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Executive Intelligence Review

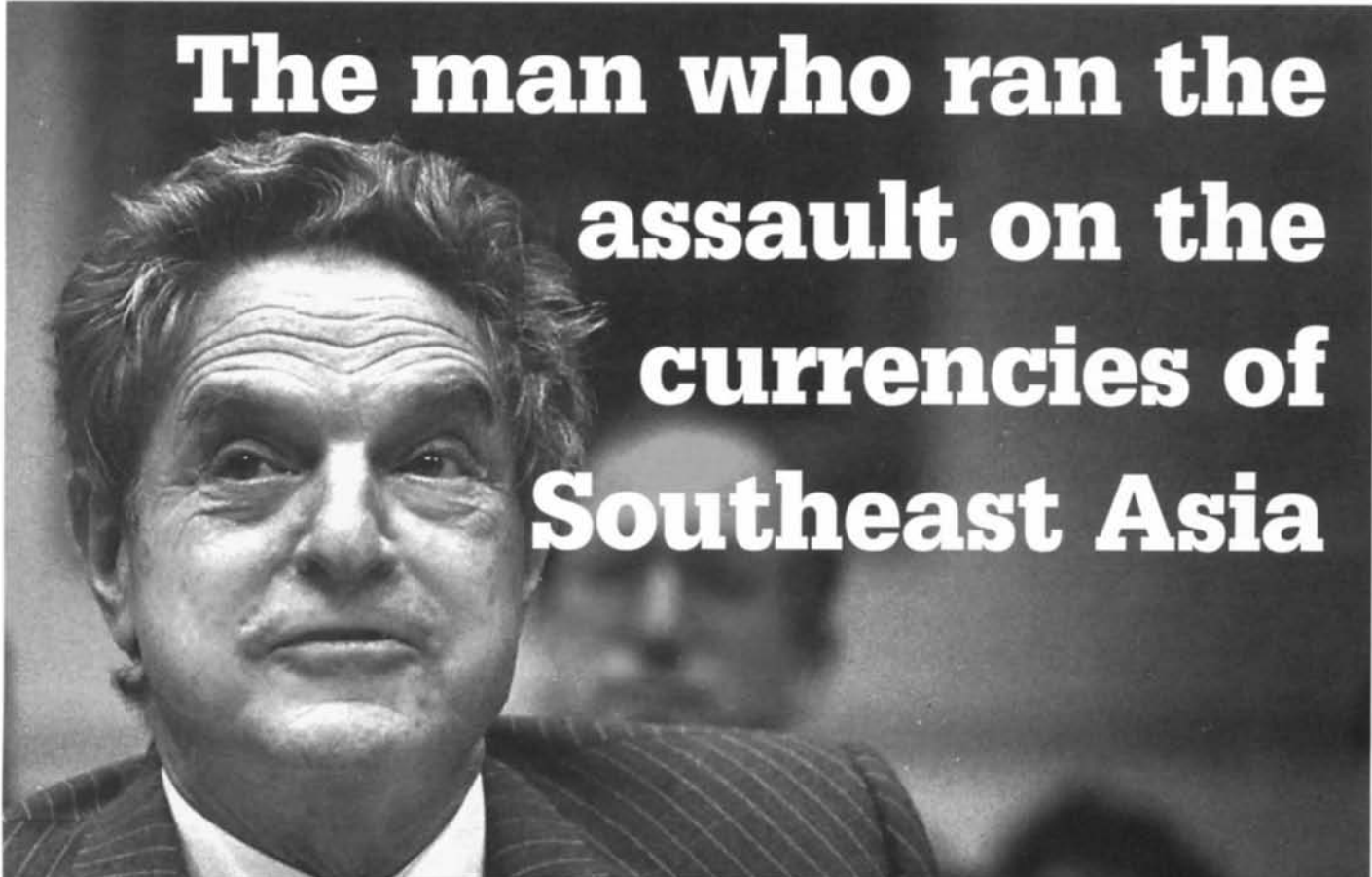
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Gore, British push world toward nuclear war
BIS: LaRouche's Ninth Forecast was right
Bankers' arithmetic vs. human arithmetic

**Gore caught in international
murder and theft ring**





The man who ran the assault on the currencies of Southeast Asia

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In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

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From the Associate Editor

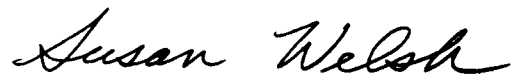
How in the world, could the Vice President of the United States be photographed in the company of Russian mafia figures involved in a criminal diamond- and gold-smuggling operation that has left a trail of corpses behind it? The proof is right there, on our cover.

As you will read in the lead article to our *National* section, Al Gore, Jr.'s relationship to Golden ADA is not some arcane scandal lifted from the pages of a Grade B crime novel. The evidence we have so far assembled—and there's a lot more still to come—links Gore to the post-communist Russian financial underworld, the people protected by Gore's crony Viktor "The Godfather" Chernomyrdin. Above the "street men," there is the international oligarchy that has looted Russia, and is looting every other nation in the world, in order to prop up their financial speculative bubble.

The new information presented here is crucial ammunition in the fight to prevent Al Gore from becoming President of the United States.

Some people get nervous when *EIR* attacks Gore, fearing that we'll end up with George "Shrub" Bush instead, as our next President. Not true! As Lyndon LaRouche stressed in a recent discussion, you have to understand the Gore-Bush "dialectic": They depend upon each other. If Gore falls, Bush falls too. The Presidential election is *not* sewn up, contrary to what some British media outlets contend.

The strategic urgency of this matter is spelled out in our *Feature*, on the new NATO defense doctrine that is propelling the world each day closer to the brink of nuclear war, since the December 1998 turning point at which Gore's Principals Committee carried out a coup d'état against the beleaguered President Clinton. America's friends and allies are watching in stunned disbelief, as the British-inspired policies of Al Gore, Joint Chiefs of Staff Chairman Gen. Henry Shelton, and Secretary of State William Cohen are being rammed through—from Kosova to Iraq to Korea to China. In order to alert citizens to this danger, a mass leaflet is being circulated throughout the United States, and in other countries as well. Its text is reprinted on p. 32.



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Tectonic shifts.

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What we are facing in the world financial system today, is the kind of tectonic change experienced during an earthquake, says Dennis Small: "where nothing works the way it used to; where we are witnessing phenomena that have most people totally disoriented; where we are facing the kind of power that can level a building, level a city, level a civilization in a matter of moments." A speech to the Presidents' Day conference of the Schiller Institute and International Caucus of Labor Committees, in Reston, Virginia.

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BIS bankers: LaRouche's Ninth Forecast was right

by William Engdahl

On March 8, the Bank for International Settlements, the Basel, Switzerland private organization grouping the world's largest central banks, issued its latest quarterly review, "International Banking and Financial Market Developments." The report covered the fourth quarter of 1998, from October through Dec. 31, the period of the wildest shocks to global financial and currency markets in memory. What is notable about the report, is that the normally dull-as-dishwater central bankers publicly admitted, "LaRouche was right!"

On June 24, 1994, *EIR* founder Lyndon LaRouche issued "The Coming Disintegration of Financial Markets," his famous "Ninth Forecast," in which he forecast the imminent systemic breakdown of the global postwar monetary and financial structures, if the Group of Seven and allied governments were to fail to take emergency policy measures to avert it, and to reverse the economic policies of the past three decades since the breakdown of the Bretton Woods fixed gold exchange regime in August 1971. The release of the latest BIS report confirms the accuracy of LaRouche's 1994 forecast, and perhaps indicates that among certain circles inside the BIS central banks, a hint of reality is seeping in.

'Massive deleveraging'

"The flight to safety and liquidity which developed in the wake of the Russian debt moratorium in August reached a climax in October," the Bank for International Settlements states. "Massive deleveraging and, in the process, the near-collapse of a major hedge fund added to price swings and further contributed to drying up of liquidity. . . . The unwinding of a large volume of carry trade positions may have been partly responsible for the largest daily gain displayed by the yen against the dollar since the abandonment of the fixed exchange rate regime in 1971." The report documents that

on Oct. 7-8 alone, one major hedge fund, Tiger Management's Jaguar Fund, was forced to undertake a panic unwinding of "a massive \$35 billion long dollar/yen position, of which around \$10 billion was offloaded in the market overnight."

In plain English, the BIS is referring to the panic liquidation by hedge funds and major international banks, which shook the global financial system to its roots after the New York Federal Reserve took the unprecedented step of intervening to prevent the collapse of Long Term Capital Management (LTCM), the Greenwich, Connecticut hedge fund, on Sept. 23.

In the two weeks after the LTCM rescue by its creditor banks, global stock and bond markets went through their most severe collapse in decades as speculators tried to stop their losses in hundreds of billions if not trillions of dollars in derivatives exposure. Within a matter of days, the chairman of Europe's largest bank, UBS of Switzerland, was fired for attempting to hide the bank's exposures to LTCM from other directors of the bank. BankAmerica required emergency Federal Reserve liquidity injections when its D.E. Shaw hedge fund collapsed. The Federal Reserve moved to cut interest rates three times in seven weeks, and pumped liquidity into the U.S. banking system at levels never before seen. In Europe, Cr dit Suisse and other major European banks, from Germany's Deutsche Bank to ING Bank, slashed their credit lines to hedge funds and fired traders around the world, in a panicked effort to cut losses. Fears of a global credit crunch and depression began to be expressed in major media.

The Bank for International Settlements notes that the crisis mood abated somewhat in November, after the unprecedented actions taken by the U.S. Federal Reserve, and after approval of a \$42 billion International Monetary Fund (IMF)

package designed to prevent Brazil from following Russia into default. Despite this soothing note, however, the BIS is forced to admit that “continuing high volatility in most market segments suggests that concerns about market and counterparty risks remain pervasive.” In other words, “It ain’t over yet,” despite the nervous claim by the BIS report that “the fact that most major equity indices returned to near-peak levels in December suggests that the systemic repercussions of the upheaval were contained.”

BIS admits: The crisis is systemic

The present situation in the global system is exceedingly fragile, and the threat of the next seismic shocks has been in no way dealt with by the extraordinary crisis management manipulations of interest rates and stocks, the BIS acknowledges.

Moreover, in a rare moment of central bank honesty, the BIS report admits that indeed this is a systemic crisis. “Events in Russia reversed the bias toward excessive risk-taking. However, by causing a massive unwinding of positions in a broad range of markets and instruments, *they created the risk of a systemic failure*, prompting official action aimed at restoring market confidence. This has heightened the dilemma faced by the authorities in letting private players bear the cost of their own investment decisions, while preserving the stability of the system as a whole. *The improved management of future crises will depend on the resolution of this dilemma*” (emphasis added).

Over the course of the past 20 months since the onset of the first Asia crisis in May 1997, there has been a heated debate, both inside the U.S. Congress and around the world, over whether the unprecedented \$180 billion in IMF-led “emergency” aid to Thailand, Russia, Brazil, and other crises was nothing but a veiled bailout of reckless foreign bankers who had poured billions into markets with faulty regulation and weak banking systems. This aid has been given the curious name “moral hazard”—although moral considerations presumably were low on the list of concerns of the banks pouring money into, and then out of, these high-risk markets. The BIS comment that future crisis management depends on the “resolution of this dilemma,” i.e., to give the aid or risk collapse, is an extremely revealing admission on the part of the world’s most powerful central bankers, after almost two years of a deepening financial and economic crisis which has already plunged large parts of this planet into depression.

The BIS report concludes that despite all the emergency measures by Federal Reserve Board Chairman Alan Greenspan, and a significant rate cut by the new European Central Bank in December, “there was continued anxiety regarding the health of the Japanese financial sector, the sustainability of Brazil’s exchange rate policy, and the valuation of global equity markets. Financial flows appear to have become more volatile as a result of the larger volume of cash market transactions and the ease with which positions can be reversed.”

Japan’s desperate bid

A look at Japan confirms that the crisis, far from being over, has only just begun. The decision in the first two weeks of March by the Japanese government to flood the market with yen, bringing interest rates to near zero, indicates the level of desperation among Japanese authorities over what is already a banking, financial, and economic depression deeper than any experienced since 1945.

The bizarre decision began to emerge on Feb. 12, when the Bank of Japan announced that it was cutting its overnight money rate to banks from 0.25% down to 0.15%. Today, rates stand at 0.02%, meaning that banks are in effect able to borrow unlimited yen from the central bank, use it to invest in long-term state Japanese Government Bonds yielding almost 2%, and do it apparently risk free, which is a huge gain for the troubled banking system.

A similar tactic was used by the U.S. Federal Reserve in 1991-93 to deal with America’s worst bank crisis since the 1930s. The Japanese banking system, according to private estimates, is holding some \$2 trillion or more of bad debts accumulated since the collapse of the Japanese real estate and stock bubble in 1990. The collapse of Asian growth in the past months has added a deep economic depression onto the banking crisis, as Japanese export markets have vanished in a cloud of bankruptcies across Asia and in other emerging markets.

Japan’s central bank is now lowering interest rates and ballooning bank reserves, to counter an out-of-control economic deflation in which prices have been collapsing and unemployment soaring as the world’s second-largest industrial economy goes into depression. Over the 12 months following the start of the fiscal year which begins on April 1, the Japanese government must sell at least \$600 billion of Japanese Government Bonds to pay for the huge costs of the various economic stimulus programs, as well as bank restructuring costs voted by the Diet (Parliament) late last year.

This colossal sum of new debt, added to the record-high Japanese public debt, by some measures already more than 100% of Japanese Gross Domestic Product, many seasoned financial observers predict, could trigger a crisis of confidence in the ability of Japan itself to honor its sovereign debt. The consequence of a near-term panic sell-off in Japanese bond markets, which are currently in a temporary lull with the approach of the fiscal year-end on March 31, many fear, could be the forced liquidation by Japanese banks and insurance companies of an estimated \$250 billion in U.S. Treasury securities. At that point, the dollar would go into free fall, as foreign holders of U.S. stocks and bonds head for the exit gates, forcing U.S. interest rates to double-digit levels, collapsing the \$12 trillion in U.S. stock valuations—and with it the dreams of 43 million American households whose life savings have been invested there.

Little wonder the BIS is hedging its bets.

USDA's 75th Outlook Forum pushes globalism, even if it kills you

by Marcia Merry Baker and Suzanne Rose

The U.S. Department of Agriculture's 75th annual Outlook Forum took place on Feb. 22-23 in Arlington, Virginia, and this year featured a clash of outlooks between those committed to preserving and developing *national* agricultural output potential, and the current USDA policy of promoting more globalism and "free" markets, even if it kills farmers and communities.

Some 700 people, including USDA officials, farm organization and media representatives, and commodities speculators, attended 34 panels on agricultural questions. The keynote session was addressed by Agriculture Secretary Dan Glickman, USDA chief economist Keith Collins, and others, who made reference to the dire financial straits of U.S. farmers today, and of other nations and markets, but then reiterated that though billions of dollars of ad hoc Federal aid is going out to farmers right now, the United States is still committed to even *more* "free" trade on domestic and world markets.

China: a model of national interest agriculture

By contrast, the spokesman for developing national agriculture sectors, not "globalist" policies, was Min Yaoliang, director general of the Marketing and Information Department of China's Ministry of Agriculture. He spoke on a panel on Feb. 23 titled "Prospects for China: Importer or Competitor."

Instead of accepting the implied terms of the panel, Min reported on the steps taken to expand China's agriculture output since the 1978 reform began, so that the nation would be neither import- nor export-dependent, but instead, would achieve national food self-sufficiency. He described in some detail the measures taken to increase grain harvests by about 6.7% a year up through 1997.

In presenting this viewpoint, Min began by explicitly disagreeing with the opening speaker of the panel, Scott D. Rozelle, from the University of California at Davis, who presented a projection that China would inevitably find itself depending on imports for grain to the tune of 28 million tons a year by 2010. In making this assertion, Rozelle was not really analyzing the particulars of China, but rather, adhering

to the underlying premises of the "markets," thinking that has dominated the World Trade Organization (WTO) and General Agreement on Tariffs and Trade (GATT) era, and which dominated the USDA event.

The creed of agriculture free traders since the Uruguay Round began in 1986, is summed up in the GATT motto: "One World—One Market." The one-world food supply argument—which is strictly propaganda to fool the public and farmers alike—is that households will obtain food more cheaply if it comes from a worldwide competitive market. Meantime, farmers are told that exports will be their pot of gold. These arguments have been malarkey all along.

In reality, a network of mega-companies, operating outside the realm of national interests, are functioning as commodities cartels, exerting almost total control—from development of genetic seed stock, through trading, processing, distribution, and delivery of food to the table—over many agriculture products. Of the 50 largest food commodity companies in the world today, the majority are interconnected to financial and political circles of the British-American-Commonwealth (BAC) grouping, and most of those are British.

Do you want the names of these companies? Agriculture Department staff are forbidden by USDA rules to identify companies, when reporting on trade, production, and so on.

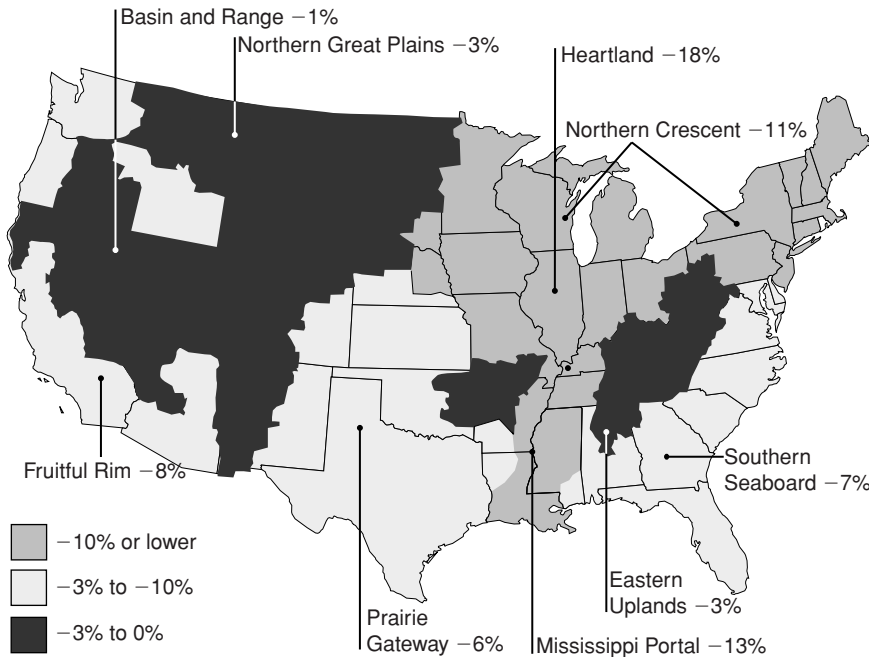
A special report prepared for the March 5-8 annual convention of the National Farmers Union, by monopoly specialist Dr. William Heffernan at the University of Missouri, documents how a small number of what he calls "clusters" of companies now dominate the food system. In his 20-page report, he identifies three major ones: Cargill/Monsanto, Con-Agra, and Novartis/ADM. (*EIR* will cover more of this in April.)

Investigate the cartels

Soon after the USDA conference, a bipartisan group of 23 U.S. Senators sent an appeal to President Clinton, seeking an anti-trust investigation of market domination by a few multinationals in meat-packing, flour-milling, and oilseed-

FIGURE 1

Percentage change in projected average net cash farm income, 1998–99



Source: Economic Research Service, USDA.

Declining farm income in 1998-99 is projected for all parts of the country, as shown in this map presented at the USDA Outlook Forum. The regional divisions, done by the USDA Economic Research Service, are based on aggregating counties of similar commodity specialty and resource base. Dairy farms, for example, comprise 17% of total farm types in the “Northern Crescent.” The “Heartland” region has 25% of all U.S. cropland. And, the “Mississippi Portal” has a significant proportion of U.S. cotton and rice production.

crushing. The Senators, headed by Byron Dorgan (D-N.D.) and Chuck Hagel (R-Neb.), asked Clinton to assign the Justice Department, the Federal Trade Commission, the USDA, and the National Economic Council to pursue this, especially in the case of the current acquisition by Cargill, Inc. of Continental Grain’s operations.

It is these commodities cartel companies, such as Cargill and Continental—which have been singled out by the Senators—whose interests were represented by the intense push for even more WTO “free” (i.e., rigged) trade presented at the USDA Outlook Forum.

Now that the global financial system itself is disintegrating (currencies devaluing, debts becoming unpayable, futures and derivatives investments blowing out), and the rigged patterns of “free” trade and markets are collapsing, it is even more blatant how commodities cartels routinely make profits by bilking farmers and the public alike. Internationally, whole nations are cheated by cartel-rigged terms of trade.

Look at the U.S. meat supply, for example. Five packer companies control 83% of all beef slaughtered: Iowa Beef Processors (IBP), ConAgra, Excel/Cargill, Farmland National Beef, and Packerland Packing Co. IBP, the world’s biggest meat-packing company, posted fourth-quarter profits for 1998 four times higher than for fourth-quarter 1997. At the same time, independent family livestock producers were getting record low prices. Hog farmers got less than 10¢ a pound for their animals this winter, while the public still paid \$5 a pound for pork. The situation is similar for other commodities, from cereals to butter.

In recognition of this situation, the USDA held a conference on Feb. 25-26 in Washington, D.C. on “Consolidation in the Meat Sector.” However, despite the publicity, no shift at all in the policy commitment to free-trade rights for cartel companies can be seen so far. The case of the current “banana wars” between the United States and Europe makes the point.

The United States itself does not even produce bananas, but the world’s biggest cartel banana and produce company, Chiquita, is technically headquartered in the United States. Its private-interest imperial demand to free-marketing rights in Europe, along with Dole Corp., are being ramrodded by the USDA and other U.S. government

agencies, as if it were somehow in the public interest, instead of a private monopoly claim.

U.S. farms in crisis

The crisis condition of U.S. farms was acknowledged by Agriculture Secretary Glickman during the opening of the Outlook Forum, and reported on by USDA economic staff members. But, next to no connection was made between the farm economy crisis and the role of the cartel companies, or the collapsing state of the global financial system.

Glickman said that the “USDA’s Economic Research Service will release its baseline projections for the next 10 years. And they don’t look very good. That’s not to say that these forecasts are etched in stone. The truth is, they’re not even traced in sand. Markets do have a way of unexpectedly turning around. There’s still a high degree of uncertainty about the future, particularly anything longer than two or three years out.”

USDA chief economist Keith Collins, at the opening session entitled "Outlook for the Farm Economy," said, "Agriculture is a cyclical industry, and it will not stay deep in the red forever."

This view was contradicted by the extent and depth of the farm crisis, even as reported by Collins's own Economic Research Service staff. In brief, overall net farm income is projected by the USDA to drop \$3-4 billion this year alone, after steep drops in the last two years. The staff report said, "Net cash farm income averaged almost \$60 billion during 1997-98. It is expected to fall below \$57 billion in 1999, and decline further to less than \$53 billion in 2000, and remain in the low- to mid-\$50s for the 2000-2003 period."

The USDA projects that commodity prices for wheat will average \$2.70 a bushel, the lowest season-average in the past eight years. For corn, the average price could be \$1.95 per bushel, the lowest in more than a decade. Soybeans could sink to \$5.20 a bushel, the lowest since 1987.

The impact on certain states is already devastating. Iowa, for example, expects to lose one-third of its farmers in the next two years.

These are just a few indicators of the severity of the U.S. farm crisis, which points to the fact that overall, there is a general breakdown process throughout the U.S. economy, and only economic intervention along the traditional American System lines of parity pricing, debt rescheduling or deferral, low-interest production and capital-improvement credits, infrastructure building, and so on, can correct this. This approach is now in circulation in *Road to Recovery*, a book by Lyndon LaRouche published by his Presidential campaign committee, LaRouche's Committee for a New Bretton Woods.

Likewise, mass farm protest actions around the world show the intense demand for similar nation-serving intervention in other countries. On March 6, some 50,000 farmers and supporters demonstrated in Spain. On Feb. 20, 50,000 European farmers demonstrated at EU headquarters in Brussels, against the European Union free market-based "Agenda 2000." Similar protests are taking place in Argentina.

Contract farming, derivatives, and feudalism

What is the USDA Outlook Forum perspective on this upheaval? The message of the many panels and speakers was: Farmers must adjust to a radically different system—one with farming under contract, using derivatives, risk management, and insurance, and allowing mega-companies sweeping rights to patent seeds, to control inputs, and to control marketing and processing. This is to be so, domestically and internationally.

The second plenary session at the beginning of the conference on Feb. 22 was entitled "Marketing Issues and Strategies for the New Millennium," moderated by reporters. The message was, "contract" farming for all commodities is the

wave of the future. A farmer is to sign a deal with a cartel company for inputs, crops, or livestock, on the cartel's terms. Or else.

Do you think you need protection? Another USDA conference panel offered "Agriculture Risk Management Tools for the Future." Here, an advocate of derivatives and speculation, Joe Dial, a former commissioner on the Commodity Futures Trading Commission and now a consultant for Global Derivatives Market Development, gave a wild-eyed pep talk on "Farmers and Derivatives—A Successful Combination in the 21st Century."

He praised what he called "The 'Elecular' Revolution of the 21st Century." By this he meant that farmers should use "electronic commerce" to contract themselves to some cartel company, such as Monsanto, DuPont/Pioneer, or Optimum, for use of their controlled seed/molecular science, whose product will then go into the food chain by contract with one of the cartel processing and marketing companies.

Glickman spoke of "the new, contract-oriented farm economy," demurring only that there were threats to the farmer from "lopsided contractual terms." He admitted, "The large interests gradually seize the bulk of the revenue and the management control, and the worry is, as Prof. Neil Harl of Iowa State University recently put it, that American farming could end up being reduced to nothing more than a generation of tractor drivers."

This neo-feudal system for farmers was glowingly presented in a panel on Feb. 23, which addressed the prospects for Brazil replacing the U.S. Midwest as the center for cartel world soybean production. On a Feb. 23 panel titled "Competition from Latin America," Dr. Michael Cordonnier, president of Soybean & Corn Adviser, Inc., used maps and statistics to describe the rapid pace of bringing Amazonian scrub land, the Cerrado, under the plough for soybeans, to the point, he predicted, where Brazil will soon be the world's "principal" source of soybeans, and the United States will be the "residual" supplier. Although Cordonnier did not identify the companies and financial interests involved, he noted that they are the same worldwide.

Cordonnier described the "one world" view of commodities this way: "Today, it is not uncommon to see a rapid pace of export of soybeans and soy products out of Brazil immediately after harvest, and then to later have imports of soybeans into Brazil to supply its domestic needs. This globalization is also evident in the United States when poultry producers in the Southeastern U.S. find it advantageous to import cheaper Brazilian soybeans than more expensive soybeans from the Midwest.

"This free flow of agricultural commodities has been aided by the fact that many companies involved in this commerce have operations in both North and South America. With continued consolidation in the agricultural sector, this integration of global markets is certain to accelerate in the future."

Pakistan must update its water policy

It's time to end decades of complacency, as Ramtanu Maitra and Susan B. Maitra report from New Delhi.

The need to grow more food to meet future demand of a growing population will pose a grave security threat to Pakistan in less than a decade. This threat is due to large-scale erosion of the soil, the increasing salinity of agricultural land making it less productive, increasing shortages in meeting the demand of urban and rural water supply, lack of sanitation for the growing millions, and depletion of forest land. All of these factors have worsened public health and caused the aggregate production of wheat and cotton crops to stagnate. If Islamabad continues to ignore this impending crisis, it may prove to be the detonator for another level of social chaos in the country.

In the past two decades particularly, Pakistani authorities depended wholly on the country's already-developed canal network of the Indus River plain and, thankfully, managed to survive a major water crisis. But the days of such complacency should be considered over. Unless the authorities act urgently to mobilize existing water resources and find new ones, the fertile lands of Punjab will be producing less and less foodgrains. Any further tampering of the Indus River water system simply to prop up Pakistan's agricultural production may lead to serious land salinity problems and degradation of fertile land elsewhere in the country. It is distressing to note that a country which possesses highly competent agro-engineering manpower has been pushed to the brink, its fertile land living on borrowed time. Agricultural crops have become increasingly dependent on the mercy of natural rainfall. The attitude in Islamabad at this point seems to be to simply wait for a major environmental catastrophe to occur.

Geographically, Pakistan can be divided into three main regions: the mountainous north, where three mountain ranges meet—the Himalayas, the Hindu Kush, and the Karakorum; the vast but sparsely populated plateau of Baluchistan; and the Punjab and Sindh plains of the Indus River and its five tributaries. The Indus River aside, Pakistan is mostly mountainous deserts and arid plateaus.

Natural layout

Since its founding in 1947, Pakistan has depended on the Indus River for agricultural production. The multipurpose Tarbela and Mangla storage reservoirs, built in the period after the founding of Pakistan, and some 40,000 miles of existing canal network have served the country well, particularly in light of the fact that during these 52 years, Pakistan's

population grew from about 50 million to close to 130 million. Pakistan did not face any famine, thanks to the surface and groundwaters of the Indus River. But, now, seasonal agricultural production, particularly of wheat and cotton—the two most important crops in Pakistan—is much more unreliable than ever before. Since Pakistan's economy still depends heavily on cotton and cotton-related products, and the country has no surplus foreign exchange to import food on a regular basis, to ignore the danger signals is akin to calling for destruction of the very pillars of the economy.

In order to survive in the long run, Pakistan needs to look for ways to augment its overall water supply and to make the coastal areas of Sindh and Baluchistan habitable and productive. If these areas cannot be made productive agriculturally, they can nonetheless be productive industrial centers. Under the present setup, however, these areas have no future, due to the lack of freshwater supply. How careless the authorities have become is evident from the fact that Pakistan's most important commercial center and only port, Karachi, gets less than 50% of the freshwater it needs. According to one estimate, the port-city, which is a major industrial and commercial hub of Pakistan, requires close to 800 million gallons of water per day (mgd). However, it receives less than 350 mgd, incurring a shortfall of more than 450 million gallons daily.

As a result, Karachi is presently experiencing an infrastructural nightmare, which is getting worse every day. By making it increasingly difficult to live in the city, the authorities have greatly helped encourage terrorist activities there. Little effort has been made to rectify the water shortage, although many have suggested that the problem could be solved through desalination of seawater and recycling of wastewater. But the authorities, whose decisions are heavily influenced by Pakistan's handful of elites and feudal lords, have chosen to ignore such pointers.

The Indus River: Pakistan's lifeline

Since its inception, Pakistan's integrity and unity have depended less on the orders and decrees issued from Islamabad, and more on the condition of the Indus River plain. The 40,000-odd miles of irrigation canals, almost all of which are located in the Indus plain, and the building of the Tarbela and Mangla dams, were what made Pakistan a promising nation in the 1960s and early 1970s.

The Indus system of rivers consists of the main river, the

FIGURE 1
Pakistan's river system



Indus, and its major tributaries, the Kabul, the Swat, and the Kurram from the west, and the Jhelum, Chenub, Ravi, Beas, and Sutlej from the east (**Figure 1**). The Swat joins the Kabul before the latter empties into the Indus, but the Kurram has an independent confluence opposite to the town of Mianwali. The five tributaries from the east combine into one before joining the Indus about 960 kilometers from its mouth.

The waters that the Indus brings in to irrigate the plains of Punjab and Sindh begin their journey in Tibet, rising near Mansarovar Lake at an elevation of 5,180 meters, passing through inaccessible mountain ranges in northern Kashmir and Gilgit, and finally emerging out of the hills near Attock. From Attock to its mouth in the Arabian Sea south of Karachi, the Indus traverses the plains of Pakistan for about 1,610 km. The total length that the Indus traverses is close to 2,900 km.

Irrigation efforts in the previous century, and the construction of the Tarbela, Chashma, and Mangla reservoirs by Pakistani authorities, have created a vast network of irrigation canals which provide water to almost 10.5 million hectares of arid lands in Punjab and Sindh—the largest irrigated area of any one river system in the world.

The Indus River and its eastern tributaries in Pakistan—Ravi, Jhelum, Sutlej, and Chenub—have contributed enormously to Pakistan's survival and growth in more ways than one. According to experts' reports published over the last two decades, Pakistan's hydroelectric potential is around 40,000 megawatts. Except for about 10,000 MW which can be generated at various mountainous sites along the Jhelum, Kunhar, Swat, Chitral, and Gomal rivers, and along the smaller tributaries of the Indus in Kohistan and the Northern Areas, almost 30,000 MW can be generated in at least eight dam sites upstream of Tarbela on the main gorge of the Indus River, up to Skardu. So far, Islamabad has not exploited even 25% of the potential.

The objectives of water management plans

The focus of Pakistan's water management plan should be to make water available not only to meet the demand of its agricultural sector, but also to restore the depleted topsoil and meet the growing water demands of the domestic, industrial, and commercial sectors. In all these areas, a water supply shortage is holding back their growth potential. According to a report by the National Commission on Agriculture, the total geographical area of Pakistan is estimated at 87.98 million hectares, about 75% of which is covered by uncultivable mountains and arid tracts. Hence, it should be considered a matter of added urgency that Pakistan make proper use of its available water and develop new sources of freshwater supply. Pakistan's long-term future depends significantly on how the present authorities deal with this serious issue.

In the agricultural sector, ironically, the abundant availability of irrigation water in Punjab has led to widespread misuse of canal water. No concerted attempt has been made so far to improve the country's soil and water management, and to seriously take stock of the damage the absence of a

competent water policy has caused. In most irrigated areas, a high percentage (in some places as high as 50%) of available water supply is lost. Due to spillage and the careless use of water over the years, the water table in vast tracts has risen dangerously close to the root zone of crops. This phenomenon not only impedes crop growth, but also makes the cultivated land saline and, eventually, water-logged.

As a result of increasing waterlogging and salinity, productivity has dropped in almost 50% of Pakistan's cropland. This is one of the reasons why Pakistan's wheat production has remained virtually stagnant during the 1990s, and why the country is becoming dependent on wheat imports to make up the shortfall.

Obviously, the problem that Pakistan faces is neither unique nor unsolvable. But the sheer neglect by the authorities to improve the drainage system and to adopt horizontal, as opposed to vertical drainage systems, has taken its toll. Agro-engineers point out that by adopting technically sound crop rotation, in addition to developing horizontal drainage systems, much of the less-productive agricultural land can be made fully fertile again. But such sound technical advice has been ignored by the authorities, most of whom are too eager to cater to the interests of the rich and all-powerful landowners of the country.

Finally, in 1997, after years of discussion, the Punjab Irrigation and Drainage Authority (PIDA) was set up. The task of this group is to regulate and administer canal and other water sources in the province. According to available reports, the formation of the PIDA was held up for years because of opposition from powerful farm lobbies, represented by the rich and politically powerful feudal lords of Punjab. This lobby has often been accused of over-use of water, which has resulted in the rise in the groundwater table and the increase in salinity in canal management areas, rendering the cropland less and less productive. This lobby's arrogant attitude has also deprived the small farmers of their right to water use, and has caused misery to the downstream users of the canal water.

Punjab's provincial government has reportedly selected the Lower Chenub Canal, which has three major distributories—the Rakh, Jhang, and Gojera branches—for a pilot project to promote the small and medium-size farmers' interests and thus realize the true potential of Punjab's vast irrigational canal network. The success of this pilot project will help, but will not solve the widespread water shortage problem.

While there is abundant availability of water in Punjab, the lack of it is evident in other provinces. For future agricultural and industrial production, ensuring an adequate water supply to Sindh province is crucial. According to available data, the total water availability of the Indus River Basin region in Sindh is close to 142 million acre-feet (maf). Out of this amount, 50 maf drains into the Arabian Sea and about 30 maf is lost between the canals and delivery to the cropland. This occurs due to the existence of water courses which drain away water, seepage through unlined canals, canals over-



A nuclear facility in Pakistan. The development of nuclear power generation is especially critical for desalination, in order to develop the arid regions of the country such as the Mekran coast of Baluchistan.

flowing, and so on. Another estimated 40 maf goes to waste due to water-logging and salinity. As a result, only 52 maf out of 142 maf of water are actually utilized, the estimate claims.

However, in Sindh province, in addition to the Indus River water system, there exist some 40,000 additional small water courses. Almost half of them are part of the Sukkur Barrage. These water courses are without proper alignment and pass through undulated terrain. They have no lining and, as a result, most of the water flowing from these water courses ends up going nowhere. Some work has been done during the last decade in the Nawabshah, Sanghar, and Tharparkar districts, where some 920 water courses have been lined.

Floods and the Kalabagh Dam

In addition to the seasonal water shortage, which is a five- to six-month phenomenon, Pakistan also periodically suffers, for brief periods the hazards of excess water. Floods usually occur in the later part of the monsoon season. Some experts in Pakistan routinely blame India for releasing vast amounts of water into the Chenub, Ravi, and Sutlej rivers during monsoon season to prevent the flooding of Indian towns. Such release of additional water during the monsoon, when the rivers are already running high, the experts claim, causes flooding. That may or may not be the entire reason why floods occur in Pakistan, but the fact remains that Pakistan has done little to utilize the surplus floodwaters, when hundreds of thousands of acres of Pakistan's land remain fallow for lack of water. In addition, the vast areas in the desert-like environment in Cholistan, Thar, and Thal continue to be waterless throughout the year.

