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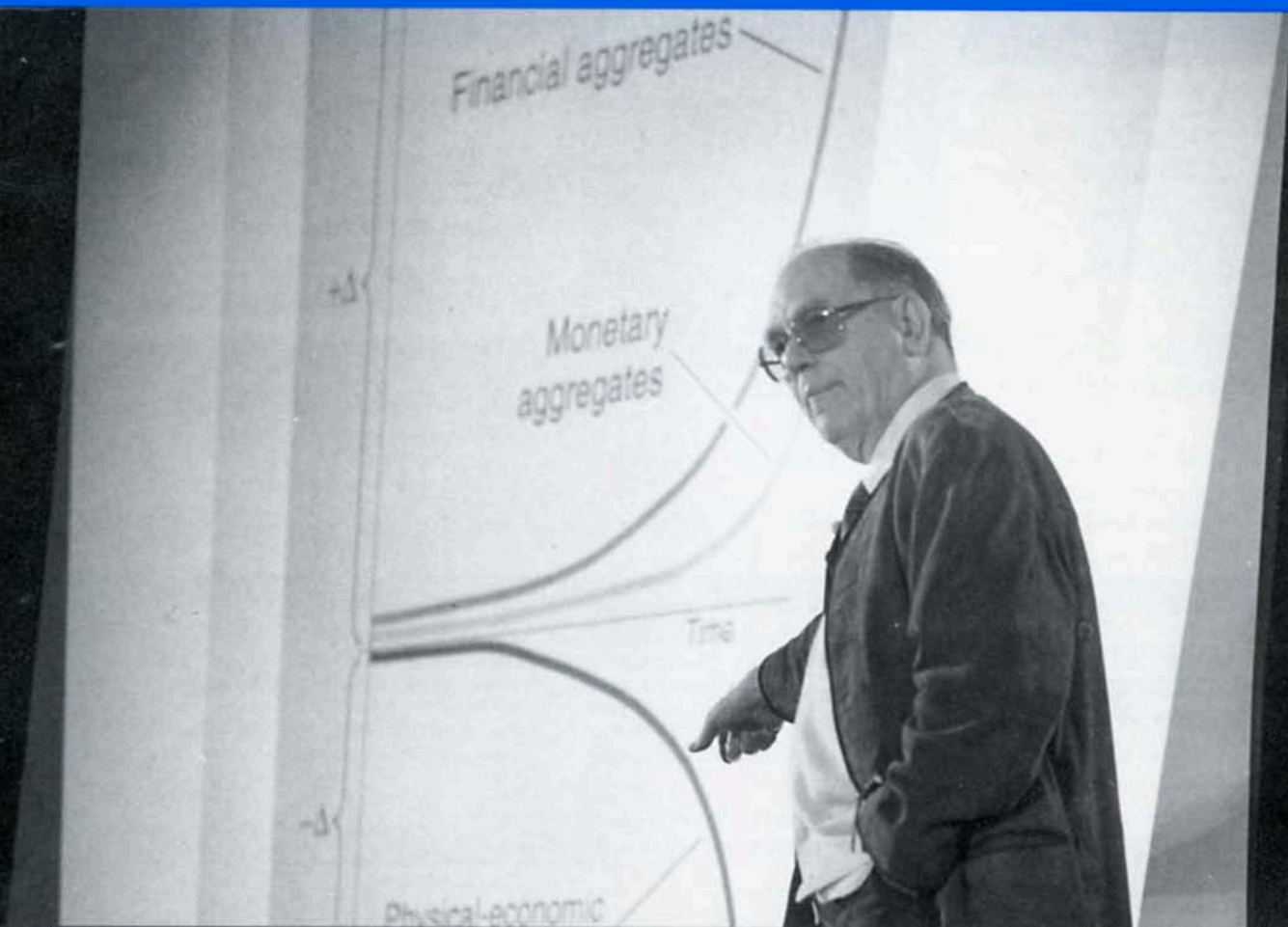
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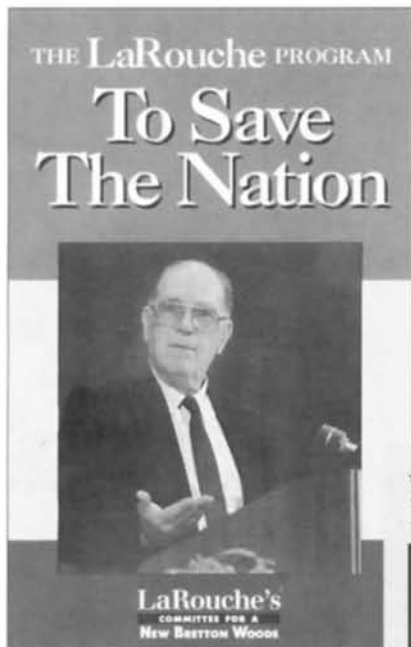
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German banks slash credit to medium-sized firms
To make a revolution, we must make a renaissance
How the Bundy family ruined America

**LaRouche campaign heats up,
as Gore's problems mount**



LaROUCHE *for* President



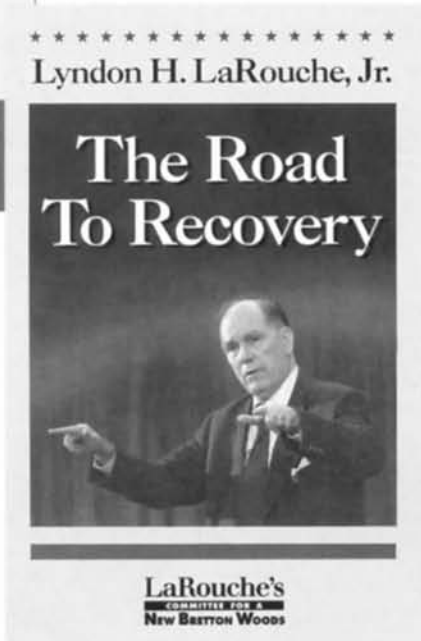
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and all of the people some of the time;
but you cannot fool all of the people all the time.”

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From the Associate Editor

Of all the many ironies posed in this rich and fascinating issue of *EIR*, perhaps the most piercing one is the little item reported on page 20: the change in the composition of the Dow Jones Industrial Average. Effective Nov. 1, four companies—Union Carbide, Chevron, Goodyear Tire & Rubber, and Sears Roebuck—will be dropped, to be replaced by Microsoft, Intel, SBC Communications, and Home Depot. The “Industrial Average” has become a “Post-Industrial Average.”

Think of this in terms of Lyndon LaRouche’s famous “triple curve” schematic diagram (see page 8). The physical economy of the United States is collapsing, while financial and monetary aggregates soar, even as the inflationary nature of this is temporarily concealed by an ever-increasing mountain of debt.

The wizards of Wall Street, rather than *admit* that the physical economy is bankrupt, have waved their magic wands and declared that they are simply not going to *count* the stocks of industrial firms any more—but only those “high-tech” stocks that are feeding the hyperinflationary bubble. “The top two lines on LaRouche’s triple curve are thriving, don’t you see? We, the financier oligarchy, will simply ignore the bottom line!”

In contrast to this bald-faced lying, let me draw your attention to a particularly poignant formulation in LaRouche’s speech in our *Feature* section. “Truthfulness,” he says, “is to know how to be truthful, first. And secondly, to take personal, individual responsibility for thinking and acting in a truthful way, on all practical and related questions before you.”

That is quite a challenge. It is the challenge that LaRouche put before a group of trade unionists on Nov. 4, during his second campaign dialogue conducted via the Internet (see *National*). “The voters have to realize that they represent power,” he told them. “And people who are union leaders, as well as civil rights leaders, and people like that, have to get that message out. *We the people* are the power in the United States, and if we don’t exert that power, we’re not going to have it much longer.”

In this issue, you will find many illustrations of how and why that power is so dangerously in jeopardy. That is the first part of LaRouche’s definition of truthfulness. The second part, depends upon what *you* do.

Susan Welsh

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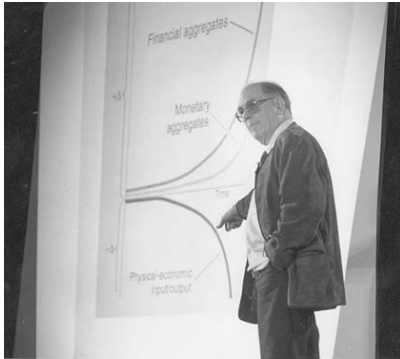
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Feature



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Lyndon LaRouche addresses a conference of the Civil Rights Movement Solidarity (BuSo) party in Germany, on Oct. 17. “We must undertake no lesser objective globally now,” he says, “than launching a new renaissance, a new Classical renaissance, in which people become happy through being — sometimes reluctantly — impelled to realize they have something within them which is beautiful: the experience of a validatable act of discovery of a universal principle, whether as a scientific principle, a physical principle, or as an artistic principle.”

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Lyndon LaRouche was the first to file in Kansas and New Hampshire, and petitioning is under way to put him on the ballot in at least 48 states. Meanwhile, Al Gore can’t figure out how to act like an “alpha male,” while labor is walking away from his campaign in droves.

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German banks slash credit to medium-sized industry

by Lothar Komp

Approximately 3 million small and medium-sized businesses constitute the backbone of the German economy. They account for two-thirds of all jobs, and six-sevenths of all training. They pay two-thirds of all corporate taxes, and they account for half of the gross value generated in the economy. Medium-sized industry includes the army of suppliers and machinery producers which are at the leading edge of technology in their respective areas worldwide. With their close relationship to the larger German firms, they contribute decisively to the 800 billion deutschemarks (\$421 billion) of German exports, which is the pillar of the standard of living of households throughout the country.

One of the most important supporting pillars of these medium-sized industries is now in danger of crumbling. The traditional partnership of a firm with a single bank, the “house bank,” was always one of the crucial characteristics and secrets behind the success of the German economy. This “house bank” principle provided a reliable mechanism, especially for medium-sized firms, to carry out long-term investment projects, while the house bank has an accurate overview of the performance capabilities as well as the credit risks of its client firms, and it can therefore make decisions quickly and effectively, should the need arise.

But, for some time now, the virus of British free-market neo-liberalism has infected the German banking system. The “cultural revolution” announced by the former spokesman of the board of directors of Deutsche Bank, Hilmar Kopper, a revolution in the direction of the “Anglo-Saxon” model of banking, is in full swing. (The term Anglo-Saxon here refers to the alliance of the City of London and Wall Street—an alliance in fundamental opposition to the American System of political economy, the system of Alexander Hamilton, Henry Carey, and Franklin D. Roosevelt.)

The large private banks in Germany now want to decouple themselves from their traditional client-firm business, with its low profit margins, and instead turn to short-term, speculative profits on the enticing international financial markets. The justification for turning their backs on German industry is taken from the Darwinist takeover battles raging worldwide, in which only the “fittest” survive. In order that the banks may utilize the deposits of their customers with fewer restrictions, savers are now being called upon, in particular by Dresdner Bank, to exchange their savings accounts for shares in investment funds; of course, if the speculative operations go wrong, the customer will lose everything, whereas in the case of normal savings deposits, the bank is obligated to uphold them, come what may.

European Commission against the public banks

The ongoing shift on the part of the large private banks aims to eliminate the bothersome domestic competition, which still takes responsibility for matters of the general welfare—from the day-to-day business at the bank teller’s window, to financing community infrastructure programs. Public banks played a more prominent role in the post-war period in Germany, than in any other Western industrial country. In the context of the worldwide elimination of opposition in the economic and financial system, generally called “globalization,” the large private banks and the European Union (EU) are demanding the elimination of the public banking sector in Germany. The president of the Association of German Banks, Martin Kohlhausen, for example, who is also the spokesman for the board of Commerzbank, spoke about the public banks in Germany as a “peculiar creature,” for which there was no longer any room in Europe, and which should therefore be

privatized. Since that cannot be accomplished quickly, a pinprick tactic has been adopted. The radical-liberal “competition law” of the European Union is the leverage used for that purpose, which exists in this form nowhere else in the world.

In July, the EU Commission decided that the special modalities of the transfer of the Institute for Promotion of Housing Construction of the state of North-Rhine Westphalia, to the Westdeutsche Landesbank (West LB), represented an illegal public subsidy, and so West LB would have to make a compensation payment of DM 1.6 billion to the state. The real issue here is that West LB can now count the capital of the Institute for Promotion of Housing Construction as its own, thereby enhancing its capital base, without West LB’s having incurred any costs to achieve that effect. This is what the EU Commission is complaining about, because it claims that this procedure gives West LB a competitive edge over the private banks. This entire story, however, is already seven years old. The large private banks filed a complaint at the EU Commission in 1992, and demanded that the Commission forbid other forms of public subsidies to public banks. West LB, for its part, intends to contest this decision at the European Court, and terms the policy of the EU Commission an attack on the public banking system of Germany, as well as an attempt to force privatization.

