem soon. We can defeat this tangle of drug trafficking, of violence, and of corruption so that we don't continue to suffer what we have been suffering. And I will be supporting the government in these decisions, if they are taken, obviously. If they aren't, well, I will be the person who tells the Colombians what I think, and the ideas needed to resolve this problem.

Thank you very much.

Soros legalizers map out 'Guaviare strategy'

by Gretchen Small

On June 11, in an auditorium at George Washington University provided by the Anthropology Department's Andes program, top strategists of George Soros's international drug legalization apparatus convened to map out, with controllers of the coca growers of Peru, Bolivia, and Colombia, the next phase of their war to legalize the drug trade.

The cover for the strategy session was a seminar titled "The War on Drugs: Addicted to Failure," sponsored by the organizations which form the backbone of the "Coca 90s" strike force exposed by *EIR* in its June 5, 1998 *Feature* on "George Soros's 'Coca Revolt' in Bolivia," including: the Soros-funded Washington Office on Latin America (WOLA); the Washington-based Institute for Policy Studies (IPS); the Transnational Institute, IPS's cohort in Amsterdam, where the Coca 90s project is headquartered; and Acción Andina, a network of legalizers extending from La Paz and Bogotá, to the drug legalization capital of the world, Amsterdam.

The star attractions were six speakers from the Andean Council of Coca Producers (CAPHC), an Andean-wide narco-terrorist association. CAPHC's most prominent spokesman, Bolivia's Evo Morales, was unable to attend, because he was denied an entry visa into the United States. Featured instead was a self-professed leader of the 1996 insurrection of drug growers in the south of Colombia, Omayra Morales, CAPHC's secretary of information and culture, who hails from the department of Guaviare, where the 1996 insurrection began.

What emerged from the discussions, is that a major war is in the making in the Andean region. The model for the insurrection, is that July-August 1996 uprising in the coca-producing regions of the south of Colombia, where hundreds of thousands of coca-growers were driven by the Colombian Revolutionary Armed Forces (FARC), at gun-point, into serving as cannon fodder for the narco-terrorists. The critical role assigned the legalization forces assembled in that auditorium, is to create the political conditions under which the insurrection can succeed.

Backdrop of failure

The seminar was held one day after the close of the June 8-10 UN General Assembly's Special Session on Drugs. Many of the speakers had been in New York City for that session, attempting to shape the discussions as best they

could, to further their drive for legalization. They came back frustrated about what they had failed to accomplish there, and about how little headway they are making generally in their drive for world drug legalization.

WOLA's Coletta Youngers denounced the UNGA session as "the world's biggest pep rally for the war on drugs." Our only success there, she said, was the advertisement placed in the *New York Times* for the opening day, June 8, by Soros's Lindesmith Center, with a list of prominent world figures attacking the war on drugs. Martin Jelsma, coordinator of the Transnational Institute's "Drugs and Democracy" project, urged that an international mobilization be launched to defeat a proposed UN Strategy for Coca and Opium Poppy Elimination, which he fears would give legitimacy to eradication programs.

Originally, the seminar had been planned for just before the UN session, at which the final report of an international taskforce, set up six months earlier under the direction of Jelsma with the mission of developing arguments to discredit "Airbridge Interdiction in the Andes," a joint U.S.-Peruvian program, would be released. The "Airbridge" program has largely shut down the drug cartels' ability to use airplanes for trafficking between the Andean nations; it drives the legalizers mad, because it demonstrates that appropriate U.S. coordination with the national militaries and law enforcement agencies in the Andean countries, *can* inflict grave damage on global drug-trafficking, thus destroying the "war-always-fails" axiom upon which legalization is premised.

After six months, the taskforce has yet to come up with a strategy with which to defend the drug-carrying planes flying over the Andes. Instead of releasing a report, as they had planned, they issued an executive summary of the taskforce's conclusions, because the country studies submitted are "still in process."

The executive summary admits: "The strategy of air bridge denial was, and is hailed by U.S. officials as a resounding success, and is touted as justification for further spending on such multinational source country and interdiction programs. Official U.S. government sources acknowledge that traffickers have adapted to air bridge denial by using other land, sea, river and air routes. However, they also insist that such adaptations require that 'denial' programs be reinforced, invigorated and extended on land and water routes. While we recognize the efficacy of closing, in some measure, the air bridge between Peru, Bolivia and Colombia, the evidence suggests such optimism is unfounded."

The "evidence" was nonexistent, and the attempts to pretend otherwise, were outright laughable, as typified in the remarks of Peruvian CAPHC adviser and economist Hugo Cabieses. Proudly announcing that he had studied under Trotskyist economist Joan Robinson, Cabieses claimed that the reason the price of coca in Peru has dropped precipitously—a drop which all acknowledge has encouraged many coca-growers to return to growing food—has nothing to do

with traffickers' increased difficulty in getting coca paste out of Peru. It is simply that Peruvian traffickers are "inefficient," he said, because, "as economics teaches us, the market" drives the inefficient out of business.

Human rights fraud

Several speakers pointed out that, where the legalization movement has delivered significant blows to anti-drug efforts, it has succeeded in transforming the drug issue into a matter of "democracy" and "human rights," and this, therefore, is where efforts should be concentrated.

This was the principal argument of WOLA's Youngers, who pointed to the use that has been made of human rights conditionalities (principally, the so-called Leahy Amendment), which require that U.S. security assistance programs meet human rights criteria. The Leahy Amendment, she said, has prevented the Clinton administration from delivering aid to the Colombian Army, even though that aid was announced at the beginning of 1997.

Joy Olson of the Latin American Working Group (LAWG), a coalition of non-governmental organizations affiliated with the National Council of Churches, pressed for others to join LAWG in investigating U.S. military cooperation programs, as the most efficient means to identify pressure points for attack. Outlining some of those investigations (she focussed on U.S.-Mexican relations), Olson urged that the seminar participants mobilize to identify, and close loopholes which they allege make the Pentagon budget less restricted by human rights clauses than aid channeled through the State Department.

Younger, who attacked the U.S. Army Southern Command, charging that it carries out its "own parallel foreign policy" in Colombia, endorsed Olson's strategy, praising a study being prepared by LAWG as exemplary of the work required to stop "militarization" being carried out "under the cover" of anti-drug efforts.

'Collective kidnapping'

During the second panel, the insurrection strategy was outlined by the six speakers associated with CAPHC: Omayra Morales and Ricardo Vargas of the Center for Research and Popular Education (CINEP), from Colombia; Cabieses and CAPHC vice president Carlos Francisco Barrantes, from Peru; Theo Roncken from Holland; and Gregorio Lanza, from Bolivia. Each argued that the *cocaleros* movement has decided upon three non-negotiable demands:

- To stop all "forcible" eradication, whether by fumigation or law enforcement;
- To permit no drug eradication policy or operation in any area under their control, which is not negotiated through them, in the name of "local control" and "democracy";
- To resist any attempt to "impose" any other policy, along the lines of the FARC-led 1996 Guaviare uprising in Colombia.

The CAPHC people made clear that this is not an issue of development; it is an issue of *power*. They demand that all development aid go to them, or to groups which they designate; *they* demand to run any programs in their areas; *they* will negotiate directly for foreign aid. They, in other words, seek to replace the state, to *become* the state in “their” areas. If governments do not go along, they will face war. Lanza spelled out that, in the case of Bolivia, this is a “geopolitical” issue, which threatens the existence of the nation. Drug production is centered in the Chapare region, which is at the heart of Bolivia, unlike the Alto Huallaga in Peru, or the southern regions of Colombia, which are more peripheral geographically, he said. If conflict were to break out in the Chapare, Bolivia’s existence would be called into question.

Omayra Morales, the would-be “Rigoberta Menchú” of the *cocaleros* movement (she speaks regularly at UN meetings in Europe and the United States), identified the Guaviare strategy. Holding various municipal posts in Miraflores, Guaviare, Omayra Morales presented herself as just another peasant “growing coca for our sustenance.” We poor peasants formed self-defense squads, because the world was against us (the guerrillas, the Army, the paramilitaries). We have a right to defend our coca, and this is what happened in 1996, “a big mobilization run by us,” she said.

The “mobilization,” which spread across four depart-

ments in the south of Colombia (Guaviare, Caquetá, Putumayo, and Meta) in July-August 1996, was an armed uprising which attempted to drive the military out, and take control of the region. It was organized as “a concerted action of the drug traffickers and the guerrillas,” Colombia’s anti-drug Prosecutor General, Alfonso Valdivieso, documented in a report issued at the time. Then-Army Commander Gen. Harold Bodoia detailed how the uprising was a life-and-death issue for the cartels and the FARC, because the Army operations started that spring in the area, had begun to roll back their control.

Just how “democratic” Morales’s people are, was described in an interview with *EIR* on Oct. 31, 1996, by Héctor Orozco Orozco, Mayor of Florencia, Caquetá, which FARC forces had tried to overrun: “The marches were under the control of the guerrillas and of the coca-growers. . . . The guerrillas organized those marches six months earlier. For six months, they went throughout Caquetá, house to house, farm to farm, threatening people, collecting money, food, everything.” When the uprising began, the guerrillas forced people into their marches; “women who wanted to leave, who cried, and were not allowed to leave; peasants who had been taken on the march for 8, 10, 15 days, . . . forced to abandon their farms. These were not marches, but the collective kidnapping of more than 25,000 people.”

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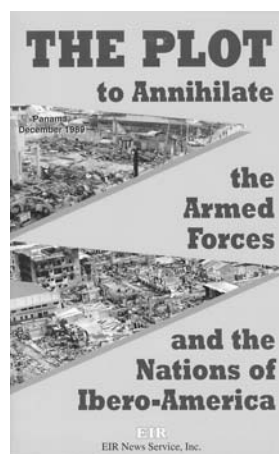
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International Intelligence

Britain would support Palestinian state

The British government has told the Palestinians that they would support a Palestinian state if it were approved by a referendum. The Saudi paper *Asharq Al Awsat*, according to the July 27 Israeli daily *Ha'aretz*, has reported that an official of the British Foreign Office informed the Palestinian Authority's representative in London, Afif Safieh, that the British would support a state "in the Palestinian territories." He also said that there was no reason why other nations should withhold recognition.

According to this report, the British Foreign Office conducted a study of possible future Middle East scenarios, including the establishment of a Palestinian state. One of the scenarios evaluated was that Israeli Prime Minister Benjamin Netanyahu would try to thwart such a referendum, but the study concluded that such an attempt would backfire on Israel.

Britain has also raised the status of the Palestinian mission in London to one just below that of full statehood.

Tax collection vs. EIR's Lima bureau thrown out

The Peruvian government's tax agency, SUNAT, formally notified *EIR*'s office in Lima, Peru on July 21, that it has closed its outstanding case against *EIR*, and that *EIR* owes no back taxes.