In Punjab, construction of the Tarbela and Mangla dams, and a number of diversions and flood protection works, have lowered the frequency of flooding. However, more severe

losses are experienced when the flood protection works fail and adequate warnings are not issued in time. The riverbeds have become higher because of accumulation of silt, a natural phenomenon when the velocity-flow of a river is reduced by the regulatory mechanisms of the dams and canals. As a result, though the floods have become less frequent, they are more severe when they occur. These floods cause not only income losses through disruption of normal life for weeks at a time, but they also cause loss of life and machinery and equipment, which often require immediate replacement.

Another problem that has diverted attention in discussions on water management is the controversial Kalabagh Dam. Construction of this dam, which has been under consideration for decades, has not been undertaken, but the mere mention of it unleashes a political tug of war in Pakistan. Every politician in Pakistan speaks on this issue, jumping onto one bandwagon or the other, either supporting or vehemently rejecting it. Even the self-exiled Muttahida Qaum Movement leader in London, Altaf Hussain, who has been repeatedly accused of terrorist acts in Karachi and some other cities of Sindh, has proclaimed his opposition to the Kalabagh Dam.

The Kalabagh Dam is scheduled to be built in Punjab close to where the Kabul River flows from the North-West Frontier Province (N.W.F.P.) into the Indus River. Supporters of the project point out that building a reservoir and a dam at Kalabagh will help Pakistan to utilize more of the Indus River water to irrigate the arid agricultural land. The urgency to build this dam, experts point out, is due to the fast silting of the Tarbela reservoir, which is now holding much less water than it was designed for. If hard measures are not taken in the near future, the Tarbela reservoir's capacity will drop significantly, leading to further waste of river water and an increasing threat of seasonal flooding. They point out that a

reservoir and a dam in Kalabagh will alleviate these problems.

Opponents of the dam claim that it will usher in a host of new and worse problems. The Kabul River flow will slow down due to the backflow in the river when the reservoir becomes full, and it will raise the groundwater level in the N.W.F.P.. That may cause increased salinity to the soil in the province, and even pose flood threats to cities such as Peshawar and Nowshera, they claim.

Even stronger opposition to the Kalabagh Dam exists in Sindh province, which receives the downstream flow of the Indus River. The leading Sindh-based national party, the People's Party of Pakistan, held demonstrations against the dam. The critics, challenging the water availability figures of the Water and Power Development Authority released to justify the building of the Kalabagh reservoir, point out that any further upstream tapping of water will cause further degradation of soil and increase aridness in both Sindh and Baluchistan.

The unfortunate part of this debate is that it has turned highly chauvinistic. Many people in Sindh and N.W.F.P. claim that the dam is being pushed through by the powerful landlords of Punjab, who are not only inordinately wealthy, but politically omnipotent. The protesters claim that the project would benefit the province of Punjab, but would do little to improve the situation for the other provinces. Due to the ethnic differences among these areas, the debate has become highly charged and emotional. The project has also become a rallying cry for forces who accuse Punjab of overlordship, and who allege an Islamabad-Punjab alliance to undermine other provinces.

It is, however, evident from looking at the pros and cons of the project that if Islamabad is serious about building this dam for conservation and improved utilization of Indus River water, it must undertake a number of measures, which would concretely help the people who have genuine reasons to question the efficacy of this project. More importantly, authorities in Islamabad must realize that the Kalabagh Dam may alleviate the food situation temporarily, but the project would do precious little to secure Pakistan food self-sufficiency in the longer term.

More use of nuclear power

The greater challenge to Islamabad, however, lies in how to resolve the long-term water shortage problem and at the same time to make the vast virgin landmass of Sindh and Baluchistan habitable. It is evident that the Kalabagh Dam project cannot address this problem. Clearly, the solution lies in finding and developing new water sources.

To begin with, Pakistan, in addition to developing the water courses in Sindh, must quickly undertake in a big way a plan to recycle every possible drop of wastewater, and to develop a broad-based program to desalinate seawater. A large-scale program to desalinate saline waters of the Arabian Sea would be a boon to the people of Pakistan, particularly to the residents of Sindh and Baluchistan. Desalination plants

located along the southern coast of Sindh and the Mekran coast of Baluchistan would provide freshwater to thousands of hectares of land, besides providing the vital electrical power for setting up industrial facilities, commercial and trade centers, and new cities with educational, scientific, and technology development centers.

Because Pakistan already has the capability to operate and maintain nuclear power stations, the program to desalinate seawater must be based upon building small modular nuclear power stations which can provide ample heat energy to a host of multi-stage flash (MSF) type of desalination plants. In MSFs, each flash evaporator has a heat recovery system. The saline water passes through all the flash evaporators and is drawn off after it passes through the last one. This hot freshwater is then passed through a heat recovery section, where it heats the seawater entering the flash evaporators. The process is reliable and easy to operate and maintain since it contains very few moving parts.

Because of the high volume of energy required to generate billions of gallons of freshwater per day over the years, Pakistan must develop high-temperature reactors (HTRs). HTRs were originally developed in Germany, but now China is in the process of developing the technology independently for large-scale commercial use. The special advantages in using the HTRs lie in their capability to produce high levels of heat and in their built-in safety features.

These reactors can be designed in such a way that the possibility of a serious accident, which might release a large amount of radioactive gases into the atmosphere, is ruled out by basic physical mechanisms. In this type of reactor, thousands of spherical fuel pellets imbedded in prism-shaped fuel elements make up the core of the reactor. In essence, the encapsulation of the nuclear fuel within multiple layers of special high-temperature ceramics prevents the release of radioactive fission products even under most extreme conditions. In addition, these reactors can be standardized modular reactors, with powers ranging from 50 to 300 MW thermal output.

The HTR is ideally suited to supply power to cities and large towns, integrated agro-industrial complexes, and extraction and processing of certain raw materials. The HTRs produce significant amounts of waste heat, which is ideal for operating multi-stage flash evaporators.

A large-scale program to desalinate seawater will not only help the southern coast of Sindh province, but will also provide water to the Mekran coast of Baluchistan. One major reason why the Mekran coast has remained underdeveloped is the acute shortage of freshwater. The port towns of Gwadar, Jiwani, and Ormara have failed to flourish and prosper, and today they still resemble sleepy fishing villages. The area has also become a major transit point for Afghanistan narcotics, posing a security threat to the country. The coast is flush with fish and has all the potential to become a large and modern fishing harbor. Yet, the authorities have shown little interest in making anything of the Mekran coast.

Business Briefs

Ibero-America

British firms target Peruvian infrastructure

British companies are chomping at the bit to buy up Peru's strategic port of Callao, along with the national highway network and airports which the government wants to privatize. The situation is reminiscent of the 1879-81 War of the Pacific, when British-backed Chilean forces occupied the country, including Lima, the capital, and Callao.

Currently, as announced by Frank Wheeler of the British-Chilean Chamber of Commerce, British companies are interested in grabbing the concessions for Callao and for other ports and highways, and would be the main competitor to the Grupo Romero, Peru's commercial and banking conglomerate. The Romero group has traditionally been an ally of British cartels, but now is being shoved aside in favor of British companies, or their Chilean front-men. The Chilean electric company Gener has announced interest in competing for the concessions to the ports of Callao, Ilo, Matarani, and Paita.

Chile is also offering its own ports to foreign privateers, expecting to get a good price because its ports have infrastructure and railroads connecting to both Bolivia and northern Argentina. With this competition, the expectation is that Peruvian ports will most likely be sold off for a pittance.

Ecuador

Currency fall, bank crisis creates panic

Ecuador's currency, the sucre, fell from 10,000 to the dollar, to 18,000, in a matter of hours on March 3, as panic swept the country. Exchange houses were ordered shut at 12:30 p.m., and by the end of the day, the sucre had "risen" back to 13,000. The Army had to be called out in Guayaquil, one of the country's main cities, to stop rioting by people who panicked because shops closed. By March 8 and 9, banks throughout the country were ordered shut, to prevent a run on deposits after the country's second-largest bank, Banco del Progreso, asked for govern-

ment help.

The sucre was around 7,000 to the dollar for most of February. With little in reserves and the price of its main export, oil, falling, the government gave up defending its currency in mid-month, and declared it would let the market set the rate, i.e., the currency would float free. The run on the sucre, called "a speculative wave without precedent" by Central Bank chief Luis Jacome, is being blamed on banks and "investors" who want the Congress to pass higher income taxes.

London's Reuters news agency threatened that such pressure on Ecuador would continue. "Ecuador's ravaged economy may have to deteriorate further before its Congress agrees to swig the bitter fiscal medicine prescribed by the International Monetary Fund, Wall Street analysts and fund managers said," Reuters said on March 4. Central Bank chief Jacome denied rumors that exchange controls would be adopted, saying that to do so would affect the nation's "image."

Infrastructure

Rail line inaugurated in central Iran

Iranian President Seyyed Mohammad Khatami visited Yazd province on March 4 to inaugurate a number of projects, including an alloy steel production plant, a phosphate plant in Chadour Malu, and a rail line from Ardakan to Chadour Malum, IRNA reported.

The 221 kilometer Ardakan-Chadour Malu rail line would connect the central provinces to the Bafq-Mashhad rail line which connects to Turkmenistan and the other Central Asian nations. The new rail line would facilitate transfer of iron ore from Chadour Malu to the country's steel mills. Some 5 million tons of goods and about 300,000 passengers will be transported via the railway annually. Construction on the line started in 1991.

Construction work is continuing on the Bafq-Mashhad rail line to link Central Asia with the Gulf, but no time tables have been given yet for completion of the project.

Space

German government targets space program

The German government, which plans to phase out nuclear energy programs, now wants to phase out space programs as well, Christian Democratic Union/Christian Social Union opposition spokesman for R&D Thomas Rachel warned, in an interview with the German economic daily *Handelsblatt* on March 1.

According to the draft budget presented by the government, Research Minister Edelgard Bulmahn is planning to cut expenditures for international space cooperation by 30 million deutschemarks, to DM 970 million, and expenditures for national space programs by DM 16 million, to DM 310 million. This means that, beyond the existing long-term programs, there is almost no money left for new projects. Germany therefore will probably have to end its participation in further development of the successful Ariane 5 launch vehicle—with the consequence that German industry will not receive any contracts in this project.

Alternatively, Germany would have to drop out of the European space module program, which would be "completely absurd," Rachel said. He described Chancellor Gerhard Schröder's recent meeting with U.S. astronaut John Glenn, while simultaneously cutting the German space budget, as "sick hypocrisy." The European Research Ministers and European Space Agency officials will meet on such issues in Brussels on May 11-12.

Economic Policy

Italian Prime Minister attacks speculators

Italian Prime Minister Massimo D'Alema attacked speculators who profit from globalization, and cited the need to develop "a new financial architecture for the whole world," in his concluding speech at the Congress of the European Socialist Party (PSE) in Milan on March 2. "We have big challenges in front of us: We have to be able to promote devel-

RUSSIAN President Boris Yeltsin on Feb. 26 signed a Customs agreement with the leaders of four former Soviet Republics (Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan), to eliminate customs barriers and encourage trade.

YEMEN, the poorest Arab country which has been subject to constant British destabilizations, plans to establish a governmental authority for nuclear technology for peaceful purposes, including "in the fields of health care, agriculture, water management," the Yemeni news agency SABAA reported on Feb. 26.

SOUTH KOREA'S unemployment rate reached a record high of 8.5%, or 1.76 million in January, the *Chosun Ilbo* newspaper reported on Feb. 26. But Kim Moon-soo, a member of an opposition party, says that the government has not been counting those who are without full-time work. He estimates 3.68 million jobless, or a 17.4% unemployment rate.

AUTOMOBILE production worldwide fell 2.3% in 1998, despite an alleged "boom" during the first six months. The International Association of Automobile Producers in Paris reports that 1998 passenger car production fell 9% in Asia, and 22% in South America. Worldwide production of trucks fell 5.7%, with Asia (-15%) and eastern Europe (-24%) among the hardest hit regions.

JAPAN'S unemployment stood at an all-time high of 4.4% in January, as a record number of people lost jobs due to corporate restructuring and bankruptcies, the government announced on March 2. Joblessness in January was 2.98 million, up 600,000 from a year earlier.

IRIDIUM, the satellite-based portable phone system which started service late last year, said on March 1 it is seeking to modify its \$800 million credit agreement. Its first-quarter target was 27,000 subscribers and \$30 million in revenue; it has 3,000 subscribers and \$186,000 in revenue.

opment and jobs, regulate the globalization of the economy, and favor the flow of benefits to the many and not only to a restricted oligarchy of speculators," he said. In evaluating the work of the Milan Congress, he said, "We have discussed a new financial architecture for the world and worked out common proposals to this effect." Both remarks departed from the prepared text of D'Alema's speech which had been distributed to the press.

At a press conference which followed D'Alema's speech, PSE chairman Rudolf Scharping was asked by *EIR* whether such proposals go in the direction of a "New Bretton Woods and currency and capital controls, as adopted by Malaysia." Scharping said, "We want to have a new financial architecture, but not a new Bretton Woods and not exchange controls, because these are old instruments. We rather need a coordination between the G-7, and hopefully the G-8, combining demand side and supply side. We did discuss concrete projects, such as the TEN [Trans-European Nets infrastructure projects] networks." Scharping was rattled when *EIR* pointed out that people in the Russian government of Yevgeni Primakov are talking about a "New Deal" and going against the International Monetary Fund, while Scharping's recipes for Russia (a transparent budget, low inflation) were the same as those suggested by the IMF. At that point he ended the press conference.

A Bulgarian Member of Parliament, who privately expressed full support for Lyndon LaRouche's New Bretton Woods policies, confirmed that Jacques Delors, author of the Delors Plan, had attended the congress, and that a committee had discussed re-initiating his TEN projects.

Finance

George Soros labeled a 'financial sniper'

Chinese President Jiang Zemin called George Soros a "financial sniper," the Hong Kong *Sing Tao Jih Pao* reported on March 5. At a meeting of the Hong Kong and Macao delegates to the Chinese People's Political Consultative Conference in Beijing on March 4, Jiang Zemin added that China will

in no way allow Soros to enter the China market to stir up trouble.

This is the first time a top Chinese leader has criticized Soros, the paper noted. Previously, when Hong Kong was hit by speculators (in October 1997 and in January and August 1998), Chinese officials had refrained from criticizing Soros directly. Jiang Zemin's comment indicates that Beijing wants Hong Kong and Macao to know that China is determined to maintain financial stability, *Sing Tao Jih Pao* wrote. Jiang Zemin also stated that the renminbi will not be devalued, nor changed into a convertible currency any time soon.

However, Soros's investments in China, which are limited, have not been affected, the paper noted. Soros has a 21.2% interest in Hainan Airlines Co., which was bought by a U.S. aviation company under the fund managed by Soros.

Malaysia and Taiwan regard Soros as a "beast of prey," *Sing Tao Jih Pao* wrote. "Malaysian Prime Minister Mahathir gives him tit for tat from time to time, while in August last year, the Taiwan Securities Control Commission banned local securities houses from acting as an agent of the Quantum Fund to ensure financial stability."

Petroleum

Shell to service India's biggest oil refinery

Shell Global Solutions was awarded a long-term contract by Reliance Petroleum Ltd. in early March, to provide technical advice and services for one of the world's newest and largest oil refineries. The plant, with 350,000 barrels per day capacity, at Jamnagar, India, is due for start up in March and will lower the large import needs of the country's fuel market.

Under a Technical Consultancy Services Agreement, Shell Global Solutions will provide Reliance Petroleum with the technical and operational experience to help it maximize the plant's product yield, efficiency and profitability. The contract was signed in Bombay on Jan. 27.

Steve Twilley, Shell Global Solutions Business Development Manager, believes that the multimillion-euro contract is the largest of its kind ever awarded.

Bankers' math vs. human math: Do you know how to count?

by Dennis Small

The following is a slightly edited transcript of the speech given by Dennis Small on Feb. 14, 1999 at the Presidents' Day conference of the Schiller Institute and International Caucus of Labor Committees (ICLC), held in Reston, Virginia.

I don't know how many of you have ever experienced a significant earthquake. I don't mean merely being awakened at night, or something like that. I grew up in Mexico City, and I had my fair share of earthquakes. And it's actually very interesting: If you get woken up at night, that's one thing. But what happens if it hits during the day and you're wide awake? The earth moves under your feet; nothing seems to work; things move in crazy directions. And you feel a profound sense of disorientation.

It's a well-known fact that people can suffer extreme psychological disorientation—*anxiety, even hysteria*—from earthquakes. And this is not something that goes on only during the period of the earthquake itself, whether it lasts 15 seconds, or a minute, or two minutes, or even in the aftershocks. In serious earthquakes, this can affect you for months and perhaps for years. Populations—entire populations—are thrown out of whack, *psychologically* out of whack, by these types of earthquakes.

What we are facing in the world financial system today, is that kind of tectonic change: where nothing works the way it used to; where we are witnessing phenomena that have most people totally disoriented; where we are facing the kind of power that can level a building, level a city, level a civilization in a matter of moments.

In "The Road to Recovery" [*EIR*, Feb. 19, 1999], Lyndon LaRouche discussed this process, using the example that the rules that govern the functioning of water during normal peri-

ods of time are changing, because the water is becoming ice. We're in such a phase change today; we're in a period of transition where the old rules simply don't work. And the key issue is, that we have to know *how to think*—how to understand the process that's going on—in such a period of crisis. Because, as LaRouche was explaining yesterday, the phase changes happening today are characteristic of human development in general, even in the supposed "quiet times."

The economic earthquake that is now going on, that we are living through and are the middle of now, is also producing chaos—in case you've wondered why people are running around looking so disoriented, so anxiety-ridden, so hysterical. It's exactly the same type of process. And this can just as easily unleash mass hysteria in populations, as it can provide the opportunity for a solution. Needless to say, the purpose of our gathering here today, and the function of this movement, is to provide that solution, and to make sure that humanity has safe passage to the other side of the crisis.

There is, of course, a solution, which we've discussed in general terms here already, emphasizing the *Common Good*, or the *General Welfare*, of a society or of mankind as a whole. It's a concept of providing an answer, in economics, that will actually bring together, as opposed to separate into different competing forces, the different productive forces in a society, be they farmers and labor, consumers and producers, etc.

This is the same issue that is posed internationally. What is the common interest, what is the General Welfare that exists between, for example, countries like Mexico and the United States? Or, the same for Africa, say *vis-à-vis* the European countries, and so on.

How do we actually, scientifically, *know* what that General Welfare is? How can we describe it in more than a simply intuitive way? How can we hit that nail on the head?

The answer involves a concept which is elementary, but not simple, as LaRouche has stressed. It is not simple, and it is certainly not simplistic. It is going to take some work, some thinking here today, to discuss it.

Because the real issue that is posed is: how do you measure actual economic success? *What is your metric?* What are your units? What do you measure, to know if you are succeeding economically or not? How do you know that there can, in fact, be a common interest between labor and farmers, or between workers in the Third World and consumers in the United States?

This issue is posed concretely for us by the question of farm parity pricing in the United States, for example. How do you actually measure what the proper price, or value, of agricultural products should be?

If you look at it from the standpoint of the simple consumer, the argument is: "Well, the lower the price the better, because if you lower it further, people will be able to consume more with their meager resources." But that, of course, is not going to allow for the development of agriculture.

So, do you instead raise the price of farm goods sky-high? Well, that doesn't work either. So how can you decide? What's your metric? How do you measure this?

And what about the question of raw materials, such as oil? Is it in the interest of the United States to have extremely low prices for oil? What if that means the destruction of oil-producing nations like Venezuela, or Mexico, or Nigeria?

Or what about cheap steel? Do we want really cheap steel in the United States, as the proponents of NAFTA argue? After all, we could build factories more cheaply that way—right?

Or what about the question of Africa? "Isn't it time that we stopped spending so much of our good money on those wasteful people over there? We give out too much foreign aid, don't we?" Isn't that what we're often told? And it is just this kind of moral indifferentism—which is actually moral stupidity, which is *criminal* stupidity—which is seen in the general behavior towards a continent like Africa. And it comes from an underlying misunderstanding, a lack of a proper definition of what it is that is the metric of economic development: How do you know what economic progress is, and how do you establish a metric that can provide a scientific basis for achieving the General Welfare, not only for this nation, but for a community of nations—a community of principle—emphatically including Africa?

Now, in my remarks today, I want to address this problem from two standpoints. I want to get at the issue of metric—of the science of defining the General Welfare—from two directions. First, I'll discuss *bankers' arithmetic*, which is one way of counting, with which some of you may be familiar. We will look at that in terms of the current economic situation, especially as it relates to Brazil and the world financial crisis.

Second, I will take a little bit more time, and ask you to concentrate a little more intensely than many of us are perhaps

accustomed to, on the issue of *human arithmetic*. And I want to do this with the aid of the great Renaissance mind, Cardinal Nicolaus of Cusa, who has already been discussed significantly at this conference, but who bears much, much further discussion, as one of the richest scientific minds humanity has ever produced.

Cusa's discoveries in science are actually the basis for solving this problem. In fact, in "The Road to Recovery," LaRouche says the following:

"Cusa's central discovery of later crucial importance for the development of modern economic science, lay in the realm of scientific method: how to use measurement as a way of indirectly, by negation, establishing the existence and nature of physical-scientific principles."

And we can add that this, in turn, lays the basis for establishing the existence of a way of knowing what the Common Good, or the General Welfare, is.

The world financial system: RIP

So let's first take up the question of bankers' arithmetic.

The last ICLC/Schiller Institute conference, held at the end of August 1998, followed by only a week or two what was probably one of the most crucial turning points in recent history: the de facto declaration of bankruptcy of the current world financial system when, on Aug. 17, 1998, Russia's Kiriyenko government declared a debt moratorium on their government domestic bonds (GKO's), and also announced various payment delays and moratoria on categories of foreign debt.

With this, the Russian government was declaring the de facto bankruptcy of Russia. *The Russian state had gone bankrupt—whether it was stated that way publicly or not, whether in those words or not, that is in fact what happened.* And it was announced to the world on Aug. 17, 1998.

From that point forward, two completely distinct processes got under way, in a visible form in the world.

On the one hand, you have had the increasingly hysterical, desperate efforts of bankers, oligarchs, and others to defend their dying system. They are intent on holding this together at all costs, and they say: "The only thing that matters is keeping the debt intact, sacrosanct, and paid. And we will do anything. We will hyperinflate; we'll slam on the brakes; we'll hit the accelerator; we'll put on the brakes again. We'll do whatever it takes to hold the system together." And they ultimately came down with a massively hyperinflationary program, as we'll discuss.

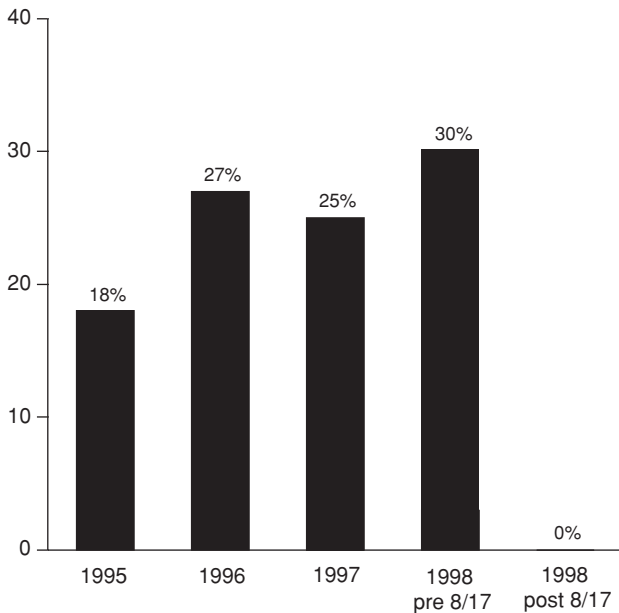
But at the same time, there was a veering-away of another alternative, of another option, which is what LaRouche has been calling the Survivors' Club. Because before then, the Survivors' Club was pretty much limited to China, which was the only country that had said "No, no. We won't go down with this system. We're not going to go there."

But then on Aug. 17, the Russians said "No, not for us either." And especially a couple of weeks later, when

FIGURE 1

Russia: GKO interest payments

(% of federal budget)



Primakov defeated Gore’s buddy Chernomyrdin for becoming Prime Minister of Russia, Russia solidly joined the Survivors’ Club. And then Malaysia joined on Sept. 1, with Prime Minister Mahathir’s announcement of capital controls. And increasingly a new process was unleashed.

So you have a situation where, as of that date, you have, simultaneously co-existing two completely contradictory processes going on in the world, which cannot co-exist — not for long. On the one hand, there is a process that says that the debt, the credit system, the bankers’ arithmetic must be kept intact, sacrosanct. It will not be touched except to make it grow further. And on the other hand, there are a number of governments, and political factions in other countries, which say: “No. People come first.”

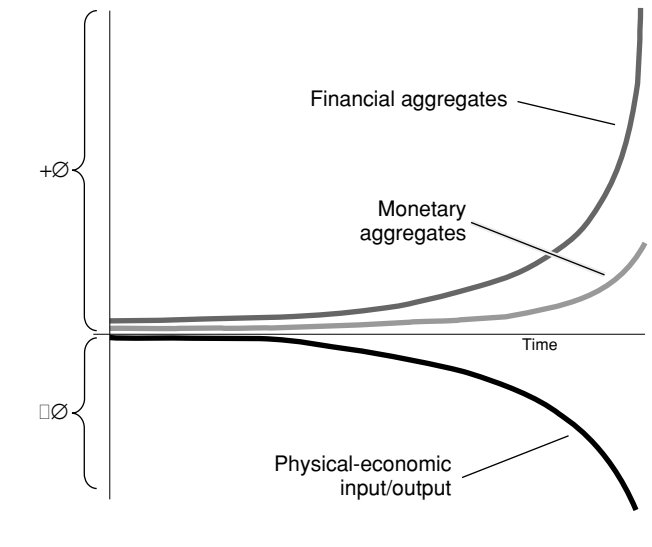
And that co-existence, as of water and ice, is what characterizes the global situation at this point.

Figure 1 gives you a quick idea of what happened in Russia on Aug. 17. The graph shows the interest payments that the Russian government was making on its GKO bonds, as a percentage of their total federal budget: The GKO payments rose sharply between 1995 and 1998, reaching up to 30% of their budget at the point they said, “No, no more, we just can’t pay.” And of course after Aug. 17, they went down to zero.

Not only the GKO debt but payments on the private foreign debt and bonds owed to the London Club were also frozen at that point. The government insists this is not a sover-

FIGURE 2

A typical collapse function



eign default, because they are willing to negotiate on this. For example, they are saying that, of the \$17 billion in debt service due this year, they can pay \$5 billion, but no more. They argue that they can’t pay Soviet-era debt, in particular. And they also can’t cover their debts to the International Monetary Fund (IMF) out of general revenues: If the IMF wants to loan Russia new money, they will use it to pay back older IMF debt, and nothing else. Otherwise, they don’t want anything to do with the IMF.

The Russians have taken various other measures which are most significant, to get their productive economy going. They have dealt with the food crisis and the fuel crisis that they were facing, and although the problems are not over, they have addressed those issues.

The Primakov government has also addressed the domestic banking problem, where their policy has been to let the speculative banks sink or swim on their own, without a bailout from the government, while at the same time fostering national banking institutions to make the productive process work. They are in the process of creating an actual national development bank, and so on.

Furthermore, according to our best information, Russia right now is a hair’s-breadth away from declaring capital and exchange controls as well — as deemed necessary by them for their survival.

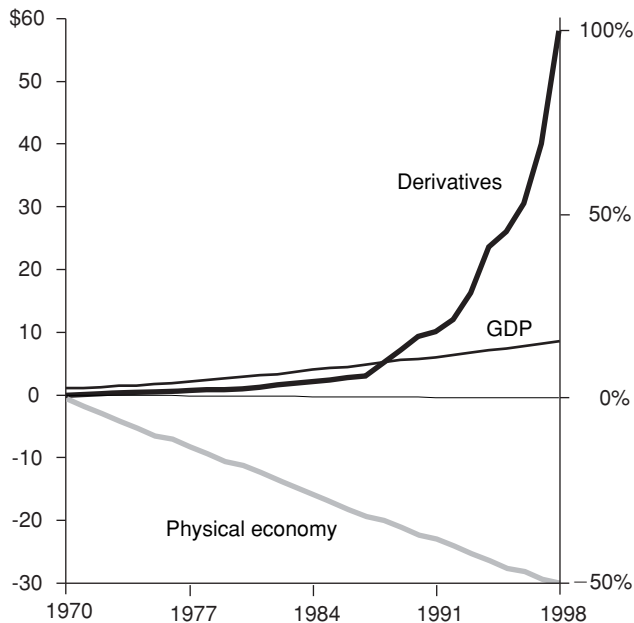
So Aug. 17, 1998 was a real turning-point, where the world of globalization was handed its own death certificate. Where does that leave the world situation? To answer that, we have to start with a graph many of you are familiar with: LaRouche’s famous “Typical Collapse Function” (**Figure 2**).

Please note: This is not three **different** functions; this is a

FIGURE 3

U.S.: typical collapse function

(trillions \$)



function, a single function. The three curves are all integrally interrelated: one depends on the other. The uppermost curve shows the growth of financial aggregates, such as derivatives, which are growing completely out of whack, even beyond the growth of simple money supply (the middle curve). The bottom curve, the physical economic input-output, reflects a collapse of the physical economy which makes it impossible to continue to service those rapidly rising, hyperbolically rising financial obligations.

And of course what makes it all worse, is the connection between the curves: which is to say, that to feed the upper curve—the cancer—it destroys and further lowers the bottom curve. In other words, budgets are cut, wages are cut, austerity is imposed such that it contracts the very physical basis on which the financial aggregates exist to keep growing. So, you have a functional interrelationship.

Now, let's take a look at what this process looks like inside the United States. **Figure 3** gives you a rough idea: These are real numbers. The Triple Curve was a heuristic device, a general representation of how the process works, that LaRouche developed a few years ago. But for the U.S. case we are presenting actual numbers of certain parameters. The uppermost curve shows the growth of financial derivatives held by United States banks at this point, to our best estimate: that comes in at close to \$60 trillion in derivatives currently held by U.S. banks.

The middle curve is U.S. GDP. That's of course not the

same thing as monetary supply, but it actually has a close relationship to it. GDP hasn't grown nearly as much as derivatives, but compare it to the physical economy, the bottom curve, which has been collapsing at the rate of about 2% per year, ever since 1967-70.

And that is the United States economy today.

Now, what do you do under these circumstances? Well, you can only go in one of two directions. On Sept. 14, 1998, President Clinton gave a speech at the Council on Foreign Relations (CFR), where he emphasized the need for a new financial architecture. We've got to do something to change this, he argued. We've got to stop the flow of speculative money flying all around the world. Clinton didn't provide a blueprint of how to do it, but he indicated the direction we have to go in, to stop the wild speculation.

But then the giant hedge fund, LTCM, collapsed on Sept. 23, about a week after Clinton's CFR speech. There were emergency meetings of the Federal Reserve, and Alan Greenspan lowered interest rates three times over a period of a couple of weeks, to hyperinflate the banking system back to life. At the same time, the political assault on the Presidency escalated, to weaken the President so that he couldn't address these issues effectively. Now, with the impeachment over, this places squarely on the center of the agenda again the issues pending from September 1998: Which way is the United States going to go? The way Wall Street says it should go? Or is it going to go the way LaRouche says it should go? That is the issue. Are we going to join the Survivors' Club, or are we going to be members of the Losers' Club—that go down with the world financial system?

Bankers' arithmetic

The latest development of the crisis, which brings us to the issue of bankers' arithmetic, has been the outbreak of a new financial crisis in Brazil.

Some of you may remember that LaRouche, in response to the outbreak of the crisis in the fall, issued five or six documents in a period of two or three weeks, which addressed what should be done: "Time to Tell the Truth," "People First!" and so on. In a lengthy essay written on Nov. 23, "When Economics Becomes Science" [*EIR*, Dec. 18, 1998], LaRouche also forecast that, in the beginning of 1999, within a period of approximately eight weeks, there would be a new outbreak of the world financial crisis which would be worse, bigger, and more explosive than anything that had been seen to date.

Many people asked themselves: "Where did he come up with eight weeks?"

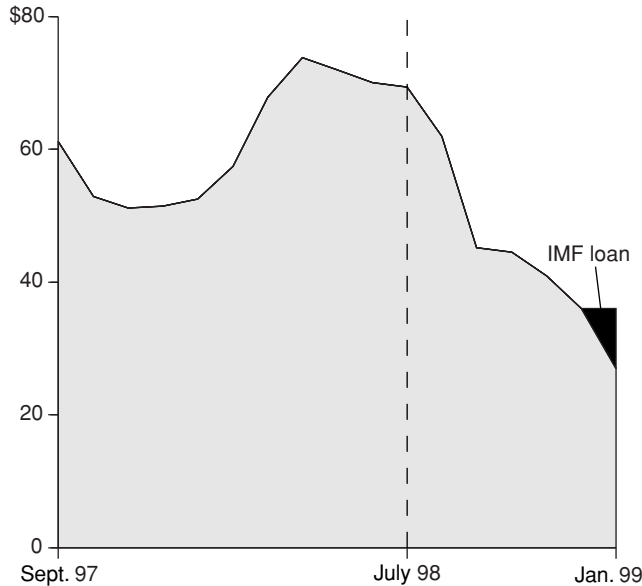
Well, it's interesting, because that eight weeks would have taken you to Monday, Jan. 18. But on Wednesday, Jan. 13, seven weeks and two days after LaRouche made his forecast, Brazil blew apart, and devalued its currency, the real.

Why did it happen? **Figure 4** shows Brazil's foreign exchange reserves, which up to the middle of 1998, had been as

FIGURE 4

Brazil: foreign exchange reserves

(billions \$)



high as about \$75 billion.

But then, when Russia blew out in August, the Brazilian reserves plummeted, as speculators—hedge funds and others—began to pull their funds out of Brazil. In fact, they pulled their hot money out of the entire so-called “emerging markets,” fearing defaults across the board. As a result, Brazilian reserves began to plummet dramatically. There was a brief period where the IMF put together a hyperinflationary \$41 billion bailout package, which didn’t steady things for very long, and the reserves continued to plummet.

Now, the shaded triangle at the end of the curve is money which the IMF has recently pumped into Brazil—about \$9 billion. Without that money, Brazil’s reserves would now be about \$25 billion—one-third the level they were at just six months ago. With that IMF money, they have just barely managed to hold things steady . . . for the moment.

In other words, bankers and hedge funds are pulling their money out of Brazil, and the IMF is throwing money in, to make sure that the bankers and the hedge funds can get out safely. And what of Brazil? “To hell with Brazil! Let it fall apart,” say the speculators.

With its reserves plummeting in this fashion, Brazil on Jan. 13 was finally forced to devalue, by approximately 8%. But over the next 48 hours, a massive run against the currency developed. And the entire world financial system, in the case of LTCM, was hanging by a thread at that point.

There was an emergency meeting at the New York Federal Reserve once again, as there was in the LTCM case. George

Soros was there, to help “encourage” people as to the direction to go, which was to bail out his hedge funds. There was significant discussion there, and in the subsequent Davos meeting of world financial leaders, of forcing Brazil to establish a currency board. A currency board amounts to bankers telling a country: “Don’t you worry about a thing, honey. We’ll take care of the money for you.” That’s what a currency board is: a British colonial system. “Now, don’t you worry your pretty little head about this one little bit. We’ll take care of everything, honey.”

The way this works is that the bankers first obliterate your country: they create complete instability. And then they come in, and they offer a currency board as the only way that you can possibly regain stability. You just have to hand over control of your country—a minor cost—to the foreign bankers, who will run the currency board, and your entire monetary policy.

This is your typical mafia tactic. Late at night, they throw a chair through the window of your storefront, and then the next morning they come in and they offer you protection. “We’ve got a currency board for you. Wouldn’t you like to try it?” they ask with a big smile on their face.

This is what the speculators did in Indonesia; this is what they did in Russia; and this is what they are now trying to do in Brazil. So watch out for this currency board business.

Now, what has happened in Brazil over the course of January? Let’s look at this as if in slow motion, because this really shows you what bankers’ arithmetic is all about. Brazil in early 1999 is like a slow-motion picture of bankers’ arithmetic. So watch closely, but keep your hand on your wallet.

We’ve frequently talked about bankers’ arithmetic, and many of you have seen this in our publications. Brazil is a good case study. **Figure 5** shows Brazil’s situation from 1980 to 1998. The solid line is the total official foreign debt of Brazil: In 1980, it was a mere \$72 billion. Over the course of the next 18 years—from 1980 to 1998—Brazil paid \$146 billion in interest payments alone. *In other words, Brazil paid almost twice the original principal.* And yet, at the end of that period, after paying in interest alone almost twice what they owed, they owed \$231 billion—three times as much as the original debt.

So, in bankers’ arithmetic, $72 - 146 = 231$. So that’s bankers’ arithmetic. That’s how it works.

Now, some people have noted (and it’s a valid point): “Well, wait a minute. You’re not taking into account any new money that may have come into the country, and may explain the increase in debt owed; and you’re also not including amortization payments—i.e., repayment of principal—which is an outflow.”