The chief of Deutsche Bank, Rolf E. Breuer, has taken up a position against West LB, and hails the EU Commission’s decision as a “spectacular step.” The Commission has announced another foray against the “peculiar creature” of the public banking system for the month of November, which is when Competition Commissar Mario Monti will present his new guidelines on the subject of state guarantees for credits extended to industry, and also state guarantees for public banks. It is expected that state guarantees for public banks in Germany, the so-called “liability of the guarantor,” will be ranked as an illegitimate subsidy.

Growing opposition

Representatives of the public banks have begun to speak out in an uncommonly aggressive tone. The president of the Association of German Savings and Loan Banks, Dietrich Hoppenstedt, warned in a speech at the World Savings Conference in Frankfurt on Oct. 29 against fixation on short-term profit maximization, which creates nothing of real value. He pointed to the “consequences of increasing exaggerations on the international financial markets,” and critically noted that “in Europe, many are chasing after Anglo-American economic conditions” in the German banking market. He sees the public banking system in Germany as being subjected to an attack of large private banks from within Germany and abroad, which are clearly counting on powerful support, both from the European Commission in Brussels, as well as from U.S. Federal Reserve Board Chairman Alan Greenspan.

According to the evaluation of the new chairman of the Board of the Credit Bank for Reconstruction (Kreditanstalt für Wiederaufbau, KfW), Hans W. Reich, a financial emer-

gency is coming for the German medium-sized firms, as a result of the flight of the large private banks out of financing for these companies. Reich reported at a press conference in Frankfurt on Oct. 28 that the KfW will extend DM 27 billion of promotional credits to the medium-sized industry sector, which are granted through the usual banking institutions to the firms.

Since the beginning of the 1990s, however, the large private banks’ share in this business has dropped by *half* (from 32% to 15%), and even to one-third in business with smaller credit volumes. The savings and loan banks, and other smaller institutions, have increasingly had to take up the slack (their share increased from 30% to 61%), but they are coming under mounting competitive pressure. Reich warned: “This development can lead to a situation where medium-sized firms soon will have trouble finding any bank at all to finance their investment projects.”

Up to now, these pronouncements have a largely defensive character. To save the medium-sized industry sector, which is so vital for the entire German economy, more aggressive steps will be necessary, to guarantee the financing of productive investments in small and medium-sized firms. Millions of jobs are at stake.

Open Letter to Chancellor Schröder

Zepp-LaRouche: Germany’s existence is at stake

This letter was sent to Chancellor Gerhard Schröder by Helga Zepp-LaRouche, president of the Schiller Institute in Germany. It has been translated from German.

Mr. Federal Chancellor:

As you say yourself, you ask yourself nowadays whether it was really such a good idea to have rattled at the gates of the Federal Chancellery, with the idea of wanting to get inside. You surely did not expect that the first year of your term in office would unfold with so many problems.

But now you are Federal Chancellor, and indeed, at a moment at which existential decisions for our nation and our future are at issue. For that reason, I would like to make a proposal to you, on how you can swing the rudder around and prevent Germany from collapsing into a deep depression in the immediate future.

First of all, to outline the situation we are in: Anyone with the slightest notion of economics and of the condition of the international financial system, knows that we are on the verge of the largest crash in the history of the financial markets, and experts are increasingly corroborating what the American



Helga Zepp-LaRouche to Chancellor Schröder: "I would like to make a proposal to you, on how you can swing the rudder around and prevent Germany from collapsing into a deep depression in the immediate future."

economist Lyndon LaRouche alone warned of long ago, namely that we are facing a systemic crisis. The former chief economist of Dresdner Bank, Dr. Richebächer, emphasized recently in the *Börsenzeitung*, that the U.S.A. is in the "most exuberant credit inflation of all time." Former Kennedy adviser John Kenneth Galbraith, as well as the latter's son, speak of the immediate danger, that the imminent crash threatens to throw the world economy into a deep depression. Professor Hänel, formerly chief economist of the Credit Bank for Reconstruction [Kreditanstalt für Wiederaufbau, or KfW], speaks of a new Black Friday. Edgar Meister, member of the Board of Directors of the Bundesbank, diagnoses a systemic crisis which can lead to the collapse of the international banking system. One might extend this list much further with similar analyses. It is no longer a question of *whether*, but only of *when*.

We do indeed find ourselves in a situation like that of summer 1923 in Weimar Germany, but this time the dimension is global. The decision of the G-8 and the international financial institutions, to pump immense volumes of liquidity into the international financial system since 1995, increasingly since October 1998, as a reaction to the threatened meltdown, has led to an unprecedented hyperinflation, which manifests itself now as a giant price-inflation on the stock markets,

but which will explode into a hyperinflation of the prices for normal commodities at the moment that the 100% certain stock-market crash occurs.

At the same time, the international financial system, which now consists for the most part of a gigantic speculative bubble, has as many Achilles' heels as a centipede has legs. A crash of the New York stock market, the Japanese banking crisis, the sovereign bankruptcy of Russia, the bankruptcy of Ecuador with respect to its Brady bonds, new monetary crises in Latin America and Southeast Asia, the collapse of the industrial giant Daewoo in South Korea, speculation in the so-called "carry trade"—each of these could become the trigger for the systemic crisis, in which money, trade contracts, and international transactions would literally evaporate in the span of 48 hours.

The system is bankrupt at the core. Now the story comes out that the Board of Directors of Hypobank prettied-up the balance sheets prior to its merger with the Bayerische Vereinsbank by some 3.6 billion deutschemarks, but also that a total of DM 20 billion was speculated away in real estate deals—a sum which is approximately the GNP of Libya—and the investors were robbed of that amount of money, and so now, the dimension of the problem is clear. Hypobank's business practices are not the exception, unfortunately, but the rule.

Now, the new Speaker of the Board of the Credit Bank for Reconstruction, Hans W. Reich, in remarks to the International Club of Frankfurt Economic Journalists, pointed to an additional potential catastrophe for middle-sized German firms, upon which, after all, two-thirds of all jobs in Germany depend. With the large number of mergers of banks, and the ensuing closure of many bank branches, and "investors' higher profit expectations"—the slogan is "shareholder value" (or speculation instead of production)—there has been a drastic cut of the volume of credit to medium-sized and small firms. The share of the larger private banks in credits for medium-sized firms has dropped by one-half over the 1990s, and in credits of up to DM 100,000, to one-third. This means that medium-sized firms face severe financing problems.

Soon, the Competition Commissar of the EU, Monti, will present a paper which will contain guidelines forbidding member states from providing any subsidies or guarantees for industry and agriculture. The state government of North-Rhine Westphalia has now launched an appeal to the EU Commission to reconsider its threat to penalize the Westdeutsche Landesbank for such guarantees, and the state has received support for this appeal from the other state governments. This conflict emphasizes once again that Germany's survival as an industrial nation, and its subjugation to the dictates of the EU Commission, are incompatible.

If one considers all of the cited factors together, then the point is obvious: Germany's continued existence is in acute danger! If the European Commission's plans are implemented, along with the Anglo-American shareholder-value

mentality, Germany will be defenseless against the immediately imminent storms, and will collapse into depression and chaos.

For that reason, I call upon you, as Federal Chancellor, to intervene in this emergency situation, in order to avert the existential damage to Germany, and to initiate an immediate change of the laws. We need legislation which makes it possible to create productive jobs, and which changes the tax laws in the direction of promoting production and preventing speculation. And if such an approach, oriented toward Germany's vital interests, is contradicted by the Maastricht Treaty and the guidelines of the European Commission, then the European Commission should go to Hell!

The work of the Credit Bank for Reconstruction, especially in the years of reconstruction after World War II, is an obvious point of reference for the kind of financing oriented to production. Without the KfW's pivotal role, there would have never been a German economic miracle. It would be very easy to provide the Credit Bank with the comprehensive powers required, and to assign it a role similar to that which Alfred Herrhausen foresaw in December 1989 for a Polish National Bank, based on the KfW model, for the reconstruction of Poland.

But there is an even more dramatic point of reference in German history, the alternative which the economist Dr. Walter Lautenbach proposed in 1931, which represented the only way to prevent Hitler's rise to power. This proposal was first published in 1991, in the transcripts of a secret conference of the Friedrich List Society of September 16-17, 1931, in which the president of the Reichsbank at that time, Dr. Hans Luther, along with 30 leading economists, bankers, industrialists, and economic policymakers participated.

Dr. Lautenbach presented a memorandum titled "Possibilities for an Economic Revival Through Investments and Expansion of Credit," in which he presented the principles of a state-based productive credit-creation under conditions of economic depression and international financial crisis: "The natural way to overcome an economic and financial emergency . . . is not to limit, but to increase performance." Under depression conditions, there would normally be two economic-policy reactions: The budget deficit is reduced by curtailing expenditures by the state, and prices and wages are reduced. Lautenbach thought that tax cuts under such conditions were practically impossible, because the tax-base had already contracted and the public budgets were already stretched to the limit. All of these measures generate "large new losses of capital of individual firms in trade and industry," they make them "incapable of performing and unworthy of credit," and they enforce "limits on production and increased layoffs of the workforce to the greatest extent."

Lautenbach argued that the curtailment of public expenditures was doubly counterproductive, because state contracts and consumer purchasing power would then be reduced. The resulting increase of unemployment would from then on ac-

celerate the downward spiral of the economy. For that reason, "a policy of deflation will inevitably lead to a complete economic catastrophe." I can only recommend that Finance Minister Eichel be encouraged to take the time to study this memorandum (and a number of other texts of Leibniz, List, Hamilton, et al.).

Under depression conditions, there is a "surplus of commodities, unused productive plant and unused labor power," and the most urgent task is to put these back to use. The best way to achieve that, is to realize public projects, which signify a growth of value of capital for the economy, and which would have to be realized upon return to normal conditions in any case. Lautenbach's idea was to realize large infrastructure projects in the interest of the general welfare. "The effect of the impulse given by primary credit expansion" would have a reviving effect upon the entire economy. The use of unused productive capacities and the improvement of infrastructure effect an increase of economic productivity. The improvement of tax income enables the state to manage the original provision of credit for pre-financing the projects over the long term. And so, he emphasized that this kind of financing is not inflationary, since "there is a formation of real economic capital in the material sense." "The extent and tempo of the expansion of production" would grow relatively faster than the "extent and tempo of the expansion of credit," on account of the multiplier effect. This is a philosophy which was self-evident for bankers such as Abs, Ponto, and Herrhausen.

If the SPD [Social Democratic Party] finally wants to learn the lessons from the mistakes which it made in 1932-33, then it must urgently acknowledge that with the realization of the Lautenbach Plan, economic and political conditions could have been created, which would have made the seizure of power by the National Socialists completely impossible.

Up to now, Mr. Federal Chancellor, you, together with the unfortunate Herr Eichel, have decided to walk in the footsteps of Brüning. The horrible Hombach-Mandelson paper is a macabre expression of that fact. Do you not see that your alliance with Blair and the so-called Third Way is the direct way to Hell—and not only for you, but for all of Germany?

You were just in China, and you could see for yourself the immense potential which Germany has, especially for its medium-sized industries, machine-tool firms, and high technology, in cooperation with the countries of Asia. The realization of the Eurasian Land-Bridge, on the basis of the economic theory expressed in the Lautenbach Memorandum, is the way out of the crisis!

I therefore call upon you most urgently to turn away from Blair and the Third Way, and to take the necessary steps to defend Germany's industry and working population to which those who are now unemployed should soon belong. That is the only way for you to assure that your Chancellorship will not end in utter disaster. It is your duty!

(Signed)

Helga Zepp-LaRouche

Speculative bubble feeds off economy

by Richard Freeman

The United States is now staggering under a mountain of speculative financial instruments, that reached \$97 trillion during the first quarter of 1999. This speculative mass, which effectively represents what economist Lyndon LaRouche has identified as the financial aggregate, has risen at an increasing rate of growth over the past 30 years, and has grown hyperbolically especially since 1987, when Alan Greenspan became Federal Reserve Board chairman.

The growth of this speculative bubble reflects the implementation in America, by Federal Reserve Board chairmen Paul Volcker (1978-87) and Greenspan (1987-present), of the British oligarchy's post-industrial society policy, which withered America's manufacturing, agriculture, and infrastructure, while fostering an "information age" service economy, and speculation.

This post-industrial society policy represented a sharp break from America's past policy of development of capital-intensive, energy-intensive manufacturing and agriculture, and the development of the cognitive powers of the labor force.

The simultaneous growth of the speculative financial bubble and the contraction of the physical economy has occurred through a process that economist Lyndon LaRouche has heuristically presented in his "Triple Curve: A Typical Collapse Function" (Figure 1). The upper curve represents the financial aggregate, i.e., the speculative financial instruments, which is growing at a hyperbolic rate. The middle curve, representing the monetary aggregate, in effect, the money supply, which liquefies and props up the upper curve, is growing at a rapid rate. The two curves combined suck the life out of the bottom curve, representing the physical economy, which is contracting at the rate of approximately 1-2% per annum.