On Jan. 31, 1998, SUNAT initiated a crude, politically motivated attempt to collect double payment of *EIR*'s 1994 taxes, with exorbitant penalties added on. In a personal statement at the time, *EIR* Founder Lyndon LaRouche denounced the "notorious crony" of London's George Soros, Peru's Economics Minister Jorge Camet, as responsible for this "political atrocity." LaRouche charged that SUNAT's wrongful and capricious collection attempt, signified an intent to violate international human rights standards concerning freedom of the press. "Lacking the courage to meet openly the powerful political challenge which I rep-

resent, worldwide," LaRouche wrote, "cowardly political jackals act, as Camet does, as jackals, by their nature, are wont to do." *EIR*'s Lima bureau circulated LaRouche's statement throughout Peru's media and government, and *EIR* published it in its Feb. 27 issue.

There are two notable features of SUNAT's decision to close the case. First, the decision was dated May 4, yet SUNAT did not notify *EIR* until July 21. It would appear that the decision had been filed away, until after Camet left his post as Economics Minister, in early June. Second, *EIR*'s lawyer expressed astonishment that SUNAT should officially close out the case after only one appeal. Tax appeals such as *EIR* filed are common, and generally drag on for years. The expedited handling of *EIR*'s case is an indication that LaRouche's personal intervention set off a bombshell.

Central Asia summit promotes cooperation

The Presidents of Kazakstan, Kyrgyzstan, Tajikistan, and the Prime Minister of Uzbekistan (representing President Islam Karimov, who was ill) met in Cholpon-Ata, Kyrgyzstan on July 17. Four agreements were signed, including on economics and state boundaries. The Central Asia Union, formed in 1994 by Kazakstan, Kyrgyzstan, and Uzbekistan, was renamed the Central Asian Economic Community. Tajikistan, which joined the union last March, was named a co-founder of the Central Asian Bank for Reconstruction and Development.

The border between Kazakstan and Kyrgyzstan was demarcated at the summit. According to Kyrgyzstan President Askar Akayev's spokeswoman Bermet Malikova, this is the second step by the two countries to define their borders, after having signed agreements with China in 1996 and with Russia in 1997. Kyrgyzstan will define its borders with Uzbekistan and Tajikistan in the future.

Among issues discussed were regional security, in light of the continuing war in Afghanistan, and the recent nuclear tests by India and Pakistan. The parties agreed to

unite against "religious extremism," particularly that of Afghanistan's Taliban. A declaration on regional security had been prepared, but its signing was postponed until the next meeting in October, because of the absence of President Karimov.

Turabi: Sudan can accept independence of South

Dr. Hassan Al Turabi, the Secretary General of the Sudanese National Congress, said that Sudan would accept the independence of southern Sudan, in an interview with the July 23 German daily *Frankfurter Allgemeine Zeitung*. Turabi reiterated the policy outlined in the new Constitution, just passed in a national referendum, regarding the fate of the South: "If there is no other possibility of ending the gruesome civil war, and if the independence of the South is the *ultima ratio*, then I would support this step," he said. This, he added, would depend on a plebiscite, also foreseen in the Constitution.

"Before that, the inhabitants of the South, and also the 3 million southern displaced persons living in the North, should be able to vote on whether they want to maintain unity of the country, or they wish independence from Khartoum," he said. He said he was confident they would vote for unity, but added that he would accept a contrary vote.

Turabi denied that the war was a religious war, and characterized the government forces as a "peace corps" deployed in the South "to protect the people there from tearing each other apart." Because of the tribal warfare, he said, "I warn against the estimation that peace would come with independence in the South. What is more realistic is that a second Somalia would emerge." The paper commented that Western diplomats in Khartoum share this analysis.

Turabi said that the civil war has been the sole cause of the threatened famine in the South, and added that aid should be made available to the North as well. He criticized those who presented the recently agreed upon cease-fire as a "breakthrough," considering that the government has been trying to reach a cease-fire for months, and that Suda-

CHECHNYA is facing renewed civil war, Russian political figures are warning. Krasnoyarsk Territory Gov. Aleksandr Lebed told Interfax on July 21 that Dagestan, North Ossetia, Ingushetia, and Stavropol Krai (site of Russia's naval base in the Black Sea) will also be drawn into the conflict. Federal Security Service Director Nikolai Kovalyov said that "all the pre-conditions" for renewed conflict exist.

BENAZIR BHUTTO, the former Prime Minister of Pakistan, returned to Pakistan from her self-imposed exile in Dubai on July 26 to face corruption charges. She claims that the charges have been fabricated by Prime Minister Nawaz Sharif. Her husband has been in jail on corruption charges since her government was dismissed in November 1996.

TEHRAN former Mayor Gholamhossein Karbaschi was sentenced on July 23 to five years in prison, 60 lashes, and a fine of 1 billion rials (\$333,333). He was convicted of embezzlement, misconduct in government activities, and wasting public property; he has 20 days to appeal. Karbaschi's ordeal is part of an offensive by the arch-conservative faction opposed to Iranian President Seyyed Mohammad Khatami's policy of openness and dialogue.

ANGOLA is faced with renewed civil war after a massacre in July of more than 200 people in the diamond-rich northeast region, according to the July 26 London *Sunday Telegraph*. Four years of talks aimed at ending the foreign-run civil war broke down in June, after the UN Security Council imposed sanctions on the UNITA rebel group for not fulfilling its side of the peace agreement.

A MAJORITY of the Association of Southeast Asian Nations rejected a proposal by the Thai and Filipino foreign ministers to abandon the group's policy against interference in the internal affairs of member nations, at the ASEAN annual meeting in July.

nese People's Liberation Army leader John Garang had rejected it.

Turabi called for international cooperation in rebuilding the economy. "We are not so fond of physical labor. We prefer to watch the cow give milk and see the fruit fall from the trees. We're not Europeans, and have to get used to teamwork," he said. Referring to the construction of the oil pipeline to Port Sudan, Turabi referred to the Chinese laborers employed there: "I can certainly imagine, that in the near future 5 million Chinese will come to live in Sudan. We are underpopulated and are a melting pot of nationalities. And, we have no racism," he said.

British seek to build influence in Iran

After having created the conditions for a break in relations with Iran over the 1989 Salmon Rushdie affair, and campaigning openly for continued hostility between the United States and Iran, the British are now bending over backwards to become the best friends of the Iranians in Europe.

Foreign Office Minister Derek Fatchett, who has become the British diplomatic hitman in the Middle East and Persian Gulf region, in the first interview a British official has given to the Iranian News Agency since 1979, said that he wants a "more constructive *bilateral* relationship" with Iran, and wishes to "develop the bilateral commercial relationship." He said, "There is much we would like to discuss and cooperate on." He named as examples the peace process in Afghanistan, political developments in Central Asia and Iraq, recent nuclear tests in South Asia, and combatting the international drug trade.

Using what IRNA said is a "new tone," Fatchett referred to the Rushdie affair, and "disputed suggestions that his government's public support for the apostate author, under the banner of freedom of speech, condoned the contents of his blasphemous book and crime committed against 1 billion Muslims." He said that the U.K. "understands and regrets that the book, *The Satanic Verses*, has caused offense to many Muslims." He suggested that a "positive first step" be

taken by Iran, i.e., that the bounty on Rushdie's head be removed.

Fatchett falsely claimed that the U.K. government does not support the anti-Iranian terrorist group MKO. "He repeated his government's condemnation of the terrorism committed by the MKO grouplet based in Iraq and said that its members had been stopped coming to Britain," IRNA reported. He added "that the U.K. did not recognize and had no dealings with the so-called National Council of Resistance, one of the many alias names used by the MKO."

Oligarchs' FEER fears LaRouche's influence

The *Far Eastern Economic Review*, owned by Dow Jones, featured the following "intelligence" short, entitled "Odd Men Out," in its July 23 issue:

"It seems the International Monetary Fund isn't the only organization supplying economic advice to the Jakarta government. During one of his stops on a global roadshow, Ginandjar Kartasasmita, Indonesia's Coordinating Minister for the Economy, Finance, and Industry, invited reporters to his hotel suite in Tokyo. They were surprised to spot, among his papers, a video entitled, *The World Financial Collapse: LaRouche Was Right*. Lyndon LaRouche, a conspiracy theorist and perennial U.S. Presidential candidate, has been arguing for years that the world's financial system was on the brink of collapse due to unfettered growth in speculative funds; he says now that the Asian crisis is just the beginning. Many mainstream economists consider LaRouche's theories questionable—but no more so than Ginandjar's assertion at the press briefing that the Indonesian rupiah would be back at pre-crisis levels within five years."

Ginandjar is a retired general who assumed his current post under President Suharto. He has been central to Indonesia's private foreign debt negotiations, and he has stated that a sizable percentage of that debt needs to be written off as unpayable, particularly that portion in which both creditor and lender knew the deal was bad from the outset, i.e., a "moral hazard."

Acholi leaders seek peace for war-torn northern Uganda

by Linda de Hoyos

After 12 years of war which have witnessed the social and physical disintegration of their society, the leaders of the Acholi community of northern Uganda came together on July 18-19, at a conference in London, to take action to bring peace to their land. Religious, community, and political leaders from both the two war-torn districts of Kitgum and Gulu and from the large Acholi exile community met under the banner of a *Kacoke Madit* (Great Gathering). “Concerned that the Government of Uganda and the Lord’s Resistance Army have failed to appreciate the futility of war as a means of resolving conflict,” the *Kacoke Madit* affirmed that the “conflict in Acholiland should be ended expeditiously, through peaceful means.”

For the last 12 years, but especially since 1994, northern Uganda has been part of a far larger war zone where the battle lines have been drawn not by those fighting on the ground, but by the geopolitical dictates of the British Commonwealth’s financial interests, as conduited through the British Ministry of Overseas Development and complicit channels in the United States. The demands for a full-scale war in Sudan to “bring down the Khartoum government”—heard regularly from British Deputy Speaker of the House of Lords Caroline Cox and such minions in the United States as Rep. Donald Payne (D-N.J.)—have brought unspeakable suffering to both sides of the border shared by Uganda and Sudan.

For years, Ugandan dictator Yoweri Museveni has been aiding and abetting the insurgency of John Garang’s Sudanese People’s Liberation Army (SPLA), while refusing to end the war in northern Uganda, either by defeating *or* by negotiating

with the rebel Lord’s Resistance Army (LRA). Museveni’s game is to keep that war going, in part because it provides the pretext for the Ugandan military deployment against Sudan. The LRA, headed by Joseph Kony, is a ferocious force of up to 3,500 fighters, most of whom are abducted youth; it has, in turn, found safe-haven across the border in Sudan, in territory held by the Khartoum government.

On the Ugandan side of the border, the mere 20,000 troops of the Ugandan Popular Defense Forces that Museveni has deployed to the north cannot possibly deal with the LRA, and the rebel force has now been given free rein of the countryside of Gulu and Kitgum districts, comprising 15% of the total Ugandan land mass. More than half a million people have been uprooted from their homes and forced to live in jam-packed “protective villages,” where their basic necessities are not met. For the first time in decades, famine now stalks northern Uganda.