That is true. This graph, this representation, abstracts from those two additional considerations. But when you take those two flows into account—any new, real money going in, and any principal repayment coming out—guess what? *It’s worse!*

For example, I did a preliminary calculation, and in

FIGURE 5
Brazil: bankers' arithmetic

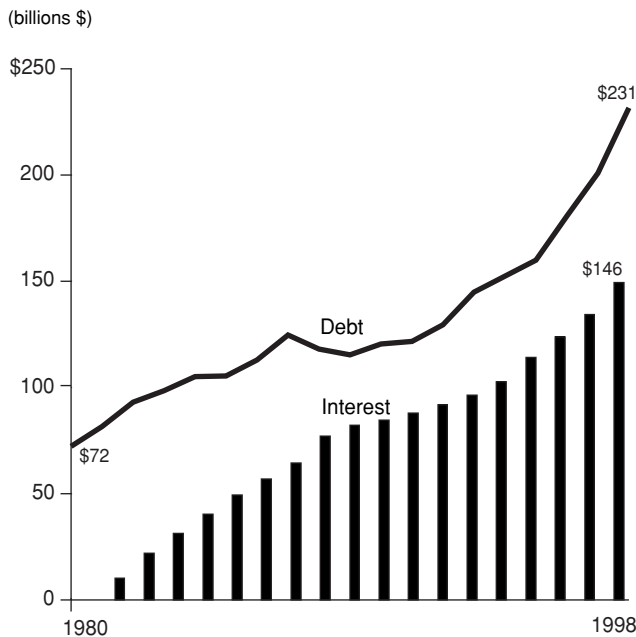


FIGURE 6
Brazil: foreign debt

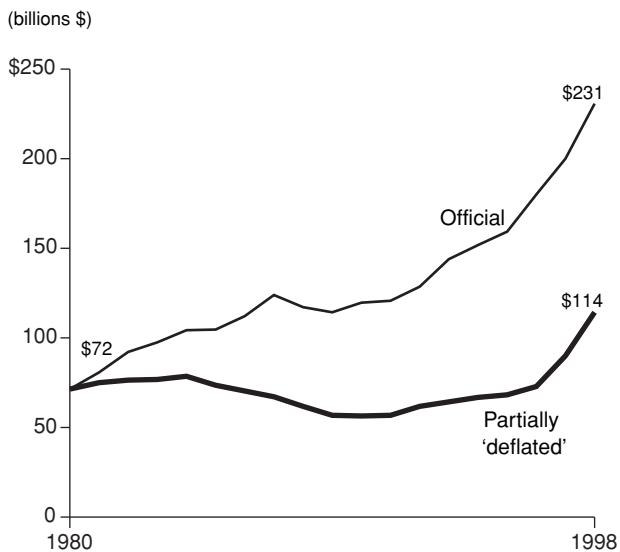
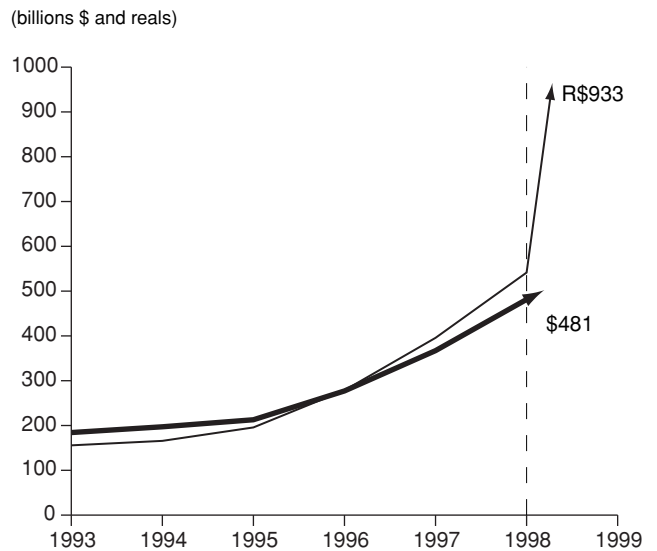


Figure 6 you can see what would have happened to Brazil's official foreign debt if it were "deflated" in this fashion (I used LaRouche's specifications on this point in "The Road to Recovery"). I emphasize that this calculation only partially

FIGURE 7
Brazil: devaluation effect on real foreign debt



"deflates" the debt, removing just one of its illegitimate components. To derive what is only legitimate debt, you'd have to deflate that even further, in ways I'll explain in a moment. But this gives you a rough idea of what the process is: The foreign debt wouldn't have grown to \$231 billion in 1998; it would have only grown to \$114 billion.

Okay, now what happened? Well, first of all, the *official* foreign debt is not really the full, *real* foreign debt of Brazil (see **Figure 7**). Because, in addition to the official foreign debt, you have to also consider government bonds which are denominated in dollars, and which are therefore de facto foreign obligations. You also have to count investment by foreigners in the stock market. And there are other similar kinds of foreign obligations, left out of the official foreign debt statistics.

Taking all of this into account, we calculate that Brazil's real foreign debt at the end of 1998 was \$481 billion.

Cheating, as taught at Harvard

Well, what happened in January 1999? The value of the real, the Brazilian currency, plummeted from 1.22 reals to the dollar in early January, to 1.94 reals to the dollar at the end of the month—about a 40% devaluation in one month's time.

Now, please take a seat as a Brazilian for a moment, not as an American. If you're a Brazilian looking at your foreign debt of \$481 billion, back on Jan. 1 of this year, that \$481 billion was equal to about 500 billion reals.

But a month later, after the 40% devaluation, that same \$481 billion obligation is going to cost you 933 billion reals to repay. Bankers' arithmetic! And that *is* what you have to

pay, as Brazil. The banks lend to you in dollars; but when you want to go back and pay at the original exchange rate, they say: “Oh, no. I’m sorry. Don’t you know? The real has been devalued.”

“What do you mean, the real has been devalued?” you reply, irate. “How could that be? The real can’t be devalued, just like that.”

And they say: “Of course it can. Don’t you understand? Markets rule the world. You obviously have not studied economics at Harvard.”

And there you are, not having studied at Harvard, and your foreign debt has just nearly doubled.

Now, this is only one of the ways in which bankers’ arithmetic works. But before proceeding, let me just make this point clear. The way bankers’ arithmetic works, the reason that this thing doesn’t add up, and that you get this crazy arithmetic, is because *they cheat!*

How do they cheat? *They change the unit of account on you.* They lend you 100, and then they say: “Oh, no, I’m sorry. That 100 is now not worth 100 of your currency; it’s worth 200. You’ve got to pay me 200.”

Why? “Because we run the markets. Tough luck. What’s the matter, buddy? Didn’t you study economics at Harvard?”

So it’s cheating based on the question of the unit of account—how you measure. It’s a question of *metric*. So this first aspect of bankers’ arithmetic is due to the devaluation effect.

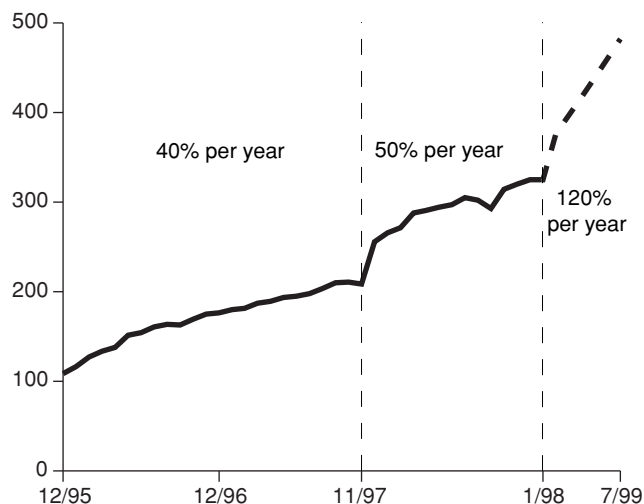
Now, let’s look at another component: the interest rate effect. For this, too, you can thank the bankers and the IMF. Back in January, the Brazilian government didn’t *fully* follow IMF directions. Before the crisis, Brazil’s interest rate was 25%. When the crisis hit, the IMF wanted them to raise interest rates to 70%. But so far, they haven’t done that: They have “only” raised them to about 40%. [In the three weeks since this speech was delivered, the government hiked interest rates even further to 45%—DNS.]

But by raising domestic interest rates from 25 to 40%, the treasury bonds which the government had issued prior to that, changed in terms of what they were costing the government. Why? Because the government had done two very clever things. First, they issued some bonds denominated in dollars. Why did they issue bonds denominated in dollars? Because they were trying to convince “the market” that they would never, ever, ever devalue the real. Because no government would be so stupid as to issue bonds in dollars, and then devalue their own currency—right? And therefore, they were out to convince the markets that, since nobody could possibly be that stupid, that foreign speculators should have confidence in Brazil since there would be no devaluation.

So they issued 20% of their bonds in dollars . . . and then they were forced to devalue. So that raised the total amount of their foreign obligations, as per the devaluation effect.

But they also issued bonds, not at a fixed interest rate, but at a floating interest rate. Why? Again, to encourage “the

FIGURE 8
Brazil: interest rate effect on treasury bonds
(billions reais)



market,” to convince the market that they would never, ever be so foolish as to issue such bonds if they intended to dramatically raise interest rates. But then they were forced to dramatically raise interest rates. And the effect of this on their bonded debt, over the period of the first six months of 1999, is going to raise that debt from about 320 billion reais—where it is today—up to close to 500 billion reais in six months’ time (see **Figure 8**).

Over the period from December 1995 to December 1997, Brazilian treasury bonds outstanding were growing “merely” at 40% a year. Over the next year, they grew at “only” 50% a year. Now, they are going to grow at 120% a year. Again, bankers’ arithmetic.

So much for the devaluation effect, and the interest rate effect.

The third effect that I want to talk about, is the impact of changing terms of trade, which is yet another way the bankers cheat. They change what they pay you for your exports, if you’re a Third World country. They lower those prices, and they raise the prices of what you import. So that the price of what you are exporting, with which you pay your foreign debt, drops.

Again, they’re changing the unit of measurement on you in mid-stream. When you complain, and say: “Hey, wait a minute! That’s not fair,” they shoot back: “Nobody ever said it was fair. That’s the market. What’s the matter? Didn’t you study economics at Harvard?”

As an example, look at what happened to the price of oil over the last eight or nine months: It fell by half (see **Figure 9**). What if you are Nigeria? What if you are Venezuela? Oil dropped from \$22 per barrel down to \$11 per barrel. What if

FIGURE 9

Crude oil prices

(\$ per barrel)

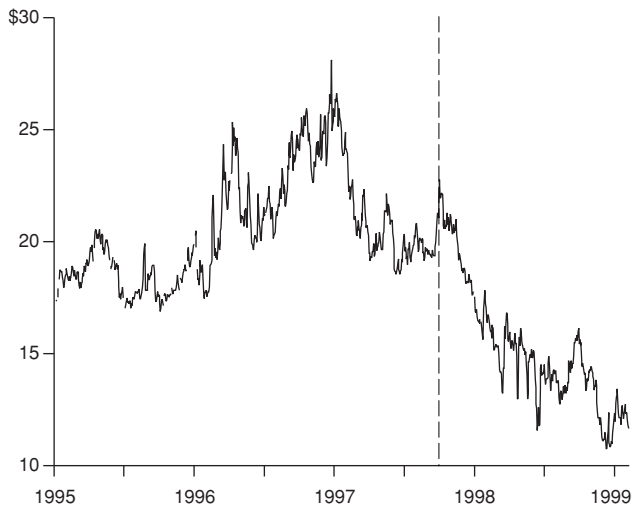


FIGURE 10

Mexico: oil price effect on public debt

(hundreds of billions of pesos)



you are Mexico, and 40% of your government budget revenue comes from oil? Well, in that case, you just had 20% of your total budget wiped out. If 40% of your budget is oil, and the price falls to half, you just lost about 20% of your budget. What this translated into, for Mexico, is that its public debt became de facto that much more expensive to service, just as a result of the falling price of oil (see **Figure 10**).

The debt was already rising, but the oil price effect raised its real internal cost to the physical economy that much further. And if you're a Mexican, you watch in shock as your country has no budget for infrastructure projects, no budget for health, no budget for food subsidies, no budget for anything — except for paying the debt. And you say: "Hey! That's not fair!" And George Soros leers back at you: "Ha. You obviously didn't study economics at Harvard, or Princeton. But don't worry, we'll appoint a good adviser to you who did. We'll send you Arminio Fraga."

So these are three ways in which bankers' arithmetic actually works. It's cheating. It's cheating because they control the game, they control the metric. They say, "This is the unit of account, this is how we're going to count everything." And if you stick to that, if you say, "Yes, prices, money, debt, this is all sacrosanct, and the real world be damned," then the world *will* be damned, and we will have a New Dark Age.

There is no way this system can co-exist with human beings. It can't happen any more. The water is turning to ice.

You know those cartoons, or drawings, where they show you two pictures, and there's one that's slightly different from the other and they ask you, "What's wrong with this picture?" Well, in this case, *everything* is wrong with this picture!

There's *nothing* right; the whole financial system is completely wrong. It has to be completely, totally, 100% changed.

Because under these conditions you cannot establish a principle of General Welfare, you cannot establish the Common Good. There is no basis on which you can have a community of principle among sovereign nations. You are going to have a global Dark Age.

Human arithmetic

How do we deal with this? What is the alternative? I think nearly everyone here has a pretty good smell that this system doesn't work. But what *does* work? If the IMF system is wrong, what's right?

You might say: "People come first, population comes first. That's the most important question." That's true enough, but how do you achieve that? How do you measure success? In fact, how do you count at all? How do you actually *count* in an economy? How do you measure things?

If you say: "One, two, three, . . ." the question back is: One what? Two whats? What are you measuring, and what is your unit of measurement? You say, "Okay, we'll measure things in dollars."

Well, that obviously isn't going to work, because money, like credit, is a political fiction, and accounting in those terms is not going to work, for the reasons that we saw with bankers' arithmetic.

So having looked at some of what LaRouche has to say about physical economy, you might say: "Okay, let's measure

physical output.”

Well, if we measure the economy in tons, or something of the sort, that might be a little more physical, but it’s not a whole lot smarter than using money as your metric, because one ton is not the same as another ton. For example, you could have a ton of gambling chits in Las Vegas, or you could have a ton of steel. So simple tonnage obviously is not going to do the trick.

Then you might try something a little more sophisticated, such as a market basket of products, for example, a market basket of consumer goods. And you lay out the physical items required for that market basket, and for the inputs that go into each of those, and you conclude, “Good; that’s what we’re going to use.”

But there is still a fundamental epistemological problem here, which is that things change. *Things change*. And there is no fixed yardstick, even a physical one, that you can actually use to measure in an economy. Because if you use a fixed yardstick, but the economic surface that you’re measuring changes—the way a curve moves, or the way a rubber band stretches, or anything of that sort—if your surface changes, a fixed yardstick is simply not going to apply equally in different portions of your surface, nor over time, in Period Two as it did in Period One.

LaRouche states the issue directly in “The Road to Recovery”:

“The intrinsic values in economic processes have no scalar (e.g., linear) measure, no simple yardstick. Everything about human life in this universe is to be measured against a specifically non-linear standard, an anti-entropic standard of change.”

LaRouche elaborates on this concept in his reference to the phase-changes from water to ice. In order to figure out how to count in an economy, he explains, you must ask:

“What is the principle of action, the principle of change which we should employ to craft an unchanging definition of water which is equally appropriate for each and all physical states and also the transitions among those possible states?”

In other words, if the rules of water don’t apply to ice, how can you define a principle of action, and a measurement of that principle of action, that applies equally to both of the states—water and ice—and most importantly to the *transition* between those physical states?

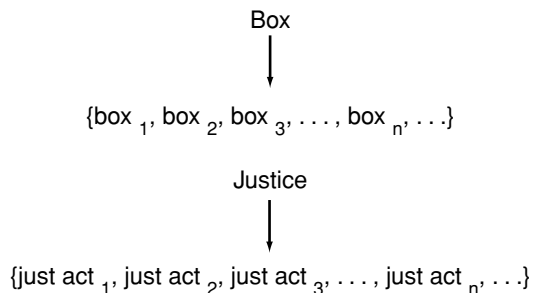
Now, posed this way, this gets us back to a very old, very elementary, yet very profound philosophical question: What is it that does not change throughout all change? If everything around us in the world is changing, what is it that does not change?

This is Heraclitus’s famous example of the river: How can you possibly step in the same river twice? Because, if you step in a river in one instant, and then you step in it again, one instant later, can you actually legitimately say it is the same river?

Everything about it has changed, right? The water has

FIGURE 11

Plato's concept of ideas



moved, the pebbles have moved, the shoreline has moved, albeit a little bit. The wind has moved, the trees have moved—*everything is different*. How can you say it’s the same river?

In fact, anyone who is operating on the basis of sense-perception and linear scalar measurements, cannot possibly argue, legitimately, that it’s the same river, because it has completely changed.

Well, what about the question of simple identity—saying “I,” the word “I”? What is “I”?

Is “I” the perceptions you have of yourself at the moment you begin to utter that one-syllable word? Or is it the perceptions you have of yourself when you have finished uttering that one-syllable word—even if you say it real quickly. No matter how fast you utter it . . . sorry, you changed. *Everything changed*. Nothing is the same. Every single particle is in motion. So what in the world are you talking about?

And of course the existentialists and other lunatics in fact conclude: “Oh, you don’t exist. I don’t exist.” Pure skepticism: There’s nothing that can be known, they argue, we just have sense perceptions, and they are all around us, like a kaleidoscope.

Now, Plato addresses this issue in the following manner. Plato argues that there are a couple of different ways to look at this problem. You can look at a series of items in a set. For example, let’s take the idea of a box (see **Figure 11**). Now, you can have a whole set of boxes: box₁, box₂, and so on. And you can have an infinite number of such boxes.

But there is no possible way that you can add up all of those different specific boxes, to reach the concept of *Box*. Because when I say “Box,” you each have an *idea* in your head, which is a single unified concept. It’s none of the specific boxes, right? And yet it is a definite idea.

In fact, you know if a specific box is indeed a *Box*, to the degree to which it does or it does not correspond to your concept of *Box*, your *idea* of *Box*, or what Plato sometimes call the *form*, or Cusa later talks about as the *exemplar*.

Plato’s argument is very straightforward, very simple. He says the form, the idea of “Box,” has a higher order of exis-

tence and is more real than any of the specific boxes. And he argues, most significantly, that this idea cannot be derived from any summation of all of the individual boxes. No matter how long you extend that process, or that set, it is still not going to give you the concept of “box.”

The same thing with *Justice*. If I say to you, “That was a just act,” you have some idea of what I’m talking about. But the specific just act is not the same as the concept of *Justice*. And again there is no compendium, no summation of particular, individual just acts, no matter how many of them you think of, no matter how long you continue — ad infinitum and ad nauseam both — you will not come to the concept of Justice.

The concept of Justice is *prior*. The concept of *Box* is prior to the individual boxes. And they are of a completely different nature: *They are incommensurable*. They cannot be measured with the same yardstick.

The reason is that there is a fundamental distinction between the *cause* of a set of items, and the internal *contents* of the set itself, a difference between the cause and the particulars which that cause produces. This is the way the universe is organized, and it is the way the human mind is organized.

Furthermore, *the cause is of a higher order of ontological existence of reality, than the specific manifestations it produces*.

Incidentally, all of the famous ontological paradoxes in philosophy are of this form. You may be familiar with some of them. For example, I want you to tell me if the following sentence, which I’m about to utter, is true or false: “This sentence is false.”

Okay, is that sentence true or is it false?

Well, if it’s true, then what it says is true, which is that it’s false. But if it’s false, then its content cannot be true, which means that it isn’t false. So if it’s true, it’s false; and if it’s false, it’s true.

Now, that’s not just a word game. That’s an ontological paradox. Why? Because you’re trying to force the mind to mix two completely different levels of existence — the cause of a set and the internal contents of a set — and measure them with the same yardstick. But the cause of a statement and the contents of a statement are *incommensurable*, one with the other. Thus, the paradox.

Cusa: measuring the incommensurable

This now brings us to the issue of Nicolaus of Cusa’s discovery.

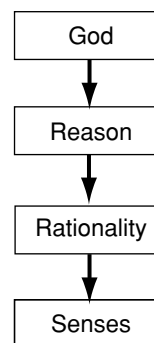
I want to look at two essays by Cusa. One is *On Conjectures*, which was written in 1440, the same year in which he wrote his masterpiece, *On Learned Ignorance*, and it is to some degree a shorter companion piece of that.

Cusa explains that the way the mind works, is that it has four levels of unities which it understands (see **Figure 12**).

At the highest level, we have God. Below that, we have Reason, which he sometimes calls Intelligence. Below that is Rationality, which is sort of formal-mathematical or linear

FIGURE 12

Cusa’s four levels of unities



thought. And then below that is Body, or the Senses.

Cusa says that the first of these — God — is the unity of all, and the cause of everything beneath it. He is also the standard by which you measure everything which He has created. In other words, you measure that which is created by that which creates it. *It is the infinite which measures the finite — only so.*

Think back to Plato and his idea of the sets. It is only the concept, the *unifying concept of the set*, which provides measurement for all of the contents within it.

So, God is the highest — the unity of all.

The second level is the level of Reason, or Intelligence, in which the human mind is capable of generating actual concepts that unify what would otherwise seem to be contradictory elements or thoughts — *coincidentia oppositorum* — which Aristoteleans deny can exist. But it is the ability of the mind to form a unified idea out of things which don’t seem to come together in exactly the right way — like a metaphor, or a joke, or an ambivalence. In all such cases, it is a concept in the mind, which is not in the elements which compose it, but is in the mental action which conceives of the two seemingly contradictory elements as a unified whole.

The third level — Rationality, or formal thinking — exists only because it is illuminated by Reason. Rationality, Cusa explains, is the level at which you put a name, a label, on something. You say: “Oh, it’s *this*, *this* is what it is called, *that* is its name.”

In *On Conjectures*, Cusa writes:

“For if rationality investigates intelligence, which it comprehends with no sensible signs, how could it begin this investigation if the light of intelligence did not incite its illumination? Intelligence is therefore related to rationality, as God Himself is to intelligence.”

And again: “Intelligence is therefore nothing of that which can be said or named; but rather is the origin of the rational concepts of everything, just as God is the origin of intelligence.”



Cardinal Nicolaus of Cusa's discoveries laid the basis for knowing what the Common Good, or the General Welfare, actually is. That is the cornerstone of real economics.

Aha! Now that's interesting: Intelligence, or reason, is related to rationality, as God is related to reason.

As for the fourth, lowest level, that of sense-perception, Cusa says that, ironically enough, even to perceive something requires the activity of rationality in order to distinguish among the different perceptions. In other words, there is no such thing as sense-perception *prior* to the activity of mind to decide where perception begins and ends—to delimit it. Recall the case of the river that we were talking about before. The concept of "river" is clearly not simply a series of perceptions. There is something else that is going on. Cusa discusses it as follows:

"The senses perceive and do not distinguish. Every distinction is indeed from rationality. So rationality makes use of the senses as an instrument, in order to distinguish the sensible. But it is rationality itself which in the senses distinguishes the sensible."

So you can't even have sense-perception without a prior, higher-order function of mind, which is rationality, to distinguish between those perceptions.

Here is where the fun really starts. Because Cusa then says that these four levels are *incommensurable*. You cannot apply the same metric to them, because they don't exist in the same type of geometry. They co-exist in the same universe, of course, but they don't have the same metrics. They cannot be counted in the same way. You are talking about incommen-

surable types of mental activity: Senses, Rationality, Reason, and God.

Cusa puts it this way:

"One world does not count or speak or do something as another does; for example, intelligences are not counted as stones or animals, they also do not speak as men; but rather each world employs its own manner."

And then he adds an argument which appears quite frequently in Cusa, and which you may have heard about: that these two kinds of thinking are as fundamentally distinct, incommensurable, as are a polygon and a circle.

"Hence, a rectilinear polygon is impropportionate to the circle, because rationality does not attain the coincidence of the curve and the straight line."

In other words, in the same way that a polygon and a circle are incommensurable—that is to say, there is no number of angles, or sides, that you can add to a polygon to eventually get to a circle, because you are talking about different species, and there is a *change* that goes on—so, too, with the four different levels of unity of the human mind, and what each is capable of thinking.

Now, if they're incommensurable, how do you count? And if this is how an economy work (which I think you might guess is what I'm driving at), and an economy moves from one technological phase to a higher phase to a higher phase, how do you count *across* those changes? How do you count between water and ice? How do you change from one technological mode to the other?

With the problem so posed, let us now delve into the essentials of Cusa's solution to this problem. Because it provides the elementary, if not simple, answer to the question of how do you identify, and how do you generate the General Welfare, or the Common Good.

Mind is the metric of the universe

If you can't count with the same unit of account across phase changes, what do you do? In other words, what is the *causality* of the connection across the phase change?

In a dialogue which Cusa wrote in 1450, called *The Layman: About Mind*, he explains that the infinite—the relatively higher order existence—measures the finite. You cannot measure the infinite with the finite; you can only measure the finite with the infinite. The way the human mind works, what it is in essence, is that it *measures*. It does this by embracing within itself the idea, or the exemplar, which produces all of the specific predicated things which occur in the sensible world. So the mind functions as a relative infinite to measure that which is merely finite, *against itself*:"

Cusa says:

"Mind is that from which comes the limit and measure of all things. In fact, I propose that 'mind' (*mens*) is so called from 'measuring' (*mensurare*). . . . Mind [is] the power in us which embraces conceptually the exemplars of all things."

Cusa explains that mind does not work at the level of the

merely sensible. It is not a matter of perceiving things, of cataloguing those sense-perceptions, and then naming them. Because that which we name, and we call a specific thing, does not come from our perceptions, but it comes from the *prior activity of mind*—the prior activity of *reason*—which allows us to form a single concept, a unity; to understand that unity, which does not lie in its perceived predicates; and only then to bring it down to the level of naming it.

Cusa says:

“Something is present to mental intuition [reason] which was not present to sense nor to [rationality], namely the exemplary and incommunicable truth of the forms which are reflected in sensible things. . . . Hence, genus and species, insofar as they are matters of naming, are mental constructs which human reason has made for itself.”

Cusa goes on to attack Aristotle on this point, for arguing the opposite. Cusa notes that the Aristoteleans say that “to understand is an accident.” In other words, the Aristoteleans rule out completely what Cusa says is the primary activity of mind.

Cusa’s punchline on this subject, is that this activity of mind is what gives the human being *life*, and it therefore is his *soul*. This is what a soul is, according to Cardinal Nicolaus of Cusa: the activity of reason of the human mind. It is this which makes man in the living image of God; this is what

imago Dei means.

“Mind is a living substance. . . . Its function in this body is to give it life and because of this it is called soul. Mind is a substantial form or power.”

And further:

“Our mind is the image of that infinite being which enfolds all images. . . . Knowledge of God, His ‘face,’ is accessible only in mental reality whose object is truth. It is not further accessible except through mind so that mind may be the image of God and of all God’s images following upon the exemplar itself.”

Please keep in mind this metaphor of “God’s face.”

Now we have come to the core of the matter, to wit: *mental activity in conceiving of new creative thoughts is that which distinguishes man from all other species, and makes man in the living image of God.*

In another Cusa dialogue, called *The Layman: About Wisdom* (1450), one of the participants in the dialogue, the Orator, asks the wise Layman:

“I want you to tell me how I am to form a concept of God, since he is greater than can be conceived.”

And the Layman responds: “You may do so just as you form a concept of a concept.”

Cusa is telling us that the way you form a concept of “God,” is in the same way that your mind forms a concept of

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“concept.” In other words, if you study the way your own mind works, you understand—negatively reflected—precisely that quality in yourself which is in the image of God. And that is how you know God—as reflected in yourself, and all human beings, through that creative power.

This relationship, this way in which the infinite is the metric and standard by which to measure the finite, is elaborated in this same dialogue by Cusa, with the following beautiful metaphor about the human face:

“Absolute Justice and Absolute Goodness enfolds all exemplifiable things. . . . It enfolds these much more perfectly than your face enfolds all the images that are formable of it. . . . For all possible depictions of your face are precise, correct, and true to the extent that they partake of, and imitate, the form of your living face.”

So the living face, the moving face, the one that is alive, is the standard by which you measure any particular depictions of it.

It is exactly this concept which provides the basis for answering the question of what human arithmetic is: Man’s mind is actively involved in knowing the universe, by “measuring” it against his own creative activity. In *The Layman: About Mind*, Cusa says:

“Mind is a living measure which achieves its own capacity by measuring other things.”

Mind is not of the nature of changeable things, which are grasped by sense-perception, but of unchangeable things, which it discovers *in itself*.

So true science is subjective. You know the world by changing it through mental activity, through ideas, through creativity. And there is a demonstrable coherence between the process of your own mind’s working and the physical universe as it is actually organized. As LaRouche has put this point so incisively, we know this to be true, because when you do the right thing and think creatively, the physical universe “obeys” you, and responds accordingly. So you know that the two—man’s mind, and the physical universe—are organized in the same way.

Where does all of this leave us, on the issue of human arithmetic? What have we shown?

1. Man’s mind is characterized by concept formation, not perception.
2. Man’s mind is coherent with the lawful composition of the universe, and it knows those laws through its own action.
3. In physical economy, there are a series of phase-changes which are incommensurable in terms of their internal metrics. So, classroom mathematics does not work to provide a metric.
4. But each of these phases is produced, in an ordered succession, by a higher level cause, which is mental creative activity, whose agent is the human mind—the proper metric of human arithmetic.
5. Specific policies—taxes, tariffs, credit policy, and so on—are all to be measures as to the degree to which they fulfill the General Welfare *so defined, and only so defined*.

No lesser standard will work.

6. One human mind communicates such creative ideas to another, only by recreating those concepts within the sovereign provinces of the other’s mind.

LaRouche emphasizes this point regarding the communication of ideas as follows (and recall here Cusa’s image of knowledge of the human face):

“The two minds in question will tend to generate a conception—a more or less distinct concept, analogous to the way in which the mind registers the identity of a person’s active face—an identity ready to receive its proper christening with an appropriate name.”

López Portillo: the Common Good

I want to close with quotations taken from the most recent video report issued by *EIR*, on the subject of the Eurasian Land-Bridge and Helga Zepp-LaRouche’s recent trip to Mexico. The quotes are from former Mexican President José López Portillo. The first is from an October 1982 speech he delivered at the United Nations, about three or four months after meeting in Mexico City with Lyndon and Helga LaRouche. The second is from a speech of López Portillo’s just last December, at the Mexican Society for Geography and Statistics, where he was the official commentator on Helga Zepp-LaRouche’s keynote address.

As you read these words, I suggest you think about them from the standpoint that we have discussed here. Apply the concepts of Cusa regarding what we have called “human arithmetic,” to look into the mind of López Portillo, and understand the necessary concept of the General Welfare—of the Common Good of humanity. And then from that standpoint, rethink the tasks we face today.

“But the most constant concern and activity of Mexico in the international arena, is the transition to a New Economic Order. . . .

“We developing countries do not want to be subjugated. We cannot paralyze our economies or plunge our peoples into greater misery in order to pay a debt on which servicing tripled without our participation or responsibility, and with terms that are imposed upon us. We countries of the South are about to run out of playing chips, and were we not able to stay in the game, it would end in defeat for everyone.

“I want to be emphatic: We countries of the South have not sinned against the world economy. Our efforts to grow, in order to conquer hunger, disease, ignorance, and dependency, have not caused the international crisis. . . .

“After major corrective efforts in economic affairs, my government decided to attack the evil at its root, and to extirpate it once and for all. There was obviously an inconsistency between internal development policies, and an erratic and restrictive international financial structure.

“A reasonable growth policy was irreconcilable with freedom to speculate in foreign exchange. That is why we established exchange controls.

‘Given our 3,000 kilometer border with the United States, exchange controls can only function through a banking system that follows the policies of its country and government, and not its own speculative interests or the fluctuations of international financial chaos. That is why we nationalized the banks.

‘We have been a living example of what occurs when an enormous, volatile, and speculative mass of capital goes all over the world in search of high interest rates, tax havens, and supposed political and exchange stability. It decapitalizes entire countries and leaves destruction in its wake. The world should be able to control this; it is inconceivable that we cannot find a formula that, without limiting necessary movements and flows, would permit regulation of a phenomenon that damages everyone. It is imperative that the New International Economic Order establish a link between refinancing the development of countries that suffer capital flight, and the capital that has fled. At least they should get the crumbs from their own bread. . . .

‘The reduction of available credit for developing countries has serious implications, not only for the countries themselves, but also for production and employment in the industrial countries. Let us not continue in this vicious circle: it could be the beginning of a new medieval Dark Age, without the possibility of a Renaissance. . . .

‘We cannot fail. There is cause to be alarmist. Not only the heritage of civilization is at stake, but also the very survival of our children, of future generations and of the human species.

‘Let us make what is reasonable possible. Let us recall the tragic conditions in which we created this Organization, and the hopes that were placed in it. The place is here, and the time is now.

And in December, 1998, former President López Portillo stated:

‘I congratulate Doña Helga for these words, which impressed me, especially because first they trapped me in the Apocalypse, but then she showed me the staircase by which we can get to a promised land. Many thanks, Doña Helga.

‘Doña Helga—and here I wish to congratulate her husband, Lyndon LaRouche. . . . It is now necessary for the world to listen to the wise words of Lyndon LaRouche. Now it is through the voice of his wife, as we have had the privilege of hearing. How important, that they enlighten us as to what is happening in the world, as to what will happen, and as to what can be corrected. How important, that somebody dedicates their time, their generosity, and their enthusiasm to that endeavor. . . .

‘Thus the importance that someone in the world is thinking on behalf of everyone, and is opening doors. Let us hope, Doña Helga, that your husband can influence the government of the United States, so that the proposals which you so brilliantly have laid out to us, can, in some way, be realized, and with them, that each people can express its uniqueness in the cultural realm, and in every possible aspect. Thank you.’

**Former Mexican President
José López Portillo:**

**‘And it is now necessary
for the world to listen to
the wise words of
Lyndon LaRouche.’**



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Gore, British push world to brink of nuclear war

by Muriel Mirak-Weissbach

Unless a dramatic shift is effected in foreign policymaking in Washington, the world is threatened by the outbreak of regional wars, each of which could unleash a strategic confrontation, up to and including the exchange of nuclear weapons. This is the picture which emerges from the developments which have ensued from the watershed decision in December, on the part of the British and Gore's Principals Committee inside the U.S. administration, to proceed with unilateral aerial bombardments of Iraq. That decision, taken in Washington by the *golpista* government which has seized power from President Clinton, through the impeachment process, signalled a turning-point in world strategic affairs: It arrogantly declared to the world that the U.K. and the United States would move at will as an imperial power; and, it established the fact, as Secretary of Defense William Cohen remarked at the Wehrkunde meeting in Munich on Feb. 5-7, that the U.K. and United States would not "let their hands be tied" by dissenting views of the other permanent members of the UN Security Council.

The underlying dynamic

The dynamic behind the insane rush toward confrontation, lies in the unravelling of the world's financial and monetary structures. The crisis sweeping from Asia, through Russia, and into Ibero-America, has reached the point of no return. The financial elites identified in the British-American-Commonwealth (BAC) faction, who have utterly lost control over the crisis, have responded according to historical profile, by unleashing military aggression, in hopes that they may thereby reestablish an iron grip on world affairs.

If the facts on the ground of Iraq's battered terrain documented that international law had been torn to shreds by that December action, the subsequent statements and actions of leading proponents of the BAC left no doubt that the entire NATO doctrine had also been unilaterally rewritten, to suit the BAC grouping's strategic intentions.



Secretary of Defense William S. Cohen (left) listens as Gen. Henry H. Shelton, chairman of the Joint Chiefs of Staff (at podium), briefs reporters at the Pentagon on Aug. 20, 1998. Cohen, Shelton, and other members of Al Gore's Principals Committee, are fanning the flames of war in virtually every part of the world. Never, since the collapse of communism in Russia in 1991, has the threat of nuclear war been so great.

With the stepped up aerial aggression against Iraq in January, plans moved rapidly forward to enter the final phase of the operation against Iraq, elaborated by Chairman of the Joint Chiefs of Staff Gen. Henry Shelton: to ready ground forces for entering Iraq under cover of aerial bombardments and cyberwar, in order to establish a puppet regime, and overthrow the government in Baghdad.

It is estimated by military experts, that late March-early April is the time frame for opening what the British Foreign Office hit-man for the region has called the "final chapter" in the Iraq saga. At the same time, Israeli desperado Prime Minister Benjamin Netanyahu is gearing up for conflict with Lebanon and/or Syria. Israel Defense Minister Moshe Arens directed his general staff to review the Israeli Defense Forces deployment in Lebanon, and to present "alternatives." Arens said that he was "not convinced that the way to deal with the Lebanese problem is necessarily through negotiations." Defense analyst Ze'ev Schiff correctly pointed out in the Israeli daily *Ha'aretz*, that Arens, of the hawk faction, would risk war with Syria. At the same time, a contrived story appeared in the London *Times*, claiming that Syria had a "secret deal" with Iraq, "for the supply of military equipment," i.e., establishing Syria as a viable target for Israeli attacks.