The category of U.S. speculative financial instruments, or the financial aggregate from the "Triple Curve," consists of the combined sum of total U.S. debt (U.S. Federal, state, and local government, business, and household debt), U.S. derivatives outstanding, and the valuation of all stocks traded on U.S. markets. *EIR* presented in-depth the size each of these three elements of the speculative financial instruments—debt, derivatives, and stocks—in its Oct. 29, 1999 issue

("How Volcker and Greenspan Created the Financial Bubble"), as well as the process by which the post-industrial society was implemented. Table 1 shows the level of each of the three principal elements—debt, derivatives, and stocks—and the combined total (the derivatives outstanding for the period before 1985 are estimated).

Between 1987 and 1998, the years that Greenspan has served as Federal Reserve Board chairman, the financial aggregate grew by an increment of \$76.57 trillion, which is 82% of the total value of the financial aggregate at the end of 1998, of \$93.62 trillion. This is a hyperbolic rate of growth.

Speculation compared to GDP

Figure 2 shows the growth of the speculative financial instruments/financial aggregate compared to Gross Domestic Product, which officially constitutes the output of goods and services of an economy. (As a measure of economic growth, GDP is seriously flawed, because of the way that it is determined from the "national accounts" system. It does not measure the functioning of an economy, and for years has risen when the output of the physical economy has fallen. But despite this, it is useful for purposes of our comparison here.)

Two time periods, signifying important economic events, are marked: 1979, when Volcker imposed his policy of "controlled disintegration" as an extreme variant of the post-industrial society policy, and 1987, when Greenspan succeeded Volcker as Fed chairman. The upward shifts in the financial aggregate curve following each of these two events is noticeable.

Figure 3 shows the ratio of the speculative financial instruments/financial aggregate to GDP. Notice that the ratio

FIGURE 1

A typical collapse function

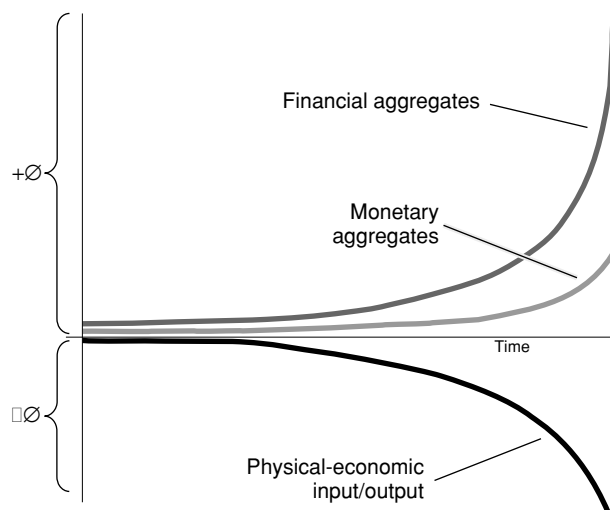


TABLE 1

U.S. speculative financial instruments/ financial aggregate

(trillions \$)

	Derivatives outstanding	Capitalization of all stocks	Total debt	Financial aggregate
1960	NA	0.42	0.83	1.25
1965	NA	0.73	1.17	1.90
1970	NA	0.84	1.70	2.54
1975	0.5	0.85	2.76	4.10
1979	1.0	1.16	4.48	6.64
1980	1.0	1.51	4.94	7.45
1985	2.4	2.32	8.96	13.71
1987	3.0	2.76	11.29	17.05
1990	9.3	3.54	14.57	27.42
1991	10.0	4.89	15.33	30.26
1992	12.0	5.46	16.23	33.67
1993	16.2	6.26	17.16	39.67
1994	23.6	6.24	18.44	48.26
1995	26.0	8.33	19.78	54.12
1996	30.5	10.06	21.29	61.86
1997	43.0	12.78	22.89	78.67
1998	53.0	15.44	25.16	93.62
1Q, 99	55.0	15.97	26.00	96.97

Sources: Federal Reserve Board of Governors, "Flow of Funds Accounts"; U.S. Office of Management and Budget; Federal Deposit Insurance Corp.; U.S. Comptroller of the Currency; Bank for International Settlements; *EIR*.

had stayed fairly stable, in a very narrow range, between 1960 and 1979; the latter is the year that Volcker began implementing the policy of controlled disintegration. Between 1979 and 1987 (when Volcker left office), the ratio of the financial aggregate to GDP rose from 2.6 to 3.6. Then, from 1987 until 1998, under Greenspan's direction of the buildup of the speculative bubble, the ratio soared from 3.6 to 10.7.

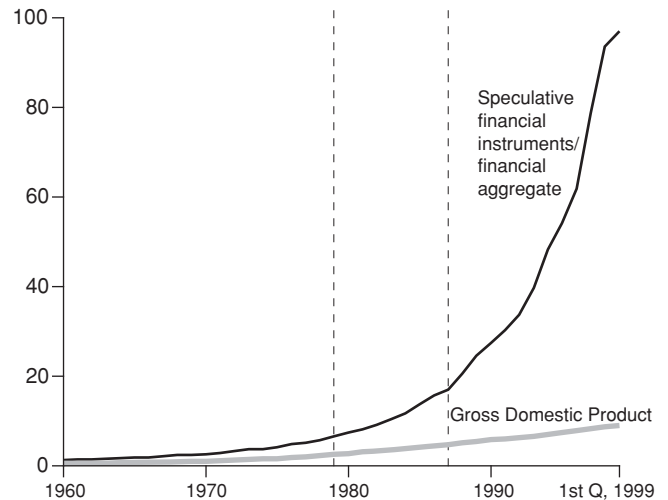
The picture is even worse than it appears. In 1998, although total GDP was \$8.76 trillion, according to Commerce Department figures, 67.5% of the GDP represented services, and only 32.5% of the GDP, or just \$2.85 trillion, represented goods production. Thus, for 1998, the ratio of the financial aggregate, at \$93.62 trillion, to the goods-producing portion of GDP, at \$2.85 trillion, was 33. That is, the financial aggregate of the speculative financial instruments was *33 times greater than the real-goods portion of GDP*. This is unprecedented in economic history.

The rates of return demanded by these speculative financial instruments are enormous. The physical economy, incapable of continuing real human existence and servicing the rates of return on the financial bubble, cannot survive. Defined by the process of the Triple Curve, this ensures physical-economic and financial disintegration.

FIGURE 2

U.S. financial speculative instruments/financial aggregate vs. U.S. GDP

(trillions \$)

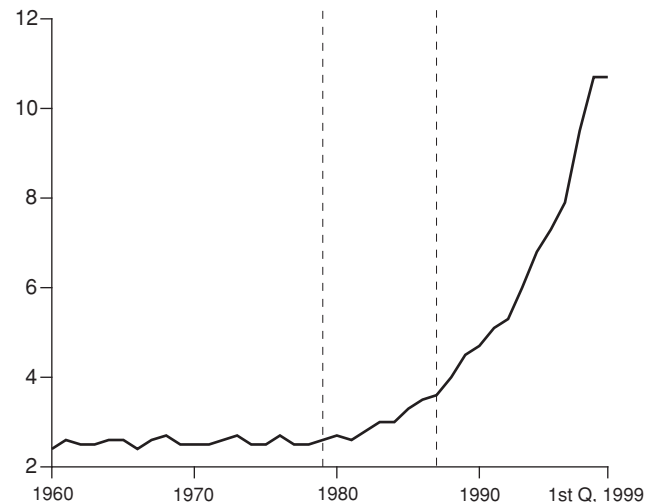


Sources: Federal Reserve Board of Governors, "Flow of Funds Accounts"; U.S. Office of Management and Budget; Federal Deposit Insurance Corp.; U.S. Comptroller of the Currency; Bank for International Settlements; U.S. Department of Commerce; *EIR*.

FIGURE 3

The ratio of U.S. speculative instruments/financial aggregate to U.S. GDP

millions-line under figure head-Helvetica Reg 7/12



Sources: Federal Reserve Board of Governors, "Flow of Funds Accounts"; U.S. Office of Management and Budget; Federal Deposit Insurance Corp.; U.S. Comptroller of the Currency; Bank for International Settlements; U.S. Department of Commerce; *EIR*.

IMF wages protracted economic warfare against the Balkans

by Rainer Apel

Almost five months after the end of the Kosovo War, no progress can be reported on the promised reconstruction of the economies of the Balkan nations. More visits to the Balkans have occurred by inspection teams from the International Monetary Fund (IMF) and World Bank, more "expert" conferences have been announced, and the biggest "leap forward" on the part of Western political and financial bureaucrats seems to be the option of having a preliminary decision on the funding of some projects, by the end of this year, instead of January-February of next year. For the Balkan nations, this is totally insufficient: They need assistance now.

The three governments of Bulgaria, Albania, and Macedonia have decided not to wait any longer, but to take the initiative, urging the community of Western states and banks to break out of the bureaucratic routine, and come up with some unconventional ways of funding reconstruction and development projects. At a meeting in the Bulgarian capital of Sofia on Oct. 30, the finance ministers of Bulgaria, Albania, and Macedonia passed a joint resolution, which denounced the "slow start" of Western economic assistance after the end of the Kosovo War. "The three states resolve to take part in the postwar reconstruction and development process," the resolution stated, proposing the creation of a Regional Fund for Reconstruction and Investment (RFRI), with its headquarters based in Macedonia, to "accumulate financing from the G-24, based on grants, not loans."

The RFRI is to concentrate its efforts on "regional development infrastructure with pan-European importance, by implementing projects on the facilitation of transport, construction of transport corridors, connections of road networks with other means of transport, modernization of power grids and their connection with the European power grid, including consideration of environmental impacts in the region." The initiative, the three finance ministers stated, is intended to "support the economic, social rebirth and development of countries affected by the crisis in Kosovo."

Winter comes to Kosovo

Many other official statements and reports, also from institutions outside the Balkans, address the particularly dramatic situation that is building up in Kosovo and the regions

along the Danube River. For example, a report compiled by the International Labor Organization (ILO) in Geneva, made public on Oct. 19, portrayed the situation in Kosovo as an outright disaster: Of the pre-war population of 2.4 million, no more than 1.9 million have remained; half a million have fled or emigrated. Most of those who have fled have little chance of returning, because their homes, villages, and farms were destroyed by the war. Many among those who stayed in war-devastated Kosovo, have no real home to live in.

A new report compiled for the European Commission, published in Brussels on Nov. 2, fully corroborates the ILO findings, revealing that "300,000 people in Kosovo face the possibility of winter without adequate accommodation."

During the war, NATO and other Western institutions made great promises about "guarantees" that every Kosovo resident would have winter-proof housing, before the bitter cold comes to these mountainous regions. But not even the emergency winter-proof tents for those who have no other home, have been delivered to Kosovo on time. There are villages in which only 10-15% of the homes that existed before the war, are still intact. "A few new roofs" is all that has been built in most of these villages; many of them are so remote that they are not connected to any modern infrastructure, and cannot be reached in the winter when the heavy snows will have isolated them from the rest of the world.

Of the Kosovar labor force of 1.3 million, only 35% are what the ILO describes as "economically active," and of the labor force in the agricultural sector, only 23%. Large parts of pre-war hospitals, schools, utilities, and farm buildings were destroyed by NATO bombs and have not been rebuilt. Pensions as well as other transfers of public funds cannot be paid, because the funds do not exist or cannot be transferred, since the infrastructure of civilian administration simply no longer exists.

Even before the war, Kosovo depended on food imports to a significant extent, but now the situation has worsened. Cattle-breeding is down to 50% of what it once was; chickens and other small livestock down to 20%. The 1.9 million people of Kosovo urgently need 230,000 tons of food imports, to get through the winter. The former state-sector economy

which employed 80% of the working population of Kosovo, no longer exists and will not exist for some time into the future. What the ILO reports, is also what other institutions like the United Nations High Commission on Refugees (UNHCR) and the European Commission report. Without a real crash emergency program to rebuild Kosovo, the population there is heading for a huge humanitarian catastrophe this winter.

The IMF turns the screws on Romania

The economic-social situation in other Balkan countries, such as Romania, Albania, and Bulgaria, is only slightly better than Kosovo's, for large parts of the populations there. These countries were not bombed by NATO or mined by the Serbs, but they have been "bombed" by the IMF, in an economic war that is still going on, which combines the effects of the collapse of normal economic life during the Kosovo War, with the effects of harsh IMF austerity conditionalities and criteria for the respective national budgets.

This was illustrated in Romania in a spectacular way in mid-October, when oil workers conducted warning strikes for several days against IMF-mediated deregulation and privatization plans for the country's oil sector; when unrest among the police and the Armed Forces over wage arrears (caused by government obedience to IMF budgeting criteria) forced Defense Minister Victor Babiuc to violate IMF budgeting rules and to decree wage increase of 60% for the police and 80% for the Armed Forces. Romanian Prime Minister Radu Vasile, visiting Greece at the time, confirmed support for Babiuc, declaring in Athens, "We must give them the money, even if the International Monetary Fund doesn't agree with it."