On the Sudan side of the border, despite the crowings of Payne and of Roger Winter, executive director of the U.S. Committee on Refugees and Garang’s chief proponent in Washington, there has been no significant military progress since the policy of full war was forced through the Clinton administration in October 1997 by Assistant Secretary of State for African Affairs Susan Rice and National Security Council assistant on Africa John Prendergast. However, the unending low-intensity war has completely disrupted food production in southern Sudan, forced thousands to move from their homes, and placed upwards of 2.6 million people at risk of death by starvation.

The terrible human cost, combined with the total lack of

military success, is now forcing a reassessment of policy in certain quarters in Washington, as reflected in hearings held in the House of Representatives subcommittees on Africa and International Operations on July 29, where Rep. Tony Hall (D-Ohio) told star witness Susan Rice point-blank: "U.S. policy has failed. We need a policy for peace."

'Promote peace, reconciliation, and forgiveness'

Ten days before, the Kacoke Madit meeting in London had come to the consensus: "Enough is enough. There must be peace."

Although representatives of the Museveni government, Alphonse Owiny Dollo, Minister of Northern Reconstruction, and Peter Odok, Resident District Commissioner for Gulu, attempted to blame the war and its afflictions on either "the Acholis themselves" or on Sudan, this idea was not embraced by the Acholi leaders present. Coming under greater attack were: the British government for harboring the war-mongering, so-called political leader of the LRA, Paul Onen; the Ugandan government for its failure to protect the people; and the geopolitical pressures coming from Washington and London.

In its resolutions passed on July 19, the Kacoke Madit "noted with deep concern the continuous killings, maiming, and abductions being perpetrated in Acholiland and the neighboring districts of Apac, Lira, and Adjumani by elements of the Lord's Resistance Army, and the failure of the Government of Uganda to provide adequate protection to the people and their property, [and]

"Further noted with deep concern the heartless and manipulative role being played by certain foreign powers, non-governmental organizations, and individuals who have a vested interest in the perpetuation of the conflict."

The first issue addressed in the resolutions was the urgent necessity for relief to be brought to the people of northern Uganda who are now on the brink of starvation. The Kacoke Madit "called upon the Government of Uganda to declare Acholiland a 'Disaster Zone' in order to pave the way for the international community to respond urgently to the humanitarian needs of the people living in the protected camps in Gulu and Kitgum Districts." The second resolution "calls upon the Government of Uganda to adhere to its constitutional responsibility to protect the lives and property of all its citizens."

On the issue of peace, the Kacoke Madit called upon the "Government of Uganda and the Leadership of the LRA/LRM to declare an immediate cease-fire and enter into dialogue, if necessary with the facilitation of a third party." The conference noted that the letters exchanged in November 1997 between Dr. James Obita, then foreign secretary of the LRA, and President Museveni should become the starting point for negotiations.

The resolutions further "called upon the Government of Uganda to seek every possible avenue to normalize the strained diplomatic relations with the Government of the Sudan."

The conference also addressed the question of amnesty. Except for rare occasions, President Museveni has avowed that only a military solution could be pursued against the LRA, and that the LRA cadre should either be killed outright or charged with treason and murder, if captured. The Acholi community, led especially by the Religious Leaders' Initiative for Peace, has forged a consensus that forgiveness and reconciliation are required, not retribution (see interviews with Msgr. Matthew Odong and Rt. Rev. Nelson Onono-Onweng).

The Kacoke Madit therefore called upon "the Acholi community and all Ugandans to promote peace, forgiveness, and reconciliation, and to embrace all measures that will promote unity and national reconciliation." If this is carried out in the process of establishing peace, the modalities for such reconciliation could become a model for bringing peace to the entire violence-wracked Great Lakes region.

The religious leaders who attended the Kacoke Madit had come together June 28 in Gulu in a meeting called *Bedo Piny Pi Kuc* (Sitting Down for Peace). The Bedo Piny declaration called for an "olive branch to be extended to Joseph Kony and his combatants. The participants strongly recommended that Parliament should enact an Amnesty Law to pave way for dialogue and reconciliation. . . . The participants appealed to the people of Acholi to engage in an all-out effort of *mato oput* reconciliation."

The Bedo Piny meeting also had delineated the reasons why the war in northern Uganda had dragged on for 12 years, singling out the following reasons:

"i. Low morale among the soldiers who are on the front line;

"ii. Lack of political will to find a peaceful solution to the conflict;

"iii. The support being given by the SPLA/SPLM by the Government of Uganda;

"iv. The support being given to the Lord's Resistance Army by the Sudan Government;

"v. Some individuals within the army and the civilian population are benefitting economically by supplying food-stuffs and other items to the army and the rebels;

"vi. Some foreign powers are using Uganda and Acholi in particular as a base for fighting the [Sudan] Government of El Bashir;

"vii. Lack of trust between the population and the Government."

The videotapes of the Bedo Piny meeting of the Religious Leaders' Peace Initiative, which were to be edited to promote such a peace initiative, were seized by security officers from President Museveni's Office on June 7.

Last call?

The Kacoke Madit resolutions for peace in northern Uganda come at the point of opportunity for forging a peace in Sudan and the region, if the United States, in particular, musters the political will to reverse its failed policy of war. Under pressure of the famine conditions in Sudan's Bahr el-Ghazal state which is under his control, John Garang's SPLA has announced a three-month cease-fire in that area in order to permit the delivery of urgently required food aid. The Sudan government's call for a cease-fire at the negotiations held under the auspices of the Inter-Governmental Authority on Development (IGAD) had met with a refusal from Garang. In the Congressional hearings in Washington, Unicef director Carol Bellamy and World Food Program director Catherine Bertini urged that the United States take full advantage of the cease-fire to push a breakthrough toward peace.

Another round of IGAD negotiations between the Sudan

government and the SPLA begins Aug. 7, in Adis Abeba, Ethiopia. This time, Susan Rice said, the United States will send a "high-level diplomat," but she declined to say who. Heretofore, the United States has largely ignored the IGAD process, as it pursued its war course.

However, Congressmen Tony Hall and Frank Wolf (R-Va.) are calling for a Special Presidential Envoy to put peace on the front-burner of U.S. policy toward Sudan and Uganda. This envoy would need to be appointed immediately in order to take advantage of the partial cease-fire that now exists. For the people of southern Sudan and the people of northern Uganda—as the Kacoke Madit made clear for the latter case—peace is the first requirement. In both cases, populations face near annihilation as they are caught in the cross fire. Given the desire on the part of major parties for peace, further pursuit of the failed policy of war in southern Sudan and northern Uganda by the United States can only be taken as a death sentence against the people of the region.

Hunger, disintegration in Kitgum District

Here are excerpts from the presentation to the Kacoke Madit given on July 18 by George Odwong, Resident District Commissioner of Kitgum District, reporting for the District Disaster Committee:

Kitgum District has been experiencing intermittent insecurity for the last 12 years as a result of insurgency that began in 1986. The war has changed form many times and consequently also its objectives, targets, and operational modes. From about 1992, the emergence of the Lord's Resistance Army (LRA), a rebel group, saw the emergence of a military operation that increasingly began to target civilians especially children, who were specifically targeted as a means of forced recruitment into their ranks. The consequences of this insurgency are numerous and obvious. Over time, the people and their societal codes have become overwhelmed and disorganized by the magnitude of this problem. Testimonies of awful experiences among all categories of people reveal the extent to which people have suffered physically and psychologically. As a result of the degradation of the status of the people, they are now compelled to live under very stressful conditions like displacement, abduction, deprivation, victimization, humiliation, separation, and institutionalization. All these have prompted people to develop life support mechanisms that in most cases have high elements of negative social

and economic trends. This is seen through the increased signs of hopelessness, helplessness, and desperation, such as high rates of alcohol intake, rise in prostitution, child-family neglect, etc. These arose because the power that held the society together is lost with all life's investment, yet nothing seems promising in the future.

This already precarious situation has been aggravated further by the dry weather conditions. Being predominantly dependent on agriculture for food production and income, the nutritional levels have seriously dropped throughout the district. A food security survey conducted by an integrated team from the district under the District Extension Coordinator revealed severe food shortages in many households, where up to 73% of the population sampled in five worst-hit sub-counties of Ormo, Namokora, Madi Opei, Agoro, and Paimol, were not sure of their next meal. There has also been a marked increase in malnutrition cases in the feeding centers, especially at the supplementary feeding center run by Action Contre la Faim [Action Against Hunger] at the St. Joseph's Hospital. Registered cases of famine-related death have been reported in the sub-counties of Orom and Madi Opei. It is important to note that the problem of food scarcity is no more critical in areas or sub-counties that have no relief food supply. . . .

The district is experiencing a big problem in addressing the needs of other people who are suffering other forms of disaster [not in the camps], especially food scarcity, which has now become a very critical matter that if not addressed with some urgency may lead to a calamity. This is because of the limited resources at its disposal, and the poor response from donors, including government.

Uganda's religious leaders work for peace

The Right Reverend Nelson Onono-Onweng is president of the Religious Leaders' Initiative for Peace, formed in northern Uganda in December 1997. He is the Bishop of the Diocese of Northern Uganda in Gulu of the Anglican Church of Uganda, in northern Uganda, which has been the battleground for the war between the Museveni government and the Lord's Resistance Army for the last 12 years. Bishop Onono-Onweng was interviewed on July 20 in Canterbury, England by Linda de Hoyos.

EIR: You are the head of the Acholi Religious Leaders' Peace Initiative in northern Uganda. When was this formed?

Right Reverend Onono-Onweng: It was formed last year in December. The first meeting was held on the 15th of December in 1997. We had a meeting with the United Nations Development Program representative, who is also the UN System Resident Coordinator in the country, Prof. Thomas Bagakunde. So, that was the process when we started to come together. The process for the religious leaders' coming together started in November of last year, but the first meeting in which we sat together as a team was in December 1997, when we met the resident representative of the UNDP. The primary purpose of the first meeting was to talk about the problems at home, which our flock are experiencing. So, we felt, the Catholics, the Anglicans, and the Muslims — there is no distinction in the suffering, whether you are a Muslim, a Catholic, or what. We felt we have to work together, stand up, because that is why we have been called into this leadership. We have to stand up, not only in words but also in action, so that we see how we can move together, with the people, out of the problem they have been wallowing in for the last 11 years.

When we invited the UN heads of agencies to Gulu for a meeting with the religious leaders in February this year, at the end of the meeting we formalized the position of the Religious Leaders' Initiative for Peace, and I was asked to coordinate the Initiative of the Religious Leaders that was now officially formed. And, when we took the heads of the UN agencies to Gulu, we wanted them, together with the religious leaders, to see the suffering of the people of God in that land.

EIR: Can you describe this?

Right Reverend Onono-Onweng: The most appalling situation is the living in camps; it is a sad affair, when you see the condition the people are living in. For example, when I became a Bishop, the first pastoral work I did, was to visit the camp. I saw the malnutrition of the children. The children are my greatest concern. The condition in which our children are living in the camp is so bad, that it puts the Acholi future at risk. A future without children is dead.