Simultaneously, new theaters of war were being traced out on the world map. The madmen of the U.S. Congress—the same who had orchestrated impeachment hearings against President Clinton in the year-long cold coup d'état process—

have been working overtime to propagate hysteria over a "new Yellow Peril," in a racist diatribe against the People's Republic of China. Not one day has gone by since the Senate vote on impeachment, without there being a new twist to the propaganda war: The infamous Cox Commission report released to Congress in January, claimed to substantiate charges that China had gained access to military technology from satellite and computer exports, as well as through outright espionage. Conveniently, in February and March, following the sabotage of the Hughes satellite deal, on hoked-up charges of "dual use" dangers, a series of cases were constructed, purporting to show that Chinese spies were feverishly gathering intelligence in the nation's scientific institutions, including at Los Alamos National Laboratory in New Mexico and at Lawrence Livermore National Laboratory in California.

The immediate intent of the drumbeat against Beijing, is to sabotage the upcoming summit between Chinese Prime Minister Zhu Rongji and President Clinton. Together with the unilateral U.K.-U.S. bombardments of Iraq, the anti-China campaign aims to reverse Clinton's policy of a "strategic partnership," with both Beijing and with Moscow, and to replace partnership with confrontation.

The war theater designated in Asia is North Korea. Again, it is the clique of impeachers in the Congress, in coordination with the Principals Committee—Secretary of State Madeleine Albright, Cohen, Shelton, and Vice President Al Gore—who are fueling the flames of war against North Korea, some-

thing which would be utterly unacceptable to both Moscow and Beijing. In House International Relations Committee hearings on Feb. 25, committee chairman Benjamin Gilman (R-N.Y.) went so far as to assert that North Korea posed a security threat to America, saying, “We must now worry

about our safety in Seattle, not just Seoul.” The target of the ravings is Clinton’s 1994 “Framework Accord” with North Korea, regarding nuclear energy, an accord supported by both China and Russia. In the immediate term, Gilman et al. seek to prevent any steps that might be taken, by Clinton’s special

Only weeks away from a nuclear war?

What follows is the text of a mass leaflet released by the Lyndon LaRouche Committee for a New Bretton Woods, in a run of 500,000 across the United States. The same text is being mass-circulated in leaflets in Europe and Ibero-America, and, ultimately, on every continent.

March 7, 1999

The worldwide financial crisis has entered its terminal phase. Southeast Asia, Japan, Russia, Brazil, the financial derivatives bubble—these are all merely facets of the same general systemic collapse. But how is the international financial oligarchy—the beneficiaries of this bankrupt, plunder- and speculation-based system—reacting to the crisis?

Instead of implementing the urgently needed reorganization, and instead of protecting citizens and the real economy against the effects of the collapse, they are reacting just as financial oligarchies have always done in the past: Start a war—or, even better, a number of them—so that a wartime regimen can be used to get back in control!

Remember 1989-90? With the collapse of the Berlin Wall and Germany’s reunification, everyone was talking about a great historic opportunity for Europe—and with good reason. But then U.S. President George Bush and British Prime Minister Margaret Thatcher decided to launch the war in the Persian Gulf, for purely geopolitical reasons, in order to break Germany’s historic momentum, and in order to establish the “New World Order”—their new label for Anglo-American hegemony. The subsequent war in the Balkans was merely a continuation of the geopolitics of the Persian Gulf war, the chief aim being to prevent Germany from playing a pivotal role in the economic development of Russia and eastern Europe. For the same geopolitical reasons, following the collapse of the Soviet Union, the International Monetary Fund’s “reform policy” was devised to ensure that Russia’s industrial base would collapse, and that it would be degraded into a mere supplier of raw materials. Russia, quite understandably,

felt that it had been betrayed by the West.

The systemic financial crisis has now reached its critical phase. President Clinton, who had, and maybe still has, the potential to act in the tradition of Franklin D. Roosevelt and implement the necessary reforms, has been paralyzed by a year of continuous bombardment from the Lewinsky affair—a veritable information war in its own right. And even though the impeachment vote failed, this attempted putsch against the U.S. Constitution was relatively successful nevertheless: Al Gore and the so-called Principals Committee (Cohen, Shelton, Albright, etc.), acting on behalf of the financial oligarchy, have succeeded in assuming control over American policy-making.

A strategic earthquake

As the result of this coup d’état against the office of the President, a strategic earthquake occurred last December—an event that escaped the attention of the absolute majority of people in the West, particularly in the United States. As a result of the December military strike against Iraq, which British Prime Minister Tony Blair, Gore, and the Principals Committee had manipulated the United States and Great Britain into undertaking unilaterally—at the moment when the UN Security Council convened about the situation in Iraq—international law suddenly ceased to have any meaning. From then on, the only thing that counted, was unilateral Anglo-American hegemony. The reaction in Russia and China, and in many other parts of the world, was deep shock—and also a complete re-evaluation of their own security situation.

At the same time, the old NATO was secretly laid to rest in an unmarked grave. And suddenly, without any public debate in the U.S. Congress, in the British Parliament, or in the German Bundestag, the United States and Great Britain declared that NATO now had a new mission: to act as a global intervention force, requiring no UN approval, against so-called “rogue states.” Interventions were to be carried out through a combination of air strikes, special forces, and information warfare. The message which the December strike against Iraq was intended to convey, was clear enough: This will be the future form of warfare, potentially, against any state. The question for continental Europe suddenly ceased to be one of integration into the NATO structure, but rather one of submission under U.S.-British hegemony.

envoy, former Defense Secretary William Perry, to review U.S. policy toward North Korea, in terms of lifting sanctions and restoring diplomatic relations.

The policy pursued by the BAC is, instead, outright war. As revealed in a Seoul paper, a plan devised by Paul

Wolfowitz and Richard Armitage, formerly members of the Bush Defense Department, calls for a “two-stage approach”: the imposition of “Iraq-style” inspections in North Korea, and, if Pyongyang refused to comply, a U.S. military buildup in South Korea, combined with a blockade of North Korea.

Evidence is mounting that around the beginning of April, there will be an escalation of the warfare against Iraq, including mass bombardment, in parallel with deployment of ground troops, set to occur simultaneously with a Turkish military intervention into northern Iraq. The timing can be expected to coincide with a peaking of Israeli operations against Syria, the idea being to effect a “general cleanout” in the Middle East, in the course of which both Saddam Hussein and Syria’s Hafez Assad are to be eliminated. And in the event that the plan goes awry, use of tactical nuclear weapons cannot be ruled out.

And now, the unthinkable: The architects of this scenario are convinced that Russia’s reaction to a tactical nuclear strike in the Middle East and Central Asia, would be unpredictable. Part of this “war game” is therefore a limited exchange of nuclear strikes between Russia and the U.S.A., that would result in the combined loss of “only” about 50 million human lives on both sides. The calculation also includes a possible war between the U.S.A. and North Korea, according to former Bush adviser Robert Blackwill, who made this brutal announcement at a Center for European Integration Studies conference in Bonn on March 4. And, of course, nuclear weapons could play a role in North Korea, too.

As we have already indicated above, this “catastrophe scenario” is being played out against the backdrop of an impending systemic collapse of the entire international financial system.

Stop the insanity!

We must put a stop to this insanity! The matter must be brought up for inquiry in parliaments and congresses of every nation. Governments must immediately provide clarification on the following points:

- Are preparations currently under way for a new, escalated military strike against Iraq in early April, and, if so, what is the purpose of this war?
- Are parallel preparations under way in Israel for a war against Syria, using “Islamic terrorists” as a pretext?
- What is the significance of the new NATO doctrine that is to be officially adopted at the upcoming NATO summit in April? Do the United States and Great Britain have war plans that anticipate deployment of nuclear weapons in the near term?
- Does President Clinton know about such plans?

These questions — questions which will determine the very existence of our nations — must be clarified immediately.

But if humanity is to be saved from plunging into barbarism, the underlying cause of civilization’s present crisis must be removed as well. And that means that the bankrupt world financial system must be rapidly reorganized. President Clinton must exert the authority of the office of President of the United States, and must immediately convene a conference to establish a New Bretton Woods system. The present bankrupt financial system must be replaced by a new system that encourages production, instead of speculation.

A ‘Survivors’ Club’

Russia and China are not enemies of the West. President Clinton is correct when he states that the preservation of peace in the 21st century depends on the strategic partnership between the United States and China.

China, Russia, and a growing number of Asian nations have realized that they will only be able to survive, if they act to protect themselves against the effects of globalization and the world financial crisis, which for some time now have been spilling over into depression of the real economy. China, Russia, and India have therefore joined together into a “strategic triangle,” which other nations will now join. This strategic partnership represents no threat to the West; rather, these nations, constituting a kind of “Survivors’ Club,” are simply committing themselves to the same values and principles that at an earlier time were also the natural tradition of the United States and western Europe: national sovereignty, scientific and technological progress as the basis of all social wealth, and the state’s responsibility to ensure the general welfare of its citizens.

It is also in the best fundamental interest of the United States and Europe, that the Eurasian Land-Bridge be expanded — i.e., that Eurasia’s infrastructure and economy become integrated, so that it may function as the keystone for global reconstruction of the world economy. And that includes the industrialization of Africa and Latin America.

We call upon you, fellow citizen, to ensure that the response to this crisis is not war; instead, let our answer be a new, just world economic order!

Give us a call! Join us in a worldwide mobilization!

The plan also includes “preparations for a preemptive military strike on suspected nuclear facilities” in North Korea.

That such an option is being actively considered in Washington, was announced to a European audience on March 4 by Robert Blackwill, who blatantly announced, “There is a real chance of war between the U.S. and North Korea, a war on the Korean Peninsula that will have enormous economic consequences across Asia. . . . As we confront the rise of Chinese power, it will be very hard for the international situation.” Blackwill concluded with the suggestion, “Don’t be surprised about American unilateralism.”

And Defense Secretary Cohen, on tour in the Persian Gulf, told U.S. troops there that they should be prepared “to take on someone like Saddam, or be able to go to war in Korea if that should become necessary.”

‘There is a limit to the tyrant’s power’

If the unilateral U.K.-U.S. military aggression against Iraq in December threw down the gauntlet to Russia, China, and, implicitly, the entire “international community,” the challenge has not gone unanswered. From various capitals, voices are being raised, openly rejecting what is being increasingly perceived as the arrogance of Anglo-American power.

Most significant is the continuing development of a positive alternative to the underlying cause of the war danger—financial and economic breakdown. This alternative lies in the combination of forces in the “Survivors’ Club,” centered around China, Russia, and India, which have determined that they will not subject their economies and populations to the ravages of the breakdown crisis.

What has emerged, in addition to this positive dynamic, are rumblings of discontent among European governments, as well as in the various designated war theaters, against the strategic insanity of the BAC.

In the Middle East and Persian Gulf, for example, Defense Secretary Cohen was treated to an unprecedented, cold welcome from many of the Arab Gulf sheikhdoms which the BAC considers their property. During a tour of the region, Cohen was not able to hold a joint press conference with any of his hosts, except the Foreign Minister of Qatar, who openly attacked the U.S.-U.K. strikes against Iraq. Cohen had offered the Gulf states yet more military deliveries, including air-to-air missiles, as well as intelligence sharing on alleged Iraqi and Iranian missile launches. He furthermore advanced the cause of joint training and maneuvers of ground forces, which reportedly the Saudis accepted. But the response to Cohen was cold: In Bahrain, the content of Cohen’s briefing to the Emir, probably regarding the next phase in the war plans, was apparently so unacceptable, that the Emir immediately suffered a heart attack and died. When Cohen faced the press in the U.A.E., he was assailed by a torrent of hostile questions from reporters. Cohen was grilled on what he had said to American troops regarding their readi-

ness to go to war, even against North Korea. He was challenged on the legitimacy of the “no-fly zone”; he was asked if the United States were exploiting the Iran-Iraq danger, in order to sell weapons to the region; and so forth. When a question was directed to Sheikh Hamad, regarding support for the bombardments against Iraq, Cohen’s host replied, “We wish not to see Iraq being bombed daily.” Acknowledging differences with the U.S. policy, he stressed, “I cannot say we support the daily no-fly zone attacks.”

Reactions in Europe

In Europe, as well, signs of a sane rejection of war were to be seen. Most significant was the historic visit of Iranian President Seyyed Mohammad Khatami to Italy, the first of an Iranian President to Europe since 1979. Khatami’s talks with the Italian government at all levels, and his several public appearances, stressed the need for dialogue in place of conflict. As to the reason why Italy had been chosen as the first country on his European tour, Khatami pointed to the cultural heritage of Italy, especially to the Renaissance, as the basis for modern civilization. Following talks with political personalities, it was made clear that Iran agreed with Italy and France on the need to stop the military confrontation in the Persian Gulf immediately, and to seek peace.

The visit of the Iranian head of state to Italy was crowned by a personal meeting with Pope John Paul II, who has been campaigning indefatigably to prevent war. The historic meeting of the Shi’ite leader and the head of all Catholics, established the basis for a “militant ecumenism,” a profound exchange between Islam and Christianity, between Europe and Asia, directed toward securing world peace, through cooperation. Khatami’s visit was a direct challenge to the arrogance behind the dual containment policy. The fact that Italy and France had just signed a huge contract with Iran for development of oil fields a week earlier, was another slap in the face of the forces in the United States who uphold the absurd D’Amato sanctions.

Finally, reactions in Europe to the judicial barbarism shown by American authorities, in defiance of international law and the norms of morality, have been crucial. In response to the decision by American authorities to proceed with the execution of two German prisoners, sentenced to death, despite a ruling by the international court in The Hague, triggered a massive wave of protest in Germany. And, the incomprehensible decision to acquit the U.S. military pilot, Captain Ashby, responsible for the deaths of 20 persons killed in a ski gondola crash in Italy, led to the decision by Italian Prime Minister Massimo D’Alema to review the entirety of the Italian-American 1954 treaties in the context of NATO.

Such steps signal the beginnings of a movement stretching from Eurasia now into western Europe, which could organize forces who will say no to the arrogance of the BAC.

NATO globalization plans advance

by Michael Liebig

In April, the summit will take place in Washington, D.C., marking the 50th anniversary of the founding of NATO. Most assume that the main focus of the summit meeting will be the eastward expansion of NATO, to include Poland, Hungary, and the Czech Republic. But that is not the case. There is every indication that the trusty “old NATO” will be buried, because, at this conference, a new “strategic concept” for NATO will be introduced. Yet, absurdly, there is absolutely no substantial public debate in political circles, neither in the United States nor in Europe, on what actually is at stake in the Washington summit: It is, in short, a question of war or peace.

Shelton’s London speech

What are we to understand under the rubric of the new “strategic concept”? On March 8, the Chairman of the U.S. Joint Chiefs of Staff, Gen. Henry H. Shelton, speaking at the London “NATO at 50 Conference,” of the Royal United Services Institute (RUSI), declared that NATO must “broaden its strategic perspective to protect all of our interests from a myriad of complex, asymmetric threats that span the conflict continuum.” NATO must “place new emphasis on the unpredictable and multi-directional nature of threats such as regional conflict, weapons of mass destruction, and terrorism.”

Before proceeding to investigate what is lurking behind the shadowy words of General Shelton, it must be added that Shelton also stated that, “while the Alliance has not yet reached complete consensus on these initiatives . . . it is my hope that we will come to closure on these important issues over the next month.” This remark by Shelton is very important. The new “strategic concept” has been in discussion in a “Policy Coordinating Group” of NATO since January 1998. Quite evidently, among the NATO member-states—primarily between the United States and Great Britain on the one hand, and the continental European members on the other—there has been no harmony, and to the present day, no common agreement on the new “strategic concept” has been reached. Therefore, in the short time remaining, it is urgent to prevent NATO from being transformed into something which is the exact opposite of the objectives that have characterized it thus far.

What the United States and Great Britain want from the new “strategic concept” of NATO is clear. Here, by “the United States,” a differentiation must be made: American foreign and security policy has been largely usurped by the “Gore parallel government,” which includes, along with the Vice President and Shelton, also Secretary of Defense William Cohen, Secretary of State Madeleine Albright, as well as the apparatus of top officials from the Pentagon, the National Security Council, and the various intelligence services. The new NATO strategy has been under discussion since January 1998, and since January 1998 President Clinton has been in the line of fire of the Lewinsky affair, which has not abated even following the failed impeachment coup attempt. President Clinton thus has not really played any essential role in shaping the content of the “new NATO” strategy.

To understand the debate on the new NATO strategy, the continuing escalation of the internal American political situation as well as of the world financial and economic crisis since 1997, must be grasped. It is out of this dynamic that a fundamental shift in the military-strategic approach has emerged, which has found its expression in the “new American military strategy” associated with the names of Shelton and Cohen.

The essence of it is the triad of air warfare, special forces deployments, and so-called information war (or cyberwar). At the same time, the threshold for the “first use” of tactical nuclear weapons, in case the conduct of war along the lines of the “triad” concept does not succeed, is significantly lowered. The ongoing Anglo-American “undeclared” war against Iraq is a test run for the new military strategy.

The ‘rogue states’ strategy

The enemy image of this strategy is the so-called “rogue state”—currently Saddam Hussein’s Iraq, Syria under Hafez al-Assad, or North Korea. On Feb. 22, the military correspondent for the Paris newspaper *Le Monde*, Jacques Iznard, wrote that the United States had declared the “rogue states” as the leading current strategic danger, and the “central threat in the 21st century,” but he wondered if thereby the U.S.A were not “provoking new scapegoats into existence, after having lost the enemy image of the Cold War.”

Anyone who can look beyond his nose in daily events,

will not have any difficulty recognizing that others, beyond the states mentioned, could very quickly be counted among the “rogue states,” if they ostensibly or actually threatened the hegemonic power position of the Anglo-American establishment in the world—be it in the financial-economic or in the political-military realm. Thus, there should be no surprise to see the British-American-Commonwealth (BAC) faction turning China increasingly into an enemy image. In broad layers of the U.S. Congress, as well as among many military and intelligence circles, China has already become a “rogue state,” which supposedly threatens the national security of the United States in a manner similar to that of the Soviet Union during the Cold War.

The BAC power group knows that China is still relatively weak and that it would require about ten years to reach the status of a superpower. In purely military terms, China has only 18 land-based intercontinental missiles; its strategic nuclear arsenal is thus much weaker than that of France or England.

The BAC faction wants to stop China, before it becomes a superpower. This has not eluded the Chinese, who have qualitatively strengthened their strategic cooperation with Russia—with its still impressive strategic nuclear forces. The BAC leading elites are committed to breaking this Russian-Chinese cooperation, by any means, to isolate China, calculating that an isolated China could not withstand a “global power struggle.”

At the moment the BAC elites are concentrating primarily on Russia, and are attempting to bring down the Primakov government, through an escalation of the political destabilization and economic crisis in the country. For the BAC elites, India, which has also become a nuclear power in the meantime, constitutes a potential “rogue state” as well; the more so, if India works together with Russia and China, in the economic and political-strategic realm. Such a “Eurasian triangle” has become the great geopolitical enemy image of the BAC elites.

The BAC and continental Europe

This all has to be taken into consideration, when trying to decipher the obscure words of General Shelton. Shelton attacks those “cynics” who “speculate that America seeks to shift NATO toward some kind of global role,” but then he confirms this would-be speculation when he says, that NATO must “redefine its mission . . . to reflect the geopolitical landscape to which it is anchored,” i.e., the “amorphous,” “asymmetric,” and “complex” threats he sees as being located “beyond NATO territory,” but which “directly affect NATO’s security.” NATO must have the ability “to respond quickly and effectively to crises, either within NATO territory or in areas of fundamental interest to the Alliance.”

Behind Shelton’s tortuous formulations lies a rather simple strategic state of affairs. On the one hand, the BAC elites

need the logistical and military potential of NATO in western Europe for their global strategy, because they have lost much real economic and military-logistical substance in the United States over the last ten years, even though this is generally not acknowledged to the public.

On the other hand, they would like to avoid the political tensions and frictions with western Europe which would lawfully emerge in the event of a coalition forged to move militarily against a third party. This is even more the case, if western Europe considers itself not threatened by the third party or parties, or if Europe has substantial common interests with the would-be enemy.

Apparently, the BAC’s desire is for western Europe to accept and adopt, as far as possible, the new American military strategy, within the context of the “new NATO,” but without Europe “meddling” too much in global political and strategic affairs. From this, a “geopolitical division of labor” would ensue between western Europe and the United States, which was decried as follows by the renowned *Austrian Military Magazine*:

“NATO’s strategic orientation will shift from an East-West scenario to a North-South or a West-South-East scenario, and thus cover an operational area which stretches from India to Morocco.” For this “operational area,” a “European Security and Defense Identity” within NATO would be allowed, and even encouraged.

A great ‘Cold War’ and ‘hot’ regional wars

This “new NATO” would quite clearly no longer be the “old” NATO. The “old” NATO was a defensive alliance to secure the territorial integrity of the area of the alliance, against possible attacks by the Soviet empire. The alliance was based on the principle of collective security, according to Article 5 of the Washington NATO Treaty of 1949. This means that any attack against any partner of the alliance, constituted a case of defense for the whole alliance.

In respect to this traditional NATO doctrine, Shelton said in London, “This narrow view of collective defense is, however, insufficient to counter the more sophisticated and subtle dangers we face today. . . . NATO must be prepared to cope with the very real threat to our people, our territory, and our military forces posed by weapons of mass destruction (WMD) and their means of delivery. This is arguably the most significant Article 5 threat that we collectively face, and one we must address seriously, together, and soon. We must do more than just acknowledge WMD as a priority challenge; we must turn rhetoric into reality.”

If Shelton were talking about developing a missile defense system for NATO, based on “new physical principles” (directed energy systems) and on strategic agreements with Russia, China, or India, then one could only happily agree. But that is not what Shelton wants.

In the *Le Monde* article, Iznard wrote that in the United

States, the tendency was to “equate weapons systems developed by ‘rogue states’ to the weapons arsenal of the Nazis in the Second World War,” which then justifies the fact that “American policy in this area is first of all aggressive, and only occasionally defensive. This policy of ‘counter-proliferation’ is based on the trust [of allied states] in the information which would be supplied exclusively by the U.S.” These states should thus “be prepared, with or without NATO, to launch military action instantly, on the basis of an early warning signal related to weapons of mass destruction in whatever country.”

War in the Middle East

Here, one further important point should be stressed in connection with the “rogue state” strategy. One “rogue state”—usually a rather weak one—is being hit militarily, but there is also an indirect “message” to other states being delivered through this action. Iraq, or perhaps tomorrow, Syria or North Korea, is bombarded, but the countries actually targeted, are those with a significantly greater economic and military potential, which, however, do not behave like “rogue states.” It is they who should be “taught a lesson” by the bombardments of the “rogue states.”

Iznard referred to a recent statement by CIA director George Tenet in the U.S. Senate, in which he declared that the threat to the United States from the proliferation of ballistic missiles and weapons of mass destruction was “here and now.” In this statement, Tenet had concentrated on the “North Korean threat,” but at the same time, said that Russia, China, Iran, India, and Pakistan had practically eluded any effective international controls regarding weapons of mass destruction.

The approach to Iraq is similar; here it is to be assumed that in April at the latest, the Anglo-American military operations will escalate qualitatively. Although neither Russia nor China may harbor particular sympathies for the government of Saddam Hussein, they have good reason to vehemently oppose the undeclared Anglo-American war against Iraq. They know that Iraq is to be used, “to teach a lesson,” whose political-strategic implications reach far beyond Iraq. They know what was meant by the fact that the Anglo-American bombardments of last December began just as the UN Security Council was in the middle of consultations over Iraq. Russia and China also know that the failure of air war and special forces troop deployments to overthrow Saddam Hussein, could lead to an escalation with tactical nuclear weapons, because the superpower America and the British—always pushing and hyping the United States—would “lose face” otherwise. The orchestration of a terrorist attack with chemical or biological weapons, as a justification for the deployment of tactical nuclear weapons, does not present any serious problem, for those determined to stage it. A “hot war” in the Middle East—especially with tactical nuclear

weapons—would radically alter the whole world political situation.

The NATO debate must be a public debate

This is the concrete context in which the discussion on the content of the new “strategic concept” of NATO is unfolding. These actions in the Middle East reveal the real content which lurks behind the tortuous formulations of General Shelton. Obviously, western Europe is torn between Anglo-American pressure to accept a radical transformation of NATO, on one hand, and the attempt to prevent a “new Cold War,” on the other.

The long-term economic and strategic interests for Europe’s survival demand that it stay out of any political or even military confrontation of the “West” with Russia or China. At the same time, it is in Europe’s basic interest to prevent a transatlantic split and even mutual hostility.

So far, the discussions of the “new NATO” have taken place almost exclusively behind the scenes. But it must not be left to a Gore, British Prime Minister Tony Blair, Shelton, or anonymous government or military officials. Therefore, the debate over what is really at stake in next month’s Washington NATO summit, must be brought out into the open—in the United States as well as in Europe.

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McCarthyite onslaught hits U.S.-China ties

by Mary Burdman

The efforts to generate a new “Cold War” by the “British-American-Commonwealth” faction, representing Wall Street and the City of London, is setting off a “new McCarthyism” hysteria inside the United States. The same methods used during that disastrous period of U.S. history, which was ushered in after Harry S Truman became President following the death of Franklin Roosevelt, are being applied now. Lies, gossip, and innuendo, are being used by the media and the “attack-dog” faction of the U.S. Congress, including Republicans Chris Cox (Calif.) in the House and Richard Shelby (Ala.) in the Senate, to try to frighten whomever in the U.S. population is gullible enough, into believing that China is America’s new “Cold War” enemy.

The McCarthy witch-hunts were used in postwar America, as a bludgeon to destroy America’s wartime alliances with both Russia (then the Soviet Union) and China, and, through brutality epitomized by the executions of alleged “Soviet spies” Julius and Ethel Rosenberg, to cow the population into accepting, if not believing, the “Iron Curtain” worldview of Britain’s Winston Churchill and Truman. Then, it was the notorious anti-Semitism of the Rosenberg case; now, “Yellow Peril” racism is being used to sabotage the genuine, substantial progress in relations between China and the United States, that has been achieved by Presidents Bill Clinton and Jiang Zemin during the past four years, and to frame up political figures, scientists, and everyone who has cooperated with China.

The British-American-Commonwealth (BAC) mob is using the same newspapers, hacks, and “spooks,” that they used to (unsuccessfully) try to impeach President Clinton, to generate a daily onslaught of hyper-sensational articles and books attacking China. The *Washington Times*, owned by Rev. Sun Myung Moon’s “neo-conservative” Unification Church, publishes several sensationalist articles *every day*; the onslaught from the establishment press, such as the *Washington Post* or *New York Times*, is not far behind, and getting more aggressive by the day.

Who’s afraid of ‘national economic security’?

The BAC faction, which is trying to start wars and confrontations as rapidly as possible, fears Chinese national security policy—because it is one of “common development” for peace. At the Asia Pacific Economic Cooperation Forum (APEC) summit in Kuala Lumpur, Malaysia last November,

after Vice President Al Gore brutally called for the overthrow of the government of Prime Minister Dr. Mahathir bin Mohamad and demanded obedience to the dictatorship of the “markets,” Jiang Zemin warned that globalization has “presented countries, especially for developing countries, a new subject to tackle: How to ensure national economic security. . . . If there is no economic security, then there is no real national security.”

What the BAC fears, were the United States to adopt the policies of Lyndon LaRouche’s New Bretton Woods proposal, in alliance with China and other Eurasian nations, Wall Street’s power over world affairs could be broken. For the past years, Lyndon and Helga LaRouche have been the strongest voices in U.S. policymaking, calling for a strategic alliance between China and the United States.

President Clinton’s policies fall far short of LaRouche’s New Bretton Woods alliance, but the President understands very well the strategic importance of improving Sino-U.S. relations, based on “engagement,” on political, military, and economic fronts. The Commerce Department under the late Ron Brown had promoted a sound policy of state-to-state collaboration to build infrastructure; and former Defense Secretary William Perry initiated the successful U.S.-China military exchanges, which the Pacific command has announced it wants to continue.

Indeed, this obsessive anti-China mob is distorting the history of U.S.-China relations over the past 25 years: It was Richard Nixon who opened relations to China in 1972, and Ronald Reagan made a six-day state visit to China in April-May 1984, during which he signed protocols on cooperation for peaceful use of nuclear energy, cooperation in the field of management of industrial science and technology, and on cooperation in the field of scientific and technological information.

Anti-China campaign launched in 1995

The anti-Clinton, anti-China campaign was launched in earnest in 1995, using the controversy over the visit of Taiwan’s President Lee Teng-hui—no friend of China-Taiwan cooperation—to the United States, and hysteria in the U.S. press over alleged Chinese “war” threats to Taiwan during the elections in March 1996. Wild allegations about Chinese espionage, human rights violations, and financial contributions to the Clinton election campaigns were a constant theme in the press for months afterwards, but the genuine success of the Jiang Zemin visit to the United States in late October 1997, and the Clinton return visit last year, stalled the onslaught.

At the same time, inside the United States, the BAC was so heavily involved in using its sordid sex scandals to try to force the President from office, that China was (relatively) neglected. But with the collapse of the impeachment operation, “Yellow Peril” again became the obsession.

The centerpiece of the current frenzy is the primitive propaganda piece *The Year of the Rat*, the U.S. “bestseller” which

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THURSDAY, MARCH 11, 1999
No. 51,428

Washington and elsewhere: Heavy snow with brisk winds, high 41. Tonight, partly sunny; tomorrow, "breezy and sunny" with high 43. Weather map and details appear on page C2B.

ONE DOLLAR

Delai Lama and Thousands of Exiles in India Protest China's Rule
DHARAMSALA, India, March 10 — Tibetan monks burned an effigy of China's President Jiang Zemin and set off a march making an appeal for more respect for the rule of law in Tibet.
In the northern Indian city of Dharamsala, the Tibetan people's spiritual leader, the Dalai Lama, spoke to 4,000 Tibetans and foreign supporters, including the actors

that forced the Dalai Lama to flee his native Tibet in 1959, as he announced the Tibetan National Day in the Tibetan capital, Lhasa.
China, which took control of the region in 1951, asserts that Tibet was historically a Chinese province, but the Dalai Lama says that Tibet was a sovereign state.
Since the Dalai Lama fled, about 120,000 Tibetans have followed him into exile in India. Thousands more live in Europe and North America.

which shares a border with India, and refusing to discuss with him a compromise on the Hainan Strait.
"A lack of political will and courage on the part of the Chinese leadership has resulted in their failure to recognize my numerous overtures over the years," he said.
After his speech, the audience spilled into the streets of the killing town in a sea of protest marches led by monks and nuns. They chanted slogans critical of the United States.

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China's Corruption
By STEW FARNON
BEIJING, China — In a typical Chinese town like this one, the local Communist Party official, with the authority of an old-time confidant, will be the one to tell you that the government is corrupt. He will tell you that the government is corrupt. He will tell you that the government is corrupt. He will tell you that the government is corrupt.

No. 1 Complaint of Chinese: All This Corruption!
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FIGHT OVER ORGANS STATES WINNIN'
By SYDNEBERG
March 10 — The nation's second largest health care industry is in a bitter fight over the number of hospitals that are passing laws that will force more hospitals to be sold to private investors. The industry is in a bitter fight over the number of hospitals that are passing laws that will force more hospitals to be sold to private investors.

ALBRIGHT DEFENDS POLICES ON ATTACKS AS G.O.P. CHINA
By ERIC SCHMIDT
WASHINGTON, March 10 — Secretary of State Madeleine K. Albright defended American policy toward China in the face of continued Republican attacks on the Administration's handling of human rights in China, including testimony from the Liu Xiaobo laboratory.

Clinton Offers His Apologies
By ERIC SCHMIDT
WASHINGTON, March 10 — Secretary of State Madeleine K. Albright defended American policy toward China in the face of continued Republican attacks on the Administration's handling of human rights in China, including testimony from the Liu Xiaobo laboratory.

Cracking the spy puzzle
By JOSEPH PERKINS
Yan Xi, a Chinese spy master, was arrested in San Francisco last week after he had planned to ship to his residence in San Francisco a large quantity of sensitive information. He had been arrested in San Francisco last week after he had planned to ship to his residence in San Francisco a large quantity of sensitive information.

Fortune Cookies
The United States cannot continue to ignore China's attempts to acquire sensitive, military-applicable technology through its

Senate to probe if White House tried to hide China spying
Los Alamos scientist implicated in espionage case
By BILL GUTZ
WASHINGTON, March 10 — The Senate will conduct hearings on whether the White House tried to cover up the Chinese espionage case.

Lapses in nuclear security finally heeded after decade
By JULIA MALONE
WASHINGTON, March 10 — Security at U.S. weapons laboratories has improved since a 1989 nuclear security probe, but there is still a long way to go, according to a report by the House Select Committee on Intelligence.

U.S. media have been filled with headlines bashing the People's Republic of China, a phenomenon absent from European press. Shown here are headlines from only one's day's issues of the New York Times and Washington Times.

claims to show "how Bill Clinton compromised U.S. security for Chinese cash." Having ruined one recent Sunday reading this trash, I am left wondering, how long will it be, before a Ku Kux Klan tract is promoted into a bestseller?

Relying on salacious gossip and innuendo—the authors' cited experiences of China are confined to an alleged prostitution ring at a Macao hotel, to which they devoted extensive attention, and a short visit to the Shanghai stock exchange—Washington "staffers" Edward Timperlake and William C. Triplett claim that alleged financial campaign contributions from one Indonesian family of Chinese origin amount to "communist Chinese military intelligence" penetrating the White House.

One example suffices to show the authors' blatant racism: reporting on a meeting between a "high-ranking Chinese military officer" with "senior officials of the Securities and Exchange Commission," Timperlake and Triplett comment: "The communists are becoming capitalists, just like in Orwell's *Animal Farm*, where the pigs became like men, and the men like pigs, and in the end no one could tell the difference." In China, a land with a 5,000-year-old culture, the leadership had the decency to ban the single Chinese book repeating all the gossip used to attack President Clinton, before he visited China. Would that Washington spookdom could even comprehend such courtesy.

The authors prove nothing: A slimy allegation on one page, several pages later is transmogrified into "fact," using murky "circumstantial" evidence to support their central "big lie": that the government of China is the enemy of the United States, and only wants to steal U.S. "security" secrets—

which, the authors brag, are being leaked on a daily basis into the Washington press, by their own circle of Clinton enemies! The book's "sources" feature neo-con Frank Gaffney, one of the bitterest, and most active enemies of President Clinton. He is a former Pentagon "cold warrior" and an Assistant Deputy Undersecretary of Defense during the Reagan administration, who heads the Washington Center for Security Policy. Gaffney says what the authors are desperate to hear: that "the PLA [People's Liberation Army] was threatening Los Angeles with nuclear weapons."

Triplett and Timperlake both worked on the staff of Rep. Dan Burton (R-Ind.), one of the worst enemies of any genuine U.S.-Asian strategic relations, and, like his protégés, a raving "anti-communist." Triplett, who has been an American intelligence operative in East Asia, reportedly also took part in intelligence operations against the Chinese military in Tibet. He worked for arch-conservative Sen. Jesse Helms (R-N.C.) on anti-China issues, and contributed to the Democratic Party's human rights mafia around then-Sen. Al Gore, even writing the parts of the Gore-McCain Act, which mandates sanctions against any country that transfers advanced conventional weaponry to Iran or Iraq.

Relentless madness

The immediate target of the anti-China campaign, is the upcoming visit of Chinese Prime Minister Zhu Rongji—just returned from his highly successful visit to Moscow—to Washington beginning on April 8.

In recent weeks, the new McCarthyites have managed to damage U.S.-China relations. On Dec. 30, the "Cox Commit-

tee” in the House of Representatives, which has been investigating alleged harm to U.S. security through U.S.-China trade with satellites and commercial rocket launches, issued its 700-page classified report, calling for draconian measures to cripple high-technology trade between the United States and China. Much of the classified report has already been leaked to the press.

On Feb. 23, the U.S. government refused to grant a license to the Hughes Space and Communications company, to sell commercial communications satellites to Chinese companies—a serious loss to the U.S. company. Reportedly, the Pentagon, the State Department, and intelligence services objected to the sale, while the Commerce Department favored it.

The action was strongly condemned by China, but the Chinese leadership has kept a restrained attitude toward the anti-China frenzy. In a mid-February interview in Beijing with Norman Pearlstein, editor-in-chief of Time Inc., Jiang Zemin said: “The Chinese are very smart. On our own, we developed the atomic and hydrogen bombs. If you refuse to sell us satellites and other new high-tech products, we may be able to develop them by ourselves. Then we will not have to purchase yours.” Pearlstein wrote that Jiang, while professing close relations with President Clinton, expressed “frustration with the squabbling over China policy in Washington.”

On Feb. 25, the Senate voted 99-0 calling on President Clinton to sponsor a resolution condemning China for “human rights abuses” at the annual UN human rights conference in Geneva this month. Last year, Clinton refused to sponsor such a resolution.

At the same time, the Pentagon has prepared a report on the alleged Chinese military build-up across the Taiwan Strait. Chinese military expenditure, of course, is only a fraction of that of the world’s two biggest military spenders, the United States and Japan (the latter, despite its “peace constitution,” maintains, among many other military capabilities, the world’s second-largest navy).