But an even bigger Romanian disaster, resembling the situation of the 300,000 Kosovar Albanians who have no shelter this winter, was also revealed: Cut off from government support under the IMF budgeting rules, the big national suppliers of gas and hot water had begun to enforce back payments of private household heating and water bills with measures of direct economic warfare—cutting supplies to the "bad debtors." Thus, with winter coming, several tens of thousands of residents of the capital city of Bucharest found themselves without heat and hot water, and in the north of Romania, the entire city of Jasi, with 345,000 inhabitants, was in the same situation.

Many Romanians simply cannot afford to pay their heating bills, after the deregulation of prices by the government upon the recommendation of the IMF, earlier this year. With an average monthly income of about 800,000 lei, a Romanian worker cannot afford a monthly heating bill of 600,000 lei. The average Bulgarian worker finds himself in a comparable situation.

After several days of exploding public outrage, Romanian President Emil Constantinescu made an unusual statement on national television, calling on the government to pay less

attention to IMF budgeting policies, and to do what is required to secure the gas and hot water supplies for the population for this winter. In particular, Constantinescu called on the Finance Ministry to urgently unlock funds approved for the expenses of poor families (funds which had been frozen, though, because the IMF disapproved). In addition, Constantinescu urged the Ministry of Industry and Commerce to provide emergency bridge funds for big utility companies, like RADET and CONEL, to secure their gas heat and hot water supplies for the population.

Some signs of sanity

The basic facts being known, the worsening situation in Kosovo and the neighboring Balkans states has caused some cracks in the phalanx of Western institutions, that have been operating under the insane policy that no reconstruction can be allowed in or next to Yugoslavia as long as Slobodan Milosevic remains in power there.

For example, the governments of France and Germany at the end of October overruled the government of Britain and the U.S. State Department on the question of emergency measures to restore transport on the Danube River. The French and the Germans insisted on the construction of a temporary bridge across the Danube, and the removal from the river of the debris of three bridges destroyed by NATO aircraft in the war. The plan, funded with \$25 million, is to focus on Novi Sad, Serbia's second-largest city; an old, dismantled Danube bridge that is now being stored near Vienna, will be shipped there. The project was endorsed by a conference on the Danube at the end of October in Bucharest, organized by Patriarch Bartholomew of the Eastern Orthodox Church and attended by representatives from all the Balkan states.

British and U.S. State Department arguments to the effect that no help may be granted to any Serbian city unless democracy reigns in Belgrade, were countered by the governments of France and Germany with statements pointing to the effects of a cold winter and destroyed infrastructure, on the population not only of Serbia, but also of nine other Balkan states that lie along the Danube River. Notably, the situation of Bulgaria and Romania, the economies of which have suffered badly from the Kosovo War, the collapse of all Danube waterway transport, and of trade relations among the Balkans states, was emphasized by the French and Germans—who have the support of the Austrians, as well.

If the sanity shown by France and Germany on the Danube issue indicates that some Western countries are beginning to desert the views of Tony Blair and Madeleine Albright on the Balkans, that is good news for all those, also outside the Balkan region, who are in a state of war with the bankrupt IMF system. As *EIR* has emphasized, the Balkans can only be rebuilt in the context of a broader fight: the fight for a New Bretton Woods monetary system, in which industry, agriculture, and infrastructure development receive priority investment, rather than the speculative financial bubble.

Fall issue of '21st Century Science': Real calculus vs. what you learned

by Laurence Hecht

A devastating critique of the standard method of mathematics teaching is the lead article in the Fall 1999 issue of *21st Century Science & Technology* magazine, a quarterly publication which continues the tradition of *Fusion*, the magazine of the Fusion Energy Foundation founded by Lyndon H. LaRouche, Jr. in 1974.

LaRouche's fundamental discovery in economic science, achieved in the 1948-1950 period, established among other results, that no formal mathematical system can represent a process of universal change, such as that embodied in economic progress. Attempts at mathematical modelling of economies, for example, have invariably been unable to deal with the problem that any new fundamental discovery in science, when introduced into the economy through new machinery and technological innovation in production, changes at once all of the existing relationships of the economy, eliminating whole categories of products and means of production, and creating new ones. The same is true, as well, of any process of change in the universe, including biological growth, and even non-living physical systems, such as light propagation, electricity, or chemical interactions.

The current, accepted method of teaching of mathematics, even at the higher levels, has ignored this principle, rediscovered and advanced by LaRouche, which was the method used by the actual inventor of the calculus, Gottfried Leibniz (1646-1716). Leibniz's discovery has been suppressed, and a fraudulent version presented in its place. Far from being a simplification, the fraudulent version is generally incomprehensible, and amounts to a "brainwashing" of the student who feels compelled to learn it in order to pass his exams, and advance his career.

The new, revised version of the calculus, is based on the so-called "limit theorem," of the French pro-Newtonian, Augustin Cauchy,

Cauchy was part of a faction in early-19th-century France, then the leading scientific nation in the world, who were committed to proving that all physical phenomena could be reduced to mathematical expressions involving the assumption of forces of attraction or repulsion acting between presumed "elementary particles." The great physicists André-Marie

Ampère and Augustin Fresnel had proved them absolutely wrong, in their own terms, by their pioneering discoveries in the science of electricity and optics, respectively. But this did not stop the faction of LaPlace, Biot, and Cauchy from continuing to insist on their ideological delusion—a delusion which has continued into the present day, and constitutes the prevailing opinion in all university mathematics and science departments throughout the world.

Ernest Schapiro, author of the *21st Century* cover story headlined "The Real Calculus vs. What You Learned," has exposed this long-lived fraud, by going back to Leibniz's original writings. Reading though Leibniz's vivid descriptions of his own discovery, Schapiro discovered that Leibniz's invention of the calculus was only possible because of his philosophical standpoint premised on the *non-reducibility* of natural phenomena to the actions of assumed elementary particles in pairwise interactions with one another (in short, the flawed Newtonian universe).

The 'American System' of calculus

It also turns out that the leading contemporary defender of Leibniz's discovery—which came under such vicious attack from the British propaganda machine that Leibniz, who had been in line to be a prime minister of Britain under the succession of Princess Sophia, died a few years later in poverty and ignominy—was the mentor of Benjamin Franklin, the great Philadelphian James Logan. Logan was the first to call the so-called "calculus" of Newton a *political* fraud, invented to discredit Leibniz's influence in Britain and likely succession to a ministership. The irony that America's current leadership in world science has made it the world leader in promoting the Cauchy fraud, is addressed in an editorial in the issue, entitled "Return to the 'American System' of Calculus."

The same philosophical problem, which infects all Americans, whether or not they ever took a calculus course, is addressed in a different way in the *Pedagogy* department of the magazine, in a provocative short piece entitled "Predictions Are Always Wrong." Here, Phil Rubinstein, a leading organizer of LaRouche's political movement in the

United States, shows that the difficulty many Americans have in distinguishing between LaRouche's economic forecasts and mere economic "predictions," stems from a philosophical belief in "linearity," which is precisely the same as the Newton-LaPlace-Cauchy view of the calculus. He shows that Plato's great enemy, Aristotle, embodied this view, which denies the logical possibility of *change*—whether it be in matter, or in the human mind (creativity)—in his formal system of thought.

Gravitation theory challenged

The issue also contains an extraordinary contribution by Prof. Shu-wen Zhou of China's Huazhong University of Science and Technology, who discusses his several years of experimental work on the measurable, abnormal effects on force and time measurements that occur around the time of solar and lunar eclipse, a challenge to standard thinking on gravitation. Also featured is a translation of a 1943 article by the Russian biologist Alexander Gurwitsch and his wife, Lydia, which reviews his discovery of mitogenetic radiation and answers the complaints of his reductionist critics. The Gurwitsches discuss how the discovery came about, and what they were thinking in the process.

The Special Report is on AIDS in Africa, and includes an update on work on an AIDS virus by Colin Lowry, a report on the pandemic, and an interview with the head of the White House Office of National AIDS Policy.

The nuclear report leads with Zbigniew Jaworowski on the absurdity of the concept of "collective dose" in measuring radiation fallout.

In a second article, food irradiation pioneer James H. Steele, professor emeritus at the University of Texas, discusses the history of food irradiation and the need for public health officials to start supporting it.

An Ancient Discovery section features dramatic color photographs of the 20-40,000-year-old rock art of northwest Australia's Kimberleys. Other articles include a viewpoint by senior entomologist Gordon Edwards on how the Food Quality Protection Act is bad for your health, and reports on the Japanese fusion program. The Books section includes a review of Cornell astrophysicist Thomas Gold's book, which argues that hydrocarbon fuels aren't fossils; a review of the life and ideology of Lysenko, a review of a book on Micronesia's lost cities; and a review of the biography of Sergei Korolev, the almost unknown Ukrainian genius who played the role of Werner von Braun for the Soviet space program.

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Mahathir rallies Asia to build economy

by EIR Staff

Malaysian Prime Minister Dr. Mahathir bin Mohamad is carrying out an intensive organizing effort to get other Asian countries to play a vigorous role in protecting their economies from the International Monetary Fund (IMF) and the financial speculators, as well as in moving into the 21st century as nations strong in science and technology.

At the same time, the Malaysian government has presented its Y2000 budget, reaffirming the success of the protective measures introduced in September 1998, including capital and currency controls.

Diplomacy

At a conference of the **Africa Asia Business Forum** in Kuala Lumpur on Oct. 16-19, Dr. Mahathir addressed 350 business executives from 28 African and Asian countries, declaring that now is the time for Asia, "with its fresh experience, new-found wealth, technology, and skills, to help other less-developed nations." He urged public and private sectors in Africa and Asia to form "smart partnerships" for mutual benefit. Both regions had, for too long, been Eurocentric, and he encouraged Africa to look for friends in Asia and the Americas, who would understand African development problems better than more developed countries. He said that if Asian countries became genuine partners of Africa, "it will create a cycle of prosperity." He further stressed the importance of political stability, not just changes of government, in creating conditions conducive for development.

On Oct. 30, Dr. Mahathir and Thailand's Prime Minister Chuan Leekpai signed an agreement on joint development of natural gas reserves, in areas where the two countries have overlapping territorial claims. The **Malaysia-Thailand Joint Development Area (MTJDA)** covers 7,250 square kilometers offshore, about 260 km from Songkhla, Thailand and 150 km from Kota Baru, Malaysia. The fields will be exploited for mutual benefit, with expenses and profits shared equally.

On the same day, Dr. Mahathir participated in Kuala Lumpur in the signing of a gas sales agreement between Malaysia's Petronas and the Thai petroleum authority PTT. On that occasion, he stressed the peace-making function of such projects as the MTJDA, which would, he said, "stand out in history as a testament to the unique cross-border cooperation between two neighboring countries in resolving territorial disputes and the ability of both countries to utilize jointly and equitably the

hydrocarbon resources found within their overlapping claim areas, thereby further strengthening and enhancing bilateral sovereign relationships.”

Among the lessons to be drawn from the Asian financial crisis, Mahathir said, was that the members of the Association of Southeast Asian Nations (ASEAN) should protectively manage their activities. “I believe the trans-ASEAN pipeline and power grid represents one of such important strategic activities as it will link and expand the region’s existing pipelines and power infrastructures to meet ASEAN’s energy requirement in the next millennium.” He added, “It would also help achieve a quantum leap in the economic development and industrialization of the ASEAN region as a whole, through the efficient utilization of indigenous gas resources.”

Mahathir said the foundation of the trans-ASEAN gas pipeline and power grid had already been laid with the connection of Malaysia’s peninsular gas utilization system with that of Singapore. The Thai-Malaysia pipeline will interconnect a third ASEAN country to the same system.

Earlier this year, on Aug. 18, Dr. Mahathir spoke to the **Third Malaysia-China Forum** in Beijing, calling for China, Malaysia, and Japan to lead a regional and global offensive for change and development. Japan’s proposal for an Asian Monetary Fund, “shot down by the U.S. and the IMF” a few years ago, has now been revived in Tokyo, he said, and “Malaysia believes that it is a concept worthy of support. It would also be good to solicit Chinese backing for the idea.” Also, he said, the Malaysian proposal for an **East Asian Economic Caucus (EAEC)**, comprised of ASEAN plus China, Japan, and South Korea, needs to be implemented. Had there been an EAEC, he said, “the first recourse for Thailand, Indonesia, and South Korea would not have been the IMF, but the EAEC. The reason is that these economies are fully aware of the harsh conditions that the IMF would exact from them in return for financial assistance. . . . The IMF intervention in Indonesia is a classic case to be avoided at all costs by future economies in crisis.”

Mahathir challenged his audience to “think like Shakespeare,” as Asia moves into the next millennium. “The ASEAN 10+3 needs to adopt a wholly new mind-set of not only becoming strong industrialized nations in the 21st century,” he said, “but also possessing strong scientific and technological attributes. This calls for the overhauling of our respective educational systems. The biggest obstacle to becoming science- and technology-strong nations is not our stars, as Shakespeare would remind us, but in our thinking, in our mind-sets. Change them, and we will see great changes in scientific and technological advancement by East Asia in the next century. This is not Mission Impossible, but Mission Possible.”