The worst thing is the abduction of children. Now, many of our young children are being abducted. These children have no future.

When you look at the children who are not being abducted, who should be going to schools — there is no education. Children are displaced. And the schools are displaced. There are schools in town, but what kind of education is going on? A society without education — what future is there for it? So, when I look around, the situation of the children is very painful to me, very painful. The few who are going to school, are studying under very hard conditions. The parents have left them around town, where they feel it is safe. They are studying. We thank God, government has put in place a free universal primary education program. This has given many of our children the opportunity to go to school — those who are displaced in towns. But, after primary education (those who are geniuses and can pass primary education under these hard conditions), where is the money for school fees? Where is the money? The parents are in the camp, how would they get money to put their children into school?

The dropout rate in secondary school is very, very high. It is even worse for girls, because parents have to make choices: Who is to go to school? So, between the boy and the girl, they would prefer to have the boy go to school, and leave the girl at home. I know this because one of the girls whom I had paid for, to go to school — I was still getting a salary, and was able to help this girl — she has eight brothers, the mother is a widow. The uncles are helping to support the children, but they cannot manage all, and the girl was the first to be dropped.

So, when we look now at the future of my society, which I am serving as a religious leader, it is very painful, and it is very, very dark, if the war continues.

I have looked at it from the perspective of children and education. Now, let's look at it from the physical hunger, the food people need. You know we are called upon to feed the people of God, both physically and spiritually. People are hungry. The people are naked. And our Lord Jesus Christ says, we have to clothe the naked, we have to feed the hungry, but as a Diocesan Bishop in northern Uganda, where everybody is displaced, where do I get resources? I have to run to international organizations, to partner-churches, to help my people. People are dying of hunger in the camps, and I tell you, in one camp which I visited, where we took some blankets, in that camp the population has swollen to 42,000 — that is in Pabo, in one camp. When you go to that camp, we thank God that, by the grace of God, we are still surviving. The radius



Ugandan leaders leaving the Bedo Piny Pi Kuc conference in Gulu. In the foreground, from left: UN Development Program representative Prof. Thomas Bagakunde; Minister of Northern Reconstruction Alphonse Owiny Dollo; Bishop Nelson Onono-Onweng.

where people are living is so small, so people are packed—42,000!

At another camp in Amuru, where we also took the blankets—for the children again, because I was more concerned about the children. And the *aged*—I forgot to talk about the aged. The aged are also dying, because of the hard conditions in the camps. So, I thought of getting them tarpaulins, because they are weak and cannot build their own shelter. I got only 100—we needed so much more. At Amuru, the population had swollen to 36,000 in one camp, and those are the largest camps in Gulu district.

The Northern Uganda Diocese alone has 20 camps—20 protected villages. Right now, everybody is displaced. I do not know how many people are in their homes, except those in urban centers, where they may be in their homes. But in most places, the people are in the camps. The worst-affected area is Kilak County, where nearly everyone is in the camp. The counties which are affected most are Kilak, Achua, and, partly, Moya.

So, if you look at the situation of children living in camps, what is the future for *Uganda*—leave alone Acholi? What is the future for Uganda, a country where the children are dying, the children are abducted, where the children are not going to school because of the rebel activities? What is the future of that nation? And those who will *survive* this situation, what kind of people will they be? Will they not be *violent*?

That is the challenge which comes to us, we the religious leaders. What role do we have to play, as religious leaders, regardless of where we are needed? We all have a task to play. We have the ministry of love and reconciliation. As a

Christian, as a leader of the Christian community in the diocese, I would like to say that the love of Christ will be the answer to solve our problem. I strongly believe in this. Our Lord Jesus Christ says, treat others in the way you would like to be treated. And He says, love your enemy, love those who hate you, love one another. If we are able to love our enemies—whoever our enemy is, like Kony, who is now our enemy, the rebels who are the enemy, the ADF [Allied Democratic Forces] who are the enemy of the people of Uganda—if we can *love* them, and they, too, love us, then they would stop the rebel activities, the war would end, if we stop hating one another in the country. We should not only talk of love, but our faith means something different. We need to face the issue of peace with sincerity.

So, loving one another is the only way forward, because that is the only way we can forgive those who have done wrong to us, that is where we can tolerate those who have done wrong to us. Once we have rooted our problem in love, I am convinced without doubt that Uganda will be a peaceful country. But, if we do not have love in our heart and our face, in words and in what we do, Uganda will continue to suffer, there will be no peace.

Also, I want to talk about those who have created more problems in Acholiland. The Sudan element has made the situation so complicated. Before the Sudan element came in, the rebels were almost beaten up completely by the army. But when they found refuge in Sudan, the situation became complicated. They are getting support.

And, some powers use Uganda as a base to uproot the government of Sudan, and the arms go through the country,

and that is what people see. Nobody is allowed to talk about this kind of thing, and that is *dangerous*. It is dangerous when we do not speak the truth. It is true that the people of southern Sudan are all brothers, and cannot continue suffering like that. Now, if we want to support Sudan, let us end the war in Sudan, and if that war can be ended, to bring peace to Acholiland, I will be very happy. Do it now. But, if it keeps on dragging out and we blame Sudan for the Acholi-Uganda problem, then I think we are absolutely wrong. Because we are creating more problems for innocent people, and we are creating even more problems for Uganda. Uganda needs to be *peaceful*, it has been in trouble for many, many, many years. I think it is time for Uganda now to settle down and rebuild the country.

EIR: How do you see the peace being achieved?

Right Reverend Onono-Onweng: Dialogue. You see, the military solution will *never* solve any problem. I do not know if it has solved it anywhere in the world. Violence will increase violence, so it keeps a vicious cycle. It keeps going round and round. I will give you an example in the Ugandan situation. When [Idi] Amin was overthrown [in 1979], and [Milton] Obote came into power, another round of violence started. The late Tito Okello came into power [in 1985]; he was overthrown. President [Yoweri] Museveni came in, more violence, and rebel activities everywhere in the country—in the east, in the west. Thank God that the government was smart and talked peace to many rebels—and I must praise them for that—talked peace to the rebels in Soroti area, and talked peace to the rebel groups that were in Acholi. The most powerful group came out, but the rebel activities still have continued in the north. Another one has started in the west; it is now about two years old. Coming into power by *might* creates another force to come in to challenge it. So, I do not think a military solution is the answer. Dialogue provides opportunity for permanent peace.

I would like to think that, in the context of *forgiveness*, in the context of accepting our weakness, the wrong we have committed, we will build a peaceful Uganda—through dialogue. We must admit where we have gone wrong. It is also a sin for the rebels to have been disturbing the country, and when we talk of dialogue, it does not mean that we just let them go. They have also to take responsibility for the wrong they have done. And from that point, when people take responsibility for the wrong they have done, we forgive them. Like the Acholi people, for example, if they can forgive Kony, if all Acholis were to say, “Okay, you have killed us, you have maimed us, you have cut our lips, and so forth, but in the name of peace, we forgive you.” And Kony would also come and say, “I am sorry for what I have done. Thank you for forgiving me.” I think that that would be *smart*.

EIR: Do you have any messages to the American people and to the American government, as to what they can do to help bring peace?

Right Reverend Onono-Onweng: America is the closest friend of Uganda. We have a very good relationship with the American government. In that context, from that point, America can play a role to see that the people they relate with, make peace, as they are in their own country. I remember one time also, America said, they have an obligation to lead the world. If it is true that America has an obligation to lead the world, it can then lead us to peace, as they are leading the world to democracy. I know that if the President of the United States were to intervene through his own system to see that there is a policy for peace in Uganda, there *will* be peace in Uganda. I challenge anyone who can refute this, to have America put in place a policy for peace in Uganda, and see if there will be no peace in Uganda tomorrow.

EIR: What do you think the American people can do?

Right Reverend Onono-Onweng: The American people in general want peace, they want to live in peace. We want them also to do the following for us, so that we can live in peace. One, to pray. Can they pray for us, to have peace in our land? Two, can the American people help us in our suffering situation, like our Lord Jesus Christ says: When I was hungry, you fed Me; when I was thirsty, you gave Me water; when I was naked, you clothed Me; when I was in prison, you visited Me. Can the Americans do that enough for us, particularly the American community who are Christians, who believe in Christ, and even non-Christians who believe in human dignity? Can they help us, in practical terms?

EIR: Is there anything else you want to convey?

Right Reverend Onono-Onweng: Yes, I want to say something to the rebels, particularly. Recently, the rebels wrote to us, we the bishops. The Lord’s Resistance Army wrote to us, the religious leaders in Acholiland. And I am sure they know what we are doing—they got the declaration of *Bedo Piny*. I would like to request and ask here, in love, can the rebels open contact with the religious leaders, open communication? Because we are now talking in darkness; there is no open communication. I am sure they can reach us, because the church is everywhere in Acholiland. They can give a letter to bring to any religious leader; it will reach them. And, if they tell us how we can give the feedback, it will be very good. And also, how we can meet face to face the commanders of the rebels, so that we open communication to see how we can together walk through the problem of war, and follow the path of peace. I am sure that we, the religious leaders and the rebels, can work together for the good of the people of Acholi.

So, we are seeking for them to open the way, so that we walk together in the path of peace. We are already talking to the government, and the government has indicated cooperation, and they are open to holding dialogue with the rebels. But we have not opened communication with the rebels, so that is our prayer. Can they open communication?

'We need dialogue and reconciliation'

Matthew Odong is the Monsignor of the Diocese of Gulu of the Roman Catholic Church, and the secretary of the Religious Leaders' Peace Initiative. He was interviewed in London on July 18 at the Kacoke Madit conference by Linda de Hoyos.

EIR: What called the Religious Leaders' Initiative for Peace into being?

Monsignor Odong: It is actually born out of the suffering of the people. The Church is there for the people, to speak for the people, to defend the rights, to fight the injustice, and to seek also a solution.

EIR: When this organization was formed in 1997, had the suffering of the people become more acute?

Monsignor Odong: Yes, the situation has been intensifying. Even as I speak now, the intensity of the situation is worsening.

EIR: Why is that?

Monsignor Odong: We see the abduction of children, displacement; people run away from their homes; people cannot settle in their homes.

EIR: So a lot of the suffering stems from the fact that people are being displaced?

Monsignor Odong: That is correct.

EIR: People cannot stay in their homes, but are they still within their districts?

Monsignor Odong: Yes, they are still in their districts. They cannot stay in their own homes because of fear of being abducted, of being killed, of being burned in their houses — these painful experiences. The most targetted people are the youth.

EIR: Has the violence been increasing incrementally, or did it take a leap at a certain point?

Monsignor Odong: The intensity has been increasing gradually, over a period of time.

EIR: What is the food situation?

Monsignor Odong: Some parts are really starving, especially in Kitgum District, and parts of Gulu — the people living

out in their houses are the people suffering so much. The people who live in the protected villages — there, there are the NGOs [non-governmental organizations], the United Nations, the CRS [Catholic Relief Services]. But then, in the camp, there are 4,000 people, and the ration that is given is between 4-5 kilos for a family of four. But it is not enough. People cannot cultivate because of fear of being abducted, fear of being killed. You cannot settle in your farms — be a small farmer and work.