China has reacted strongly to the insane, incompetent plans of Defense Secretary William Cohen to build (if he can) and deploy a Theater Missile Defense (TMD) system with Japan, and possibly Taiwan. China views this scheme as a threat to the overall stability of the Asia-Pacific region, and totally unjustified by the military situation. Deploying TMD systems in Taiwan, would be seen by Beijing as an unacceptable strategic provocation against its national interests. Foreign Minister Tang Jianxuan said at a press conference on March 7 that development of the TMD system for Japan will “exert a negative impact on the global and regional strategic balance and stability into the next century. So China is very much concerned about it.”

It should be noted, that Cohen’s incompetent National Missile Defense system (NMD) for the United States, would aim at China’s minuscule strategic nuclear force, of 17 ICBMs.

U.S. human rights violations

The frenzy worsened as Secretary of State Madeleine Albright departed for a visit to China on March 1, when the State Department issued its annual “Human Rights” report—attacking “human rights violations” in 190 nations—except, of course, the United States. This report was nastier to China than in previous years.

Just before Albright’s trip, she had met with President Clinton in San Francisco, where he gave a speech, reiterating his policy toward China: “I do not believe we can hope to bring change to China if we isolate China from the forces of change. Of course, we have our differences, and we must press them. But we can do that, and expand our cooperation, through principled and purposeful engagement with China, its government, and its people.”

Albright did not follow Clinton’s lead, and launched her usual “human rights” diatribe in Beijing, just as she had at the Chinese Embassy reception in Washington in January, marking the 20th anniversary of U.S.-China ties. But the Chinese government was prepared for her. During her visit, the *People’s Daily* published a long, well-researched article documenting, accurately and in devastating detail, the economic, racial, imprisonment, crime, and other conditions in the United States, which violate the rights of its citizens.

Speaking at a press conference prior to their meeting, Foreign Minister Tang warned about the “handful of anti-China elements within the United States,” who seemed intent on “going all out to interfere with and obstruct the normal development of U.S.-China relations. . . . Their acts have run totally against the trend of historical development . . . nor do they serve the aspiration and interests of the general public in the United States.” Albright countered that “everyone was ‘united’ around their concern for human rights.”

State Department spokesman James Rubin later described the talks as “forceful, tough, and there wasn’t a lot of agreement.”

The new Rosenberg case

After Albright’s return, things got hotter, with new charges of Chinese “military espionage” emerging daily from the U.S. Congress and media. On March 6 and 7, the *New York Times* published two articles, elaborating a Feb. 17 *Washington Post* story alleging that the Chinese gained access to information on how to produce smaller warheads so that it could MIRV its missiles, through alleged spies employed at Los Alamos National Laboratory during the 1980s. (MIRV stands for Multiple Independent Reentry Vehicles.) One of the authors, Jeff Gerth, had written an article in April 1998, claiming that China got U.S. military technology through commercial satellite launches, which led to the formation of the “Cox Committee.”

Asked by NBC’s host Tim Russert on “Meet the Press” on March 7, whether this theft was of greater significance than the damage allegedly done by the “Soviet spies,” the

Rosenbergs, Senate Intelligence Committee chairman Shelby, a Conservative Revolution relic, agreed.

This reference to the Rosenbergs, who were executed for allegedly passing nuclear secrets to the Soviet Union, unfortunately has relevance to the current situation. The Soviet Union, with its scientific tradition and capabilities, did not require stolen secrets to develop its nuclear arms capability. China, too, developed the atomic bomb in 1964 in a massive national effort, after being denied all technology by the U.S.S.R. and the United States, more rapidly than either other nuclear power had.

Senator Shelby fulminated about U.S. national security, and said that he is planning to hold closed-door hearings starting on March 17, where his first witness will be FBI Director Louis Freeh. According to the *New York Times*, the discovery of the alleged Chinese espionage came to light while Congress was investigating the role of foreign money in the 1996 Presidential campaign and as charges emerged that Beijing had secretly funneled money to the Democratic Party.

The same day, Senate Majority Leader Trent Lott (R-Miss.), a notorious racist, said that the Senate may consider holding the administration in contempt of Congress in an attempt to expose more “security violations” in relation to China. On March 11, Richard Lugar (R-Ind.), who sits on the Senate Foreign Relations Committee, published his own diatribe claiming that the United States “may now be at significantly greater risk from a Chinese ballistic missile attack.”

Chinese Foreign Minister Tang Jianxuan dismissed the charges as baseless and “very irresponsible” during his Beijing news conference: “There are some people who want to stop the United States from exporting normal high-technology products to China. I think this will not be beneficial to the interests of the United States.”

The most recent operation has been the firing of the Chinese-born scientist Wen Ho Lee from Los Alamos National Laboratory. Unfortunately, Department of Energy Secretary Bill Richardson on March 8 recommended to the University of California, which operates the laboratory, that it fire Lee for “failing to properly inform the Laboratory and DOE about contact with people from a sensitive country; specific instances of failing to properly safeguard classified material; and *apparently* attempting to deceive the laboratory about security-related issues” (emphasis added).

However, even the FBI, which had been investigating Lee, has admitted that it has no proof of any wrongdoing, and therefore has no ground to arrest him. Gaffney again raised the specter of the McCarthy period, in a March 8 press release, claiming that Los Alamos has been a “security problem” since “Julius Rosenberg, half a century ago went shopping for atomic secrets for the Soviet Union.”

Sen. Bob Smith (R-N.H.), chairman of a Senate Armed Services subcommittee, has also joined the fray, calling for the firing of National Security Adviser Sandy Berger, a Clinton loyalist, over the “spy cases.”

Principals Committee readies ‘Final Solution’ in the Middle East

by Muriel Mirak-Weissbach

The Anglo-American aggression against Iraq is scheduled to escalate through this month, and, by the latest, in April, to culminate in a ground offensive by special forces, which will attempt to topple the government of Saddam Hussein. This is the plan, elaborated by Chairman of the U.S. Joint Chiefs of Staff Gen. Henry Hugh Shelton. Over the first two weeks of March, U.S. Defense Secretary William Cohen followed in Shelton’s footsteps on a tour of the region, to discuss the plan with the Arab Gulf governments, and Israel. His discussions with the Israelis, though not publicized, most certainly dealt with the other prong of the regional offensive: Israel’s planned attack against Lebanon and/or Syria.

The timing of both projected offensives, is determined by events outside the purely military context. The British, Shelton, and Cohen are eager to see through their reenactment of the Panama invasion before the April summit of NATO in Washington, during which they intend to present the “new NATO doctrine” tested against Iraq, as a *fait accompli*. Israel’s scheduling considerations are largely shaped by Prime Minister Benjamin Netanyahu’s calculation, that a campaign into Lebanon could enhance his electoral chances, if the hostilities can be brought to a successful conclusion well enough in advance of the May 17 vote in Israel.

There is no guarantee that either option will function according to prescription. If the insane Shelton plan is implemented, and special forces enter Iraq, all indications are that civil war will be the result. Failure in the putsch attempt would then put the deployment of tactical nuclear weapons on the table. This, like Israel’s aggression against Lebanon/Syria, will be vehemently opposed by Russia, China, and France. Thus, this two-front conflict constitutes a test case for the new NATO doctrine of Shelton et al., of utterly unforeseeable ultimate consequences.

Cohen readies the troops

For the first time on such a tour of the Persian Gulf and Middle East, the U.S. Defense Secretary openly discussed ground troop deployments. As noted in an Associated Press wire March 10, “The U.S. military is taking a series of low-profile military steps to improve its capability for ground combat in the Persian Gulf region—even as the high-profile air battle over northern and southern Iraq thunders on.” Cohen

succeeded in wrenching an agreement from the Saudis, to run joint ground troop maneuvers, and focussed, in his talks with King Abdallah of Jordan, on providing military and financial input, to make the Hashemite kingdom's ground forces more mobile and and stronger. Although it is highly unlikely that the U.K. and U.S. would deploy Arab ground troops, the admission that this was a topic of talks, contributes to preparing public opinion for the next phase of the war. The illusion Cohen and Shelton would like to create, is that there is such support from the neighboring regimes and their military.

Cohen was most explicit, in remarks he made to U.S. troops in Saudi Arabia. Inspecting a battery of eight launchers for Patriot anti-missile missiles, and a launch drill carried out by 100 American soldiers, at the Riyadh Air Base on March 7, Cohen told the troops that they must be "able to respond to virtually any type of challenge or crisis." Cohen went on to specify, they had to be prepared "to take on someone like Saddam [Hussein], or be able to go to war in Korea if that should become necessary."

The bellicose posture provoked an angry response from the host governments as well as the press. On March 8, as Cohen was scheduled to arrive, the Abu Dhabi paper *Al-Khaleej* published an article saying, "William Cohen's tour this time includes a new plan to establish a Kurdish entity in the north of Iraq . . . which would serve as a launch pad for the Iraq opposition." In his talks with the Sheikh of the United Arab Emirates (U.A.E.), Zayed bin Sultan Al Nahyan, Cohen had to deny that the projected coup in Baghdad would entail a break-up of Iraq. "I pointed out that the press accounts that the U.S. is trying to organize or orchestrate a break-up of Iraq are completely false," he told reporters after the talks. "There have been a number of stories and rumors that have circulated locally that that is the objective and goal of the U.S. There is no basis to that. In fact, we have said time and time again that Iraq's integrity must be maintained. Our goal is to one day help bring about a change in regime so that the people of Iraq can in fact rejoin the international community as a full-fledged member."

The Defense Secretary was forced to reiterate these denials, and others, at a press conference the following day in Doha, Qatar, where he was accused of exacerbating tensions in order to sell weapons, and "beating the drums of war against Iraq." On his tour, Cohen had in fact offered all the Gulf states intelligence sharing on the Iranian and Iraqi missile launches. Cohen said the Pentagon was ready to set up receivers, in the U.A.E., Kuwait, Saudi Arabia, Oman, Qatar, and Bahrain. This, he said, would establish a "direct link between what our sensors pick up and then communicate that to them to keep them apprised of ballistic-missile testing taking place in the region." In addition, Cohen promised to deliver advanced U.S. AMRAAM air-to-air missiles to Saudi Arabia during his meeting with King Fahd, and told U.A.E. officials that a \$6 billion sale of F-16 fighters to the U.A.E. remained on track. "I think we are moving ahead with the proposal," he said,

after talks on the 80 fighter deal with the Chief of Staff of the U.A.E. Armed Forces. "We hope to continue to make progress on it."

But despite the sweet talk and heavy weapons deals, the Gulf sheikhdoms would not openly support the U.K.-U.S. strategy for war. Throughout Cohen's tour, there were no joint press conferences with his hosts, apparently out of their desire not to be publicly associated with him. The one exception was in Doha, where he was joined in a press conference by Qatari Foreign Minister Sheikh Hamad bin Jassem bin Jabor Al-Thani on March 9. When Sheikh Hamad was asked about the Qatari position on the U.K.-U.S. aerial bombardments against Iraq, he said, "We wish not to see Iraq being bombed daily." As for the U.A.E., although no press conference was scheduled, government representatives managed to get the message across: When asked by a journalist if the subject of air attacks was raised at the meeting with Cohen, a U.A.E. official replied, "The position of the U.A.E. has not changed. It is opposed to the military strikes on Iraq and favors a diplomatic solution through the UN Security Council." The official said that the U.A.E. was also "against any change of Iraqi regime that is imposed from outside," and that it supported Iraq's unity and territorial integrity.

As the Chinese press agencies via Xinhua reported, in a wire entitled "Cohen Receives Minimal Support for Air Attacks," the American Defense Secretary ended his Gulf tour, "with no public expressions of support for U.S. air strikes against Iraq." It added, "He also received blunt criticism from U.S. friends in the region." After noting that Cohen justified the strikes as self-defense, and offered the Gulf states shared intelligence, etc., the Chinese wires concluded, "The response from Gulf leaders to all of this was either a discreet silence on the issue of Iraq or frank criticism of the air strikes."

Cohen and the second front

Significantly, it was after having toured the Persian Gulf and visited Egypt, that Cohen landed in Israel for a final stop-over. Officially, he was to meet his counterpart, Defense Minister Moshe Arens. But according to highly reliable sources, Cohen also met Netanyahu, Labor Party leader Ehud Barak, former Defense Minister Yitzhak Mordechai, and others. At his meetings, there were also officials of the Mossad and Israeli military intelligence present. In the words of one insider, this was "not normal diplomacy; it was a planning meeting."

Just what was being planned, can be surmised from the direction of developments inside Israel and abroad, over the days and weeks prior to Cohen's visit. Most significant was the targetting of Syria, in the British press and in the Israeli military establishment. On March 8, the London *Times* defense editor, Michael Evans, penned a report, with absolutely no basis in fact, to the effect that Syria was providing Iraq with military supplies. The article, "Damascus to Rearm Saddam," cited unnamed "Middle East intelligence sources," to the ef-

fect that “a secret deal has been agreed between Syria and Iraq for the supply of military equipment to Baghdad. . . . Relations between the two countries have been improving significantly in recent months, with agreements already signed to develop both political and economic cooperation. Now, after a new deal between the Syrian and Iraqi intelligence services, military equipment valued at about £60 million is to be shipped across the border.” Referring to the shortage of spare parts in Iraq, due to the embargo, Evans wrote, that “under the Damascus agreement, Syrian spare parts for military equipment would be converted for use by the Iraqi army, the sources said. The parts would include engines for Russian-made tanks and tracks for armored fighting vehicles. Syria is also expected to supply spares for anti-aircraft radar facilities—hit by recent American and British bombing—lorries, aircraft and helicopters, and ammunition.”

The same day, the Israel daily *Ha'aretz* ran an article by its defense expert, Ze'ev Schiff, which shed light on the military options being considered in Israel against Syria. Schiff said that there were two factions in Israel, one in favor of solving the problem of southern Lebanon through diplomatic means, the other preferring a military option. The hawks, he wrote, were ignoring the guideline of the former Defense Minister Mordechai, “who did not allow the fighting against Hezbollah to develop into a military confrontation with Syria. It is also the view favored by Chief of Staff Shaul Mofaz, who maintains that as long as there is a chance of peace talks with Syria, a military confrontation should be avoided, unless the government decides otherwise,” Schiff wrote.

Schiff, who is usually privy to insider information from military intelligence circles, went on to say, however, that the government had apparently decided “otherwise.” “There are those with a different perspective. Arens is one of them.” They have the analysis that “Damascus has no strategic or military aces up its sleeve but does know how to effectively utilize the few good cards it holds against Israel, in view of our weak position. Thus,” he concluded from this reading, “Syria must be told categorically that it is risking war with Israel,” because Israel cannot be expected to let the Syrians get away with utilizing Hamas or the Hezbollah forces. Schiff was careful to say, that this of course did not mean that Arens et al. were preparing war on Syria; rather, he claimed, “a wider conflict could develop if the situation gets out of control.”

In light of the article planted by the *Times* on the same day, it is interesting to note that Schiff listed the options Syria had as follows: “Syria could also disrupt Israel’s relations with the Palestinian Authority or Jordan, or could upgrade its joint operations with Iran *and even Iraq*.”

The following day, March 9, the same paper reported on what Defense Minister Arens was actually doing. Arens, it said, had instructed the General Staff of the Israeli Defense Forces (IDF) to reexamine the military situation in Lebanon and present him with various “alternatives” to the present

restrictive use of the forces on Lebanese territory. Arens told reporters on March 8, that he was “not convinced that the way to deal with the Lebanese problem is necessarily through negotiations,” and he added that when he talked about alternatives, he was referring both to “the territory and to the rules of the game.” In the view of Arens—who, together with Ariel Sharon, had launched the 1982 invasion of Lebanon, “Lebanon is not a country in the real sense of the word. It is ruled by the Syrians. There is just a pretense of it being an independent country.” He also said that “there is no chance of reaching an agreement with the Syrians without a total [Syrian] surrender of the Golan. Anyone who says differently is deluding himself or the public.”

The upshot of Arens’s review of the deployment in Lebanon, is that Israeli military, currently confined to the southern part of the country, should feel free to occupy the entire land area, an idea shared by the IDF command. The perspective, then, which Cohen probably discussed with the Israeli intelligence and military leaders, was for an Israeli drive into Lebanon. According to an Israeli strategist, this has been being prepared by Netanyahu, who has “placed his selected hawks in the leading positions of the armed forces.” The strategist added that Netanyahu planned to “cancel the understandings with the Hezbollah that have been maintained since 1996,” regarding the rules of engagement in southern Lebanon. “This,” he continued, “could mean a move, soon, into Lebanon, and possible confrontation with Syria.”

Britain’s Fatchett runs war against Iraq

by Scott Thompson

On Feb. 22-25, The Right Honorable Derek Fatchett made his fourth visit to the United States since he became the British Minister of State for Foreign and Commonwealth Affairs, with ministerial responsibility for the Middle East, in 1997. Fatchett’s mission is to coordinate the decade-long, insane war against Iraq, and specifically to topple Saddam Hussein. In this, he is coordinating closely with the U.S. Principals Committee of Vice President Al Gore, Chairman of the Joint Chiefs of Staff Henry H. Shelton, Defense Secretary William Cohen, and other top officials who have effectively carried out a coup d’état against President Clinton (as described elsewhere in this *Feature*).

A British Foreign and Commonwealth Affairs Office (FCO) announcement on Fatchett’s trip said that he would start in New York, where he would discuss not only the Middle East, but also his responsibilities for North Africa and Asia, with the leadership of the United Nations. And, on the

Washington end of his tour, he was scheduled to talk about the same regions with leading members of the U.S. State Department, the National Security Council, and unnamed members of the U.S. Senate.

At a Feb. 25 appearance at the Washington, D.C.-based Center for Strategic and International Studies, Fatchett made clear the main purpose of his visit. His appearance at the semi-private meeting at CSIS occurred one day after the Iraqi government claimed that U.S. and U.K. aircraft had dropped a large, laser-guided iron bomb within 30 miles of Baghdad, which led JCS Chairman Shelton to dismiss as Iraqi propaganda, the claim that the United States and United Kingdom were bombing outside the northern and southern “no-fly zones.” However, when a member of CSIS’s Iran-Iraq committee asked Fatchett whether the bombing had “a strategic purpose of overthrowing Saddam Hussein’s regime” and whether there was “a creep toward Baghdad” with the bombing, Fatchett, speaking in cagey diplomatese, admitted that it did:

“Is there a broader strategic aim? I think we went into this response in those no-fly zones with no broader strategic aim. It was simply to— unless you see preservation of those places

as a strategic aim. We didn’t go in with any other objective. I think that what has happened is that other consequences have flowed from that action. . . .

“There’s real action taking place there. As you can read in the papers today, that the Iraqi government said yesterday’s action taking place 30 miles from Baghdad. . . . We have no specific military targets in that sense, but, what we have said is that we will respond to the dangers wherever they are to the safety of our own aircrews.

“And, sometimes that may mean coming closer and closer to Baghdad, as we saw just yesterday. What we do know is that we are taking out quite significant military installations. . . . What this shows is the weakness in terms of the regime.”

The ‘final chapter’ for Saddam Hussein?

Helmut Sonnenfeldt, former crony of self-confessed British agent Sir Henry Kissinger, started the questioning at CSIS by asking whether there is “something that you can say that suggests more activism, than what you were ready to say in diplomatic terms in front of the camera during your speech.”

Fatchett responded: “Let me talk. I think there has been a

Profile: Derek Fatchett

Minister of State for Foreign and Commonwealth Affairs
Derek Fatchett is one of the linchpins between the British government and the United States on policy toward Iraq, having made at least four visits on this and related issues to Washington, since he was appointed minister upon election of Labour Party Prime Minister Tony Blair in 1997.

Within the Foreign and Commonwealth Affairs Office (FCO), Fatchett has responsibility for the Middle East and North Africa; the Far East and Pacific, including Hong Kong; South and Southeast Asia; Export Promotion; Cultural Relations; Green, Science, and Energy issues; and, FCO General Administrative Services.

Well-informed sources report that he works very closely with British intelligence on the Middle East and Iraq.

Fatchett is a Member of Parliament for Leeds, Central, a constituency he has represented since 1983. Among the positions that he held while Labour was in the Opposition, were Spokesman on Foreign and Commonwealth Affairs (1995-97) and Spokesman on Defense (1994-95). While in Opposition, Fatchett’s picture in *Dod’s Parliamentary Companion* makes him look like an academic bearded weirdo, but the FCO has given him a shave and cleaned

him up. He would now stand up well with any axe-wielding executioner in Madame Tousseau’s Wax Museum.

On Oct. 29, 1998, Fatchett took the oath of allegiance to support Queen Elizabeth II in all matters, in order to become a new member of the Privy Council, through which the Queen exercises her “Prerogative Powers.” The Council’s president is Tony Blair, who was groomed for his position as Prime Minister through being inducted into the Privy Council in 1994.

The Queen’s Prerogative Powers include “Orders in Council,” which are essential before any legislation passed by the House of Commons and House of Lords becomes law. It is also through the Privy Council, where ad hoc committees are formed by ministers such as Fatchett on issues such as the war of attrition against Iraq, that the Queen is able to advise, warn, and, if need be, block any particular policy course being taken by the party in power in Parliament with which she may disagree.

Clearly, Queen Elizabeth, who knighted seven members of the Bush administration for their role in Operation Desert Storm in 1991, agrees fully with Blair government policy toward Iraq.

According to sources who are familiar with how the Privy Council works, it was undoubtedly through this body and the Prime Minister’s weekly meetings with the Queen, that Fatchett’s role in the new U.S.-U.K. war against Iraq was decided.— *Scott Thompson*

step change in terms of the internal affairs of Iraq. I've made this argument many times. I haven't always yet found a receptive audience that is satisfied with my answer. But, I'm convinced that what happened under Operation Desert Fox for some of the reasons that I said did shake the foundation of the regime. . . .

"He [Saddam Hussein] was dramatically shocked when this happened, and he has never actually recovered. But, he never thought, the truth is that all the way through 1997 and 1998, he tempted us. He provoked us. He mocked us. But, he never actually thought it would happen. Well, it did happen. And, our response has shaken his own self-confidence perhaps significantly.

"I think also it had some impact on the Republican Guard. I think that is very important, because you'll find that those people who are the heart of the regime cannot maintain a detailed formation in the south.

"If you look at the reaction to what has happened after, there is more evidence to suggest fear and discontent. How deep that is, among other things, we don't know. We don't have the intelligence for that kind of analysis. That's true here in the U.S. as well. It seems that the Shi'a community is becoming more and more restless, and representing a real threat to Iraq.

"After all, the majority of the population and the majority of the armed forces — though not the majority of the Republican Guard — are Shi'ite, so there is discontent in the army. So, there are a lot of signs that show that there are growing internal dissensions. . . .

"I just have one final comment to make. I think the no-fly zones have been quite instrumental in helping to shake Saddam Hussein a good deal further in terms of his grasp and his grip on the issues. How can this happen? He tried to provoke. He's provoked only in the way in which he is the loser. We are chipping away at his ability to defend himself and also the heart of the armed forces. I think that the events there will weaken his hold, and I think there is again a huge showdown in the south.

"As I said in my final comment [in my speech], we have entered the final chapter, beginning with Operation Desert Fox."

Since the intensive aircraft and cruise missile attack in mid-December 1998 known as Operation Desert Fox, as *EIR* has reported, the Principals Committee has boxed President Clinton, who was under threat of impeachment conviction, into accepting a policy whereby the United States and Great Britain have dropped more bombs on Iraq than during the entirety of the four-day barrage during mid-December.

Why does Foreign Minister Fatchett believe this is the "final chapter" for Saddam Hussein, when, in response to questions, Fatchett lied at CSIS that he did not find Iraqi opposition forces useful for military purposes? The truth is that Fatchett has been the British anchor in recruiting Iraqi

opposition forces, which under the "Shelton Doctrine," would be used to establish an Iraqi puppet government, and would be supported, in a planned insurrection against Saddam Hussein, by U.S. and U.K. special forces combined with air power.

As early as Nov. 11, 1998, Fatchett had admitted, according to statements on the FCO's website, that he had been meeting with members of the Iraqi opposition to form such an alternative puppet government: "This is part of a regular program of meetings that I have been having with opposition figures from Iraq. It is important to maintain that contact. What we are trying to do is to ensure that there is a united political voice showing that there could be a different Iraq, a more open, more pluralistic, more democratic Iraq. I don't think there is anybody around who would not see that as a positive step forward."

At the CSIS meeting, Fatchett admitted that it had been through such British intelligence influence, that the U.K. had succeeded for the first time in achieving collaboration against Saddam Hussein: "You talked about the Kurds. Let me say to you and the people in the room, thanks to the U.S. and U.K., that Saddam Hussein's brief does not run to the north. We have worked hard with two Kurdish organizations to try to get some understanding between them. That's always fragile. But, it's lasted. Barzani and Talabani came over here [to Washington] and came to London. We encouraged them to work together. How long that relationship will last, I will not speculate. But, they are living together and working together, and this makes different conditions."

British terrorist controller Lord Eric Avebury, whom Fatchett praised for his "human rights" activism, recently told a Washington-based reporter that the FCO has "opened official negotiations with the Shi'a Islamicists in southern Iraq" for the ultimate purpose of using them in an armed insurrection against Saddam Hussein. Fatchett denied this, under questioning at CSIS.

The strategic reality underlying all these shenanigans is, as Lyndon H. LaRouche, Jr. warned in a Jan. 8, *EIR* article, "Why General Shelton Must Retire Now": "A new such British and U.S. attack on Iraq of the sort I have described, or anything similar to it, would unleash a chain-reaction of much worse effects than the December bombings, not only within, but far beyond the Middle East theater. Such a chain-reaction would be an incalculable disaster for the United States, a catastrophe in our strategic position in the world, from which it were likely that our republic might never recover."

Fatchett has been warned

While Fatchett plays at surrogate warfare along the lines of the "Shelton Doctrine," he made clear during his speech at CSIS that even within Britain, voices have been raised that the course he is pursuing is potentially a strategic disaster: "I remember that on many occasions during and immediately

after Operation Desert Fox, I was told by the British media that the results of Operation Desert Fox would be totally against our own interest; that Saddam Hussein would be strengthened in the Arab world; that he would be strengthened domestically; and the United States and the United Kingdom would pay a heavy price to build a new diplomatic consensus on the Security Council. All of those aspects of conventional wisdom have been proven to be incorrect within a very short period of time.”

During the discussion period, Fatchett (who never once mentioned the opposition of Russia, with which he is playing at “Russian roulette”) said he has maneuvered the French, who also opposed the unilateral U.S.-U.K. military adventure, into a dialogue that has cooled their rancor.

Fatchett explained: “I had the pleasure yesterday of meeting with the French representative to the Security Council, and explaining the approach that we are taking. And, he said that they needed to move to a system that was called ‘OMV Plus.’ . . .

“Let me explain what it is. ‘Ongoing Monitoring and Verification Plus’ . . . can only work if you establish a baseline. . . . Well, the only people who can provide the baseline are UNSCOM and the International Atomic Energy Agency. They are the only ones who can contribute the information to that.

“The French accept that. But, more than that over the next stage, the French are saying that if you went to ‘OMV Plus,’ the plus would be ‘intrusive inspection.’ So, the inspectors—call them whatever you will—the ‘OMV inspectors,’ not UNSCOM actually (you’ve got to have a new name), so you can sell it on that basis.”

Moreover, Fatchett indicated that the deluge of conflicts being ignited by the U.K. and the Principals Committee, would throw members of the Security Council off balance, when asked how many “believe that the split in the Security Council is much more serious than the problems of Iraq directly.”

“We have to challenge some of the assumptions of some of the members,” he said. “I am thinking of the process that I announced that we had begun with the French, because the French are open to finding a new consensus. But, the rancor that existed when the U.S. and U.K. launched Operation Desert Fox has already dissipated, because the Security Council has started to be preoccupied by other issues—which is Kosova, which is other issues that will emerge. And, the panels form a useful form of building a new consensus, which is actually quite hopeful.”

The three panels to which Fatchett refers were set up to coopt the French, Russians, and other UN Security Council members who object to the U.S.-U.K. war and include, for example, a panel that would seek to improve the status of the Iraqi people by increasing the “oil-for-food” program, leaving the British-American-Commonwealth oligarchs a free hand to pursue their genocidal war policy.

Kosova: Blair goes for war with Moscow

by Umberto Pascali

Only three days before the March 15 re-opening of the “Kosova peace talks,” Russian Foreign Minister Igor Ivanov stated in a press conference in the Serbian capital of Belgrade, that Serbian dictator Slobodan Milosevic “decisively and finally rejects any possibility of a foreign military presence or police presence in Kosova.” Ivanov added that the Russian position is that threats of NATO air strikes against Serbia are unacceptable, and that the confrontation over Kosova must be solved peacefully.

There are few doubts among Balkan observers that not just Milosevic, but—what is much more significant—Russia itself, has taken a “final and decisive” stand. In Moscow at the same time, the “foreign minister” of the Russian military, Col.-Gen. Leonid Ivashov, raised the specter of a new arms race. Rejecting the plan discussed by the United States and Japan for a Theater Missile Defense against “rogue states,” Ivashov stated: “Attempts to set up such system would spark a missile race. . . . It would undermine stability in the Far East.” The statement came while Russia’s Deputy Foreign Minister was leaving for China to discuss this issue.

Meanwhile, NATO Supreme Commander Gen. Wesley Clark used the airwaves of the British Broadcasting Corp. to warn that NATO has a “vast air armada” ready to strike Serbia. “NATO does have the capability and means to make a very devastating series of attacks against Milosevic,” he said. It was the most recent of many statements coming especially from London calling for general European rearmament and for shipping to Kosova the British Rapid Reaction Corps, waiting nearby in Macedonia. The elements for a strategic military confrontation are multiplying by the day. Never in the post-World War II Balkans has the world come so close to the brink.

Diplomacy fails: a ‘collision course’

All the diplomatic discussions, all the negotiations before, during, and after the Kosova peace talks in Rambouillet, outside Paris, have ended in nothing. Rambouillet closed down in disarray, without any result on Feb. 23. British Foreign Secretary Robin Cook and French Foreign Minister Hubert Védrine, the co-chairmen of the conference, prepared a final agreement draft that was given to the media with great fanfare. The only problem was, neither the Serb delegation nor the Kososvars signed the deal, and the talks were adjourned until March 15. The co-chairmen stressed that an agreement will be

found; the Kosovars were expected to sign the Cook-Védrine draft in one week.

What ensued was a split in the Kosova Liberation Army, with the hard-liners labelling Rambouillet as “treason,” because it did not give immediate independence to Kosova, and calling for an unconditional “war of liberation.” After the failure of negotiators such as U.S. Ambassador to Macedonia Christopher Hill, Secretary of State Madeleine Albright redoubled her efforts to pressure the Kosovar leaders she thought she could count on. In particular, the 29-year-old Hashim Thaci, who led the Kosovar delegation in Rambouillet, and who was praised by Albright at every public opportunity—including calling him the “Gerry Adams of Kosova.” Albright had NATO Supreme Commander Clark fly to Rambouillet for a “summit” with Thaci at a local café.

Former U.S. Sen. Bob Dole was sent to Kosova by the White House to convince Thaci and the Kosova Liberation Army (UCK) to sign the draft. Thaci promised to sign, and there was even a public announcement. “Frankly, I’m a little disgusted with the attitude of the Kosovars,” stated Dole. On the other side, Milosevic, probably feeling the general East-West confrontational mood, refused to even consider the presence of foreign troops in Kosova, and confided that he will be able to push the Russians to come to his defense. The Yugoslav Army and Milosevic’s “special police” have been ordered to “clean-up” the organized UCK resistance.

Military operations, especially along the Kosova and Macedonia border, have escalated. According to observers, tanks and heavy artillery hit selected towns and villages, creating waves of new refugees—around 4,000 within only a few days in March. The houses are looted and then torched by Milosevic’s forces. These are indeed criminal acts, and they are not undertaken at random. They conform to a precise military plan. In particular, they are designed to prepare for confrontations with the NATO troops expected to arrive from Macedonia.

Also, there were “special negotiators” who visited Milosevic, after he refused to see Ambassador Hill. Special envoy Richard Holbrooke, who brokered the Dayton Accord on Bosnia, was sent to Belgrade. On March 10, he held eight hours of talks with Milosevic, at the end of which he told the media: “We are on a collision course if things do not change, and nothing that happened here today has changed that.”

Blair’s war cry

The latest events in Kosova and Belgrade have eliminated an ambiguity that has been, at least formally, shared by all the NATO countries, i.e., that Russia was agreeing with Cook and Védrine on what to do in Kosova. Quite the contrary, the Russians have stated repeatedly their opposition to the “use of force,” and this position goes beyond the superficial explanations of the “pan-Slavic and Orthodox brotherhood” that would link Moscow and Belgrade. The Russian position, different from that taken in 1995 when NATO bombed military



British Prime Minister Tony Blair demands that Europeans restructure their defenses for deployments outside the NATO area.

targets and partially neutralized the war machine of Radovan Karadzic in Bosnia, has been prompted by strategic considerations, and above all by the role that the “new NATO,” whipped up mostly by London, is supposed to play.

In this sense, the Balkan situation is seen as an experiment for this new, British-led “globalized” military machine. A conference in London on March 8-10 celebrating the 50th anniversary of NATO (“NATO at Fifty”), gave the podium to British Prime Minister Tony Blair, who re-launched his model of a “global NATO,” to be inaugurated in the Balkans. The conference was organized by the oldest military institute in the world, as the Royal United Services Institute (RUSI) calls itself, having been founded by the Duke of Wellington. It is today presided over by the Duke of Kent, the cousin of Queen Elizabeth II and the grand master of British Masonry. The RUSI boasts that the Queen is “our patron,” and quotes her saying, “I know what valuable work, in the cause of peace and security, the RUSI carries in maintaining the essential links between the Armed Forces and those who make decisions under economic and political disciplines.” Blair’s intervention was nothing less than a war-cry for Europe, under British leadership—forgetting, of course, the British role in secretly helping the Milosevic clan.

Blair lectured the Europeans on the new NATO gunboat diplomacy. “Europe’s military capabilities at this stage are modest,” he said. “Too modest. Too few allies are transforming their armed forces to cope with the security problems of the 1990s and the 21st century. To strengthen NATO and

to make European defense a reality, we Europeans need to restructure our defense capabilities so that we can project force, can deploy our troops, ships, and planes beyond their home bases and sustain them there, equipped to deal with whatever level of conflict they may face." Of course, Blair's vision of this war machine deployable immediately into every point of the globe where the interest of the new Empire requires it, has taken form already in the British Rapid Reaction Corps.

In an article in the Feb. 14 London *Independent*, Blair went into a similar tirade. Any force that will be deployed in Kosova "is likely to be based on NATO's British-led Rapid Reaction Force, the ARRC. This is one of the most sophisticated and capable military detachments in the alliance. Britain contributes a large portion of the ARRC's headquarters. . . . Its commander Gen. Sir Michael Jackson is a distinguished British Army officer. He will command the international force [to deploy in Kosova]. Such a force must be ready to deploy quickly to follow up the momentum of any such peace agreement. That means it has to be assembled well ahead of time. That is why we . . . have put forces in standby, ready to go to the region at short notice. It is also why the British Cabinet decided last week to pre-position the vehicles and equipment that would form the machinated core of any deployment," Blair said. "In Kosova, we will not repeat the early mistakes

in Bosnia. We will not allow war to devastate a part of our continent." Thus, Europe must be prepared militarily following the British example.

British Defense Minister's echo

Blair's imperial proclamation was echoed by British Defense Minister George Robertson, also a speaker at RUSI's "NATO at Fifty" conference. With no less hypocrisy, Robertson poured forth his tears on the sufferings of the Balkan population. "NATO's fundamental tasks extend beyond simple collective defense," he said. "The alliance has also agreed to undertake . . . peace support operations which project stability beyond NATO's borders. . . . Today, the breadth of missions that NATO might undertake is staggering. They can be very demanding of our armed forces. . . . In Britain we are fond of saying that to be the best at peacekeeping, you need first to be the best at war-fighting. . . . Here in Britain we think of the characteristics required of today's armed forces in terms of the family of 'abilities': deployability, flexibility, sustainability, mobility, survivability and interoperability. Forces must be deployable to where they are needed, requiring strategic lift capability and equipment that is readily transportable."

Right now the military force advocated by Blair and Robertson is waiting in Macedonia to get into action, as Sir Michael Jackson, head of the ARRC has made very clear.

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Shelton, GOP threaten strike against N. Korea

by Our Special Correspondent

A preemptive U.S., or U.S.-led Japanese strike against suspected North Korean plutonium sites could soon start a “nuclear Vietnam,” if the London-run geopoliticians of the Principals Committee of Vice President Al Gore, Secretary of Defense William Cohen, and Chairman of the Joint Chiefs of Staff Gen. Henry H. Shelton get their way, an *EIR* investigation shows. Asia specialists are openly worried about a coup against President Clinton’s policy there.

On March 1, House GOP leaders, led by House International Relations Committee Chairman Benjamin Gilman (R-N.Y.) and Chris Cox (R-Calif.), working with the Cohen-Shelton faction in the Pentagon, ripped up President Clinton’s 1994 Framework Accord peace treaty with North Korea. The GOP did this with knowledge that the knee-jerk reaction of Pyongyang will be to restart plutonium production at its antiquated Yongbyon facility, which touched off the 1993-94 crisis that came close to regional war.