Strong growth in domestic economy

On Oct. 29, Malaysian Finance Minister Tun Daim Zainuddin presented the Y2000 budget to the lower house of Parliament. According to the Bernama news agency, he made



Dr. Mahathir bin Mohamad during a visit to Argentina in 1997.

clear that the capital controls instituted last year *must* remain in effect, in order for the progress sustained in 1999 to continue. In the budget, Malaysia has revised its growth projections from 1% to 4.3% this year, a remarkable about-face from the 7.5% contraction in 1998. The country’s selective capital controls have everything to do with it, together with the domestic spending program and loosening of credit, which is shown in 8.9% increase in manufacturing, 4.6% increase in agriculture, and 2.4% in services. Export earnings in dollar terms increased 23.1% between January and August, contributing to the rise in reserves to \$30.2 billion, four times the country’s short-term exposure. Inflation is running at 3% for the year. Non-performing loans in the banking system were at 7.9% as of August 1999, compared to 11.4% in August 1998 — and compared to over 45% in Thailand at the moment!

Tun Daim described the Y2000 budget as a people- and business-friendly budget, including tax breaks and incentives to sustain and foster stable economic development. The total budget is \$20.53 billion (78.03 Malaysian ringgit), up 19% from earlier estimates; of that \$14.03 billion (RM 53.35 billion) is for operating expenditure and \$6.5 billion for development. The almost 26% increase in net development spending will contribute to a projected 4.4% budget deficit, but three-quarters of the development spending will be funded from domestic resources. The character of the budget was identified by Tun Daim when he said, “Political stability and social harmony are important to the nation’s progress. We cannot focus on development efforts if there is chaos.”

African leaders are challenging the credibility of the IMF system

by Linda de Hoyos

There is no way to build democracy in developing countries without debt relief. This was the message delivered by Nigerian President Olusegun Obasanjo during an address to the Harvard University Kennedy School of Government on Oct. 31. As characterized by the Panafrican News Agency, the new Nigerian President, who is the first elected civilian President to come to power in Nigeria in years, said that "it would be hypocritical of advanced countries to expect young democracies in Africa to persist in their efforts to sustain the democratic culture without the advancing countries giving the necessary concession that would make such an endeavor possible. Insisting that democracy is a global project, he said Nigeria needs debt forgiveness to be able to provide for the needs of the people. Without improving the living conditions of the people, the President warned, democracy cannot be sustained in any country, since frustrated citizenry would become a threat to democracy."

With this challenge, the Nigerian President is pinpointing the contradiction in the policies that the so-called "donor community" has sought to impose on Africa and other countries. While demanding the institution of democracy as the form of government, the Western countries have also demanded that African nations obey all the rules of the neo-colonialist system of the International Monetary Fund (IMF), and thereby impose the conditionalities and economy-destroying measures that create the economic and social conditions that make the growth of democratic institutions completely impossible.

No help from Albright

The Nigerian President is now experiencing this donor whiplash first-hand. In late October, U.S. Secretary of State Madeleine Albright travelled to Nigeria in a highly publicized trip, in which she lavished praise on President Obasanjo for his "wisdom and his understanding of what Nigeria can do." But, when queried by reporters on Nigeria's expectation of a "democracy dividend" in the form of relief on its \$30 billion debt, Albright suddenly became "inaudible": "Yes, let me just say that we all understand the difficulties for a democracy (inaudible). It is clearly a burden, and difficult for the people to absorb, and the President and I did talk about the debt that Nigeria has can be dealt with in terms of the possibilities of rescheduling, and this is obviously a discussion that President Obasanjo will carry on when he is in Washington with the

appropriate authorities. It is very important that there be an agreement with the International Monetary Fund so that whatever debt rescheduling takes place be done within that (inaudible)."

In Washington at the end of October, President Obasanjo was introduced to top American corporate leaders eager to do business in his country, but on the question of debt, the only offer was debt rescheduling. Nigeria, President Clinton explained, does not qualify for debt relief (cancellation of some of the debt) as one of the Highly Indebted Poor Countries (HIPC), because of its assets in oil. However, President Clinton said on Oct. 28 that Nigeria should take the offer of rescheduling, since it would alleviate the problem now, and that, given the low per-capita income, high infant mortality, and indications of high levels of poverty in Nigeria, he would seek to enable Nigeria to qualify for HIPC in the future. (The United Nations Development Program report lists Nigeria as the twenty-fifth poorest country in the world.)

In his address at the Kennedy School of Government, President Obasanjo explained what all leaders of developing countries know from bitter experience: Debt rescheduling only adds to the debt burden. According to the Panafrican News Agency, he said that Nigeria's debt to the Paris Club of official creditors was \$5 billion, but today stands at \$21 billion, even though Nigeria has taken no new loans within this period. "Rescheduling is a mere palliative. It does not address the substantive problem of a huge and unwieldy debt exposure," he said.

Speaking just at the point when it was being announced that Nigeria had spent \$8 billion on its military peacekeeping operations in Sierra Leone and Liberia, with the West's political backing, Obasanjo said that "Nigeria has kept faith with its international responsibilities, preferring that its people make additional sacrifices for the country to be able to participate actively in regional and global affairs. Very few of our citizens are ever likely to accept that fulfilling our international obligations justifies the inevitable deprivations they must suffer." He then asked: "What is the dividend that we can legitimately anticipate in so deliberately courting internal hardship and possible social upheaval, as we meticulously continue to discharge our international responsibilities in world affairs, without a visible and reciprocal concern by the rest of the world for our own difficulties?"

Obasanjo did not call for the creation of a new monetary system, a New Bretton Woods, as proposed by American Presidential candidate Lyndon LaRouche. However, his calls for debt relief and his actions back home call into question the conditionalities and presumptions of the IMF system. For instance, Obasanjo has insisted on a full review of all loans, to see which are legitimate and which are not—that is, which never came into the country, in which case, he has argued, they should not be paid. Although he has adopted a policy of privatization of government enterprises, the government is stating that it will move slowly on this, in order to assure total transparency; enterprises sold so far have been sold to Nigerian companies. He has instituted subsidies for fertilizer to the country's farmers, as increasing agricultural output and modernizing farming is the government's stated number-one priority—the Fund has complained of this measure. And, the government has refused IMF on-site surveillance of the country's central bank. The IMF claims it is standing by with a \$1 billion loan for Nigeria, if its conditions are met. But there is no indication of progress on this point.

IMF denies sovereignty

Other African governments are continuing to bitterly call into question the credibility of the IMF system. The IMF is locked in a battle with Zimbabwe, in which the Fund, operating on behalf of the British Commonwealth extraction companies that seek to loot the Democratic Republic of the Congo (D.R.C.), has essentially made the removal of Zimbabwean troops from the Congo a conditionality for the release of a \$193 million stand-by facility that had been agreed upon before the 1998-99 Congo war even started.

Setting new “goal posts,” the IMF has come up with one excuse after another not to issue the loan. Now, it says that it is “investigating” a report in the London *Financial Times* that says the government is withholding the truth on how much money it has spent on its military presence in the Congo. “The IMF should shut up its mouth,” Zimbabwe President Robert Mugabe stated. “Yes, we have spent the money in the D.R.C., but we have not died because of that. We continue to be productive.” The Fund, he said, is “incompetent” to judge whether Zimbabwe should be involved in the Congo war. Speaking in Paris at a UNESCO conference, President Mugabe declared that the “IMF has no right to interfere in the issue of what Zimbabwe does or does not do militarily in the Democratic Republic of the Congo. . . . The IMF is disqualified because it gets involved in matters that don't concern it. The IMF should stop this interference. We have been independent for years, and the IMF has never done us any favors. Whether we are involved in the Congo is no business of the IMF.”

Zimbabwe is in the Congo, where it is defending the country against invasion from Uganda and Rwanda, on the basis of a principle that is “shared throughout Africa—the principle that the people have the right to rule themselves. It's there in

the United Nations Charter, it's there in the OAU [Organization of African Unity] Charter, and we went there to support it.”

Zambia, which has not sent troops into the Congo but spent millions of dollars on a Western-backed peace effort, has also harshly criticized the IMF, which dried up all funds to that country until it had sold its copper fields to the London-based Anglo American mining giant. In a September forum of the Economic Commission for Africa, Zambian Deputy Finance Minister Godfrey Simasiku put it loud and clear: “Zambia is calling for outright debt cancellation and immediate debt relief.” He cited the plummeting of the world copper price as one reason that the country requires immediate relief. Asian countries “are major customers of copper, so if their economies collapse, there's no way that Zambia and others dependent on that market can survive that serious shock.” Official development assistance debt, he said, should be cancelled, and aid given only as grants.

Zambia had carried out IMF conditionalities, but there was no relief and no money yet in sight that would improve the situation, Simasiku said. Even with 80% of its people in poverty, Zambia pays for education and health combined only 67% of what is allocated to debt service. He said that all funds released by debt cancellation would “definitely go into the grossly underfunded social services—more money to build more clinics and more district hospitals, to put medicines in those hospitals, to build and refurbish schools.”

In South Africa, the contradiction between democracy and the assumptions of the IMF system is coming to the fore, in the battle by the trade unions to protect jobs and fight for wage gains in the post-apartheid era. “The national sovereignty, which we fought dearly for, is progressively being eroded by unelected institutions,” declared Zwelinzima Vavi, general secretary of the COSATU trade union confederation, to a conference in Johannesburg on Oct. 25. “The powerful countries, supported by the international financial institutions, sometimes acting in concert with or on behalf of transnational corporations, dominate the discourse and dictate the terms of globalization,” he said. Many countries are being effectively mortgaged to the transnational corporations through the economic fundamentalism of privatization, liberalization, and so-called free-market policies. Although COSATU has been battling the government of President Thabo Mbeki over jobs and privatization, the COSATU general secretary pointed the finger at the interests beyond the government and outside the country, and said that he backed Mbeki's call for “Africans to reclaim their identity and chart their own destiny, as succinctly captured in his call for the 21st century to be the African century.”

The battles now shaping up in Nigeria, Zimbabwe, Zambia, South Africa, and other African countries against the murderous intent and effect of the IMF system, indicate that creation of a new monetary system will be required to meet that goal.

The IMF caused the floods in Mexico

by Ignacio Mondaca

Viewed by Mexican President Ernesto Zedillo as “the tragedy of the decade,” the seasonal flooding that has inundated Mexico has turned five states into a disaster zone. The devastation of the affected region, which embraces about 20% of the national territory, exposes the severe lack of water-control infrastructure, and Mexico’s helplessness in the face of natural phenomena, largely because of the austerity policies and budget cutbacks imposed on this country by the International Monetary Fund (IMF) since 1982. The national emergency notwithstanding, the only thing that Mexico’s rulers are proposing is the continued extraction of more wealth from the exhausted physical economy, to pay the ever-mounting foreign debt.

Flooding in the Southeast-Gulf region of Mexico has totally or partially destroyed 173 towns in the states of Veracruz, Puebla, Oaxaca, Hidalgo, and Tabasco. In Villahermosa, capital city of Tabasco, the floods affected 70% of the city, leaving nearly 200,000 people stranded; so far, the government has acknowledged a total of nearly 400,000 disaster victims and 400 deaths due to flooding and mudslides. However, the official tally does not include the hundreds of thousands of peasant families who lost their crops, and whose croplands will take at least a year to be rehabilitated.

The damage inflicted on highways, bridges, canals, rail lines, electricity towers and lines, potable water systems, communications networks, and other infrastructure is already incalculable. According to the slanted estimates of the National Institute of Statistics and the Finance Ministry, damage thus far adds up to \$2 billion, a ridiculous underestimate. Their own calculations admit that the government’s meager Natural Disaster Fund, containing some \$270 million, will only allow for the reconstruction of 27% of the affected roads and highways.

The disastrous situation facing the area afflicted by flooding is matched by the no less dramatic circumstances facing the states of Mexico’s northern region: Zacatecas, Durango, Coahuila, and San Luis Potosí have been razed by a drought which is now in its sixth year, and which has turned what were once major farmlands into barren desert, and hundreds of farm communities into ghost towns. The emigration of thousands of Mexicans to the United States is one of the symptoms of this phenomenon.

In Veracruz, nearly 300,000 hectares have been afflicted: corn, beans, coffee, citrus, banana, papaya, sugarcane, rice, and forage crops have been largely lost. Cattlemen are reporting multimillion-dollar losses.

In Tabasco, 26,000 tons of banana were lost, 30,000 hectares of perennial crops were entirely lost, one-fourth of 65,000 hectares of corn suffered total or partial losses, 248,000 hectares dedicated to pig-farming were flooded, and so on.

In Puebla and Hidalgo, damage to agriculture was similar. The Necaxa Dam in Puebla was on the verge of bursting, forcing the opening of the spillways as a last resort; the flooding wiped out the towns of Zihuateutla, Patla, Chicontla, Cahuatlón, and Tlauhantongo, and destroyed part of the towns of Gutiérrez Zamora and Tecolutla in Veracruz. The reservoir of Tenango, also in Puebla, which was storing 43 million cubic meters of water, suffered fissures, which now threaten the town of Tenango de las Flores.