EIR: What is happening to livestock?

Monsignor Odong: The people of Acholi have lost 95% of their cattle during this war. This loss of the cattle has reduced the people to the primitive stage of agriculture, digging physically. When the livestock used to be there, people were at least using the oxen to plow, and that would increase the rate of production.

EIR: How do you see the Church's role in bringing about peace?

Monsignor Odong: The mission of the Church in Acholi is a mission to be the light of the people. The Church has to give people hope. In a situation of hopelessness, in a situation of misery, the Church is always there. When there is a conflicting situation, the Church is there to come up with some proposal on how to handle the situation. In this case, the position of the Church is very clear: We need a peaceful solution, a peaceful approach. This is dialogue and reconciliation. Let the two parties sit down, just as I am sitting with you now, and let us talk out our differences.

EIR: And those two parties would be — ?

Monsignor Odong: The government and the LRA [Lord's Resistance Army]. And the Church is there in the middle.

EIR: By Church, you mean the Religious Leaders' Initiative?

Monsignor Odong: Yes, the Religious Leaders' Peace Initiative, which is composed of Anglicans, Catholics, and Islamic leaders.

EIR: And the Religious Leaders would be the major mediators?

Monsignor Odong: Yes, they are there. They tell the government, "Look, the people have suffered enough. Why do you have to use military means when this military means is actually killing the people?" Again, these religious leaders will come to the LRA and say, "Look, the people are dying; the people are being killed. You are not respecting their rights. Abduction is bad. Killing is bad. Looting is bad. Why don't you sit down? You in the LRA, you are claiming to be fighting the government of Museveni. Why don't you sit down and settle?"

This is the position of the Church. The Church will never identify itself with the government; the Church will never identify itself with the LRA in this conflicting situation. But the position is clear: We need peace. Stop the war. People are dying.

EIR: Would you agree with the position of total amnesty for the LRA, to enable them to come out of the bush?

Monsignor Odong: Oh, yes. Let us agree that something bad has happened. Let us accept that—really something bad has happened. But we have to settle this. We do not need to go ahead with this kind of suffering, we don't need to go ahead with these killings and atrocities. We need to stop now. What do we do? Okay, let us have a different kind of approach, an approach that will enable the other party that has really done wrong to see that they can come home. Let us begin a new life. I think this is what will help the situation, because if we say, "Now we are going to do it by force," it will not work. Because the military option for 12 years now has failed.

EIR: How do you see the role of the international community in this?

Monsignor Odong: That is my main concern. I think that for so long the situation in northern Uganda was not known. It is only now that there is the creation of awareness. As far as a real move to see an end to this war, this has not yet been taken seriously by the international community. I really would like to emphasize that it is the international community that could really help the government of Uganda, could help the people of northern Uganda, to bring an end to this war.

EIR: If you had a message to the American government, what would it be?

Monsignor Odong: If the American government can intervene—This war already has international dimensions, because Sudan is involved. Sudan provides hospitality for [Joseph] Kony; Sudan provides the conducive environment for Kony. Because of that, Kony is able to come and destabilize the people of northern Uganda, and then goes back to southern Sudan. We know that America is a superpower; America can intervene, can put sanctions on Sudan. It can also help mediate between the Ugandan government and Sudan. That is how I look at it. That is from the point of view of talking peace. Economically, America can help, but the priority is peace. Right now the people of northern Uganda need one thing, and that is peace. Peace, then development.

EIR: Would you be for a Sudan peace process?

Monsignor Odong: If America can do that, that would be great. We need someone to mediate, to heal the broken relationship between Uganda and Sudan, so that the diplomatic relations between Uganda and Sudan are restored, and they are once again at peace with one another. The problems of

Sudan are the problems of Uganda, the problems of Uganda then become the problems of Sudan. The lack of diplomatic relations is the cause of this problem.

EIR: Would you be in support of the United States coming in with a peace initiative for Sudan?

Monsignor Odong: That is what I would highly recommend, because Sudan is not at peace. The international community should really take this situation very seriously. They should not just look at the people of northern Uganda in isolation. One of the biggest problems that our government has made right from the start of this war, was to underrate the intention, the seriousness of this war. The government of Uganda has thought that this is just a war that is Kony and a few guys, who can go nowhere, who cannot do so much destruction. This was actually the thought of the government. The government took the war lightly, and now you see the consequences.

EIR: Have the people of northern Uganda ever supported this war?

Monsignor Odong: No. Even 95% of the people who are with Kony are there against their will. They were forced at gunpoint to go there and join him. So, when you are there because you fear for your life, you have to do exactly what they tell you, because you cannot escape. You escape at your own risk.

EIR: You do not see that there is support within the population for the LRA?

Monsignor Odong: No, absolutely, there is no support.

EIR: The military, however, is unable to protect the population?

Monsignor Odong: It has already failed; it has completely failed. That is why I say that the military option is not the solution to the problem. The two parties just need to sit down and talk peace, and find out their differences and settle them by dialogue.

EIR: Do you see the Church playing a key role in bringing these two parties together?

Monsignor Odong: This is exactly one of the objectives of the Religious Leaders' Peace Initiative. We would love to meet Kony, as religious leaders, and talk to him, find out what his problem is, and tell him that what he has been doing is bad. This is what the Religious Leaders would like to do.

This is my prayer. In spite of whatever struggle we are going to make, to see the war in the North brought to an end, we must also bring in God. For I believe that what really makes a man good is the *inner* transformation. That is what I believe, and it is God who can really help us to understand that life is sacred.

Starr on rampage against Clinton and Constitution

by Edward Spannaus

In 1996, every element of the current charges against President Clinton — sex, Whitewater, Chinagate, and so on — were well-known and thoroughly publicized. While the world may not have heard of Monica Lewinsky, it had heard of Gennifer Flowers and Paula Jones and others who alleged sexual approaches by Bill Clinton. Yet, Bill Clinton was resoundingly reelected as President.

But, in recent weeks, the British-initiated assault on the Presidency, which began during his first year in office, has accelerated to breakneck speed, to overturn the 1996 Presidential election.

This takes place as the President should be occupied with something else: the accelerating global financial crisis. There is growing discussion within the administration of the need for some sort of global financial reorganization: This is what the President should be concentrating on, not leaks and testimony.

It may be recalled that during the spring, it was expected that Starr would deliver his report to the House of Representatives in June, and House Speaker Newt Gingrich (R-Ga.) and much of the Republican Congressional leadership were salivating over the prospect of impeachment hearings taking place over the summer. Starr's drive then slowed, with many Republicans making it clear that they did not relish an impeachment proceeding which could blow up in their faces during the period leading up to the November mid-term elections.

Sources have reported that there are two schools of thought within the Office of Independent Counsel — an office which consists of about two dozen lawyers at this point, most of them hardened career prosecutors from the Justice Department's permanent apparatus. One group wants to nail the President with as much as possible as soon as possible; the

other is more cautious, and is willing to take as much time as necessary to put together a case against Clinton. After several earlier setbacks, it now appears that the go-fast faction has gained the upper hand.

The momentum shifted for Starr on July 17 — the date on which U.S. Supreme Court Chief Justice William Rehnquist refused to extend the stay which was barring Starr from taking the testimony of Secret Service agents. Even though his regular grand jury was not sitting that day, Starr rushed three Secret Service agents before another grand jury to take their testimony. During the following week, Starr brought more of the agents, including Larry Cockell, the head of the President's personal security detail, before the grand jury to testify; he also put others in front of the grand jury, including Linda Tripp again and again, seven times in all. Starr continued to "borrow" another grand jury, such as on July 29, whenever he had too many witnesses to cram in front of this regular grand jury.

The Presidential subpoena

On July 17, Starr took another, momentous step, one that was not unrelated to his penetration of the President's inner circle of Secret Service security — despite the warnings of the Secret Service and other professionals that forcing agents to testify would result in the assassination of a President. That day, Starr also issued a subpoena to President Clinton for Clinton's own testimony before the grand jury — the first time in U.S. history in which a President has been summoned to appear before a grand jury to testify against himself.

As we shall show, this is utterly unconstitutional, and in and of itself would provide sufficient grounds for the President to direct the Attorney General to dismiss the independent

counsel for cause, as is provided for under the governing statute.

The pace continued to accelerate, even as, during the week of July 20, it was learned that Starr himself was facing a possible contempt-of-court charge for illegal leaking of grand jury information. That proceeding is still ongoing.

At the same time, Rep. Dan Burton (R-Ind.) and others in the House were threatening to hold Attorney General Janet Reno in contempt, if she does not hand over memoranda from FBI Director Louis Freeh and Justice Department campaign task force head Charles LaBella, in which it is reported that Freeh and LaBella both recommended appointment of an independent counsel to conduct the investigation of alleged Chinese influence-buying in the 1996 elections. Knowledgeable sources in Washington view this as an effort to dismantle the President's policy of strategic engagement with China—which is probably the most positive aspect of the administration's policy at this moment.

Then, on July 27, as Starr's prosecutors were hammering out a deal with Lewinsky's lawyers, the Federal appeals court in Washington ordered that Deputy White House Counsel Bruce Lindsay must testify before the grand jury, on the grounds that conversations between the President and White House lawyers are not protected by attorney-client privilege. This represented a further penetration of Clinton's inner circle, stripping away the right of this, or future Presidents to conduct confidential discussions with their legal advisers.

On July 28, lawyers for Lewinsky and her mother, Marcia Lewis, announced that they had obtained "transactional immunity" for both of them, in exchange for grand jury testimony. "Transactional," or blanket, immunity, is so rare that many observers immediately concluded that Lewinsky and her mother had agreed to follow the prosecutor's prepared script in their forthcoming appearances before Starr's grand jury.

On the following day, under political pressure from his advisers and some traitorous Congressional Democrats, the President decided that he would give videotaped testimony for Starr's grand jury. His testimony is now scheduled to be taken on Aug. 17 at the White House. In response, Starr is reported to have withdrawn his subpoena to the President.

By the end of the week, the nation and the world were being subjected to a degrading orgy of news media speculation about Clinton's testimony, and headlines about Monica's stained dress being delivered to the FBI for DNA testing. It became impossible to escape Starr's voyeuristic obsession with the President's sex life.

As disgusting as Starr's pornographic assault on the President is, this is not the worst of it, even though it may itself cause permanent damage to the institution of the Presidency. The far more serious and profound problem is the unconstitutional nature of Starr's targeting of the President for a criminal investigation, culminating in his issuance of a grand jury subpoena to the President.

What the Constitution says

The Constitution of the United States provides one and only one method for removing a President from office: impeachment by Congress. This is specified in Article II, Section 4. Impeachment, by its nature, is a completely *political* process—and if the enemies of the President and of the United States want to remove the President, they should not be allowed to use a criminal investigation and a grand jury as the pretext for gathering evidence for what is an obviously *politically motivated* effort to undo the elections.