“If North Korea wants to say that we’ve cut off the funding, and therefore they can go ahead and restart plutonium production at Yongbyon, they can do so—at their own peril,” Gilman’s chief Asia aide told a journalist March 2.

The aide explained that Gilman’s committee and the House Appropriations Committee used intelligence from the Defense Intelligence Agency (DIA) and CIA to kill the Clinton North Korea accord, by cutting off all U.S. funds already provided by a previous Congress under the agreement. Last fall’s House Appropriations bill, he confirmed, forbids any funds to the treaty this year unless President Clinton can “certify” that North Korea is complying with all U.S. requests to disarm (see *EIR*, Jan. 1, p. 45). “Under last fall’s Appropriations bill, North Korea will simply get nothing until Clinton can certify North Korea ‘has taken demonstrable steps on the denuclearization of the Korean Peninsula,’ and that the United States ‘has reached agreement with North Korea on satisfying U.S. concerns regarding suspect underground construction.’ Obviously, Clinton can’t certify that now,” the aide said.

The aide revealed that Gilman, DIA head Gen. Patrick Hughes, Robert Walpole, “and others at CIA, and the intelligence community,” have spelled out demands for “certification.” “It’s all laid out in a highly classified letter from Congressman Gilman to Clinton’s Korea negotiator William Perry,” he said.

The Gilman letter demands Iraq-style intrusive inspections, not only of the Yongbyon reactor site specified in the 1994 accord, where UN officials are already stationed, but of “multiple sites” identified in the classified letter. “These must be on-demand, short-term-notice inspections . . . at-will” anywhere in North Korea, the aide said.

Confronted with the fact that the North Koreans, who did not just lose a war as did Iraq, will never agree to intrusive inspections, the aide replied, “That’s not our problem. Then we just walk away—the agreement with North Korea is over.” The aide said that under the House legislation passed last fall, the United States provided North Korea with \$12 million in 1998, but zero this calendar year.

Intense North Korean-U.S. negotiations at the UN were ongoing Feb. 27-March 11 on adding the single new nuclear site of Kumchang-ri to the U.S. inspection list, but were inconclusive as of this writing.

The threat to the U.S. mainland

On Feb. 25, Gilman stated at a House International Relations Committee hearing that North Korea’s “nuclear proliferation” sites pose an immediate threat to the United States itself. “Last August, North Korea tested a long-range missile over U.S. troops and over our allies in Japan. We now estimate that North Korea can deliver a warhead against the United States. For 40 years, North Korea posed a threat to 37,000 American troops and to the South Korean capital of Seoul. Now they are threatening the mainland,” Gilman said.

“In short, we now must worry about our own safety, in Seattle, not just Seoul,” Gilman concluded.

“The source” for Gilman’s statement “was Robert Walpole, CIA National Intelligence Officer for Strategic Systems,” Gilman’s aide said. “That’s the CIA’s official conclusion, and this means North Korea can do it now.”

Japanese Defense Agency (JDA) chief Hosei Norota spoke on March 3 “of the possibility of a preemptive attack [by Japan] against foreign bases used to launch an assault against Japan,” Tokyo’s *Nihon Kezai Shimbun* (or *Nikkei*) newspaper reported on March 5. “Political observers believe the statement was directed at North Korea,” the paper said.

A JDA official told *Nikkei* on March 5 that North Korea had deployed a new series of Nodong missiles near its border with China. “This means nearly the whole of the Japanese archipelago is within range” of a North Korean strike, the Japanese official told *Nikkei*.

Coup against the President

Yet, Japan has no military spy satellites or related intelligence capabilities—nor does Gilman. From Tokyo, again came the refrain: “The information is based on images provided by U.S. military intelligence satellites,” the JDA official told *Nikkei*.

Numerous GOP Congressional aides report that their offices and the media are receiving a stream of satellite and

other classified intelligence output from the Cohen-Shelton crowd at the DIA and related Pentagon offices, and from CIA co-thinkers, showing a massed buildup by North Korea of dozens of missile launch sites and nuclear proliferation plants.

If the GOP treaty abrogation, which has been completely covered up by the media, provokes Pyongyang to reopen the Yongbyon reactor as predicted, the press will go into a frenzy, demanding a strike on North Korea.

Worried Korea analysts such as Clinton adviser Selig Harrison and longtime State Department North Korean Affairs chief Kenneth Quinones charge that these Pentagon hard-liners “have apparently decided to win the argument and scare the American public into changing policy toward North Korea, by leaking secret imagery intelligence to the American press,” as Quinones wrote recently.

What we have here is nothing short of a “coup threat” by Shelton, Cohen, DIA chief Hughes, and a related network allied to the GOP hard-liners, to take over Asia policy from President Clinton, a senior U.S. Asia analyst told *EIR* on March 9. They are using the power they gained from the impeachment weakening of Clinton to push a “nuclear Vietnam” in North Korea, he said.

“After Clinton had that successful trip to China last August, and the North Koreans made their missile launch, also in August, Shelton . . . and others went out of their way to tell Clinton that he would, in future, have nothing to say about East Asia,” the analyst stated. “Shelton went to see Clinton and told him point-blank, that after all the military commanders and officers who have been forced to resign because of marital infidelity in the last months, ‘Now, *you* are caught, and as Commander in Chief, we could make a hell of a stink out of this and you would be out—so you’d better do as we say.’ . . .

“There is an enormous danger right now of war with North Korea—but only because of the instability of the U.S. government,” he warned. “It’s worse than the U.S.S.R. during Gorbachov’s battle with Yeltsin—you could call it an insurrection. . . . Shelton basically threatened Clinton with a coup, to make sure the President understood he can have nothing to do with military policy, East Asia policy in particular. Since the impeachment, the Republicans have brought out their real agenda: Give the Pentagon its head, and have a war in East Asia, most likely with North Korea. They decide first that the policy should be war, and then they look for the reasons, such as the alleged North Korean missile threat.

“These people are dangerous lunatics,” the senior analyst said. “Not a single one of them know a thing about Asia or about North Korea, they can only see the good analogy to the 1980s Israeli strike at Osirak [against the Iraqi reactor] and how Israel ‘won.’ They’re thinking about how they all got promoted during the Gulf War and they need a rerun of that, that Korea could be a rerun of the Gulf War—and continue to erase the shame of failure in Vietnam.”

Seoul rings the alarm

The threat of a preemptive strike by the run-away Cohen/Shelton faction—alone or by manipulating its terrified dupes in the Japanese Defense Agency—was taken gravely by South Korean Defense Minister Chun Yong-Taek in a Seoul press conference on March 5. “We oppose any preemptive attack on North Korea without policy coordination among South Korea, the United States, and Japan,” Chun said, regarding JDA chief Norota’s remarks. “The peace and stability of the Korean Peninsula must be given the highest priority. . . . A unilateral preemptive strike without policy coordination with the U.S. and South Korea is inconceivable. As national Defense Minister, I will resolutely oppose it.”

Seoul officials are well aware that the impetus is coming not from Tokyo, but from the Cohen/Shelton lunatics in Washington. Seoul’s *Chosun Ilbo* newspaper reported on Feb. 27 that former Bush Defense Department officials “Paul Wolfowitz and Richard Armitage have published a plan to solve the North Korean problem based on ‘the supremacy of power’ . . . which reflects the growing view of defense experts and the [GOP] House of Representatives.” Unless North Korea agrees to at-will inspection demands, *Chosun Ilbo* cites Wolfowitz as saying, the United States “should have a major military buildup in South Korea,” a “blockade” of North Korea, and “prepare a preemptive strike on suspected nuclear facilities” in North Korea.

The issue of a U.S.-led preemptive strike is open enough to have become a topic of public debate in Congress. Rep. Duncan Hunter (R-Calif.), during testimony on March 8, asked Army Gen. John Titelli, commander of U.S. forces in South Korea, whether the United States should “take preemptive action against North Korea,” in light of all the information the House Republicans are receiving on the North Korean missile threat. Titelli, known to be one of the more level heads in the theater, replied that he does not want to use the term “preemptive.” However, he noted, “I do not believe that we should allow North Korea’s nuclear weapon program to come to fruition.”

Bush aide promotes wars in Mideast, Asia

by Mark Burdman

Diplomats, strategists, and government officials received a brutally frank indication of the policy of the British-American-Commonwealth policy bloc, during a March 4 conference in Bonn, Germany on “The Future of Euro-Atlantic Relations,” sponsored by the Center for European Integration

Studies. The message was delivered by Robert Blackwill, a senior lecturer at Harvard University. Blackwill was formerly Director of West European Affairs on the U.S. National Security Council, and, during 1989-90, he was the Special Assistant to President George Bush for European and Soviet Affairs.

Before he spoke, the conference had been dominated by somewhat smug and self-congratulatory talk of the positive aspects of U.S.-European relations, of the emergence of a "new Atlanticism" that would supersede the various problems in U.S.-European relations, of the successes of the NATO alliance, and of the supposed benefits to the world brought about by the onset of the euro single currency in Europe (although the euro was continuing to collapse in value as the conference took place). Speakers included Karsten Voigt, Coordinator for German-American Cooperation at the German Foreign Office in Bonn; Elizabeth Pond, of the *Washington Quarterly* in Bonn; Dr. Karel Kovanda, head of the Czech Mission to NATO and the Western European Union (WEU) in Brussels; and Amb. Dr. Robert Wegener, Deputy Secretary General of the WEU in Brussels.

By contrast to the previous speakers, Blackwill's presentation was a rude wake-up call. He portrayed an imminent future, in which the United States would pursue war operations in the Middle East and East Asia, especially on the Korean Peninsula, irrespective of, and likely opposed to, European views. "There are serious reasons to worry about U.S.-European cooperation outside Europe," he darkly intoned. "The U.S. will gravitate to threats more proximate to its vital interests, in the Middle East and potentially East Asia."

Blackwill warned that "the trends are all dangerous in the Middle East," as he forecast the eventual deployment of American, and possibly British, ground forces in Iraq. He complained that the Europeans count on the United States to act in the Middle East, despite the fact that Europe is much more dependent on Mideast oil than is the United States, and is much more vulnerable to potential missile attack. But in Iraq, "Europe is unwilling to support us, except for the British." He charged that Europe had been "enormously relieved" by last year's peace efforts by UN Secretary General Kofi Annan around Iraq, even though, in his view, that was precisely the time to hit Iraq massively. The December 1998 bombing, he said, was "too little, too late," and what has happened since, with the continuing bombing raids, is not focussed around a clear policy objective. He declared: "I support sustained and serious aerial bombardment, combined with serious consideration of ground troops." Saddam Hussein, he said, represents a mortal danger, likely having nuclear weapons within ten years, and biological weapons within five.

Blackwill insisted that, as far as Middle East policy goes, "the Europeans have their head in the sand." In ten years time, missiles will have been developed capable of striking

Europe, "but Europeans think they have a papal bull protecting them from ballistic missile attack. Maybe the only thing that will wake Europe up, is when the first ballistic missile attacks Europe from foreign territory."

'A real chance of war'

In Asia, Blackwill insisted, the Americans "are by ourselves. European policy toward China can be summed up in one word: Airbus"—a reference to European sales of Airbus jets to China. "As we confront the rise of Chinese power," he said, "this could be very bad for the international situation. Don't be surprised about American unilateralism, and don't be surprised if we act against European interests." He informed his audience, that people in Europe were generally unaware, that "there is a good chance that the U.S. framework agreement with North Korea will collapse in the next months," returning the situation to what it was before the Jimmy Carter mission in 1994 that prevented a war then. Now, "there is a real chance of war between the U.S. and North Korea, a war on the Korean Peninsula that will have enormous economic consequences across Asia."

Blackwill charged, "The Europeans are complacent. This [Clinton] administration is not pushing Europe to change. But the European debate is so constipated, you want to send it to a good doctor." He demanded "a change in European strategic culture." Furthermore, he lambasted the French as "silly," in attacking "American hegemonism." He affirmed, despite his obvious comments pointing to the contrary, that there is no effort by the United States to be a "hegemon," and expressed surprise that certain Germans at the conference, such as Karsten Voigt, had expressed their opposition to "American hegemonism." Blackwill asserted that "the only places one hears that these days is Beijing or Paris."

Regrettably, the reaction to Blackwill's presentation by the Europeans in attendance was defensive. Dr. Wegener of the WEU pleaded that the Europeans require ten years to work out a coherent strategic/defense policy, to which Blackwill barked back, "We don't have ten years." Another participant insisted that Blackwill's criticisms toward Europe over Iraq went too far, given that Germany's response today is much more muted, and de facto supportive, than it was when the 1991 Persian Gulf War was launched by George Bush, when opposition was openly voiced for a time. Taking the cue, Blackwill singled out the Germans for praise, on this issue.

What was missing, as an effective counterweight to Blackwill's ravings, was discussion of the increasing activity of the "Survivors' Club" of nations in Eurasia, centered around China, and increasingly including Russia. Both Europe and a United States, freed from the kind of thinking (to use the word loosely) represented by Blackwill, should orient to that bloc of nations, if the world is to be saved from the kind of chaos and bloodshed that he promoted in Bonn on March 4.

Eurasian nations strengthen bilateral cooperation

by Mary Burdman

During his visit to Moscow on Feb. 24-28, Chinese Prime Minister Zhu Rongji said that he firmly believes that establishing good relations among Russia, China, and South Asian countries will contribute to peace and stability in South Asia as well as throughout the world, the Chinese service of Moscow Voice of Russia World Service reported on March 1. This was a positive response to the idea expressed by Russian Prime Minister Yevgeni Primakov in New Delhi on Dec. 21, 1998, the radio report noted. Primakov had said then: "A lot depends on the policies of China, Russia, and India. If we succeed in establishing a strategic triangle, it will be very good." While Zhu Rongji's reaction was not given wide coverage, including in the Chinese press, there are many indications that the initially cool reactions of both India and China to Primakov's idea, have been changing.

On the positive side, Chinese-Indian relations are back to their regular, pre-May 1998 level; the highly productive Russian-Chinese summit has just been concluded (see last week's *EIR*, p. 4); Russian-Indian ties are being further strengthened; and, between India and Pakistan, the 50-year logjam over Kashmir and other issues may finally be being broken. On the negative side, the continued assault on the world by the British-American-Commonwealth oligarchy, is forcing nations to react. As Chinese Ambassador to India Zhou Gang stated at a seminar in New Delhi the week of Feb. 22, which discussed Sino-American relations, "The relationships between major powers are undergoing great and profound readjustment."

Prime Minister Primakov is persevering in his commitment to his policy, while demonstrating flexibility in how it is to be built. In an interview with the Chinese *Jingji Ribao* (*Economic Daily*) on Feb. 25, on the occasion of Zhu Rongji's visit, Primakov did not mention any "triangle," but stated

that the "parallel development and strengthening of bilateral relations between Russia and China, Russia and India, and China and India, would have enormous significance."

A density of meetings

There has been a density of meetings among the leaders playing critical roles in improving relations among all three nations. Russian First Deputy Prime Minister Yuri Maslyukov, responsible for trade and economic cooperation with China, who played a key role in Zhu Rongji's visit, is also the co-chairman of the Indo-Russian Inter-Governmental Joint Commission. In February, a delegation of the Russia Federation Council led by Speaker Yegor Stroyev visited India, and met Indian President K.R. Narayanan. Both called for closer cooperation among Russia, India, and China, with the view that if the world's three largest countries join forces, other nations would be "unable to order others around," Voice of Russia World Service reported. On Feb. 25 in Moscow, Zhu Rongji also had a separate meeting with Stroyev.

Russian Communist Party leader Gennadi Zyuganov, whose party holds a majority in the State Duma (lower house of Parliament) and supports the Primakov government, described the importance of Russian-Chinese-Indian relations, at a press conference in Moscow on March 5. Zyuganov said that a strategic triangle among the three nations would be the central issue in world affairs in the 21st century, in efforts to end the dominance of a single power. He expressed concern over what he called the dangerous situation facing sovereign nations, in the wake of the continued U.S. missile attacks on Iraq and NATO's threat to use force against Yugoslavia, bypassing the UN Security Council. He wondered which nation would be the next target, after Iraq and Kosova.

Large multi-ethnic countries such as Russia, China, and

India have “potential Kosovos” in Chechnya, Kashmir, and Tibet, Zyuganov warned. The three countries, which have civilizations dating back thousands of years, cannot be reconciled to the hegemonistic dominance of a single superpower and are destined to work together to facilitate the emergence of a multipolar world, Zyuganov said. Russia, India, and China have common stands on a host of vital international issues including NATO expansion, Iraq, Yugoslavia, and NATO’s efforts to take the place of the UN, he said.

In the coming months, India and Russia are planning a number of high-level political exchanges, in preparation for the summit between Indian Prime Minister Atal Behari Vajpayee and Russian President Boris Yeltsin, expected to take place toward the middle of the year in Moscow. Maslyukov is likely to visit India soon. A five-day visit by Russian Defense Minister Marshal Igor Sergeev, which was to have begun on March 11, has been delayed due to the kidnapping of a Russian general in Chechnya. However, Deputy Prime Minister Genadi Kulik, in charge of the Agriculture Ministry, is likely to visit India soon, while Indian External Affairs Minister Jaswant Singh is expected to visit Moscow in the near future.

China-India ties: Back to work

In a press conference on March 7 during the meeting of the National People’s Congress, Chinese Foreign Minister Tang Jiaxuan confirmed that Yeltsin will visit China later this year for talks with Chinese President Jiang Zemin. Tang also reported, “I expect, maybe soon, the Joint Working Group on the boundary question between China and India will resume its activity.” The JWG meeting should have been held in late 1998, but the discussions were suspended after India conducted underground nuclear tests last May. In addition, China is the only nuclear weapons state with which India does not have a dialogue on nuclear issues. India’s dialogue with Russia is very friendly and thorough; India has held discussions since last May with France and the United States, and is now carrying on discussions with Britain.

“Not long ago, officials of the Foreign Ministries of China and India made useful discussions and held useful talks in Beijing,” Tang Jiaxuan said. “We hope that the Indian side will take concrete steps and make positive efforts to enable our bilateral relations to return to the track of normal development.” He added that China welcomes efforts by India and Pakistan toward improving their relations.

An Indian delegation, led by Indian Joint Secretary for China T.C.A. Rangachary, visited Beijing on Feb. 25-26, to discuss “bilateral, regional, and international issues.” During this meeting, the decision was taken to revive the JWG talks, likely to commence within the next six weeks. As Amb. Zhou Gang stated at a seminar on Sino-Indian relations in New Delhi on Feb. 25, “There exist extensive common interests between China and India, and our commonalities far outweigh our differences.” Just days before, Jaswant Singh had stated in a written document to the Indian upper house of Parliament,

that India seeks friendly ties with China. “Both sides are making efforts to further improving bilateral relations, including measures to expand bilateral trade and enhance bilateral exchanges in various fields,” he wrote.

At the seminar, Zhou Gang acknowledged that China had taken note of some of the concerns of the Indian side, including on Chinese-Pakistani relations, and China had taken “a positive, flexible, and pragmatic approach and made proper readjustment of certain policies concerned.”

On March 15 in New Delhi, the India-China Joint Business Council (JBC) will also meet for the first time since last May, under the joint auspices of the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce and Industry of India. The Chinese delegation will be led by An Chengxin, Vice Chairman of the China council for the Promotion of International Trade, and the Indian delegation by K.K. Modi, Chairman of the India-China JBC. The meeting will discuss potential for expansion of economic and commercial relations, including specific projects involving technology transfers and joint ventures, and possibilities for new levels of cooperation, such as joint bidding in third countries, participation in project tenders, equipment supply, and infrastructure projects.

On a broader level, China has had a positive response to the Indian-Pakistani “bus diplomacy.” The arrival of Chinese Defense Minister General Chi Haotian in Islamabad, during the summit between India and Pakistan’s prime ministers in Lahore, Pakistan on Feb. 21, was not a coincidence, Pakistani Religious Affairs Minister Raja Zafar-ul-Haq revealed on March 3. The minister said that Pakistan had consulted all neighboring countries and the “Kashmiri leadership” prior to Prime Minister Vajpayee’s arrival. The timing of General Chi’s visit was not due to any mix-up in Islamabad, Indian press acknowledged.

The official Chinese *People’s Daily* published a balanced and sober commentary on the achievements of the Lahore summit on Feb. 23 (see *EIR*, March 5, pp. 43). Building positive Indian-Pakistani relations will take time and work, *People’s Daily* noted, and “fortunately, the two leaders have realized that ‘creating a peaceful and stable environment is in line with the top interests of the two nations.’ ” The two nations’ nuclear tests had “significantly changed the security situation of the two countries and South Asia, and even influenced the world security environment. Thus, the efforts of the two leaders on solving disputes through diplomatic methods are welcomed and appreciated by the two peoples and the international community.”

One or two summits will not resolve the many issues to be discussed between the two nations. “Time is needed to completely solve the divergence and disputes between the two countries,” *People’s Daily* said. “It is just like what Prime Minister [Nawaz] Sharif said, ‘We must bring prosperity to our peoples.’ Vajpayee also pointed out that ‘We have to work together to usher in a new era of trust and confidence.’ ”

Southeast Asia unites in economic survival

by Michael O. Billington

Since the beginning of 1999, the nations of South and Southeast Asia, together with China, have been engaged in an intensive round of high-level diplomacy, establishing new bilateral alliances and strengthening old ones, with a spirit of Asian unity unprecedented in modern history. The agreements cover many areas—trade, investment, law enforcement, regional development, and more—but the unifying characteristic is the recognition that the deepening global crisis urgently demands bold collaborative measures if the nations of Asia are to survive.

It is now widely recognized across Asia that: 1) the International Monetary Fund (IMF) prescriptions have failed miserably; 2) there is worse to come in the economic breakdown; and 3) the “new architecture of the world monetary system,” long-promised by the Group of Seven industrial powers, is not forthcoming—at least not without the initiative being taken by the less-developed nations, especially in Asia.

China and India have played a central role in this new diplomacy, including numerous bilateral accords between China and the nations of Southeast Asia, and renewed efforts to improve relations between China and India themselves, in the wake of the historic peace initiative between India and Pakistan on Feb. 21. (See “India, Pakistan Prime Ministers’ Meeting Promises a New Beginning,” *EIR*, March 5.) These developments must be seen as an extension of the emerging triangular alliance between Russia, China, and India, which *EIR* founder Lyndon LaRouche has described as the “Survivors’ Club” in the face of the rapidly accelerating breakdown of the world financial system and the growing threat of war.

The other critical pole: Malaysia

The other critical pole in the new Asian diplomacy is Malaysia, whose Prime Minister, Datuk Seri Dr. Mahathir bin Mohamad, has taken the point against the global speculators and the IMF since the beginning of the crisis in the summer of 1997. Although he stood nearly alone at first, he has been fully vindicated by subsequent developments, and Malaysia’s policy of currency controls, implemented on Sept. 1, 1998, is now being seriously studied by nations around the world as a measure to defend national sovereignty.

Speaking on behalf of the Asian members of the G-15 group of developing nations in Jamaica on Feb. 10, Dr. Mahathir captured the dilemma facing national leaders: “If what is happening to the world today is an indication, the new century is going to bring a lot of challenges for us in the

developing countries. . . . We have not just seen the signs, but we are actually going through a painful experience of the kind of world the future will bring. For the time being we have been able to retain our freedom, but we are not sure that we can successfully fend off future challenges.”

But Dr. Mahathir is no longer alone in warning of the destructive nature of the existing financial system. Even in those countries in which the government has signed agreements with the IMF, such as Thailand, prominent voices are raising a cry against the IMF and the speculators, setting the tone for the regional diplomacy. Thailand’s former Finance Minister Virabongsa Ramangkura, for example, speaking at a seminar in Singapore sponsored by the Japanese External Trade Organization in February, warned, “Asia is very close to the last warning before yet another throwback. . . . If nothing radical is done very soon to revive the productive sectors of the Asian economy, then an even greater number of companies will close down and sell out dirt cheap to foreign investors.” He called on China and Japan to use their currency reserves to create an Asian-led fund for regional industries.

The paradigmatic bilateral agreements signed in these past weeks is that between China and Thailand on Feb. 6, called the “Joint Statement between the Kingdom of Thailand and the People’s Republic of China of a Plan of Action for the 21st Century.” Chinese Foreign Minister Tang Jiaxuan described the accord as an “unprecedented” agreement between sovereign nations. The result of a year of preparation, this statement covers trade, co-production in small and medium-size industries, agriculture, shipping, science and technology, education, as well as extensive security agreements. It poses increased collaboration with the six nations of the Mekong River Basin, including Myanmar, Laos, Cambodia, and Vietnam, in addition to Thailand and China. China particularly commended Thailand’s role in forging closer relations between China and the other members of the Association of Southeast Asian Nations (ASEAN).

The security factor

Beside the obvious benefits of the economic deals, the security agreements are of critical importance, as a means of permitting each nation to re-assert sovereignty over its own national territory. Without this crucial process, regional development would be impossible. One of the most important issues being pursued by the “Survivors’ Club” is that of the Eurasian Land-Bridge—rail-centered development corridors connecting East Asia, Southeast Asia, and South Asia with the Middle East, Europe, and Africa. However, every effort to construct rail and road connections across continental Southeast Asia into India, or connections north into China, have been thwarted historically by the lack of governmental control over the Golden Triangle region of northern Myanmar and Laos, and by the continuous warfare in one part of another of Cambodia, Laos, and Vietnam, the old French Indo-China, over the past half-century.

For the first time in modern history — since before the age of colonialism — the entire territory of South and Southeast Asia is now at peace and under the control of sovereign governments, with the exception of a few areas in northern Myanmar. This has been made possible by two recent developments. First, the Myanmar government has successfully pacified most of the ethnic insurgencies in the Golden Triangle, historically controlled by British intelligence, as a source of opium and as a region of “controlled instability” dividing Southeast Asia from China and India. The second development was the final demise of the Khmer Rouge in Cambodia, brought about by the government of Prime Minister Samdech Hun Sen, and the successful transition to constitutional government in that nation, despite extensive foreign efforts to subvert that result.

In early February, Prime Minister Hun Sen visited Malaysian Prime Minister Dr. Mahathir in Kuala Lumpur. Malaysia, which was already the largest investor in Cambodia, will be expanding its areas of investment to include water management, dam building, and irrigation systems, the areas Cambodia has prioritized in its reconstruction effort. Dr. Mahathir also welcomed Cambodia’s pending membership in ASEAN, which will finally unite all 10 nations of Southeast Asia into one cooperative association.

Other diplomatic agreements

The following are some of the other diplomatic agreements of the past weeks:

- China and Vietnam worked out the framework for annual top-level exchanges, during the Feb. 24 visit of Vietnamese Communist Party Secretary General Le Kha Phieu to Beijing, at the invitation of President Jiang Zemin. The talks covered implementation of bilateral agreements and a cooperation program between the two countries, as well as outstanding border issues.

- China and Laos signed agreements on criminal and judicial assistance, as well as economic cooperation, when Lao Premier Sisavath Kheobounphanh met with Chinese Premier Zhu Rongji at the end of January. Northeast Laos is a major part of the Golden Triangle, but it is also the route for a potential rail link between Thailand and China.

- Thailand and Cambodia signed a cross-border extradition treaty on Feb. 10. Aimed at stopping drugs, illegal logging, and other smuggling, a crucial included purpose was to stop the remnants of the Khmer Rouge from taking refuge in Thai territory. On March 6, the last Khmer Rouge leader, Ta Mok, was captured near the Thai border and is now in custody in Phnom Penh.

- Cambodia and China reached extensive agreements to further the reconstruction of Cambodia during Prime Minister Hun Sen’s visit to China on Feb. 9-12, immediately following his trip to Malaysia. Included are \$200 million in loans for agriculture and infrastructure, including water projects, and aid in the demobilization of Cambodia’s military — a critical question involving the integration of ex-Khmer Rouge sol-

diers into civil society.

- Thailand and Laos agreed to draw up a master plan on electricity, telecommunications, agro-industries, and investment in the next year, during the state visit of Laotian Prime Minister Sisavath Keobounphanh to Thailand on March 3-6. Laotian Deputy Prime Minister Sonsavat Lengsavad said the two countries declared that “the 21st century should be a century in which both countries will not have any conflicts. We propose that all previous conflicts be left behind so that we can start the new century with cooperative minds.”

- Thailand and Myanmar set a deadline for eliminating drug trafficking, during the first state visit of Myanmar’s Senior General Than Shwe to Thailand on March 8-9. A joint statement issued by Gen. Than Shwe and Thai Prime Minister Chuan Leekpai declared their agreement “to intensify the cooperation and coordination of law enforcement efforts with the aim of achieving the total eradication of illicit drug production, processing, trafficking, and use in ASEAN by the year 2020.”

- India and Myanmar took steps toward strengthening relations when Indian Foreign Secretary K. Raghunath visited Yangon in late February, and discussed cooperation in power generation, roads and railways, and counterinsurgency. The northern Myanmar-India border region is an area of ethnic insurgency and drug production on both sides of the border. India’s *The Hindu* reported on March 3 that “India sees Myanmar as a bridge to link it with the ASEAN nations via a land corridor. The Border Roads Organization is working feverishly to build a key strategic highway to Myanmar, to be completed in 2000.”

War on drugs

The battle against drugs in Southeast Asia is thus seen as an essential aspect of the continental development projects associated with the Eurasian Land-Bridge, which are in turn essential for survival itself. This fact makes a mockery of the recent boycott by the United States, Britain, and other European Union nations of the Fourth International Conference on Heroin, sponsored by Interpol, in Yangon in late February. The boycott was supposedly to protest Myanmar’s lack of activity in combatting drugs. However, the Director for Criminal Intelligence for Interpol, Paul Higdon, declared that he was “confident that there is the political will on the part of the Myanmar authorities.” He said he believed that Myanmar’s 15-year eradication plan would succeed, but that it “could be done quicker with outside help,” a reference to the fact that the United States and others have cut all assistance to anti-drug programs in Myanmar. The nations attending the conference, which included China, Japan, South Korea, and the ASEAN nations, can only wonder if the United States and the European Union are serious about eradicating drugs, or perhaps do not wish to see the development of the Eurasian Land-Bridge. *EIR* will provide an in-depth report on this war on drugs in the Golden Triangle in the near future.

FARC, Venezuela's Chávez form strategic alliance

by Maximiliano Londoño Penilla

Londoño is president of the Ibero-American Solidarity Movement (Colombia).

On Feb. 22, the recently seated President of Venezuela, Hugo Chávez, offered asylum to “Colombian guerrillas and soldiers” who cross the border into his country, “as long as the lay down their arms.” He explained that, “in the internal conflict between the Colombian government and the guerrillas, Venezuela is neutral. We aren’t in favor of either side.”

Chávez’s action in placing Colombian soldiers on the same level as the FARC and ELN narco-terrorists constitutes, de facto, the first formal recognition on the part of a head of state, of “belligerent” status for the narco-terrorists.

On cue, Antonio García, the ELN’s second in command who at that moment was in Maracaibo, Venezuela, expressed his delight that the “insurgents” had been recognized as “another state” by Chávez. García said: “Although it hasn’t been necessary to withdraw into Venezuela, in the latest incidents with the Colombian army in Arauca, the Venezuelan President’s offer of asylum is completely on target and serious. Chávez is a good military man who knows perfectly well how armies function and he is also an example of equanimity in the face of conflict.”

The FARC, on its Internet page, overflowed with praise for Chávez: “The political perspective in this region of Latin America has become highly interesting, and could serve as strong political pressure on the Colombian oligarchy. . . . It is no secret that the FARC welcomes the new President of Venezuela and we emphasize this in a greeting that we append to this communiqué.” For the FARC, this “strategic alliance” with Venezuela, now made concrete through Chávez, had already been presented as a priority by the FARC’s “commander Ariel,” who on Sept. 16, 1996, in comments to the Venezuelan daily *El Nacional*, announced: “The objective is to establish a fight on the part of the Venezuelan government, together with the FARC, to eliminate the binational mafias that steal cars, planes, and ships, and to urge the ELN to put an end to their actions inside Venezuelan territory and make Venezuela a neutral country in terms of the current Colombian internal conflict.”

Is this merely a matter of Chávez seeking a simple “pragmatic” arrangement with the Colombian narco-terrorists, to assure that the violence seizing Colombia does not extend to Venezuelan territory? Or is it perhaps that the FARC and ELN

simply want an easily accessible territory in which they can take refuge from pursuing Colombian military forces? Let’s not be ingenuous!

The British and their allies

Once again, as in the past, the British empire—which relied on pirates as their instrument of irregular warfare to seize the then colonies of Spain—hopes to take physical possession of the Ibero-American nations, through Jacobin-style revolutions and social chaos. London’s goal is to prevent our nations from becoming part of the “Survivors’ Club” led by China, India, and Malaysia. In this, London has important allies within the United States, such as Madeleine Albright’s State Department, which has wholeheartedly endorsed President Andrés Pastrana’s stupid and criminal policy of “peace negotiations” with the FARC-ELN narco-terrorists, thus recognizing them de facto as a “political force” co-equal to the government.

Not all the leaders on the continent agree with this strategy. On Feb. 28, in its articles published on the Internet, the FARC responded with hysteria to Peruvian President Alberto Fujimori’s warnings to his Colombian colleague Pastrana, of the dangers of becoming a “half-President” in yielding to the demands of the FARC-ELN narco-terrorists. Héctor Mondragón, of the FARC’s news agency, pushed what the leaders of that criminal group have reiterated on many occasions, regarding how best to trap the United States into a “new Vietnam.”

The difference is that, now, they have Hugo Chávez to help them achieve their goals: “Increasingly, the hawks in Washington are looking to an international intervention in Colombia. But, who can do it? Are the American people ready to take on the Vietnamization of Colombia? The hawks need flunkies, ready to act in presenting a U.S. intervention as the action of the ‘international community.’ But the situation in the region leaves them few alternatives: In Venezuela, which was previously the military linchpin of U.S. strategy, the Chávez option—hostile to U.S. hegemonism and supporting a serious peace process in Colombia—has triumphed.”

The State Department has encouraged President Pastrana both to hand territory over to the FARC as well as to confer political status on the FARC and the ELN, on the pretext of seeking a “negotiated solution to the conflict.” High-level officials of the State Department have even met in Costa Rica with FARC representatives. They argue that the FARC—which sustains itself with money from drug trafficking and kidnapping—could be turned into allies in the war on drugs, replacing coca and poppy crops with legitimate crops in their areas of influence. The State Department has even urged the funding of this project through agencies of the United Nations, funding which would necessarily go through the hands of the narco-terrorists.

Now that it is confirmed that the FARC was responsible for the kidnapping, torture, and assassination of three American indigenist activists in Colombia in early February, how

will the State Department respond? To begin to put his house in order. Bill Clinton should immediately fire Madeleine Albright, Peter Romero, and all the other Anglophile State Department officials responsible for this fiasco of U.S. foreign policy.

And if President Clinton wants to help Colombia and Venezuela, he should begin with an explicit and public recognition of the close ties between drug trafficking and terrorism, as represented by the FARC-ELN, and act in accordance with this strategic evaluation.

FARC, at the service of Her Majesty

by Javier Almarío

The Colombian Revolutionary Armed Forces (FARC), a narco-terrorist group created in the 1960s as the armed wing of the Colombian Communist Party (PCC), and as a tool of the Soviet Union in its proxy war against the United States and the West, has now imposed an ecological tyranny in the territory under its control in Colombia, along the guidelines of the radical ecologist organizations of Britain's Prince Philip.

In the "peace" talks it has been holding on and off with the Andrés Pastrana government, the FARC has proposed to administer all the nature parks in the country, which embrace some 100,000 square kilometers of national territory. One of these parks, the Serranía de la Macarena, forms part of the "demilitarized zone"; that is, it is part of the five townships representing some 50,000 square kilometers, which President Pastrana has handed over to FARC rule as their precondition for initiating the peace talks.

In a statement distributed to all the inhabitants of the Sierra de la Macarena, the 27th Front of the FARC, which describes itself as "the sole authority in the region," says that it intends to protect "the Serranía de la Macarena, and its flora and fauna which constitute an ecosystem considered the patrimony of humanity." It will do so, says the statement, by prohibiting inhabitants of the region from "opening new farms, as well as earth-moving, cutting down wood," making fires, hunting, or fishing. Further, the sale or purchase of land in the zone is prohibited without the express permission of the FARC, as is the sale of cattle. The statement also imposes a ban on all transport by "car, canoe, or motorcycle, between 8 p.m. and 4 a.m." It is worth noting that, under FARC tyranny, the most common punishment for disregarding its orders is execution, and the judges are the narco-terrorists themselves.

The FARC is doing what Prince Philip and the British monarchy did to Africa some 40 years ago, where they used the pretext of a few nature parks overseen by the World Wild-

life Fund (WWF, now the World Wide Fund for Nature), to create internal border divisions within many African nations, rendering their independence merely formal. Africa's nature parks have been used ever since as sanctuaries for the training of terrorist groups, led by agents or former agents of Britain's Special Air Services, the elite commando group at the direct service of Her Majesty Queen Elizabeth II of England.