In Tabasco, the enormous Peñitas Dam, an important element in the hydroelectric complex of southeastern Mexico, had to open its spillways when its capacity overflowed, contributing to the flooding of five townships, including the capital city of Villahermosa.

Ever since 1975, the LaRouche movement in Mexico has urged in its economic platform the necessity of developing major water-management infrastructure projects, which would have prevented much of the current crisis.

The development of the Water Plan of the Northeast and the Water Plan of the Northern Gulf, whose main thrust is to take advantage of the substantial surplus water runoff which occurs in the south and southeast of the country, by channeling it toward the fertile northern states through a nationally interconnected network, represents the only real solution to the foreseeable assaults of nature, as well as to meet the national demand for water, for both production and consumption.

However, starting with the imposition of the IMF’s genocidal prescriptions in 1982, the governments of Miguel de la Madrid, Carlos Salinas de Gortari, and Ernesto Zedillo buried aspirations for the sovereign industrial development of the country, and followed the neo-liberal, globalist prescriptions to the letter. Ruled by the dictates of the “free market,” these governments auctioned off the greater part of state industry, dismantled national industry, ruined agricultural production, dismantled the national credit system, and, over the years, turned the country into a paradise for speculation. The effects are now evident in the unemployment, reduced living standards, massive migration, and growth of the so-called “informal economy.”

Natural disasters, poverty march together

On the world scale, 90% of natural disasters occur in poor countries lacking in development and in urban and infrastructural development. In Mexico, this is clearly the case.

The sequels to the recent earthquake in Oaxaca, the torrential rains and prolonged drought, affect 508 of the country’s

municipalities; the majority of them figure prominently on the map of poverty and extreme poverty in Mexico. According to information from the ministries of Agriculture, Government, and Social Development, the geographies of Oaxaca, Hidalgo, Puebla, Tabasco, Veracruz, Durango, San Luis Potosí, and Zacatecas, which are suffering the inclemencies of natural disasters, overlap the shaded zone on the map of poverty. Three hundred and sixty-five of those municipalities form part of the Program of Attention to Priority Regions, an aid program that operates in geographic areas classified by their scarce or nonexistent infrastructure, deficient health and education systems, and lack of productive capacity. In Puebla, for example, of 89 affected municipalities, 83 appear on the list of extreme poverty, and 55 of these have primarily Indian inhabitants.

The “tragedy of the decade” has brought to the five states affected by the floods yet another complication: epidemic outbreaks and other health problems. The government has been forced to decree a health emergency because of the risk of outbreaks of cholera, malaria, and dengue fever, while health problems related to the constant humidity, such as micosis and respiratory and gastrointestinal illnesses, are beginning to rapidly spread.

In the north of the country, dengue fever has begun to cause devastation. In Monterrey, capital of the industrial state of Nuevo León, strong summer rains have caused rivers to overflow, leading to severe flooding in various parts of the city. The inadequacies of preventive measures, especially the lack of an adequate rainwater drainage system, stand exposed. Stagnant waters have turned into reservoirs for the *Aedes egypti* mosquito, which transmits dengue fever.

In September, an outbreak of dengue was registered in Monterrey and several contiguous municipalities. In late October, the states of Tamaulipas, Coahuila, and Chihuahua were already reporting outbreaks of the epidemic.

In two months, the number of cases of classic dengue fever officially acknowledged by Nuevo León health authorities surpassed 5,800. Several hundred became infected with the more deadly dengue hemorrhagic fever (DHF), and dozens of deaths have already been reported.

Save the butterflies, not the humans!

The Nuevo León government, headed by National Action Party (PAN) Gov. Fernando Canales Clariond, has demonstrated its colossal incompetence in the face of the epidemic. Canales’s health secretary, Dr. Jesús Zacarías, first tried to hide the gravity of the situation, and then tried to eliminate the mosquito vector with a fly swatter. In answer to the proposal of a farsighted citizen, who urged free aerial fumigations in the metropolitan area of Monterrey, as has been done in New York City against the mosquito-borne West Nile encephalitis. Dr. Zacarías offered the singular argument that this “could kill the butterflies . . . also the swallows” and “could damage the paint on cars.” Thus stood exposed the bare face

of the genocidal policy of neo-PANistas like Canales Clariond and PAN Presidential candidate Vicente Fox.

The Ibero-American Solidarity Movement (MSIA), followers of the ideas of Lyndon LaRouche, launched an immediate campaign in Nuevo León, denouncing the genocidal framework presented by the state government. Dr. Zacarías responded that the disinfectant campaign being carried out by the government, using a miserable station wagon, “is the program of the World Health Organization, not of Jesús Zacarías”—but which, he confessed, “doesn’t seek eradication.”

Through Nuevo León radio and television and mass distribution of leaflets, the MSIA orchestrated an effective campaign which rapidly won the sympathy of the population. María Luisa Gómez del Campo, spokeswoman for the MSIA in the state, whose husband had become infected with dengue, questioned the government’s strategy, and issued a call for implementation of classical measures of eradication. She denounced the effects on health and the economy being caused by IMF-imposed budget cutbacks, and proposed taking up again “the great projects” of infrastructure and development, to eradicate diseases, such as cholera, malaria, dengue, and leprosy, that have once again begun to appear in Mexico.

Paying the debt at any cost

Faced with this national emergency, Mexico’s elite are intent on continuing the looting of the country instead of improving the living conditions of their fellow-citizens. The priority, both for Canales Clariond, as for Finance Minister José Angel Gurría Treviño, is to save financial costs while squeezing wealth from the collapsed physical economy and from the living standards of the population, in order to meet the sacrosanct demands of the bankers for payment of the debt.

Gurría Treviño is now desperately seeking fresh infusions of capital from the World Bank and Inter-American Development Bank, to fill the enormous black hole represented by the bankrupt Mexican banking system, a microcosm of the dying international financial system. Between 1999 and the year 2000, the Mexican government hopes to inject the equivalent of \$7 billion to save private banking in the country, and to avoid “the continued accumulation of interest,” that is, triple what they supposedly plan to invest in reconstruction caused by the disasters.

While the Finance Minister continues to ponder how to save the banks, some in the Mexican Senate have begun to echo the proposal of Pope John Paul II, to forgive the debts of the poorest countries. Mexico is in position to impose a debt moratorium, and to orient its resources into sovereign reconstruction instead of debt repayment.

On the eve of the year 2000 Presidential elections, neither the opposition candidates nor the pre-candidates of the ruling PRI party have offered any programmatic solutions to the disaster. The reason is, they have none.

The end of an industrial era

BHP, the “Big Australian” steelmaker, is being reshaped in the image of resource giant Rio Tinto.

A major chapter in Australia’s industrial history closed on Sept. 30, when the symbol of Australian heavy industry, the Newcastle steelworks in New South Wales (N.S.W.), was shut down by BHP after 85 years of operation, wiping out 2,500 jobs. At its peak in 1978, the Newcastle steelworks employed 11,555 workers, a number which has now been reduced to just 1,100 workers in rod, bar, and wire mills, processing steel supplied by BHP’s Whyalla works in South Australia. Citing collapsing steel prices (which have hit 20-year lows in the past year), BHP Managing Director Paul Anderson announced that the company, until recently Australia’s largest, would instead focus on its minerals and petroleum operations. To this end, the company has announced the sell-off of half its remaining steel assets in Australia, putting the 13,000 BHP steelworkers in the country on notice that their jobs are at risk.

BHP has long been the backbone of Australian heavy industry, and its story could be called the “Rise and Fall of Industrial Australia.” Started as the Broken Hill Proprietary Ltd. Co. in 1885 to mine the Broken Hill lead, silver, and zinc deposits in southwest N.S.W., it began producing steel in 1915, responding to the impetus created by World War I. Newcastle was chosen as the site of the steelworks because it was the port closest to Australia’s busiest coalfields in the Hunter Valley, and BHP decided to ship iron ore more than a thousand miles around the coast from its iron ore mine at Iron Knob, South Australia.

After World War I, the mineral resources at Broken Hill began to run

out, and the firm moved more and more into steel, finally consolidating the shift in the decade and a half prior to World War II under the direction of General Manager Essington Lewis. Lewis was legendary for his tough, autocratic management style, and with him at the helm, BHP became Australia’s biggest company, and by 1939, it was the world’s most efficient producer of steel.

Under Lewis, BHP played the pivotal role in Australia’s mobilization for World War II. At the outbreak of war in 1939, Australia’s steel industry was the only industry prepared for the demands of war—the firm was producing more steel than the country needed, thanks to Lewis’s foresight; as early as 1932, he had been warning of the Japanese threat, warnings which had been ignored.

BHP started an Australian aircraft industry in 1936, and, in 1940, Lewis was placed in charge of Australia’s Department of Munitions and given absolute authority to organize the wartime economic mobilization. Over the next five years, Lewis worked an economic miracle: He created a machine-tool industry which functioned so impressively that machine tools went from being Australia’s worst wartime weakness to its greatest strength. In turn, this drove the establishment of a myriad of other industries that had never been considered for Australia before the war.

In the decades under Lewis and immediately after, BHP became so dominant as a steelmaker that the fortunes of Australia’s industrial sector rose and fell on its performance. Its decline has paralleled the collapse of

Australian industry over the past 20 years under the “post-industrial” policies of free trade, cost-cutting, and privatization. In 1997, for the first time in decades, BHP’s share price dropped to a point that its mantle as Australia’s biggest company (which it held unchallenged for decades) was lost to the National Australia Bank. Finance, not industry, had become Australia’s dominant economic sector.

In 1997, after suffering record losses, BHP announced that it would close Newcastle—a symbolic surrender to the forces of “market capitalism.” The following year, it dumped its long-serving CEO, John Prescott, who had endeavored to again position BHP as one of the world’s biggest steelmakers, and replaced him with Paul Anderson, an American. However, a more significant addition to the board in 1998 was John Ralph, the former chairman and CEO of BHP’s biggest competitor in the resource sector, Rio Tinto, the leading company in the British Crown’s raw materials cartel. The addition of Ralph to the board has resulted in a virtual takeover of BHP by Rio Tinto, and BHP is becoming more and more structured on the model of Rio Tinto: a multinational resource company, with little or no interest in the type of nation-building that once defined it as the “Big Australian” steelmaker.

Under its new controllers, BHP has also begun to adopt Rio Tinto’s union-busting tactics. Known as one of Australia’s “union-friendly” companies, and even accused of being run by trade unions, on Oct. 27 BHP signalled a much tougher stance, when its vice-president of human resources, Steven Keogh, told an Industrial Relations Society conference that BHP is “changing the employment relationship,” and that it now has no “philosophical or ideological preference” for dealing with unions.

Business Briefs

Southeast Asia

Cambodia, Laos, Vietnam improve economic ties

Laotian Prime Minister Sisavath Keobounphanh, Cambodian Prime Minister Hun Sen, and Vietnamese Prime Minister Phan Van Khai met in Vientiane, Laos on Oct. 20, to discuss joint economic cooperation, and joint efforts to clamp down on cross-border drug and other illicit trafficking and border disputes. This is the first summit of its kind since all three countries joined the Association of Southeast Asian Nations (ASEAN). In its Oct. 22 broadcast, Cambodian state television described the discussions as the launch of a "development triangle."

The three leaders went to great lengths to keep the meeting low-profile, to avoid provoking concerns by other ASEAN members that they are creating a bloc within the association. The meeting was not reported in official media, nor was any agenda made public. Hun Sen first proposed the idea at the 1995 ASEAN summit in Bangkok, which the three states attended as observers.

The Laotian Prime Minister announced on Oct. 21 that the three agreed to "promote traditional friendship," including expanded international and border trade using local currencies, plans for a joint power grid, and extension of the east-west trans-Asian Highway, by extending Laos Highway 13, via Cambodia's Strung Treng, to Vietnam's Ho Chi Minh city. Agreement was also reached on increased aviation and telecommunications links, and cooperation in agriculture, forestry, the environment, education, and public health training.

Asia

North Korea opening to trade relations

Following talks in Berlin with the United States, the North Korean government is sending out signals of a willingness to improve ties with many of its neighbors, the Oct. 31 *Washington Post* reported. The president of Hyundai recently travelled with a delegation to Pyongyang, the North Korean

capital, to meet with top North Korean officials about plans to build a Hyundai factory and an industrial park in the north, near the border. The Japanese government is preparing to send a delegation, led by a former prime minister, to discuss trade openings. Charter flights between Japan and North Korea are also expected to resume soon. And, the chairman of the U.S. Chamber of Commerce in South Korea is planning to lead a business delegation to the North, to discuss investments.

Meanwhile, Russian Foreign Minister Igor Ivanov is scheduled to visit North Korea on Nov. 8-11, to sign a new cooperation treaty which will emphasize trade and exclude a military alliance. The new treaty will replace the one signed just after the Korean War, which stated that Russia would back North Korea militarily in the event of a war. Ivanov's trip to North Korea will be the first by a Russian Foreign Minister since that of then-Soviet Foreign Minister Eduard Shevardnadze in 1990.