The first point to be understood is what, constitutionally, the President is. "The executive Power shall be vested in a President of the United States of America," declares Article II of the Constitution. The President is the chief executive; he is the Commander in Chief of the Armed Forces; he is responsible for foreign policy, and for the execution and enforcement of all the laws of the nation ("he shall take Care that the Laws be faithfully executed").

The Presidency is a full-time, 24-hour-a-day job. It is an absurdity that an inferior officer, such as an independent counsel or even an Attorney General, could impair the President's conduct of his constitutional duties by dragging him in front of a grand jury, much less indicting him.

Consequently, what Starr has attempted to do, is, among other things, a violation of the constitutional separation of powers. An inferior officer of the Executive branch cannot subpoena, indict, or impair the chief of that branch. Nor could the courts enforce such a subpoena. Despite the babblings of commentators and columnists, there is no precedent: Never before in our history has a President been subpoenaed to a grand jury to testify *against himself*. A fair reading of the Constitution shows that a sitting President cannot be indicted until after impeachment.

Under the procedures for impeachment specified in Article I of the Constitution, the House brings an impeachment (which is the equivalent of an indictment) and the Senate tries the impeachment (i.e., it acts as the court). After the trial in the Senate, if the party is convicted, the Constitution states: "the party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law." There is no other way to read this, than that it means indictment can only *follow* impeachment by the Congress.

The House acts as the grand jury—sometimes called "the grand inquest of the Nation"—and Starr has *no* right to usurp that function. After Articles of Impeachment are issued by the House, they are presented to the Senate, where the trial takes place. There, and only there, would the President be invited to testify on his own behalf. For Starr to be taking the President's testimony, to be then handed over to the House for its inquiry, is a travesty. (It may well also be a violation of the laws and rules regarding grand jury secrecy.)

Starr should be fired, and his attempted coup d'état stopped right now—before he does further irreparable and permanent harm to the Republic.

Reno continues assault on McDade-Murtha bill

by Jeffrey Steinberg

Attorney General Janet Reno, on July 30, dispatched Associate Attorney General Ray Fisher to launch another hysterical and fraudulent attack against the McDade-Murtha bill, H.R. 3396, the Citizens Protection Act of 1998. The bill would create a Misconduct Review Board outside the Justice Department to take complaints of prosecutorial misconduct. The Board could, ultimately, recommend criminal prosecution of the prosecutors, if they break the law.

At the regular weekly press availability of the Attorney General, Fisher, standing in for Reno, devoted his prepared remarks to an assault on H.R. 3396:

“Before we begin, let me address one issue that is of great importance to the Department, and that is the McDade legislation,” Fischer said. “In the next few days, the House of Representatives is going to consider the Justice Department’s appropriations for the coming fiscal year. Included in the bill is a provision which purports to protect citizens from over-zealous prosecutions, but that would significantly hamper Federal investigations and prosecutions of multi-state cases.”

Fisher complained that the bill “would require Justice Department attorneys, who, I must emphasize, already conform to the highest standards of ethical conduct, to comply with the various ethics rules of each and every state, no matter how much they conflict with each other or with Federal law.” He fretted that it would “create an outside board to review allegations of attorney misconduct.”

Echoing Reno’s remarks on June 18, Fisher said that “this legislation is truly unnecessary,” because DOJ attorneys are already subject to discipline from Federal judges and the Office of Professional Responsibility (OPR). He asserted that the effects of the McDade legislation “could be disastrous,” and that it “would subject Federal attorneys to a haphazard patchwork of 50 sets of rules.” He brought up the Singleton case in the 10th Circuit as an example, which, he said, “could prevent prosecutors from offering the testimony of cooperating witnesses.”

In the Singleton case, the Tenth Circuit Court of Appeals ruled that when Federal prosecutors granted special favors, reduced sentences, and granted other privileges to criminals, in return for cooperative testimony, this constituted a form of bribery, which is illegal.

“Another important point,” Fisher continued, “is that the provision would create a board composed of private citizens that would have access to files in open investigations, including grand jury, classified, and other confidential material. The board would be able to intervene in a case on the basis of vague allegations against Department attorneys and would enable the targets of investigations, and their attorneys, to obtain access to all of the evidence obtained by the government, including the identities of potential witnesses or confidential informants.”

Referring to the entire McDade bill, Fisher stated: “We strongly urge members of the House of Representatives to delete this provision from the appropriations bill. And if the proposal is not removed, we are announcing today that the Attorney General will recommend that the President veto the appropriations bill” — an action which, a reporter later pointed out, Reno had already said in June that she would recommend.

One reporter asked Fisher if the McDade provisions were introduced as a defense lawyer’s tactic, or, “are there bona fide complaints about over-zealous prosecutors out there?”

“I don’t know the exact motivation,” Fisher said, “and I don’t want to speculate about it. But I do know that it would be a disaster if it were enacted.”

Responding to a question about the Justice Department’s “fight on the Hill” against the McDade-Murtha amendment to the DOJ appropriations bill, Fisher said that “the problem is, this legislation didn’t go through any hearing process. It was attached to the appropriations bill, and so it’s sort of stuck on, and I feel confident that most members of Congress probably haven’t focussed on it.”

Hearings needed

This argument by Fisher was particularly fraudulent. Before Rep. Joseph McDade (R-Pa.) introduced the bill as an amendment to the House Appropriations bill for the DOJ, McDade-Murtha was exclusively a self-standing bill, working its way through the House Judiciary Committee. At that time, the DOJ was hysterically opposed to the idea of public hearings on the bill — hearings that would expose the systemic pattern of prosecutorial abuse by Federal prosecutors, and might lead to a public Congressional airing of the railroad prosecution of Lyndon LaRouche. H.R. 3396, which has so far won the endorsement of 207 members of Congress, could still be the subject of House Judiciary Committee hearings, if the amendment form of the bill were to be voted down, eliminated in the House-Senate conference, or vetoed by the President.

Jake O’Donnell, a spokesman for Representative McDade, told the *Houston Chronicle* that the bill, especially the Misconduct Review Board provision, was “very important.” He countered the Fisher statements to the press by noting that the internal oversight system at the Justice Department did not provide an adequate check on prosecutors’ misconduct, and that a better safeguard was urgently needed.

Capitol Hill shooter was stalking President

by Jeffrey Steinberg

Russell Eugene Weston, Jr., the man who killed two Capitol Police officers and wounded a passerby in the July 24 shooting rampage at the U.S. Capitol, was on a Secret Service watch-list because of prior threats to President Bill Clinton. According to Secret Service director Lewis Merletti, Weston was seen in Lafayette Park, across Pennsylvania Avenue from the White House, six hours before he stormed the Capitol, suggesting that his prime target was the President.

One of the witnesses who saw Weston in Lafayette Park is *New York Times* White House correspondent John M. Broder, who was interviewed by the Secret Service the next morning. Broder was seated on a park bench when he was approached by Weston, who told him that “the storm cloud of war” was gathering over Washington, and that millions of people would die “because of the people you put in that house.” Merletti told reporters that he is convinced, based on the eyewitness reports, that Weston was “casing” the White House for a possible attack, and that he went to Capitol Hill after he realized he could not get into the White House grounds because of high-level security.

In July 1996, Weston had showed up at the Langley, Virginia gate of CIA headquarters and harangued guards there for several hours, with wild fantasies, including that he and President Clinton were clones, that Clinton killed President John F. Kennedy, and that Weston was, himself, a brigadier general who had invented a time machine. According to the *Times*, “Mr. Weston also sent the agency a job application.”

In April 1996, the Secret Service initiated an assessment of Weston, based on reports from police in Montana, where Weston was living, that he had made veiled threats against the President. After conducting two interviews with Weston, and developing a psychological profile of him, the Secret Service concluded that he did not represent an immediate threat to the life of President Clinton, and placed him on a low-grade computerized watch list. (Only several hundred people at any given time are listed as “Category Three” threats, which authorizes the Secret Service to maintain ongoing tracking of their activities and whereabouts, and bans them from access to the White House or any Presidential events.)

However, Weston apparently continued to voice violent anti-government and anti-Clinton views, and, as a result, was committed to the Montana psychiatric hospital in Warm Springs on Oct. 11, 1996.

The Helena *Independent Record* interviewed a former employee at Warm Springs, Jerry Swihart, who described his discussions with Weston, while the two men were working in the hospital warehouse. He said that Weston told him he had been hospitalized “for writing threatening letters to President Clinton. . . . He’d say things like, ‘I’ve got the dirt on him, but if I tell you, Clinton will get me.’ . . . His concentration would keep getting back to that focal point about Clinton and the government. He was real anti-government. I don’t remember him ever talking about much other than that.”

Weston was released from the hospital on Dec. 2, 1996, on condition that he return to his family’s home in Valmeyer, Illinois, south of St. Louis, and receive treatment at a mental health center in Waterloo, Illinois.

Parallels to Hinckley

According to the Helena paper, Weston was arrested only once, on Aug. 7, 1991, for criminal sale of dangerous drugs; however, Weston was never prosecuted, and no formal charges were ever pressed. But family members and associates confirm that Weston was diagnosed as a paranoid schizophrenic and placed on medication in the mid-1980s. According to a former business associate in an unsuccessful gold-mining venture, Weston became an anti-government fanatic after a 1988 dispute with the U.S. Forestry Service.

Weston lived within 20 miles of convicted Unabomber Theodore Kaczynski. So far, there are no indications that Weston had any links to Kaczynski, or was tied to any of the militia or radical environmentalist groups that have proliferated in the Northwest. He maintained a diary, which Federal authorities have not yet found. The FBI did confiscate a file cabinet of documents that Weston maintained at his parents’ home, that may shed light on the killer’s ties.

Weston’s father confirmed to the media that his son had been at the family home on the day before the shootout, and that he had thrown his son out of the house after his son had gone on a rampage and killed more than a dozen cats with a shotgun. Russell Weston, Sr. confirmed that his son had taken his .38 caliber Smith & Wesson special.

When Weston opened fire inside the Capitol, his aim was deadly accurate. One former high-ranking Secret Service official observed to *EIR*, “The parallels to the Hinckley profile are stunning.” John Hinckley shot President Ronald Reagan in March 1981, as the President was leaving the Washington Hilton Hotel. Like Weston, Hinckley had been under psychiatric care and medication prior to the incident. *EIR* discovered that several psychiatrists who had treated Hinckley just prior to the shooting had been involved in intelligence work, and had specialized in personality disorders that produced irrational violence, and also left people susceptible to “programming.” The Weston case, like the Hinckley case, provokes the question: Were these men programmed “Manchurian candidates”?

China-U.S. trade debated in House

On July 22, the House failed to overturn President Clinton's decision to renew China's normal trade relations status (formerly called Most Favored Nation status) with the United States. The vote of 264-166 against the resolution indicated that opponents of positive U.S. relations with China have not gained any ground compared to last year's vote, despite intensified targeting of President Clinton and his China policy based on dubious press revelations about alleged national security threats emanating from China.