In various interviews, Víctor G. Ricardo, the Pastrana government's delegated peace commissioner, has said that on ecological matters, the government and the FARC "have reached very important agreements" for taking care of the country's nature parks, "which are not ours, but the patrimony of humanity." The identical phrase is used by the FARC in its statement.

Juan Mayr: a profile

One of the guiding forces behind these agreements to fragment the nation is Juan Mayr, Pastrana's Environment Minister. "The protection of our environment will be one of the main issues of discussion in the peace process," Mayr stated in an early January interview with the U.S. weekly magazine *U.S. News and World Report*. Mayr has 20 years of contact with the FARC, through his ecological work as executive secretary of the Pro-Sierra Nevada Foundation of Santa Marta, in northern Colombia.

That organization is financed by the WWF, the Nature Conservancy, the International Union for the Conservation of Nature (IUCN), and the MacArthur Foundation. Mayr is, in effect, an operative of Prince Philip and the monarchy.

The WWF was created in 1961 by the British royal family, for the nominal purpose of raising funds for the IUCN. It was in fact founded as a covert operation, whose real purpose is to reduce world population, which it considers the main threat to the environment, and to protect zones of strategic natural resources so that they cannot be used to the benefit of the local population where those resources are found.

The IUCN was founded in 1948 by Britain's Sir Julian Huxley, one of the ideologues who proposed converting the United Nations into a supranational world government. It is headquartered in Switzerland, and is nominally linked to the United Nations.

The Nature Conservancy was directly created by the British Crown, and has consistently operated as one of the most powerful covert operations of the British secret service.

All of these organizations were supported in 1976 by Colombian President Belisario Betancur, in founding the Pro-Sierra Nevada Foundation of Santa Marta, with the official backing and participation of his government. Since that time, it has been run by Juan Mayr. From 1993 to 1996, Mayr was vice president of the IUCN. It is important to note that Betancur is one of the founding members of the Club of Rome, an organization created by NATO for the purpose of promoting the reduction of the world's population, especially those of darker skin.

Uganda's Museveni takes advantage of tourist murders

by Linda de Hoyos

On March 1, eight tourists — four Britons, two New Zealanders, and two Americans — were murdered in the Bwindi Impenetrable Forest in the southwestern tip of Uganda, as they were on a holiday to track the rare mountain gorilla that lives there. The Ugandan government immediately attributed the murders to Rwandan Hutu rebels, organized under the Interhamwe, the Hutu militias that carried out mass murder in Rwanda in 1994.

Museveni has used the massacre to further justify the presence of his troops in the Democratic Republic of the Congo, which he invaded in August 1998. The Ugandan warlord justified the aggression by stating that Uganda must secure its borders against insurgents, grouped in the Alliance of Democratic Forces, which, he claimed, were using Congo as a base and were backed by Congo President Laurent Kabila. The “right” of Uganda to deploy deep inside Congolese territory had been seconded only a few days before the massacre, on Feb. 27, by British Foreign Secretary Tony Lloyd, then visiting Uganda, who told the press that “Uganda has a genuine security stake in the Congo. . . . Uganda has genuine security concerns in the Congo.”

The international media put out the report, released by the Ugandan government, that the murders were the work of the Rwandan Interhamwe, which group no longer exists in that form, in any case. The line was put out that the attackers, who had gathered two different sets of tourists, had singled out Americans and Britons, and left behind notes on their murdered victims, accusing the United States and Britain of backing a war of extermination against Rwandan Hutus.

The story, however, leaves a lot of holes. First, as Museveni himself pointed out, “There was weakness on the government’s part. . . . Authorities concerned should have had the mind to take precautions in Bwindi.” He blamed national park authorities for failing to ask the army for protection, realizing that the area was prone to attack. The admission raises further questions:

- Since the border is secured by Ugandan and Rwandan troops far into Congolese territory, how is it possible that a group of up to 150 Rwandan Hutu rebels could penetrate this defense to cut across back into Uganda?
- And, if on the other hand, the border is insecure, and given that all the border between Uganda and Congo is a war

zone, why were tourists permitted into this war zone in the first place, and if they were, why was not the area secured?

- As pointed out by the FBI, which has come to Uganda along with Scotland Yard to investigate the murders, how did the perpetrators know the precise location of the tourists and when to attack? How did they obtain such information?

Museveni’s ‘glow is fading’

There is no question that politically, it is Yoweri Museveni who has gained from the atrocity. The Ugandan President has come under increasing pressure on a number of counts, as a feature in the *Washington Post* on Feb. 7 entitled “The Glow Is Fading,” signalled. Museveni has come under scrutiny for his refusal to deal with the insurgencies in northern Uganda; for the corruption within his own government which reaches as high as his own half-brother Gen. Salim Saleh, who was until recently special adviser to the President on defense; and to his deployment of troops into the Congo.

There are suspicions, even in environs as friendly to Museveni as Washington, that corruption and money-making, not national security, is the major reason why he is keeping the war going in northern Uganda, and why he invaded the Congo. It has been reported, by even his Rwandan allies, that the top echelons in the Ugandan military, including Museveni’s nephew, Army Chief of Staff James Kazini, are making a lot of money taking the gold and timber out of Congo, and out of southern Sudan.

The International Monetary Fund is now threatening to stop the release of a flow of money to Museveni, unless the Ugandan defense expenditure is pared down.

With the massacre, Museveni appears to be looking to breathe new life into his militarist aims. As one knowledgeable observer pointed out, Museveni had used the specter of “Islamic fundamentalism” in neighboring Sudan to garner the military and financial support from Washington; with that pretext waning, he wants to use an “Interhamwe” bogeyman for the same purpose. Museveni vowed to hunt and kill all the “Interhamwe” forces in the region, and reported that combined Rwandan and Ugandan forces have already killed 30. However, their guilt in this massacre has not even been established.

Opposition leader Paul Ssemogerere charged on March 5 that Ugandan government “military adventurism” lies behind the massacres. The chairman of the Democratic Party said that the killings “were acts of revenge, which can be avoided by addressing the root causes of our conflicts in order to ensure a peaceful co-existence and good neighborliness. Uganda is seen as having been the one behind the invasion of Rwanda by the RPF [Rwandan Patriotic Front] in 1990, the death of former President Juvenal Habyarimana, the displacement of millions of Hutus and fighting along rebels in the Congo.” It remains to be seen whether the United States will heed that warning, or stick with Museveni’s politics of military revenge, in which case the violence will continue, putting many innocent lives, especially those of Africans, at grave risk.

Anti-Hutu crusade targets Rwandan exiles

by Linda de Hoyos

The Rwandan government called on March 4 for a crusade against Rwandan Hutus, not just those in the Democratic Republic of Congo, but also exiles in Europe and other countries. The call was issued by government spokesman Wilson Rutayisire, in the wake of the killing of eight Western tourists and one Ugandan in the Bwindi forest on March 1, allegedly by Rwandan rebels. "If there is no international crusade against these criminals," said Rutayisire, "and the matter is left to certain individuals, they will be left to kill who they want to kill." He said the crusade must also be extended to Europe: "Their mentors and leaders are in Europe and the United States." The call for an international lynch mob against Rwandan Hutus and exiles is based on the ruling Rwandan Patriotic Front (RPF) version of events of 1994, in which they claim that forces loyal to the government of Rwandan President Juvenal Habyarimana systematically slaughtered up to 1 million Tutsis. The mass bloodletting that occurred in 1994, however, had been sparked by the assassination of Habyarimana, along with his chief of staff, on April 6, a murder which is currently "unsolved" and for which there is no investigation. While a hard core of Hutu extremists were geared for a liquidation of Tutsis in Rwanda, this by no means encompassed every member of the Rwandan government, nor every Hutu. Furthermore, many Hutus were killed in the panic that gripped the country in the wake of the President's murder.

However, with the international press giving currency only to the RPF side of the story, the Rwandan government wants to use the tourist murders in Uganda to fuel its revenge. Rutayisire's statement is a threat that the Rwandan government will take matters into its own hands, unless the international community moves to back a full-scale military assault on Rwandan Hutus in the Congo, and against political exiles and intellectuals abroad.

Hit-lists drawn up

There are multiple indications, however, that the Rwandan government is already taking matters into its own hands. According to a release of Feb. 15 by the organization *Afrique-Verité-Espoir* ("Africa-Truth-Hope" — AVE) in Belgium, the government of Vice President and Defense Minister Paul Kagame has deployed those who are considered "Tutsi extremists," to direct death squad operations, particularly in Europe. The squads are, according to this report, to be headed by Colonel Karemera, Colonel Mugambage, and Jacques Biho-

zagara. Bihozagara is now the new Rwandan ambassador in Belgium. AVE further reports that a hit-list has been drawn up for such planned networks by the Rwandan government, which includes the following individuals:

- Faustin Twagiramungu, former prime minister of the Rwandan Patriotic Front government from 1994-95, when he fled the country in the wake of mass killing of Hutus. Twagiramungu left jointly with former Interior Minister Seth Sendashonga. Sendashonga was the founder of the Forces for Democracy in Rwanda, and was working for a political program for democracy and reconciliation in the country, when he was murdered in Nairobi, Kenya, in June 1998. Twagiramungu then organized the Union of Rwandan Democratic Forces in September 1998, to unify Rwandan political forces and seek aid from Western powers to bring about an end to the civil war inside Rwanda.

- Joseph Matata, head of the Center for the Struggle against Impunity and Injustice in Rwanda. Based in Brussels, the Center puts out information it receives of all human rights violations in Rwanda.

- Paul Mbaraga, a Rwandan journalist who was previously based in the Netherlands, but was recently forced to leave by the Dutch government.

- Colonel Nindiliyimana, former chief of police under the Habyarimana government.

- Eugene Ruberangayo, former comptroller of the Habyarimana government and now an officer of the Front for the Resistance Forces for Democracy of Twagiramungu.

- Jean Gahururu, former director general of the Ministry of Social Affairs and Women's Conditions under the Habyarimana government and now spokesman for the URDF.

At the same time, death threats are known to have gone out to certain targeted Rwandan exiles in the United States.

The assassins have already become active. In February, Pasteur Musabe, the former general manager of the Banque Continentale Africaine (BCA) in Rwanda, was murdered in Cameroon. An old friend of current Rwandan President Pasteur Bizimungu, Musabe worked at the BCA directly under Valens Kajeguhakwa, the current minister to the President and the man believed to be "running" Bizimungu. In his capacity at the bank, Musabe was privy to all the financial wheelings and dealings of both the Habyarimana government and the transfer of monies to the RPF to finance the war. He was also used by Habyarimana as an envoy in any secret negotiations with the RPF during the 1990-94 war. It is believed that Musabe was murdered to ensure that his secrets never see the light of day.

In early February, two Rwandan exiles were placed under arrest in Nairobi, and brought to Arusha, Tanzania, site of the United Nations-sponsored Tribunal for crimes against humanity carried out in Rwanda in 1994. The two are former Information Minister Erliezer Niyitegeka and former Foreign Minister Casimir Bizimungu. Erliezer will stand trial; no charges have been brought against Bizimungu.

Gore, Chernomyrdin caught up in Russian gem scandal

by Edward Spannaus

In 1995, when the CIA uncovered what its analysts regarded as conclusive evidence of the personal corruption of then-Prime Minister Viktor Chernomyrdin of Russia, a secret report was sent to the White House. According to a Nov. 23, 1998 *New York Times* account, when the report found its way to the desk of Vice President Al Gore, it was rejected and sent back to the agency "with a barnyard epithet scrawled across its cover." The message was clear, intelligence officials told the *New York Times*: "The Vice President did not want to hear allegations that Mr. Chernomyrdin was corrupt and was not interested in further intelligence reports on the matter."

Within the past few weeks, new evidence has surfaced regarding Chernomyrdin's corruption, and specifically, with regard to his direct involvement around a billion-dollar precious-metals-smuggling operation which was authorized and protected by high-level Russian officials. And naturally, this has serious implications for his crony Al Gore.

The diamond- and gold-smuggling operation centered around a company called Golden ADA, which set up shop in San Francisco in 1992-93. An FBI official, testifying at a House Banking Committee hearing last September, described it thusly: "This particular investigation . . . centered upon a company known as GOLDEN ADA. This firm was ostensibly incorporated for the purpose of processing precious gems, including diamonds, which were to be imported from Russia. . . . The principal subjects of this investigation included ANDREI KOZLENOK, a Russian national with ties to high-level officials in the Russian Federation.

"It appears that KOZLENOK and his business partners, in collusion with high-level governmental figures in Russia, utilized GOLDEN ADA as a 'golden calf.' Although established for the stated purpose of procuring and distributing Russian diamonds on the world market in order to generate collateral for U.S. bank loans, GOLDEN ADA became an efficient mechanism for looting the Russian treasury.

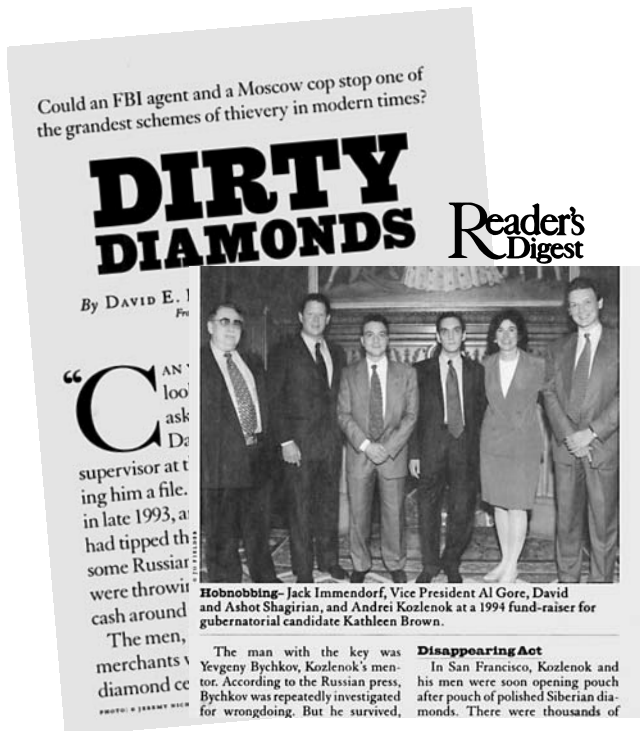
Through high-level contacts in Russia who had access to vast government repositories of raw diamonds, gold and objects of art, GOLDEN ADA received shipments of these precious goods by the ton. Most of these materials eventually disappeared. . . ."

The "high-level officials" in the Russian government included many of the free-market "reformers" who were the darlings of the International Monetary Fund. While many former high-level officials have been implicated in the Russian investigation of Golden ADA, including former Finance Minister Boris Fyodorov, one-time Prime Minister Yegor Gaidar, and another top "reformer," Anatoli Chubais, "the most sensitive issue" is Chernomyrdin's involvement in the case, according to an article in the Russian *Obshchaya Gazeta* on Feb. 25, 1999. "Firstly, the Golden ADA operations were discussed in the mid-'90s at the Gore-Chernomyrdin Commission," writes *Obshchaya Gazeta*. "Secondly . . . the Prime Minister expressed personal concern about the fate of the diamond smuggler [Kozlenok]," about a year before he denied to journalists that he knew anything about the case.

Chernomyrdin is, of course, Vice President Al Gore's principal point of contact in Russia. To understand the significance of this relationship, let us review some of the salient points of the Gore-Chernomyrdin link, before delving into the details of the Golden ADA case.

The Gore-Chernomyrdin deals

By virtue of his position as co-chairman of the Joint Commission on Economic and Technological Cooperation, created in late 1993 and known as the "Gore-Chernomyrdin Commission," Gore and his national security adviser, Leon Fuerth, have been described as the day-to-day managers of U.S.-Russia relations. By summer-fall of 1998, Gore's role had become downright treacherous, with Gore trying to reinstate Chernomyrdin as Prime Minister. Already during the



Gore's association with Russian mafia figures, from the diamond- and gold-smuggling operation Golden ADA, was covered in U.S. News & World Report and picked up in the Reader's Digest.

March 1998 meetings of the Gore-Chernomyrdin Commission, the two reached an agreement—according to informed sources—to “cover each others’ backs” and to try and each promote themselves from the number-two position in their respective governments, to number one. Yeltsin reportedly got wind of the deal, and within a few weeks he had replaced Chernomyrdin with Sergei Kiriyenko.

That was one side of Gore's Russia operation. The other end of it was on Wall Street. During 1998, a group of speculators who were deeply exposed on the Russian markets—including George Soros, Maurice Greenberg, and David E. Shaw—had poured a million dollars into Gore's political action committee. In July, after the Russia financial crisis had erupted, Shaw put up another \$40,000 into Gore's committee. As the Russia crisis was boiling over, Gore convened a secret meeting of his Wall Street backers at the White House.

When Kiriyenko was fired by Yeltsin following the Aug. 17 debt freeze, Gore went into a frenzy of activity behind President Clinton's back. Gore made a series of phone calls to Moscow—to Chernomyrdin (three times), to Kiriyenko, and to Yeltsin. Clinton was only informed of the Gore intervention *after the fact*, and he was livid.

The outcome of Gore's intervention: Chernomyrdin was back in power, as acting Prime Minister. But, the Russian State Duma (lower house of parliament) wouldn't go along

with the deal, and rejected the Chernomyrdin nomination. On Sept. 10, 1998, Yeltsin nominated Yevgeni Primakov, inaugurating a new era in post-Soviet Russia, and one in which Gore and Chernomyrdin now have to watch their own backs, leaving little time to guard each other's.

For example, a few days after the publication of the *New York Times* story on Gore's rejection of the CIA report on Chernomyrdin, *New York Post* financial columnist John Dizard wrote: “Leon Fuerth, the manners-challenged national security adviser to Vice President Gore, has his fingerprints all over this week's scandal about the coverup of Chernomyrdin's and Chubais' organized crime connections. . . . Fuerth's role in this might become an issue when people look at Gore's record.”

Out of 'The Closet'

The origins of Golden ADA go back to 1992, when Yevgeny Bychkov, named by his old friend Boris Yeltsin to head Russia's State Committee on Precious Metals and Gems, came up with a scheme to circumvent Russia's arrangement with the DeBeers diamond cartel. His idea was to set up a diamond-selling operation in the United States.

Soon, not only were diamonds being shipped to Golden ADA in San Francisco, but other gems, rare coins, gold by the ton, antique tableware, and Fabergé-type eggs and jewelry. The source of much of this was “The Closet,” a location said to be deep in the Urals, where the Soviet Union and later the Russian Federation stored its gold, diamonds, emeralds, rare coins, and other valuables.

Bychkov, who has been described as Kozlenok's mentor, obtained approval from Finance Minister Fyodorov and other top officials. Kozlenok says that the plan was also approved by then-Prime Minister Gaidar.

Inevitably, the Golden ADA shipments came to the attention of U.S. Customs authorities, and in late 1993, the FBI received an informant tip about a group of Russian immigrants who were spending lavishly in the Bay Area. Kozlenok and his two Armenian partners, Ashot and David Shagirian, had paid \$10.6 million for a building in San Francisco for which the owner was asking \$6 million. They built a state-of-the-art diamond-cutting facility; they bought luxury yachts, million-dollar homes, 18 pieces of property in all, and a \$20 million Gulfstream jet.

By late 1994, formal investigations were under way in both the United States and Russia. Russian authorities were provided with information from U.S. law enforcement agencies. In the Bay Area, the FBI opened a case, with the investigation centered in the local Organized Crime Strike Force office. But also, the DeBeers “lobby,” as it is sometimes called, was pressuring Russian officials to investigate and shut down the Golden ADA operation; one source says there are reports that DeBeers put out a million dollars in bribe money to help this along.

In late 1994, a mysterious figure named Andrei Chernukhin was put on the board of Golden ADA. According to *Obshchaya Gazeta*, Chernukhin was known as a “cleaner”—someone sent in by shadowy figures to pressure a client who is getting out of control. Chernukhin came to the United States, carrying documents identifying him as officially authorized by the Russian government. He eventually replaced the company’s entire leadership—although there is great dispute about how this was done. First, according to the Shagirian brothers, Kozlenok had bought them out, giving them a choice of \$5 million or “a bullet to the head.” Kozlenok himself claims that he was kidnapped in August 1995 by Chernukhin and others, taken to Mexico, and forced to sign over control to an Indian businessman named Rajiv Gossein. Others believe that Kozlenok was simply paid off and sent on his way; he went to Belgium in September 1995.

Around the same time, according to a story on Golden ADA in *U.S. News & World Report* published last August, an investigator in the Russian Internal Affairs Ministry, Maj. Viktor Zhiron, arrived in San Francisco to work with the FBI. Zhiron had already accumulated enough evidence—despite obstruction by Finance Minister Fyodorov and others—to order a raid on Golden ADA’s Moscow office.

Shortly before he came to the United States, a thug had pulled a knife on him in the Moscow subway, warning him, “Stay away from Golden ADA.” When he returned from San Francisco and ordered an intensification of the Golden ADA investigation, he was brutally beaten by two men on the street and told, “Stop the Golden ADA investigation, or next time we’ll kill you!”

FBI wiretaps on Golden ADA’s office in San Francisco had picked up calls from the “cleaner,” Chernukhin, to Bychkov, in which they discussed getting help from Chubais, Moscow Mayor Yuri Luzhkov, Alexander Korshakov (the head of Yeltsin’s Presidential security service), and Deputy Prime Minister Oleg Soskovets.

On the U.S. side, there were also concerns about high-level interference. A U.S. gemstone trade publication reports: “The FBI feared political interference because the staff of Vice-President Gore had been briefed on the situation.” This would have to mean Gore’s national security adviser Leon Fuerth—his point-man on Russia.

U.S. News & World Report’s account gives slightly more detail. “In Washington, Justice Department officials briefed the staffs of the National Security Council and Vice President Gore, who was then deeply involved in U.S.-Russian relations. Davidson [the FBI agent running the case in San Francisco] remembers feeling uneasy. ‘We were worried about political interference,’ he says.” One of Joe Davidson’s concerns was that he was preparing new wiretaps.

But then, the Internal Revenue Service had obtained permission to carry out a raid on Golden ADA’s offices, which Davidson and others believed would prematurely shut down their investigation, and would render their wiretaps useless.

The raid was carried out on Nov. 8, 1995. Sources familiar with the Golden ADA investigation cite the IRS’s eagerness to make the largest asset seizure ever (about \$40 million), irrespective of the consequences for the ongoing criminal investigation.

It is highly significant that the CIA report on Chernomyrdin’s personal corruption was sent to Gore in 1995—at the peak of the Golden ADA investigation.

The raids effectively closed down the Golden ADA in the United States, and the company went into bankruptcy. Russian authorities and the IRS fought over the spoils, with Bychkov’s State Committee on Precious Metals and Gems filing suit in Federal court in San Francisco to block an auction of Golden ADA assets, claiming that Golden ADA had stolen \$400 million in diamonds, gold, cash, etc. Eventually a settlement was reached between the IRS and the Russian government, with Golden ADA agreeing to pay Moscow back about \$170 million. Meanwhile, in early 1996, Yeltsin fired Bychkov, who was then arrested.

Kozlenok went from Belgium to Athens, where he was picked up in January 1998. He pled with Greek authorities not to extradite him, fearing that he would suffer the same fate as one of his partners, Sergei Dovbysh, who was found “suicided” in a Moscow court building a few days after Kozlenok’s arrest. Accounts vary of how Dovbysh died—that he hanged himself with his sweater, choked himself, or suffocated himself by pulling the sweater over his head!

Kozlenok was extradited to Moscow in June 1998. According to a Russian TV report at the time, Kozlenok said he would remain silent—not wishing to end up like Dovbysh—and would not mention names of “high influentials” involved in the scheme. Russia news media accounts had mentioned both Boris Fyodorov and Chernomyrdin in this regard.

Ashot Shagirian was arrested at London’s Heathrow Airport on April 2, 1997, on his way to the Caribbean, and extradited to the U.S. on charges of tax fraud. He pled guilty in January 1998 to tax evasion. David Shagirian and Chernukhin are both fugitives, hiding in Europe.

The deputy head of the Russian Internal Affairs Ministry’s economic crime department, who supervised the Golden ADA investigation, also died mysteriously, according to *Obshchaya Gazeta*’s Feb. 25 article. The Russian paper also stated that there were unconfirmed reports that Kozlenok’s replacement at Golden ADA, Rajiv Gossein, had been murdered in Indonesia. According to sources in California, Gossein is still very much alive, but there is speculation that the rumors of his death were meant as a threat to him.

In San Francisco, litigation is still apparently continuing around the bankruptcy of Golden ADA, but under somewhat strange circumstances; as one attorney put it: “Everybody that ever was involved in this whole thing is dead, fled, or has taken the Fifth.” However, on the Washington and Moscow sides of the story, especially as pertains to Gore and his crony Chernomyrdin, there still may be more to come.

EIR amicus opposes effort to block DOJ probe of Starr

On March 8, attorneys for *Executive Intelligence Review* filed legal papers in the Federal appeals court in Washington, opposing the effort by the Richard Mellon Scaife-funded Landmark Legal Foundation to block the Justice Department's investigation of misconduct by independent counsel Kenneth Starr.

EIR's amicus curiae brief shows that the Landmark Legal Foundation, while posing as a disinterested party, "is itself deeply enmeshed in the network of foundations, lawyers, and private citizens which are likely to be the subject of inquiry by the Attorney General," and that it "has a vested interest" in asking the court to order the termination of the Attorney General's probe. *EIR's* brief shows that Landmark itself was covertly working with the *American Spectator* magazine's Scaife-funded "Arkansas Project" in the spring of 1994 to recruit lawyers for Paula Jones. Landmark also sided with Jones's lawyers in challenging President Clinton's legal claim that he was immune from civil suit—an effort in which Kenneth Starr was also involved before he was appointed independent counsel. Landmark later attempted to conceal its role in this effort. Here are the text of *EIR's* motion and brief:

**UNITED STATES COURT OF APPEALS
FOR THE
DISTRICT OF COLUMBIA CIRCUIT**

**Division for the Purpose of
Appointing Independent Counsels Ethics in
Government Act of 1978, As Amended**

In re: Madison Guaranty
Savings & Loan Association

**MOTION OF EXECUTIVE
INTELLIGENCE REVIEW TO FILE
BRIEF AS AMICUS CURIAE**

Comes now *Executive Intelligence Review* and moves this Court to allow it to file the attached Brief, as amicus, in opposition to the "Application for Judicial Notice and Writ of Prohibition" submitted by the Landmark Legal Foundation.

Interest of Executive Intelligence Review and Reasons Why the Brief As *Amicus Curiae* is Desirable

Executive Intelligence Review is a weekly news magazine founded by Lyndon H. LaRouche, Jr. It has provided comprehensive investigative reporting concerning the actions of Independent Counsel Kenneth Starr. The United States Department of Justice, will, undoubtedly oppose the motion of Landmark to halt the Justice Department's investigation into prosecutor Starr's actions on technical grounds—such as the complete lack of standing of Landmark Legal Foundation to make the application it has made to the court, its failure to satisfy the legal criteria for granting extraordinary writs, and the prematurity and lack of any legal basis, under 28 U.S.C. 596 for any action at the present time, by this Court.

The Department of Justice is unlikely, based on past performance, to raise the most important issue regarding Landmark's application—its factual context. There has been considerable public speculation about the motives of this panel. In the context of this public debate, implicating the Court's integrity, it is imperative, before any decision is made by this Court on Landmark's application, that the Court be fully apprised of Landmark's status as an interested party and ally of the Independent Counsel and potential target of any investigation conducted by the Department of Justice.

Accordingly, the Court should grant this motion of *Executive Intelligence Review* to file the attached Brief in Opposition to the Application of Landmark Legal Foundation as a friend of the Court.

***Amicus Curiae* Brief in Opposition to the Application of a Writ of Prohibition**

On February 11, 1999 Landmark Legal Foundation filed application for a writ or prohibition and judicial notice asking this Court to prohibit the Department of Justice from investigating Independent Counsel Kenneth Starr. On February 19, 1999 the Special Division ordered U.S. Department of Justice to respond.

As stated in its motion to file this Brief in opposition to Landmark's application, *Executive Intelligence Review*, a weekly news magazine founded by Lyndon H. LaRouche, Jr., has extensively investigated and reported upon the activities

of Independent Counsel Kenneth Starr. *EIR* along with other publications, public officials and members of the public, have questioned the actions of this panel and its impartiality as they pertain to the appointment of Mr. Starr and the repeated enlargement of his jurisdiction. *EIR* believes it is in the public interest and in the interest of public confidence in the judicial process, to bring to this panel's attention certain published accounts and facts about Landmark Legal Foundation and its interest in this matter, prior to any decision which might be rendered on Landmark's application by the Court. Accordingly, *EIR* moves that this Court consider the materials set forth here by *EIR*, and take judicial notice of them pursuant to F.R.E. 201.

These materials show that Landmark is not a disinterested party in this proceeding, but rather, Landmark is itself deeply enmeshed in the network of foundations, lawyers and private citizens which are likely to be the subject of inquiry by the Attorney General. As such, Landmark itself falls squarely into the zone of inquiry and therefore has a vested interest in asking the Special Division to order the termination of the Department of Justice investigation.

According to Landmark's Exhibit 1, a *New York Times* article dated February 10, 1999, there are several issues that the Justice Department wants to examine, including contacts between Mr. Starr's office and the Paula Jones legal team. As background to this, the *Times* article reports allegations of "collusion" between Mr. Starr's office and the Jones lawyers, and reports that "Linda Tripp found her way to the Office of Independent Counsel through a group of private lawyers who performed legal work on the Jones case."

The *Times* article also states: "The [Justice Department] ethics lawyers are trying to determine whether prosecutors in Starr's office had a vested interest in the outcome of the Jones case, an interest that would have undercut their ability to impartially investigate allegations related to the lawsuit."

Petitioner also draws the Special Division's attention to a second investigation relating to Mr. Starr's office which is currently underway. This pertains to allegations that Mr. Starr's key witness in the Whitewater probe, David Hale, received payments and/or gratuities from the so-called "Arkansas Project," a venture funded by Richard Mellon Scaife which operated under the auspices of *The American Spectator* magazine and its "American Spectator Educational Foundation." Investigators have interrogated Mr. Scaife, as well as two individuals associated with him, David Henderson and Steven Boynton. See, Attachments A and B hereto.

Landmark itself was secretly involved with Henderson, Boynton, and others associated with the "Arkansas Project," in both helping to obtain lawyers for Paula Jones, and then advising them not to sue *The American Spectator* — the magazine whose January 1994 "Troopergate" story had mentioned a woman named "Paula." This chain of events was described in an account published in the on-line magazine *Salon* in April

1998. In commenting on Landmark's advice not to sue *The American Spectator*, the article notes that Landmark had received at least \$650,000 from various foundations controlled by Mr. Scaife, and it notes: "The Landmark lawyers' advice was hardly disinterested: Richard Mellon Scaife had been a major benefactor over the years of the American Spectator." See, Attachment C, (*Salon* article), p. 4.

The *Salon* article also reports, referring to Paula Jones' lawyers Gilbert Davis and Joseph Cammerata: "The two sources say that Landmark counselled those knowledgeable about its role in helping find Davis and Cammerata to keep the information confidential, fearing that the organization's ties to Scaife would be used to discredit the Jones case." Mr. Davis denied that Landmark had brought him into the case, but he acknowledged having had discussions about the case with Landmark officials. See, Attachment C, p. 6.

Mark Levin, the president of Landmark, has himself publicly acknowledged receiving funding from the Scaife foundations. See, Associated Press story dated 6/9/98, Attachment D hereto.

There have also been many published reports linking Mr. Starr to preliminary preparations of an *amicus curiae* brief arguing against presidential immunity in the Paula Jones case. Some reports have alleged that Mr. Starr was engaged by Landmark to prepare such an *amicus* brief. Landmark has denied that it paid Mr. Starr to prepare such a brief, but it has not denied consulting with him. It was well-known, and Mr. Starr has acknowledged, that he was intending to author or co-author an *amicus* brief in the Jones case prior to his appointment as Independent Counsel by the Special Division in August 1994. Indeed, Mr. Starr did acknowledge, in his testimony to the House Judiciary Committee on November 19, 1998, that he did have discussions with the Independent Women's Forum about the immunity issues with respect to the filing of an *amicus* brief. See Attachment E hereto.

In its own promotional material, Landmark lists among its accomplishments:

Challenged President Clinton's unprecedented claim of civil immunity in his effort to delay and dismiss Paula Corbin Jones' sexual harassment lawsuit.

See Attachment F hereto.

Petitioner asks the Special Division to accept this application for Judicial Notice, and petitioner urges the Special Division to deny Landmark's Application for a Writ of Prohibition instructing the Attorney General to cease any investigation of Independent Counsel Kenneth Starr.

By Theo W. Mitchell
Counsel for Executive Intelligence Review
Theo W. Mitchell & Associates
9 Bradshaw Street
Greenville, South Carolina 29601

Stunning breakthrough reached in Nebraska satanic pedophile case

by Allen Douglas

On Feb. 27, Judge Warren Urbom of the U.S. District Court of the District of Nebraska, found the former general manager of the now-defunct Franklin Federal Community Credit Union of Omaha, Lawrence E. King, guilty of numerous crimes committed against plaintiff Paul A. Bonacci, one of the central victim-witnesses in the infamous, decade-old "Franklin case." Urbom ordered King, now serving a 15-year sentence for "financial crimes" related to Franklin, to pay Bonacci \$800,000 in compensatory damages, and awarded Bonacci a further \$200,000 in punitive damages.

Judge Urbom's finding represents a breakthrough in one of the nation's most notorious child abuse cases, in which Lawrence "Larry" King was a principal, but which went far, far beyond King and the \$40 million which he and his friends stole from Franklin, a small credit union located in the African-American section of Omaha. As documented in investigative reports published by *EIR* and the weekly *New Federalist*, and in *The Franklin Cover-Up: Child Abuse, Satanism and Murder in Nebraska*, a book by Bonacci's attorney, former Nebraska State Sen. John DeCamp, the Franklin case involved an international satanic pedophile ring based in the U.S. military, operating from military bases in the United States and abroad, and involving NATO personnel. The ring also served as a nationwide drug distribution network and money-laundering apparatus for the Iran-Contra nexus run by then-Vice President George Bush. According to the testimony of several children victim-witnesses, Bush himself, and several U.S. Senators and Representatives, were present at King's pedophile sex parties.

Judge Urbom's findings

In his Memorandum of Decision against King, Judge Urbom declared: "Between December 1980 and 1988, the complaint alleges, the defendant King continually subjected the plaintiff to repeated sexual assaults, false imprisonments, infliction of extreme emotional distress, organized and directed satanic rituals, forced the plaintiff to 'scavenge' for children to be a part of the defendant King's sexual abuse and pornography ring, forced the plaintiff to engage in numerous sexual contacts with the defendant King and others, and participate in deviate sexual games and masochistic orgies with other minor children. The defendant King's default has made those allegations true as to him."

Furthermore, Judge Urbom found, "The uncontroverted evidence is that the plaintiff has suffered much. . . . In addition to the misery of going through the experiences just related over a period of eight years, the plaintiff has suffered the lingering results to the present time. He is a victim of multiple personality disorder, involving as many as fourteen distinct personalities aside from his primary personality. He has given up a desired military career and received threats on his life. He suffers from sleeplessness, has bad dreams, has difficulty in holding a job, is fearful that others are following him, fears getting killed, has depressing flashbacks, and is verbally violent on occasion, all in connection with the multiple personality disorder and caused by the wrongful activities of the defendant King."

These findings are stunning, because, ever since the Franklin case first exploded into public view in the fall of 1988 amidst rumors of child abuse, satanism, and money-laundering for the Contras, Bonacci has repeatedly been called a liar by the Omaha *World Herald*, Nebraska's largest newspaper; by Omaha and Nebraska state law enforcement authorities; by the FBI; and by the 15 other individuals or institutions named in a \$110 million civil suit which Bonacci attorney DeCamp filed on Feb. 1, 1991 on his behalf. In addition to the *World Herald* itself, these defendants included *World Herald* columnist Peter Citron, later sent to prison for child abuse; *World Herald* publisher Harold Andersen, an adviser to the U.S. State Department, and named by several of the children as a particularly sadistic abuser; Omaha socialite and top Anti-Defamation League of B'nai B'rith fundraiser Alan Baer; former Omaha police chief Robert Wadman, who left the Omaha force under a cloud, and who was later dismissed as police chief of Wilmington, North Carolina under curious circumstances; and Samuel van Pelt, the prosecutor who ran the notorious Douglas County Grand Jury in 1990, which accused the children victim-witnesses of lying and of authoring a "carefully crafted hoax."

The other 15 witnesses hired some of the most high-powered, expensive legal talent in the land. Through rigged courtroom proceedings, repeated lying, and by simply financially overpowering DeCamp, all the other defendants besides King succeeded in having the charges against them dismissed. DeCamp, who defended Bonacci *pro bono*, spent more than \$100,000 of his own funds on the case, and was repeatedly



Franklin victim-witness Paul Bonacci (left), his attorney John DeCamp (center), and the late William Colby, former head of the CIA. A U.S. government mind control program utilizing satanic ritual abuse to create “multiple personalities” in its victims, is the deep secret behind the Franklin scandal. In 1975, Colby blew the whistle on such government “mind wars” in testimony before the U.S. Congress.

threatened with disbarment, on one hoked-up pretext after another.