Biological Holocaust

Asia's economic crisis fosters spread of AIDS

Peter Piot, executive director of UNAIDS, the UN agency dealing with AIDS, warned that Asia's economic crisis is fostering the spread of the AIDS epidemic, at the Fifth International Congress on AIDS in Asia and the Pacific, in Kuala Lumpur, Malaysia, on Oct. 23-27. China's *People's Daily* reported on Oct. 25. The spread of AIDS in Asia is associated with migration and prostitution, "where things could get worse because of the economic crisis," he said. Cash shortages could hit care in the family, reduce budgets for prevention programs, force hospitals to ration care, and make drugs too expensive. "We are still at the very beginning of the AIDS-HIV epidemic in Asia and the Pacific. . . . There is no room for complacency."

Piot said that the cost of drugs for treatment must be reduced, possibly by compulsory licensing of drugs in poor countries. Some speakers estimated that 7 million people in the region are HIV-positive, and the vast majority do not know it. A UNAIDS report says that HIV infections in the region

increased 70% during 1996-98, making Asia the region with the fastest growth of the infection.

Malaysian Prime Minister Dr. Mahathir bin Mohamad called for a summit of Asian nations, to "show leadership in the region and within our own countries, and underline the seriousness of the epidemic and the need for urgent action to combat it," in the opening address to the congress on Oct. 24. He said that the necessary political will, because governments set policy and facilitate the implementation of policy, would ensure that adequate budgets are directed at effective prevention programs, and that all sectors of society, including non-governmental organizations, businesses, religious bodies, and schools, must play a part in fighting AIDS and HIV infection.

"An effective government is one that understands that the virus recognizes no borders, and therefore it is imperative that governments cooperate with each other to fight the virus," Mahathir said. There must be overall cooperation to address the issues of cross-border movement of people, migrant workers, and the trafficking of women and children.

Stock Market

Dow becoming ever more post-industrial

Dow Jones & Co., publisher of the *Wall Street Journal* and keeper of the Dow Jones stock indices, on Oct. 26 announced changes in the composition of the Dow Jones Industrial Average. Effective Nov. 1, four companies, Union Carbide, Chevron, Goodyear Tire & Rubber, and Sears Roebuck, all of which have been in the Dow since at least 1930, will be dropped, and replaced by Microsoft, Intel, SBC Communications (nee Southwestern Bell, which has gobbled up two other Baby Bells), and Home Depot.

The Dow was last changed in March 1997, when Bethlehem Steel, Texaco, Westinghouse, and Woolworth were replaced by Hewlett-Packard, Johnson & Johnson, Travelers Group (now Citigroup), and Wal-Mart. In 1991, J.P. Morgan and Disney were added, with Disney replacing U.S. Steel.

With the new changes, the Dow Industri-

als will be: Alcoa, AlliedSignal, American Express, AT&T, Boeing, Caterpillar, Citigroup, Coca-Cola, Disney, Du Pont, Eastman Kodak, Exxon, General Electric, General Motors, Hewlett-Packard, Home Depot, Intel, IBM, International Paper, Johnson & Johnson, McDonald's, Merck, Microsoft, Minnesota Mining & Manufacturing (3M), J.P. Morgan, Philip Morris, Procter & Gamble, SBC Communications, United Technologies, and Wal-Mart.

Meanwhile, British, French, German, and Dutch firms are on a buying spree in the United States, according to an Oct. 26 Dow Jones wire entitled "New York: The British are coming, the British are coming." "All told, foreign companies announced an astonishing \$256 billion in U.S. purchases during the first nine months of this year—more than double the \$121.9 billion value of U.S. buy-outs of foreign entities," the report states. "The volume of foreign takeovers already has topped the previous record set for all of last year, and is four times 1997's volume, according to J.P. Morgan."

Economic Cooperation

Africa, Asia should boost economic ties

Dr. Essop Prahad, Minister in the Office of South Africa's President, said that South Africa and Malaysia should lead in "practical acceleration" of Asia-Africa economic cooperation, in a speech to the Asia Africa Business Forum in Kuala Lumpur, Malaysia, Bernama news agency reported on Oct. 28.

Dr. Prahad said that such cooperation must move beyond mere concepts, pointing to the untapped potential for investment in Africa, especially in critical areas such as infrastructure. It is becoming a pertinent requirement for South-South countries to find ways to come together to discuss fundamental issues affecting the world economy, he said, adding that if major South countries, such as China, India, and Malaysia, were to sit down and work together, the impact on global development would be much greater.

Key issues that should be addressed include the debt of the poorest countries and

global monetary reform, he said. He hailed Malaysia as a "front-runner on the question of small and medium-scale countries in determining their own exchange rates," which has provided South-South countries with plenty to discuss. Dr. Prahad said that South Africa and Malaysia shared common positions on major world issues at the recent Commonwealth meeting in Durban, but "we will deal with internal issues from our own perspective."

India

President downplays importance of free trade

The Indian government wants to achieve 7-8% economic growth, President K.R. Narayanan stated on Oct. 21, *The Hindu* reported. "The nation's re-oriented strategy of development will have to rest on a triad in which the government provides a strong policy and regulatory leadership; the private sector brings dynamism and efficiency of competitive environment, and . . . the civil society brings enthusiastic participation by the people," he said.

Narayanan stated that the "free market" should not be considered an economic panacea. "We cannot produce a dogma like 'free market' suited for every period in world history," he said. "There may be periods in the future where the state may have to play a role in protecting the economic interests of people."

Government policy includes an accelerated time-frame for dismantling the administered price regime, setting up a task force for tax reforms, allowing the private sector in coal, a new civil aviation policy, an integrated transport policy, a new health policy, setting up a Railway Reforms Commission, corporatization of the department of telecommunications and state electricity boards, and setting up of a Expenditure Commission.

The task force on tax reforms will be constituted to recommend a time-bound schedule of reforms in both direct and indirect tax structures. The Railway Reforms Commission will rationalize tariffs, evolve a new resource mobilization strategy, prioritize projects, and suggest measures to improve safety.

THAILAND and Malaysia, the world's leading producers of rubber, have withdrawn from the International Natural Rubber Organization, which will effectively collapse the 20-year-old cartel. Both nations have denounced the INRO as a European-dominated organization that has failed to sustain a reasonable price for rubber, which is at a 30-year low, to the benefit of consumer nations in the West. Indonesia is considering whether to follow suit.

INDONESIAN debt, by the end of this year, will have almost tripled since March 1998, rising to \$136 billion, the Oct. 29 *International Herald Tribune* reported. Indonesian debt is now the equivalent of 110% of annual GDP, up from 26% three years ago.

THE BRITISH FARM crisis is getting worse. The Oct. 27 London *Sunday Telegraph* quoted one reverend: "In the hill farms the situation is horrific. We are seeing young men being driven to suicide because they can see nothing in return for their efforts. . . . A lot of people are struggling—and it's the young ones who are going under, the 30- and 40-year-olds, the next generation of farmers. It's all very worrying."

THE EGYPTIAN government agreed on Oct. 25 to a project to establish the first Chinese industrial city in the Middle East, 25 kilometers south of Cairo. Initial investment will be £200 million, and the city will include 30 factories and a specialized center for technology; 50% of production is expected to be exported. The project is to be completed in 2002.

ITALIAN companies are set to expand their activities in Iran. The board of directors of Italy's State Insurance Company has revoked the need for Iran to guarantee oil deliveries in order to provide insurance for large projects involving Italian investments, the Central Bank of Iran reported.

To make a revolution, we must make a renaissance

by Lyndon H. LaRouche, Jr.

LaRouche gave this speech on Oct. 17 to a conference of the Civil Rights Movement Solidarity (BüSo) party in Germany, which is headed by his wife, Helga Zepp-LaRouche. Subheads and footnotes have been added.

I shall speak in terms of the current U.S. Presidential campaign, but I shall situate this in terms of a related development throughout the world, including what can be observed in process in Germany, in France, and in other parts of Europe. The world is now going through a period of fundamental change. The outcome of this change, whether it will be a better world, or a Dark Age, is not yet decided. In order to determine what the outcome shall be, certain things which are very little understood today, must become, very quickly, understood.

You observe in Europe, for example, what I saw coming earlier this year, in the spring of the year: By March it was visible that the Schröder government was not going to last much longer. It was also clear that other things in Europe were going to change radically. Similar things are happening in the United States, and in other parts of the world, but let's concentrate especially on western Europe, especially continental Europe, and the United States.

What is changing? The problem people have in dealing with reality today, is that most people, particularly those who have come out of universities or similar educational experiences during the past 30-40 years, have not developed—or only in rare individuals—have not developed the ability to understand history as this understanding was had by people in earlier generations.

The origins of the current crisis

What happened in the postwar period in the United States, and especially throughout the world with the turn against

humanist education during the 1960s, and the beginning of the 1970s, is people have received *more* education, or *more learning*, and *much less knowledge*. They come out of schools having learned to say things which may win them approval from popular or other opinion, but if you put them in the shop to do something, they can't do it. They can talk about things, but they don't know anything.

For example, in the German industries earlier, even before the recent developments, it was necessary to take university graduates, and completely reeducate them in the companies, because they could talk a great game, but they *knew* actually nothing, and they had to be sent back into the shop to learn how to *know*, rather than merely repeat words which had approval.

What is happening now, is that a process, a policy process, which emerged around the world in 1971, with the decision by Nixon to destroy the Bretton Woods system—People talk about the IMF system today, but the IMF system is a corpse which was killed on Aug. 15-16, 1971, and another system was put in place of what had been originally the International Monetary Fund.

This system, this monetary system, the financial system, and the changes that go with the system, don't work. They never worked. As a result, over the past nearly 30 years, we've lived in a world which was doomed. That is, as long as the world continued to make changes in policy in the same direction that previous changes had been made within this period, the world was doomed.

It was doomed in the sense—not in the short term, that it was going to crash on the following morning—but it was doomed in the sense that certain comets, because of their orbit, are going to destroy themselves in the Sun. You may see these comets coming from a long time before, and astronomers may then say, "Well, this comet is probably going to be



Through the Classical idea, states LaRouche, we can unleash the kind of joy, and tap the kind of power, "which allowed a relative handful of people in Germany, for example, in the middle of the Eighteenth Century, to take a bunch of dumb, brutish Germans, and turn them into a nation of poets and thinkers." Shown here, a moment of such joy greets the reunification of Germany on Oct. 2, 1990: Conductor Kurt Masur (left) greets soloists at the historic performance of Beethoven's Ninth Symphony at the Berlin Spielhaus.

destroyed in the Sun when it hits the Sun." But it isn't destroyed yet. It's still coming, it's still coming, it's still coming.

Such has been the condition of Europe. For example, in Germany, 1963 was a crucial year. From Britain, a movement was made against the Christian principle in the leading parties of Germany, and the move was to get rid of Adenauer, because Adenauer represented, not the new social policy on which the Union parties were to be based, but rather, on an older policy, *his* policy. This was the period in which Adenauer was pushed out. He was encouraged to, shall we say, take early retirement that year.

The same year, there were assassination attempts in progress still against President Charles de Gaulle of France, which has meant the ultimate destruction of France. In the same year, Kennedy was assassinated; and with the assassination of Kennedy, the ouster of Adenauer, and the attempt to oust de Gaulle, the process was in motion, which has continued to the present day, which threatens civilization.

Like a comet moving through the Solar System, headed for its death in the Sun, we know it's doomed because the trajectory, the orbit, dooms it, foredooms it. But it's not going to happen this week, next week, next year, or maybe in years to come. But it will happen.

Now we've come to a similar point in history, that the policies which have increasingly dominated, the trends in new policymaking in western Europe, in the United States, and among countries which are dominated by the influence of western Europe and the United States—this civilization, in its present form, is doomed.

This has certain effects on the mind, especially on the minds of people who have suffered the affliction of the false education which has been popularized in, for example, the United States and Europe, during the past thirty years.

People don't really think about how they behave. Only a few people, only serious philosophers, perhaps, or scientists think about how they themselves behave. Most people, perhaps by the age of 25, have acquired a set of assumptions, from childhood, from their parental household, their neighborhood, their peer group, their educational institutions, and so forth, which govern the way they think.

Now, they don't know how they think. What they think is determined by certain usually hidden beliefs inside them, beliefs which remind us of a simple classroom geometry, the secondary-school geometry, in which the student is told to accept certain definitions, certain axioms, certain postulates, without proof.

It is argued that these are self-evident. For example, people are taught that the universe is organized in straight lines, top, bottom, and sideways. They're taught other things of the same type. They accept them. They accept these ideas, but they are not true.

The universe is not constructed in straight lines. The universe has a curvature. The typical problem in the "new math" type of education is, the student who is victimized by education in that kind of mathematics, believes in the principle of Galileo, Newton, and so forth, that action at a distance, along straight lines, determines physical behavior in the universe. That is not true. But that is what is usually taught, including



Germany's Chancellor Konrad Adenauer (right) greets French President Charles de Gaulle in Bonn, 1961. Two years later, Adenauer was forced into retirement; assassination attempts were carried out against de Gaulle; and U.S. President John F. Kennedy was assassinated. These events set into motion a downward spiral of civilization, which continues to the present day.

in the teaching of the calculus in universities. It's not true.