Opponents of normal trade relations laced their arguments with Cold War-style rhetoric. Typical was Rules Committee Chairman Gerald Solomon (R-N.Y.), who said that the day before, "we learned that China has just added six new ICBMs," to the "13 that were already aimed here." He also boosted the allegations that the Chinese government tried to influence the outcome of the 1996 Presidential election with illegal campaign contributions to the Democratic Party, allegations which so far have proven to be without substance. Some Democrats in this grouping, including Minority Leader Richard Gephardt (D-Mo.), decried the U.S. trade deficit with China and focussed on human rights issues.

Supporters of normal trade relations warned against isolating China. Ways and Means Committee Chairman Bill Archer (R-Tex.) said that "revoking NTR, normal trade relations, this year could trigger more currency devaluations in the region, further compounding the steep drop in demand for U.S. exports that has already occurred."

Robert Matsui (D-Calif.) praised China's positive actions. He said that China has already accepted economic damage by maintaining the value of its

currency (important to help stabilize Asian economies), and, it is "encouraging a peaceful solution in the differences among South Asian countries and certainly in the Korean peninsula."

Cal Dooley (D-Calif.) said improvement is needed from China in human rights, trade policy, and weapons proliferation areas. But, he said, "where many of us disagree is: Is a policy that isolates the U.S. from China going to be more effective in achieving these improvements than one of constructive engagement?" He said, "This policy of constructive engagement is clearly in the interest of the working men and women of this country"

Fight intensifies over budget surplus

On July 22, the House Republican leadership announced its plans for allocating the budget surplus projected by the Congressional Budget Office a week earlier. Budget Committee Chairman John Kasich (R-Ohio) said that the anticipated surplus is so large, "We can set aside a very large amount, the most in modern history, to save Social Security, and then we can also give the American people a big tax cut."

The plan would set aside \$300 billion for Social Security in the next five years, and cut taxes by \$167 billion, about \$66 billion more than in the House version of the budget resolution. Speaker Newt Gingrich (R-Ga.) justified this plan in ideological terms, saying that "liberals oppose tax cuts because they want to spend the surplus on government programs."

On the same day, Democrats charged that any GOP tax cuts would be paid for by the Social Security trust fund. Senate Minority Leader Tom

Daschle (D-S.D.) told reporters that if the Social Security trust fund were removed from the CBO's budget figures, "we actually still have a \$137 billion deficit." He concluded that the only way the GOP can pay for a tax cut is by using Social Security. And, he said, "we oppose any resolution that would use Social Security trust funds for that purpose." A day earlier, Senate Majority Leader Trent Lott (R-Miss.) said that "there's no way we should use Social Security to pay for tax cuts," though he otherwise supports tax cuts "as high as we can responsibly go."

GOP health care reform passes House

On July 24, the House passed the GOP proposal on health care reform. The bill, as described by Education and the Workforce Committee Chairman Bill Goodling (R-Pa.), would provide guaranteed access to emergency medical care, confidentiality between doctors and patients, and full access to information about health plans. Goodling claimed that the GOP plan makes sure "that patients get the care they deserve in a timely manner before harm can occur," and expands "availability and affordability" of health insurance for Americans who currently have no health insurance.

Also included are provisions establishing medical savings accounts; "Association Health Plans," in which small employers can band together to buy health insurance; and "Health-Marts," which, in the words of Commerce Committee Chairman Thomas Bliley (R-Va.), "give consumers the freedom to choose health coverage from a broad menu of options."

Democrats and a handful of Republicans took exception to the claims of the GOP leadership. Greg Ganske

(R-Iowa), a physician and co-sponsor along with John Dingell (D-Mich.) of the alternative bill, said the GOP bill "does not remove ERISA [Employment Retirement Income Security Act] preemption for state causes of action." In other words, the bill protects health maintenance organizations (HMOs) from lawsuits. "If we vote for the GOP bill," Ganske said, "we are going to be codifying, giving HMOs legal immunity." Dingell argued that the Democratic alternative "holds health plans accountable when they have denied health care and when their decision kills or injures somebody."

Bill Clay (D-Mo.) called the GOP bill "a cynical effort promoted by the Republican leadership to convince the public that they are doing something about the abuse of HMOs." He said that the GOP bill would preempt patient protections passed into law in more than 40 states.

The Democratic alternative was defeated 212-217, and the final vote on the GOP bill was 216-210. In a statement after the vote, President Clinton said that the bill "leaves out millions of Americans; it leaves out critical patient protections; and it adds in 'poison pill' provisions which undermine the possibility of passing a strong bipartisan patients' bill of rights this year."

Derivatives regulation wrangle continues

On July 24, the House Banking Committee held the second of two hearings on the Commodities Futures Trading Commission's (CFTC) proposal to examine the regulation of the over-the-counter (OTC) derivatives markets. At this hearing, the committee heard from the regulators, who are engaged in a tug of war with deregulation advocates.

Committee chairman Jim Leach (R-Iowa) said in his opening remarks that "this is one of the most unusual circumstances" that he had ever faced as a member of Congress, in that "what we have is an institutional disorderly situation coupled with the potential of market disorder, in one of the most extraordinary areas of commerce the world has ever known." Leach was referring to the disagreement between, on the one side, the CFTC, and, on the other, the Treasury, the Federal Reserve Board, and the Securities and Exchange Commission over the CFTC's May 7 proposal to examine tightening regulation over the OTC derivatives market. Leach has been calling for a non-legislative remedy to this impasse, but is sponsoring a bill that would put a moratorium on further CFTC regulatory action until all four agencies come to an agreement on the CFTC's jurisdiction under the Commodities Exchange Act.

Witnesses included Treasury Undersecretary for Domestic Finance John D. Hawke; Federal Reserve Board Chairman Alan Greenspan; Richard Lindsey, director of market regulation for the SEC; and Brooksley Born, CFTC chairman. Hawke, Greenspan, and Lindsey all expressed concerns that the CFTC's proposal creates uncertainties about the legal status of OTC derivatives, echoing representatives of the banking industry who testified earlier.

However, Born warned that, in the five years since the CFTC adopted its current rules, "the structure of the OTC derivatives market has changed significantly, creating a potential divergence between the commission's regulations and the realities of the marketplace." She also referred to "allegations of serious abuses" by OTC derivatives dealers that have resulted in losses by their clients, including such cases as Procter and Gamble, Gibson

Greeting Cards, Orange County, California, and the State of Wisconsin Investment Board.

Slocombe: U.S. prepared to act alone in Kosova

U.S. Defense Undersecretary Walter Slocombe told the House International Relations Committee on July 23 that "there's no question that we maintain that we have the right to act unilaterally" to stop the Serbian genocide in Kosova. For the moment, however, this is a statement of formal principle. "We haven't ruled it [unilateral intervention] out. But," he said, "there's a distinction between whether the U.S. believes it has the legal authority to act alone, and whether it would in fact in a concrete situation actually do so."

Ranking member Lee Hamilton (D-Ind.) asked Slocombe if the 1992 U.S. "Christmas warning" to Serbian dictator Slobodan Milosevic, not to use violence against the Kosova civilian population, is still valid. Slocombe said that the United States "has not ruled out or ruled in any action, and that applies to the action contemplated by the Christmas warning as much as to anything else."

Addressing the issue of a legal basis for potential U.S. action, Hamilton said he understood that both France and Germany believe a mandate is needed from the UN Security Council before any military action can be taken in Kosova. However, he indicated that he thought a UN mandate was unlikely because both Russia and China would veto any such resolution. Slocombe replied that, because NATO military action would depend on the situation on the ground, he "would not approach it from the beginning by assuming that the Russians or the Chinese would veto action."

National News

Ohio governor says to close private prison

Ohio Gov. George V. Voinovich (R) called on July 27 for closing the Corrections Corp. of America (CCA) private prison in Youngstown, after six prisoners had escaped several days previously. The prisoners had been moved to Ohio from the District of Columbia's prison facility in Lorton, Virginia. Five of the six were re-captured, and the last prisoner was believed to be heading back to the Washington area, where he lives.

Voinovich, a big advocate of private prisons, apparently has had a change of heart; the prison had been plagued by scandal, with 20 stabbings and two murders, since it started accepting Washington, D.C. inmates in May 1997. Voinovich said that the escapes have "justifiably increased the concerns of local citizens," and he asked the Ohio Attorney General to review state laws and advise him on what steps can be taken to shut down the prison.

The D.C. Department of Corrections signed a one-year contract last year with CCA, with an option to renew for up to four years. The five-year contract would have been worth \$182 million. It looks, however, like CCA won't be making off with as much blood-money as it had earlier expected.

FBI's 'Fruehmenschen' road show taken to Chicago

The FBI's political war against African-American officials has struck Chicago, with the targeting of 19 of the city's aldermen under a sting operation that was launched in April 1996, known as "Silver Shovel."

The Bureau's top confederate, as usual, is a convicted felon enrolled in the Federal Witness Protection Program. The sting involved con-man John Christopher, a former trucking firm owner who allegedly paid officials to win lucrative contracts and to illegally dump construction debris. Christopher's 1,000 hours of tape recordings of his sting meetings, are being used by Federal prosecutors to threaten some 40 public offi-

cial and union leaders with indictments, as well as 23 sitting and former Aldermen, and others.

Among the targets is Alderman Virgil E. Jones, who is set to go to trial in September 1998. On July 7, 1998, Jones introduced a resolution into the Chicago City Council, in support of the McDade-Murtha "Citizens Protection Act," which would outlaw precisely such Justice Department/FBI abuses.

FBI targetting of Chicago's African-American political figures dates back to "Operation Incubator" in 1985, aimed at the late Mayor Harold Washington. In 1986, Mayor Washington, the first African-American elected Mayor in Chicago's history, reminded voters that he had served on the U.S. House Judiciary Committee during its 1980 investigation into the FBI's Abscam sting operation, and that the FBI plotted the set-ups involved in Operation Incubator.

Pennsylvania's James endorses Milton bid

Representative Harold James, currently seeking his sixth term in the Pennsylvania State Legislature, endorsed LaRouche Democrat María Elena Milton for Congress, during a visit to Phoenix on July 25-28.

Milton upset the political establishment in 1996, when she won the Democratic primary for Congress in Arizona's 4th Congressional District, in her first run for elected office. She campaigned against Gingrich Republican incumbent John Shadegg, who is general chairman of Newt Gingrich's GOPAC slush fund. Now, she is challenging Shadegg again.

"This time," James said in his endorsement speech, "I hope that the Democrats of Arizona will reject all . . . prejudice, bigotry, and divisiveness, and work together with María Elena Milton to drive John Shadegg, and all the other Gingrich Republicans, out of Congress."

James met privately with Democratic Party and labor officials, and both he and Milton addressed a town meeting, organized by the Schiller Institute in Phoenix on July 25, on the theme of "Stop Human Rights Violations in the U.S.A." The institute is holding such meetings throughout the coun-

try, to document the most outrageous Justice Department political vendettas, which the Citizens Protection Act of 1998 (the McDade-Murtha bill) is designed to stop.