DeCamp: ‘Reopen the Franklin case’

Immediately after Judge Urbom delivered his verdict, DeCamp issued an open letter in which he charged that Urbom’s decision called into question the entirely opposite testimony to the findings in that verdict, which had been delivered by the other 15 defendants, as well as by many, many others, during the last decade of legal wars over the Franklin case. Said DeCamp, “I believe that the U.S. Attorney has no choice but to either *charge the witnesses with perjury*, having testified under oath in a Federal court on very material matters (from murder to bribery to perjury to most vile corruption involving young people), or, *the U.S. Attorney has an obligation to investigate further into the Franklin saga and reopen matters.*”

DeCamp cited powerful new evidence, including oral testimony and photographs taken by King’s former photographer Rusty Nelson, which proved Bonacci to be telling the truth, as well as surprise testimony by Noreen Gosch, the mother of Johnny Gosch, a West Des Moines, Iowa paperboy who was kidnapped in 1991. Bonacci had been forced to take part in the kidnapping, and provided Mrs. Gosch with details about the event, and about the kidnapping ring which organized it, which no one but she or her son Johnny could have known. DeCamp argued, that if Bonacci were telling the truth, “then Alisha Owen is also.” Owen, who was also formerly represented by DeCamp, was a key victim-witness in the Franklin case, who was sent to jail for 15 years for refusing

to recant her testimony against several of those Bonacci named in his civil suit.

In short, concluded DeCamp in his open letter, “It appears to me to put the U.S. Attorney and Nebraska Attorney General and Judicial System on the horns of a dilemma—and failure to act would, to me at least, appear to be deliberate obstruction of justice.”

Rusty Nelson: 100,000 pieces of evidence

When the Franklin case first came to light in 1988-90, numerous child victim-witnesses, including Paul Bonacci and Alisha Owen, testified to investigators for the Nebraska Senate’s Franklin committee, that a man named “Rusty Nelson” was the private photographer of King, and that Nelson, at King’s direction, had taken thousands of pictures of incidents of sexual abuse. Chief Wadman, named by Owen as her primary abuser, “investigated” charges of pornography which had been lodged against Nelson, but Wadman found that Nelson was “involved in a legitimate business,” though Wadman had to acknowledge that Nelson was living in an apartment rented for him by King.

Shortly thereafter, Nelson disappeared from Nebraska, until he showed up as a surprise witness in court on Feb. 5, 1999.

Some years later after his disappearance, Nelson had been arrested by police in Portland, Oregon, on pornography charges. Among his belongings, police found a copy of DeCamp’s book, and called DeCamp. Following a long saga of attempts by the FBI, and by some authorities in Oregon to have Nelson declared insane, or, alternatively, to strike a deal

with him to have all his pictures of King et al. destroyed, in return for dropping charges against him, Nelson (now on parole) finally agreed to testify for Bonacci.

Nelson told the court that he had at least 108,000 slides and another 20-30,000 prints and negatives in Oregon, as well as diaries he kept during the Franklin period, in which he recorded, often hour-by-hour, everything that he had been involved in. Nelson testified that, not only did King “have some association with the Contra ordeal,” but that he was present when King personally called President Ronald Reagan on the telephone, to get Reagan to intervene on his behalf with law enforcement. Nelson also testified that he had met with Nebraska Senate Franklin committee investigator Gary Caradori in Chicago in mid-1990, and provided Caradori photographs and other documents which proved the account of the child victim-witnesses. Flying back to Nebraska from Chicago with that evidence a couple of days later in his private plane, Caradori and his 10-year-old son A.J. were blown out of the sky, in an explosion which has never been explained.

To this day, most of Nelson’s evidence—that which has not been destroyed by Oregon officials or by the FBI—has never been presented in court. And, among Nelson’s pictures, some caches of which are still hidden in remote locations, are reportedly pictures of George Bush together with Larry King.

The FBI defends the pedophiles

Nelson testified that the FBI ransacked his house in Nebraska without a search warrant in an attempt to find his photos, and then told him to “disappear” for good. As *EIR* first documented in an article on July 27, 1990 (“FBI Covers Up Child Abuse, Murder in Nebraska”), from reports from an *EIR* investigative team on the scene in Omaha, the FBI has repeatedly destroyed evidence, terrorized victim-witnesses and State Senate investigators, covered up murders—and perhaps committed murders—and done everything it could to make sure that the truth of the Franklin affair never comes out.

Further evidence of such FBI activity was provided in Feb. 5 testimony by Noreen Gosch, one of the founders of the National Center for Missing and Exploited Children, who has been carrying on a courageous crusade against child abuse ever since her son was kidnapped ten years ago. She recounted one incident in which her close friend, John Walsh, the host of “America’s Most Wanted” TV show, whose own son had been kidnapped, had put together a feature on the Gosch kidnapping for national TV. “Just prior to the America’s Most Wanted going on the air,” Gosch testified, “we’re talking a week or two of air time, the FBI in Quantico, Virginia contacted America’s Most Wanted and told them to kill the story. They did not want the Johnny Gosch story broadcast.”

However, Mrs. Gosch continued, “The only reason the story went on is because John Walsh is a personal friend, and he said, ‘This story goes. This woman does not lie. I’ve known her for years. We are going with the story.’ And they did the story. But the FBI tried to kill this story.”

And, as DeCamp recounted in his book, the FBI did stop an America’s Most Wanted series which featured the Franklin case.

Satanic ritual abuse: the ‘Monarch project’

In her Feb. 5 testimony, Noreen Gosch lifted the lid on one of the darkest secrets behind the Franklin affair, that of the U.S. government mind control program often referred to as the “Monarch project.” Developed out of the MK-Ultra drug experiments of the 1950s, the Monarch project was centered in military bases across the country (and likely stretched into NATO headquarters in Brussels, Belgium), and involved using ritual satanic abuse to create distinct “multiple personalities” in an individual, each of which may be programmed as desired. Said Mrs. Gosch, “It is our hope following this story that we will be able to get Senate hearings, because it goes that high and that deep. . . . [It] involves an elaborate function, I will say, that was an offshoot of a government program. The MK-Ultra program was developed in the 1950s by the CIA. It was used to help spy on other countries during the Cold War. . . . Well, then there was a man named Michael Aquino. He was in the military. He had a top Pentagon clearance. He was a pedophile. He was a Satanist. He founded the Temple of Set.

“And he was also a very close friend of Anton LaVey. The two of them were very active in ritualistic sexual abuse. And they deferred [sic] funding from this government program to use this experimentation upon children, where they deliberately split off the personalities of these children into multiples, so that when they’re questioned under oath or questioned under lie detector, that unless the operator knows how to question a multiple personality disorder, they turn up with no evidence.

“They use these kids to sexually compromise politicians or anyone else they wish to have control of. This sounds so far out and so bizarre, I had trouble accepting it in the beginning myself, until I was presented with the data. We have the proof. The black and white. . . . And by splitting the children’s personalities, they could then train each one of the personalities to do a different function. And the rest of the personalities within that host personality would not be aware of it, or remember it.”

Paul Bonacci was a victim of the Monarch project, one of whose headquarters was in the bunkers of the Strategic Air Command (SAC) headquarters at Offutt Air Force Base in Omaha. In written depositions and in hours upon hours of videotaped testimony—during which several of his personalities clearly emerge—Bonacci has provided the most detailed account of the Monarch project ever to see the light of day. Bonacci named Larry King, Alan Baer, Chief Wadman, Harold Andersen, as well as perhaps a hundred other individuals as being involved in Monarch, and has provided the names, phone numbers, and other personal data of dozens of military personnel at Offutt, and at many other military bases around the country, who helped run the Monarch project, including

at Ft. Defiance, Ft. Bragg, Ft. Laramie, Ft. Riley, and Ft. Ashland. Ironically, the Monarch programming seems to have created photographic memories in several of Bonacci's personalities, so that he has an almost computer-like recall of names, dates, telephone numbers, license plates, and so on.

The last testament of William Colby

In April 1996, the body of former CIA chief William Colby was fished from the water on the Eastern Shore of Maryland near his vacation home, where he died under mysterious circumstances. Colby had been deeply involved in the Franklin case from the very outset, from well before the Nebraska Senate committee hired him to investigate the explosion of Gary Caradori's plane, until his own sudden death.

In the second, 1996 edition of DeCamp's best-selling book, which he dedicated to Colby, his longtime friend and former commanding officer in Operation Phoenix in Vietnam, DeCamp called Colby "the heart and soul of the Franklin investigation." DeCamp said that, in the numerous times when he was discouraged at the overwhelming force arrayed against him in the Franklin case, and when he wanted to give up, Colby would urge him on, saying, "This case is so much bigger than you think. It goes to the very highest levels; we have to keep pulling the strings."

As the CIA chief who blew the whistle on military-CIA mind control programs before the U.S. Senate in 1975 (and who was soon fired by President Ford and replaced with George Bush), Colby knew exactly what he was talking about. In a March 8 discussion with *EIR* about Colby's motivation in pursuing the Franklin affair, DeCamp said, "We used to get together in Washington all the time at that crazy Cosmos Club. I guess I didn't fully appreciate at the time, some of the significance of our discussions. I thought he was being philosophical. He wasn't. What he was trying to do, was to tell me, exactly what he had finally come to the realization of. That 'the end apparently justifies the means, is the approach we had taken,' he said, 'and so covert operations and assassinations, and maybe even the use of children in Monarch and all these other things, seemed reasonable at the time, because we were saving the country. Everything for saving the country. National security and the Cold War. In war, all is fair.'"

But, DeCamp continued, Colby's message was, " 'Maybe now, if we're going to have a country, we have to undo a bunch of this stuff, because we have gone too far, where you have a system which has allowed the secret, fifth echelon to control things, really, rather than the democratically elected representatives in a democratic republican form of government. We now have to undo a bunch of these things.' And I think that's what he was about. And, if anything, he was a central piece of the creation of so many of these things. He said this to me so many times: 'It'll never get done from the inside. The FBI doesn't correct itself, the CIA doesn't correct itself, Congress rarely corrects itself. It's media and related

public pressure that forces the corrections.' And that's what I think he was trying to do through me and some others, the Pentagon Papers and other things. The correction of the very system he had helped to create."

Colby was highly informed, and keenly appreciative of the role the LaRouche movement played in the Franklin case, from the first day in mid-1990, when *EIR* sent an investigative team into the state in response to an urgent appeal for help from Nebraska citizens, until the day of his death. In addition to regular exposés in *EIR* and *New Federalist*, Schiller Institute chairman Helga Zepp-LaRouche called for an international fact-finding commission, which visited the state in October 1990 for a week and interviewed dozens of victim-witnesses, parents, child welfare workers, Senate Franklin committee members, and so on, and issued widely publicized findings that concluded, among other things, that there was a "torture and murder-in-progress being perpetrated against Paul Bonacci," then in the county jail. One of the commission's members, civil rights activist Rev. James Bevel, who later became LaRouche's Vice Presidential running mate in 1992, moved to Nebraska for a year to continue the fight against the cover-up; the presence of Reverend Bevel, direct-action coordinator for Dr. Martin Luther King, Jr., provided witnesses, officials, and parents with the courage to continue a fight against awesome odds. In sum, without LaRouche's efforts, many more Franklin witnesses, including Paul Bonacci, and attorney John DeCamp, would almost certainly be dead—as John DeCamp is the first to acknowledge.

Colby was also highly appreciative of LaRouche's more general role in American politics, as he discussed that on occasion with DeCamp. "Colby knew I was working with LaRouche," said DeCamp on March 8. "He knew it in detail. He brought it up several times. As I have been reading LaRouche's writings recently, I have been thinking exactly about that question. Colby said, 'He's a brilliant man, maybe one of the most brilliant economists this country, or the world has.' But, Colby said, when LaRouche's predictions of a global financial crash don't materialize, he has 'credibility problems.' 'However,' Colby insisted, 'it is not LaRouche's problem. Americans have become accustomed to instant pudding, instant answers, and instant this-and-that. LaRouche's work is much more profound, not just a simple prediction of what happens tomorrow.'"

"And," concluded DeCamp, "in the light of the Asian crisis, and everything else that has happened since Colby's death, it is finally clear to many people, what LaRouche has been talking about—and that he is right. And maybe it really is time, that Bill Clinton ask him into the White House as his economic adviser. I think my old friend, who was a supporter of Bill Clinton, would certainly have approved."

Copies of DeCamp's book, *The Franklin Cover-Up*, may be obtained from AWT, Inc., Drawer B, P.O. Box 85461, Lincoln, Nebraska, 68501. The cost is \$9.95 per book, plus \$3 postage and handling.

National News

Mike Espy, black farmers protest USDA settlement

Former Agriculture Secretary Mike Espy joined a group of about 400 farmers and civil rights advocates on March 2, packing a Federal courtroom in Washington, D.C. to complain about the terms of the proposed settlement of the black farmers' class-action lawsuit against the U.S. Department of Agriculture (USDA). Their complaint is that the proposed settlement would only give \$1 billion to 12,000 farmers who have substantial claims of discrimination. At \$50,000 per farmer, it is not enough even to buy a medium-sized tractor. Espy, the country's first black Agriculture Secretary, was forced out of office by a "Get Clinton" prosecution, and later acquitted.

Speaking to the National Newspaper Publishers Association Mid-winter Workshop in February, Gary Grant, president of the National Black Farmers and Agriculturalist Association, said that many black farmers think the lawsuit should go to trial, and not be settled out of court. "How many of you walk into a [USDA] office to talk to a government agent who is wearing the Sons of the Confederacy necktie with Confederate militia marching to victory. These are the kinds of things that we are confronted with on a day-to-day basis," said Grant.

Starr vendetta: McDougal starts third trial

The trial of Whitewater defendant Susan McDougal began on March 8 in Little Rock, Arkansas, on charges of criminal contempt and obstruction of justice brought by Kenneth Starr after McDougal refused to give the false testimony to a grand jury, which Starr was demanding. Ruling on pre-trial motions on March 5, Judge George Howard, Jr. said that McDougal cannot introduce evidence of her prison conditions, or of "prosecutorial vindictiveness." However, Howard denied a prosecution motion to ban any evidence regarding "allegations of prosecutorial misconduct or outrageous government behavior based on the allegations that she was asked to lie" before the grand jury.

Her lawyer, Mark Geragos, said that the claim that McDougal was pressured to lie is "the core of our defense." "We will attempt to show a pattern by this guy . . . Starr and his office . . . to go through and wreak havoc in people's lives and just make them so miserable and threaten them so badly and scare them so much that they will say whatever it is he wants them to say," Geragos said. Prosecutor Hickman Ewing, a veteran of the Operation Fruehmenschen prosecutions against minority elected officials, said that he will fight any effort to put such evidence before the jury.

As jury selection started, McDougal, who had spent nearly two years in prison for refusing to lie for Starr, said that her new trial will expose the ugly nature of the Whitewater investigation. "I think it will be an all-out fight, and I think it has become a personal vendetta" by Starr, she said. Two jurors from her California trial, where she was acquitted on embezzlement charges, came to Little Rock to support her. They said that local officials in California were cooperating with Starr. "We feel used and we are convinced there is collusion going on," they said.

Pat Robertson: 'God and Mammon go hand in hand'

The Bank of Scotland and Lynchburg, Virginia televangelist Pat Robertson have announced that they are seeking U.S. regulators' permission to launch a banking-by-telephone scheme. The American "New Foundation Bank," would be 30% owned by Pat Robertson and 65% by Bank of Scotland; Robertson would be the chief executive of New Foundation. There would be no branches. A similar scheme is under way in Britain, in a venture between the Bank of Scotland and the Sainsbury grocery chain, in which customers carry out all transactions with the "bank" over the phone.

The *Herald* of Edinburgh commented on March 3 that the idea for the venture with Robertson originated in the Bank of Scotland's New York office, observing that "in America at least God and Mammon go happily hand in hand."

Meanwhile, Virginia Gov. Jim Gilmore appointed Robertson to his Virginia Economic Development Partnership on March 3. Based in Lynchburg, Robertson was the

largest contributor to Gilmore's two campaigns for statewide office, giving some \$100,000. By March 6, an uproar had been raised by State Sen. Janet Howell (D) and the Masonic Americans for Separation of Church and State, because Robertson is still under investigation over allegations that he violated his tax-exempt status with Operation Blessing. Howell has alleged that Robertson used his Operation Blessing aircraft, supposedly taking humanitarian aid to war-torn Congo, to ferry dredging equipment to a diamond mine he owned near the Congo border with Angola.

Philadelphia mayor blasts killer welfare cutoffs

At the March 2 hearing of the Pennsylvania House Democratic Policy Committee on "Welfare Reform," Philadelphia Mayor Ed Rendell (D) testified that the expected cutoff from welfare of 39,000 heads of households this year in Pennsylvania (at least 25,000 in Philadelphia), beginning March 3, could be fatal to children. Rendell said that he had urged President Clinton to veto the 1996 Federal welfare bill, because it was \$12 billion short of providing adequate child care, training, or jobs. Rendell said that even if 62% of families cut from assistance find jobs (citing the "best case" state of Wisconsin), there will still be 14,000 households with no income this year, once they are cut off.

In 36 other states, when heads of households are cut for failure to work, the family still receives a portion of benefits, for the children. But, Gov. Tom Ridge's Act 35 mandates a "full family sanctions" policy. Rendell pointed out that Senate Republicans had shot down an amendment to the welfare bill to protect the children, because, they said, "The states will take care of the children." But Pennsylvania has no provision for this, throwing the cost to Philadelphia to care for at least 14,000 families—\$42 million a year, for shelters, foster care, health care, and transportation.

When a LaRouche activist later showed Rendell the interview in *EIR* with Dick Morris saying that Vice President Al Gore was the key in conning Clinton into signing the welfare bill, Rendell responded emphatically, "I know he was."

Disaster relief bill laced with free trade

House Ways and Means Trade Subcommittee Chairman Phil Crane (R-Ill.), with Jim Kolbe (R-Ariz.) and Charles Rangel (D-N.Y.), introduced a bill on March 4 that combines disaster relief and recovery for the Caribbean and Central America with expanded free trade programs.

At a press conference, Kolbe said that we should be proud of our response to the disasters wrought by Hurricanes Georges and Mitch, but that it "now is time for us to show that our reaction goes beyond sympathy and charity." The disaster, he said, should be taken as a "catalyst to offer the smaller protective economies of the Caribbean region an opportunity to participate with the United States in the magic of a free-trade economy."

The trade portion of the bill includes a provision that lifts duties on the 30% of imports that are not already duty-free under the Caribbean Basin Initiative program, and another that supports the Overseas Private Investment Corp. to continue to work with U.S. businesses to help meet the long-term investment needs of the region. It also contains two enforcement provisions: The first requires the President to review country adherence to the eligibility criteria and gives him the authority to withdraw, suspend, or limit new trade benefits. The second contains penalties for exporters who engage in illegal textile transshipments.

The bill also provides funds for reconstruction and disaster assistance, anti-corruption assistance and training, funds to replenish various disaster relief accounts of the U.S. government, \$16 million in debt forgiveness for Honduras, and \$25 million for the Central American Trust Fund to be applied against multilateral debt.

Kolbe and Crane held their press

conference only a few hours after National Security Adviser Sandy Berger briefed reporters on President Clinton's initiatives for the region and the trip he began there on March 8. Crane complained that the President's proposal "merely pays lip service to the concept of providing trade benefits, particularly in the textile area," because it requires U.S. fabric to be used before Caribbean countries can receive preferential treatment.

Senate debates 'ed-flex' bill

On March 2, the Senate began debate on the Education Flexibility Partnerships Act, the centerpiece of the GOP's education agenda. It was the first major piece of legislation to come to the Senate floor since the impeachment trial ended.

The bill extends a pilot program that allows states to apply for waivers from certain regulatory requirements of the Elementary and Secondary Education Act of 1965 (ESEA) if those requirements impede the state's ability to reform its school systems. The pilot program, run in 12 states, has been operating under the Department of Education since 1995, and was created by legislation originally sponsored by Edward Kennedy (D-Mass.) and Mark Hatfield (R-Ore.), now retired.

James Jeffords (R-Vt.) told the Senate on March 3 that the bill "will be a sensible step in making our limited resources go further toward the goal of improving our education delivery system." Bill Frist (R-Tenn.) added that the state waiver program "allows schools and school districts the opportunity to obtain temporary waivers to accomplish specific education goals,

but free of that Washington red tape, free of those unnecessary Federal regulations."

Paul Wellstone (D-Minn.), who held up consideration of the bill with a more than three-hour speech, complained that the Senate Health, Education, Labor and Pensions (formerly the Labor and Human Resources) Committee never held hearings to evaluate the pilot program. He questioned the lack of accountability in the bill, and said that the bill "represents an abandonment of a national commitment to poor children in America," which is at the core of the ESEA.

Democrats have been using the bill as a vehicle to push their own education agenda, including reducing class size by funding the hiring of 100,000 new teachers and increasing funding for new school construction. To the consternation of the GOP leadership, the bill has stalled over attempts by Minority Leader Tom Daschle (D-S.D.) to ensure a debate on an amendment by Patty Murray (D-Wash.) to fund new teacher hiring. A cloture vote on March 8 failed to move the bill, and another cloture vote was scheduled for March 9.

Coverdell, Feinstein target drug cartels

Sens. Paul Coverdell (R-Ga.) and Dianne Feinstein (D-Calif.) announced on March 2 that they would be introducing legislation which is a pragmatic response to President Clinton's March 1 certification of Mexico as cooperating in the war on drugs. In each of the past two years, Coverdell and Feinstein have spearheaded attempts in the Senate to overturn Clinton's certification decision. Their bill this year aims more at drug traffickers,

rather than the government of Mexico.

Coverdell told reporters that, as a result of discussions with the White House, "In saying we need to find some new places to focus on this problem, Senator Feinstein constantly pointing to the fact that the cartels are the issue," had led them to co-sponsor legislation that will codify President Clinton's 1995 Executive Order which identified Colombian cartel figures and made it illegal to conduct any type of commercial relations with them. With respect to cartel figures in Mexico, the bill "simply says to these people that have been indicted that we can extradite. . . . You cannot participate in any trade or business of any kind with the people or corporations of the United States of America."

The House has responded more sharply to the certification of Mexico, however. Spencer Bachus (R-Ala.), Clay Shaw (R-Fla.), and 11 other co-sponsors, including three Democrats, have introduced a joint resolution that disapproves certification, but waives withholding of anti-drug assistance for one year, unless the President certifies that U.S. vital interest requires that assistance be withheld.

Watkins blames oil, farm crises on Iraq

Rep. Wes Watkins (R-Okla.), whose state has been hit hard by the twin crises of dropping farm and oil prices, is blaming the resultant economic collapse on the Iraq oil-for-food program, rather than the ongoing disintegration of the global financial system. In a statement on the House floor on March 2, he said, "Today we are bombing Iraq but, at the same time, they are increasing by over 2 million barrels a

day their oil sales which is helping to destroy our domestic oil industry. . . . They have also threatened and said they will not buy America's wheat with those funds from selling oil, again contributing to the collapse of the American farm. . . . What is wrong with this picture is Iraq is benefitting and our American farmers and independent producers are dying under the policy."

Watkins, along with Mac Thornberry (R-Tex.), has introduced a resolution calling on the President to oppose any expansion of the oil-for-food program. Among the statements in the resolution, is that "significant evidence exists that the Iraqi people are not reaping the supposed benefits" of the oil-for-food program because the government of Saddam Hussein "is unable or unwilling to distribute humanitarian supplies."

Denis Halliday, the former UN official who ran the oil-for-food program, contradicted this statement only a few days later, when he told a meeting of the Center for Policy Analysis on Palestine that the Iraqi government's food distribution system does, in fact, work very well. The problem is that the resources put into it are far from adequate, and that political interference from outside the country is the greatest single cause of that inadequacy.

Jackson challenges free trade orthodoxy

On Feb. 23, Rep. Jesse Jackson, Jr. introduced the HOPE for Africa Act, which proceeds from the standpoint that Africa nations first and foremost need debt forgiveness. It declares as a matter of policy that, "for the majority of people in sub-Saharan Africa to be

able to benefit from new trade, investment, and other economic opportunities . . . the pre-existing burden of external debt must be eliminated."

Jackson's bill challenges the Africa Growth and Opportunity Act, a free trade bill supported by the GOP and the Clinton administration that requires African countries to comply with International Monetary Fund (IMF) conditionalities and open themselves up to globalization as preconditions for receiving preferential trading privileges with the United States. The AGOA, which passed the House last year but died in the Senate, has been reported by the House International Relations Committee and the Trade Subcommittee of the Ways and Means Committee.

Jackson's bill is highly critical of the IMF, which, along with the World Bank and other such institutions, "have required African nations to adhere to structural adjustment programs which have imposed enormous preventable suffering on African people." These programs have resulted in collapse of wages, cuts in government spending on health care and education, and orientation of the economy toward generating hard currency for debt repayment purposes.

Jackson is determined that the issues he raises in his bill, which already has 51 co-sponsors, will be debated in both the House and the Senate. During a March 9 press conference, he claimed credit for the fact that the AGOA will not be passed under suspension of the rules, as had been the intent of the bill's sponsors. With the support he's generating with his alternative bill, the AGOA might not even pass a roll call vote. He said that the leaders of Africa, who had previously been told that AGOA was all they were going to get, will now have to look at his bill.

Tectonic shifts

The sudden resignation of German Finance Minister Oskar Lafontaine on March 11 may have taken most of the political world by surprise, but not *EIR*. Such shifts are paradigmatic of the world political situation since last fall, when the world's industrial nations refused to take action toward a more rational world monetary and financial order, and thus set the stage for the instability and strategic crises which are wracking the world today.

The particulars of the German situation deserve only brief mention here. As a Finance Minister presiding over the deepening economic depression in Germany, Lafontaine was in a losing situation. All the measures which the Social Democratic-Green Party coalition had chosen to deal with the situation—energy taxes, budget cuts, and the phase-out of nuclear energy—had led to a political backlash from labor, farmers, and industry. Lafontaine decided to quit rather than fight.

EIR had said from the outset that the red-green coalition would not last long. After only 160 days, the major reshuffles have begun.

Similar political upheavals can be expected elsewhere, at increasing frequency, and they will totally change the political-strategic map. The most dramatic such upheaval in the last months was the de facto emergence of a strategic alliance between China and Russia, as a result of the decision of the United States and Britain to dump the UN Security Council, and take unilateral military action against Iraq last December. But there are others in the making.

Look, for example, at the visit of Iranian President Khatami to Rome. A mere 20 years after the Khomeini revolution, which was accompanied by a dramatic conflict between East and West, a major leader of the Islamic world is taking dramatic steps to create “a spirit of dialogue between Muslims and Christians,” to quote the Vatican official communiqué. This, too, is a tectonic shift, driven by the determination of the Pope and Khatami to avoid what looks to be inevitable war.

Americans, in particular, tend to rule out the possibility of such shifts occurring in the United States. But,

such an assumption is foolhardy. The same kinds of pressures which led to the German government shift, and are now leading to a visible realignment of the Italian government, for example, away from NATO's new confrontational policy, will shape the immediate political developments in the United States as well. Thus, just as the “powerful” Lafontaine can suddenly be out of political office, so could the “powerful” Al Gore go back to backwoods obscurity in an instant. And, if Gore goes, George “Shrub” Bush will not be far behind.

Of course, if one wishes these changes to go in a positive direction, it is not adequate to sit back and watch. We in the LaRouche movement make our projections in full knowledge that we will be acting to shape the political environment in a sane direction, as we indeed have done over the past decades, and will continue to do.

In a message to a conference in the Philippines, held on March 12, Lyndon LaRouche addressed this process of shifts as follows:

“Now, during the weeks and months immediately ahead, the world will pass through successive crises of the quality which break men's will, and drive many mad. Thus, through those crises, we shall come to a new chance to make the corrections in world policy which should have been introduced no later than last October. The best hope for mankind in these times hangs upon three crucial elements:

“1. That the spread of new cooperation among a growing number of Eurasia nations, grouped around China, India, and Russia, will continue to be strengthened.

“2. That continental western Europe will join in partnership with that emerging Eurasia bloc, as it is inclined to do.

“3. That the President of the U.S.A. will find the courage, clearheadedness, and support he needs, to play a leading role in bringing the U.S.A. into its appropriate key role in partnership with Eurasia and Europe.

“This will be a period like that of fighting a major war; but it is a war which can be won, a war which we must win, for the sake of all humanity.”

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- BOSTON—BNN Ch. 3
Saturdays—12 Noon
- WORCESTER—WCCA Ch. 13
Wednesdays—6 p.m.

MICHIGAN

- CANTON TOWNSHIP
MediaOne Ch. 18; Thu.—6 p.m.
- DEARBORN HEIGHTS
MediaOne Ch. 18; Thu.—6 p.m.
- GRAND RAPIDS—GRTV Ch. 50
Fridays—1:30 p.m.
- PLYMOUTH
MediaOne Ch. 18; Thu.—6 p.m.

MINNESOTA

- COLUMBIA HEIGHTS
Community TV—Ch. 15
Wednesdays—8 p.m.
- DULUTH—PACT Ch. 24
Thu.—10 p.m.; Sat.—12 Noon
- MINNEAPOLIS—MTN Ch. 32
Wednesdays—8:30 p.m.
- NEW ULM—Paragon Ch. 12
Fridays—7 p.m.
- PROCTOR/HERMAN—Ch. 12
Tue.: between 5 pm & 1 am
ST. LOUIS PARK—Ch. 33
Friday through Monday
3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33
Sundays—10 p.m.
- ST. PAUL (NE burbs)*
Suburban Community Ch. 15

MISSOURI

- ST. LOUIS—Ch. 22
Wednesdays—5 p.m.

MONTANA

- MISSOULA—TCI Ch. 13/8
Sun.—9 pm; Tue.—4:30 pm

NEVADA

- CARSON CITY—Ch. 10
Sun.—2:30 pm; Wed.—7 pm
Saturdays—3 p.m.

NEW JERSEY

- MONTVALE/MAHWAH—Ch. 27
Wednesdays—5:30 p.m.

NEW YORK

- AMSTERDAM—TCI Ch. 16
Fridays—7 p.m.

- BROOKHAVEN (E. Suffolk)
Cablevision Ch. 1/99
Wednesdays—9:30 p.m.

- BROOKLYN—BCAT
Time/Warner Ch. 35
Cablevision Ch. 68
Sundays—9 a.m.

- CORTLANDT/PEEKSKILL
MediaOne Ch. 32/6
Wednesdays—3 p.m.

- HORSEHEADS—T/W Ch. 1
Mon. & Fri.—4:30 p.m.

- HUDSON VALLEY—Ch. 6
2nd & 3rd Sun.—1:30 p.m.

- ILION—T/W Ch. 10
Saturdays—12:30 p.m.

- IRONDEQUOIT—Ch. 15
Mon. & Thurs.—7 p.m.

- ITHACA—Pegasys Ch. 78
Mon.—8 pm; Thu.—9:30 pm
Saturdays—4 p.m.

- JOHNSTOWN—Ch. 7
Tuesdays—4 p.m.

- MANHATTAN—MNN
T/W Ch. 34; RCN Ch. 109
Sun., Mar. 21: 9 a.m.

- N. CHAUTAUQUA COUNTY
Gateway Access Ch. 12
Fridays—7:30 p.m.

- ONEIDA—PAC Ch. 10
Thursdays—10 p.m.

- OSSINING—Ch. 19/16
Wednesdays—3 p.m.

- PENFIELD—Ch. 12
Penfield Community TV*

- POUGHKEEPSIE—Ch. 28
1st & 2nd Fridays—4 p.m.

- QUEENSBURY
Harron Cable Ch. 71
Thursdays—7 p.m.

- RIVERHEAD—Peconic Ch. 27
Thursdays—12 Midnight

- ROCHESTER—GRC Ch. 15
Fri.—11 p.m.; Sun.—11 a.m.

- ROCKLAND—T/W Ch. 27
Wednesdays—5:30 p.m.

- SCHENECTADY—SACC Ch. 16
Tuesdays—10 p.m.

- STATEN ISL.—CTV Ch. 24
Wed.—11 p.m.; Sat.—8 a.m.

- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.

- SYRACUSE—T/W Ch. 3
Fridays—4 p.m.

- SYRACUSE (burbs)
T/W Ch. 12—Sat.: 9 p.m.

- UTICA—Harron Ch. 3
Thursdays—6 p.m.

- WATERTOWN—T/W Ch. 2
Tue. between Noon & 5 p.m.

- WEBSTER—WCA-TV Ch. 12
Wednesdays—8:30 p.m.

- WESTFIELD—Ch. 21
Mondays—12 Noon
Wed. & Sat.—10 a.m.

- SUNDRYS—11 a.m.

- WEST SENECA—Ch. 68
Thursdays—10:30 p.m.

- YONKERS—Ch. 37
Saturdays—3:30 p.m.

- YORKTOWN—Ch. 34
Thursdays—3 p.m.

NORTH DAKOTA

- BISMARCK—Ch. 12
Thursdays—6 p.m.

OHIO

- COLUMBUS—Ch. 21
Fri., Mar. 19: 10 p.m.
Mon., Mar. 22: 6 p.m.
Fri., Mar. 26: 10 p.m.
- OBERLIN—Ch. 9
Tuesdays—7 p.m.

OREGON

- CORVALLIS/ALBANY
Public Access Ch. 99
Tuesdays—1 p.m.
- PORTLAND—Access
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)

RHODE ISLAND

- E. PROVIDENCE—Cox Ch.18
Sundays—12 Noon

TEXAS

- AUSTIN—ACT Ch. 10*
- EL PASO—Paragon Ch. 15
Wednesdays—5 p.m.
- HOUSTON—Access Houston
Channels, Mar. 22: 6-7 p.m.
Wed., Mar. 24: 7-8 p.m.
Thu., Mar. 25: 3-6 p.m.
Mon., Mar. 29: 5-7 p.m.

UTAH

- GLENWOOD, Etc.—SCAT-TV
Channels 26, 29, 37, 38, 98
Sundays—about 9 p.m.

VIRGINIA

- ALEXANDRIA—Jones Ch. 10*
- ARLINGTON—ACT Ch. 33
Sun.—1 pm; Mon.—6:30 pm
Wednesdays—12 Noon
- CHESTERFIELD—Ch. 6
Tuesdays—5 p.m.
- FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
Thu.—7 p.m.; Sat.—10 a.m.
- LOUDOUN—Cablevision Ch. 59
Thursdays—7:30 p.m. & 10 p.m.
- P.W. COUNTY—Jones Ch. 3
Mondays—6 p.m.
- ROANOKE COUNTY—Cox Ch. 9
Thursdays—2 p.m.
- SALEM—Adelphia Ch. 13
Thursdays—2 p.m.

WASHINGTON

- KING COUNTY—Ch. 29
Mondays—9:30 a.m.
- SPOKANE—Cox Ch. 25
Wednesdays—6 p.m.
- TRI-CITIES—TCI Ch. 13
Mon.—12 Noon; Wed.—6 p.m.
Thursdays—8:30 p.m.

WISCONSIN

- KENOSHA—T/W Ch. 21
Mondays—1:30 p.m.
- MADISON—WYOU Ch. 4
Tue.—2 pm; Wed.—8 am
- OSHKOSH—Ch. 10
Fridays—11:00 p.m.
- WAUSAU—Marcus Ch. 10
Fri.—10 p.m.; Sat.—5:30 p.m.

WYOMING

- GILLETTE—Ch. 36
Thursdays—5 p.m.

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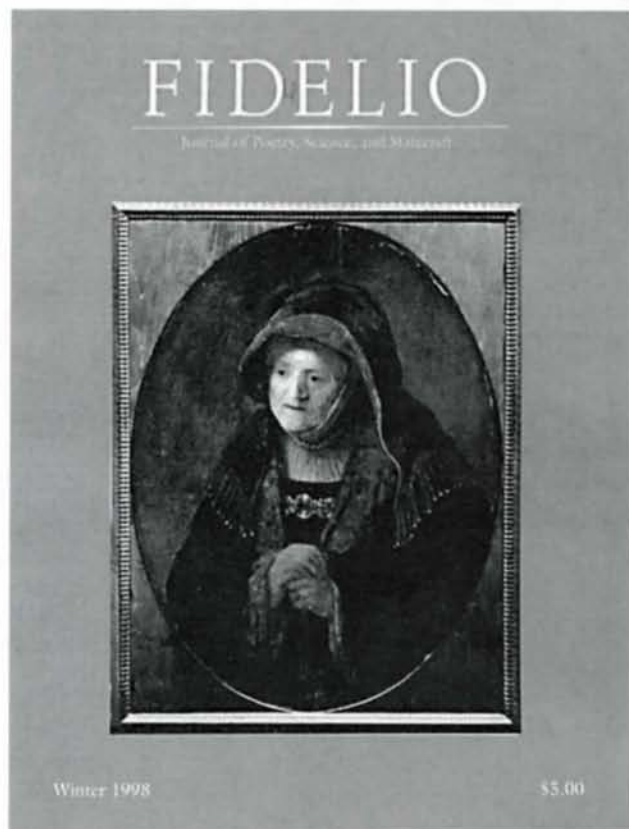
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APPENDIX

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