James reported that he and Milton were both members of a Schiller Institute fact-finding delegation to Sudan in February 1997. "This issue of Sudan," James said, "is important for exposing the hypocrisy of some American politicians, who cry crocodile tears about alleged 'human rights violations' in other countries, but turn a blind eye to gross human rights violations occurring right here in America."

Former DOJ lawyer guilty in Colombia cartel trial

Michael Abbell, the former head of the Department of Justice (DOJ) Office of International Affairs, was convicted in a Miami courtroom on July 20, of conspiring with the Cali, Colombia cocaine cartel, conveying death threats to potential witnesses against cartel members, and making hush-money payoffs. A second attorney, William Moran, who was also convicted, disappeared on July 17, prompting an international arrest warrant to be issued for him.

Abbell was a DOJ official for 17 years, serving as a top deputy to Criminal Division Deputy Assistant Attorney General Mark Richard, and eventually becoming the head of the office responsible for all international extradition cases. In 1984, Abbell left the Department to become a top attorney for the Colombian drug cartels. His first big case involved blocking the extradition to the United States of the Medellín and Cali cartel kingpins Pablo Escobar and Gilberto Rodríguez Orejuela, who had been arrested together in Spain.

In the Miami case against him, Abbell and Moran, along with several other attorneys and a dozen top figures in the Cali Cartel, were all indicted on racketeering, conspiracy, and drug-trafficking charges. The Cali Cartel was accused, in the indictment, of trafficking 80% of the cocaine that arrived in the United States during the 1980s; it was during this period that crack cocaine flooded the country and drug-related gang violence dramatically increased.

Given that Abbell parlayed his experience in the DOJ Criminal Division into becoming a top-level insider in the Cali Cartel, at a time when the George Bush-Oliver North Contra resupply operation was bringing crack cocaine from Colombia into California, it has always been open to speculation whether Abbell may have been somehow involved in the Bush "secret parallel government."

Commission 'assesses' rogue missile threat

The Commission to Assess the Ballistic Missile Threat to the United States, led by former Defense Secretary Donald Rumsfeld, released its classified report to the Congress on July 15, and briefed reporters on an unclassified version released to the media.

The Commission members, six appointed by the Republicans, and three by the Democrats, include Reagan-Bush has-beens, such as former CIA director Jim Woolsey, former Assistant Secretary of Defense Paul Wolfowitz, former Reagan science adviser and acting NASA Administrator William Graham, as well as the New York Council on Foreign Relations' Richard Garwin, a onetime crusader against the Strategic Defense Initiative.

The substance of the findings is that the United States' best protection against a ballistic missile threat from "several emerging powers" is to deny poorer nations anything that might smack of so-called "dual technologies." The report focusses on North Korea, Iran, and Iraq, and concludes that such technology, in the "relaxed post-Cold War period" of "liberalized export controls, of increased international exchange of students and scientific personnel, leaks of classified information, [and] active espionage . . . helps countries to more successfully evade detection."

Asked repeatedly if this meant that the commission was recommending that U.S. ballistic missile defense programs be accelerated, Rumsfeld punted: "That is not a subject that we addressed. Our charter did not go to the subject of how the United States ought to respond to this threat. . . . I think

you'd get different opinions from the different folks here." Even House Speaker Newt Gingrich (R-Ga.) would not answer the question of how to respond to this new threat assessment. "Let's not jump to the answer," Gingrich said. "We ought to spend the next eight, or 10, or 12 months really having a nationally led bipartisan, serious effort to talk [it] through."

Virginia mental hospitals exposed as 'new Bedlam'

A series in Norfolk's *Virginian-Pilot* over June and July has published an investigation showing that Virginia's mental hospitals, at best, provide superficial treatment and, at worst, kill their patients.

In 1982, according to the *Pilot*, following charges that the mental hospital system endangered patients, Central State Hospital declared that "use of restraint and seclusion has dropped 90%, . . . restraints have been removed entirely and approximately 80% of staff time is now spent in treatment of patients." Yet, last year, the U.S. Justice Department found that patients in Central State were being restrained "almost on a daily basis." One patient was tied down for 1,727 hours over an eight-month period. Psychiatric treatment was characterized as "superficial evaluations, with inadequate follow-ups and a lack of cogent treatment planning." In 1996, one patient, Gloria Huntly, died at Central State, while bound by her wrists and ankles. She had been restrained in this manner, as a means of punishment, for 558 hours over the last two months of her life.

Other state facilities have equally dismal records: One patient at Western State died from injuries sustained after being sodomized with a broom handle, while in solitary confinement. In July 1997, also at Western State, patient Maura Pattan died after calling her family to inform them that she was dying and no one would help her. In June 1998, Skander Najar at Northern Virginia Mental Health Institute died after his blood sugar rose sharply.

In its July 24 editorial, the *Virginian-Pilot* attributed the state's callousness to its preoccupation with budget-cutting.

WORKFARE in California is being fuelled by the "vibrant economy," according to the *Los Angeles Times* on July 26. Over the last 10 months, the number of California families on welfare has dropped by 100,000, or 12%. One-third of this decline occurred in Los Angeles County, where 10.9% were eliminated from the rolls (out of the 250,000 families in the County receiving public assistance).

NASA plans to award \$400,000 in grants next year to 16 two-person teams of Russian and American scientists working in planetary science, astrophysics, astrobiology, and space physics. The grants will support the Russian scientists' salaries, allow them to travel to international conferences, and to upgrade their laboratory equipment.

THE WHITE HOUSE has announced that President Bill Clinton will visit Northern Ireland in early September. First Lady Hillary Clinton has already been scheduled to give a speech there at that time.

STATE DEPARTMENT spokesman James Rubin said on July 27 that the United States is "deeply concerned about the increased fighting that has taken place [in Kosova]. . . . We are concerned in particular about the increased involvement in the fighting by the Serb army. . . . We urge both sides, in the strongest possible terms, to cease the fighting and work toward a negotiated settlement."

UNITED PARCEL SERVICE is renegeing on its promise to create 2,000 full-time jobs this year, which it made following last year's strike by the International Brotherhood of Teamsters, according to the AFL-CIO *Work in Progress* publication. The Teamsters have planned protest rallies for July 31, and are charging UPS with imposing speed-up that forces many drivers to work longer hours and through meal breaks.

Editorial

What the bankers wish to ignore

Committees of the U.S. Congress are currently conducting hearings on legislation designed to prevent supervision of the multitrillion-dollar derivatives trade. The Commodity Futures Trading Commission (CFTC), a regulatory agency, had suggested that it might conduct a review of the over-the-counter (OTC) derivatives market. Testifying before the House Banking Committee on July 17, top bankers exploded against any such idea. "What we're doing is illegal, and Congress had better change the law to protect us," was the gist of their argument.

When the Senate Agriculture, Nutrition and Forestry Committee held hearings on the matter on July 30, EIR submitted the following written testimony, prepared by banking columnist John Hoefle.

More important than the subject being discussed here today, is the subject which is not being discussed, but which nevertheless dominates the debate. The issue on the table, is not some arcane matter over jurisdiction, but something much more real: the ongoing collapse of the world's financial and monetary system. Like the proverbial 500-pound gorilla sitting in the corner, which everyone pretends to ignore, this financial firestorm has a palpable presence in the room. It, and not the Commodity Futures Trading Commission's Concept Release, is the real matter at hand.

The present system is dying. Entire nations are now sliding into oblivion, not despite the efforts of regulators and financiers to contain the crisis, but because of those efforts. The attempt to bail out Asia—actually, an attempt to bail out the international banks—through the International Monetary Fund, has only increased the instability, which has now spread to Russia and Ukraine, and will not stop there. Every such attempt to fix the system, only makes matters worse. This includes, emphatically, the nominal subject of today's hearing, namely, the attempt to protect the over-the-counter derivatives market from potential regulation by the Commodity Futures Trading Commission.

The near hysterical response by the derivatives dealers and the regulators to the mere suggestion that the CFTC might review the OTC derivatives market,

reflects a fear which borders on panic. That fear, that the crisis is out of control, is fully justified.

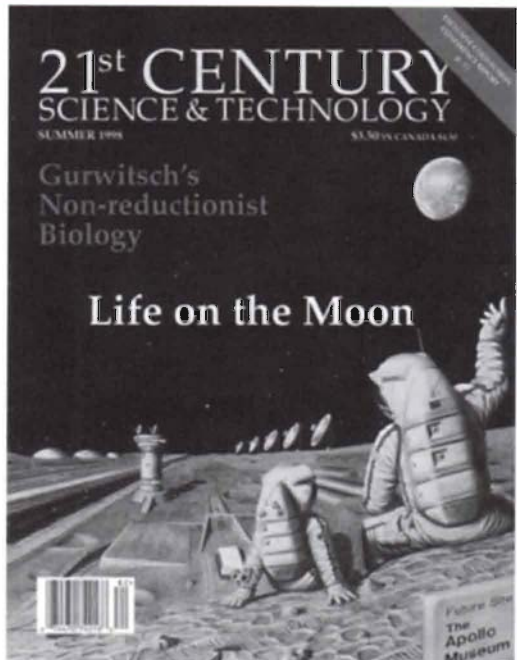
When a problem gets worse, resisting all efforts to resolve it, it is useful to examine the axioms upon which the failed solutions are based. Often, as in this case, the solutions being tried are not solutions at all, but instead, more of the same erroneous thinking which created the problem in the first place.

The testimony presented to this committee, and the testimony before the House Banking Committee on the same subject earlier this month, illustrates the ideological shortcomings of financial policymakers. Virtually every speaker at these hearings insists that the derivatives markets are essential to preserving the global financial system, and that Congress must take steps to preserve America's leadership in this vital area. Such claims are akin to a doctor claiming that a cancer must be protected, so that the patient might survive. Who would listen to such a doctor?

It is no secret that the financial crisis is spiralling out of control, and that extraordinary steps must be taken to prevent a catastrophe the likes of which no one alive has seen. The financiers would have us believe, that the only way we can weather the storm is by giving them *carte blanche* to do whatever they think they must, to save themselves: "What's good for J.P. Morgan, is good for the U.S.A.," they implicitly insist. But giving the financiers more power, is taking another dose of the poison which is already killing us. It hastens, not prevents, death. If we continue down that path, the financial system will fail, and it will take the world with it, into a new Dark Age.

What is necessary, is to admit the truth: The global financial system is bankrupt, filled to the brim with financial claims which can never be paid. What we must do, is use the power of the United States, to put the financial bubble through a bankruptcy proceeding, writing off all the unpayable claims, and reorganizing the system to rebuild the productive sector and protect the population. The issue, as the Declaration of Independence states, is that the welfare of the people is paramount. The money counts, only as a means to that end.

21st CENTURY SCIENCE & TECHNOLOGY



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by Michael Lipkind

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An economist comments on the importance of Gurwitsch's method for physical economy, in particular, the spread of pandemics like AIDS.

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by Thomas E. Phipps, Jr., and Jorge Guala Valverde

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