The universe has, in effect, curvature, physical space-time curvature. It's the same thing as we've often used as an explanation, that if you attempt to project the map of the Earth's surface onto a flat sheet, you can't do it. You may think you can do it in very small squares, but when you increase the size of the squares, it will never work. It doesn't fit. You can't make simple projections of that type, because the universe, like the Earth's surface, is curved, and the universe's curvature is much more complex, more multiply-connected than the Earth's surface, as such.

So that, when you get into reality, if you tried to navigate through the universe on the basis of straight lines, you would never come home! Because the universe operates in terms of a physical space-time curvature, and you have to choose your trajectory, your orbit, according to an understanding of the physical principles, which are not straight-line principles, which come to bear in determining the shaping of that orbit, that trajectory.

And that's what's happened to people. People say, they accept things; they say, "This is the way things are. This is what works. You have to learn to go along with public opinion. You have to learn to behave in a way which is approved. You have to learn to behave in ways which win success."

And people believe that! They say, "Well, you have to believe that, because that's what we're taught. You have to assume that, because that's what has made us successful, so far." It's like the case of the lemmings about to go over the

cliff. They say, "This is a good run, let's keep going."

And so, what happens is, you come to a point where the comet begins to intersect the Sun, and the comet, as it approaches the Sun, perhaps as it gets within the radius of Earth's orbit, and then the Venutian orbit, the comet begins to become very shaky. It begins to dissipate, and then it will disappear in the Sun.

We're at that point in history now. This society, on its present course, was doomed thirty years ago. It was doomed not because it had chosen policies which doomed it, but because it had chosen *trends in policymaking* which doomed it to make the wrong policy decisions, step by step, along the way. And that's how we got to this point.

The demise of Germany

What happens, then, is you come to a point—you had a recent election in Germany, last year, with the victory of the Red-Green coalition, which was formed under the influence of Tony Blair's Social Democracy in England. Then, later in the course of this year, when the tax policy of the government began to hit, and then when the Kosovo war started, people in Germany began to understand what was really meant by the "Third Way." The popularity of the government collapsed, because these measures were extremely unpopular and *cruel*, not just unpopular, but cruel and destructive. There was no possibility that these policies could work.

Why? Well, very simply. How does western Europe's economy function? Western Europe's economy has func-

tioned, especially since the toppling of Erhard in a coup d'état in 1965, on the basis of Germany—the German economy. The German economy's stability depended upon German exports. The driving force for German exports was the machine-tool sector, especially the advanced machine-tool sector. The interrelations within Europe, among European nations with Germany, was the driving force for the entire European economy, or western European economy.

Now, what has happened in the recent period, is the machine-tool industry of Germany has been destroyed, especially since about 1965. Firms like AEG, which used to be giants in the tradition of Emil and Walther Rathenau, machine-tool industries, disappeared. And you've seen the same process over the '70s, through the '80s, in the United States, in other parts of Europe, as in Germany. You see this garbage heap which is called Great Britain today, as typified by the railroad crash in Paddington a couple of weeks ago.

We're living in a system which doesn't work. in terms of the economy, because the very basis for a successful, survivable economy of Germany, and of Europe in particular, has been destroyed. By what? By policy. By policies which have systemically destroyed the economy.

Now, Germany is faced with a bottomless pit. Any attempt to impose austerity of the Eichel variety, or what Waigel was doing earlier, will lead only to the destruction of Germany. It will not balance any budget. It will unbalance minds, but not balance budgets. Because the medicine prescribed for the sick patient will kill the patient, and eliminate the disease by killing the patient.

So, this reflects itself in society here, as similar things throughout the rest of Europe, and similar things in the United States, and around most of the world: The existing policies, the policies associated with the International Monetary Fund, the policies associated with NATO, its present policies, these policies doom civilization, just as a fatal orbit dooms a comet, and the comet is now approaching the Sun.

So, what we have then, like you see with the case of Schröder in Germany, is that people say, "We will *stick* to this policy! We will *cling* to, and enforce this policy! Like the lemmings, we're going to go over, we're going to find the sea. We're going to continue our course, even if it kills us. We will not change! We have made commitments to our friend Blair. We will not change! We're going this way."

But then what about the rest of the people? Well, you have



Former German Social Democratic Party Chairman Oskar Lafontaine (right), with Foreign Minister Joschka Fischer of the Greens, February 1998. Lafontaine's criticism of the German government's policies is correct, but he fails to point out the solution to the crisis.

a phenomenon, an example, in Germany. You have similar things in the United States, and somewhat similar things in other parts of Europe. Voices begin to say, "But this doesn't work."

Now I've looked, not fully, but in some detail, at what Oskar Lafontaine has done recently, with his book and the campaign around it. I've watched closely some of the statements made by former Chancellor Helmut Schmidt, as criticisms of the presently ruling generation, political generation, in Germany.

These criticisms by Lafontaine and by Schmidt typify statements which, in and of themselves, are absolutely correct. Most of what Lafontaine has said in criticism of this government *is correct*. Most of what Schmidt has said about the present generation of incumbent leaders, is correct. These are very relevant things. These are facts which are very important, because they involve the potential destruction of the entire society. Dangerous.

But what's the problem? Where's the answer? The diagnosis of the imminent death of the system is accurate. Various doctors like Dr. Lafontaine and Dr. Schmidt are diagnosing death. You say, "What about the cure? How can the patient survive?" "Well, that's not my job. My job is to point out the thing is dying."

A new kind of medicine, eh? It goes with budget cuts.

The problem is, is that the people in general, begin to recognize that the system doesn't work. They recognize that things are becoming worse. They see no hope of a change. They see no clear alternative. They simply say, "Well, I guess

it's doomed, I guess it's doomed." You have cultural pessimism of the type which was experienced in Germany, for example, in the 1920s, especially after 1923: the cultural pessimism which was the foundation on which the Nazi movement was based.

See, deprived of a sense of an alternative, and perceiving assured disaster, populations become extremely pessimistic, and even self-destructive. They become enraged, like madmen, out of their own frustration and fears.

What is their problem? The problem is, that they are clinging to the belief that certain definitions, axioms, and postulates underlying their habitual opinions—that these things are true. Now the reason that they allowed themselves to be swindled into making the change in trends in policymaking which we've seen, say, in Germany, since the ousting of Adenauer in '63, and especially since Erhard's ousting in '65—you see, these trends in policymaking, always more and more toward neo-liberalism, always in that direction, and these kinds of things, have led to disaster.

But people believe, what? They say, "But this is democracy!" They don't say, "What is *true*?" No longer is truth, in the sense of scientific truth, a question. We have to be governed by popular opinion.

What is popular opinion? *It's what we perceive to be the trends in opinion, which have become popular, or hegemonic.* And these underlying assumptions, definitions, axioms, and postulates, determine the way people think. Even if they think differently privately, in their public behavior, in speaking in public, or where their career is at stake, on their job, or in government, or in other institutions, they express what they believe to be consistent with *current* trends in *modern* public opinion.

In other words, the key word to identify the disease which is killing civilization today, is the word *modernization*. Or similar words, like globalization. Or similar words, like free trade. Free trade says, "We don't judge whether a product is true or not, or is good. We let public *opinion*, the market, decide whether the product is good."

And then if the product crashes, what happens to the people who hold that public opinion, if they're driving in it? It's not so "Smart," as we might say.

So, this idea of, you don't have to know the truth, you don't have to speak the truth; maybe the truth doesn't exist, you say, as Kant said in his *Critique of Pure Reason*, the truth doesn't exist. So, what's left? There are only certain generally accepted assumptions, and there's public opinion. And as Kant said in the *Critique of Practical Reason*, public opinion is determined by what? He called it, "negation of the negation." That the pressure of society, and the interaction of people in society upon one another, in a *negative* way, induces the population to give up opinions and tendencies which are disapproved, and not merely to submit to the authority of public opinion, but to hold it up to be a substitute for truth, as

a positive virtue; which is what Kant in the second part of the *Critique of Practical Reason* described as "negation of the negation," or the "dialectic of practical reason"—which is also the same principle on which Sigmund Freud based his doctrine of pessimism, as the foundation of his psychoanalysis.

So, people become conditioned, because they no longer believe in truthfulness, as science defines truth by experimental proof of universal principles. They no longer believe in truthfulness, as Plato defined it, through the mouth of Socrates, as in the *Republic*—they don't believe in that any more. In public opinion, whose code-name is democracy, they find a substitute for truth.

And once people accept *that*, which is an anti-scientific opinion—and you will note that the characteristic of the changes in policy, or changes in policy-trends, over the period of the past thirty years, and longer, since the '68ers, has been the trend toward accepting what was the doctrine of the Frankfurt School of Theodor Adorno, Hannah Arendt, Martin Heidegger, and so forth. This doctrine, this existentialist doctrine, of that form.

And therefore, by denying the search for truth, denying the commitment to act on truth—even if you as an individual know it to be true, and nobody else does at that point—to stick to the truth, to discover the truth, to act according to truth and justice: that has been put aside. It is put aside in favor of the Frankfurt School philosophy, in favor of existentialism, in favor of free trade, in favor of the word "democracy," which is a mere empty word. An irresponsible word: "I don't take any responsibility for the consequences of my behavior. I have confidence in democracy! I have confidence in public opinion! I will go with public opinion! I have no moral responsibility, except to be accepted, and approved of, by public opinion."

That was the poison. That was the poison that killed us. That was the poisonous feature of the orbit of this comet, which is now headed to the Sun.

Economics and human creativity

And just to summarize what is the crux of this matter. Well, the crux of the matter is twofold.

On the one hand, there's economics: I'm talking about *real* economics, not this monetary theory and junk that you get in the newspapers today. Real economics means that we are able, as human beings, given certain powers which depend upon a certain physical standard of living, which includes infrastructure and improvements, as well as consumption, and education, and so forth; given that, we're able to produce. We're able to produce *wealth*, upon which human existence depends, and upon which the improvement of human existence depends. So therefore, we're able to produce *more* of that upon which our existence, and progress as mankind depends. That's economics.

This progress is made through discoveries, typified by the discoveries in physical science of so-called universal physical principles, which are proved by experimental methods of a unique type, as defined by the successive work of Gauss and Riemann, in the concept of the unique experiment. That is the way in which we progress: We discover principles which no animal can discover. Only human minds, individual human minds, can make such discoveries. We socialize those discoveries by helping *other* people to make the same experience of original discovery, as we do when we study history and science, if we study it competently. We *relive* the experience of an original discovery by some great thinker from thousands of years ago or so. We bring that experience into the classroom, or into our association.

Other people then relive the act of discovery. Now they *know*, too, what that discovery is, and how it was made. Not only do we socialize the knowledge of the discovery as discovery, we validate it. We construct experiments of this type that Riemann called unique experiments, in order to test the validity of the assumption that this discovery is a *true* universal physical principle.

We then apply these discoveries to developed technologies. We apply the discovery of a physical principle to various media, different substances. We apply these things to new combinations of technologies. We increase thus the power of man per capita, over the universe. And that's how mankind progresses. That is truth.

We discover also, that art is crucial. Note that every great period of progress in European civilization, every great period of progress in European civilization since the Homeric epics of Ancient Greece, has been the product of a period of great artistic discovery. Discoveries in the field of art, in sculpture, in tragedy, in poetry, in music, which are discovered in the same way that we make a scientific discovery of universal physical principle.

And these discoveries of art, inform us of how to deal with one another. How to make ourselves understood by one another. How to structure government, self-government in particular. How to educate our children. How to develop the moral character of our children, as Schiller and Humboldt emphasized.

So, this process of education, based on the Classical conception of science, the Classical Greek conception, in fact, of science, the Classical conception of sculpture, painting, poetry, tragedy, and music, and the study of history, from that standpoint, of science and art—that is the basis for human progress. That is the way in which we educate children to become truthful adults, who *know what they know*, as opposed to simply believing what they're told to say. And therefore take personal responsibility for acting in a truthful and just way. Not saying, "I have to do this because the guy over there tells me," or "because my schoolmates tell me I have to believe this." No, that's not truthful! That's corruption!

Truthfulness is to know how to be truthful, first. And secondly, to take personal, individual responsibility for thinking and acting in a truthful way, on all practical and related questions before you.

That is the standpoint of the citizen, the true citizen, the true citizen who is a person who lives in the present and in the future. That's the case of the true citizen and statesman.

And that's what's been destroyed.

Nothing can save this system

Now, we've come to a time, where people know that what they believe doesn't work. People who still support the SPD [Social Democratic Party], know its policies don't work.

We had this fellow in New York, whom [EIR correspondent in Germany] Mark Burdman will remember, from years ago, called "Crazy Eddie." He sold merchandise cheaply, and he had ads on television, many times on any night, saying, "Crazy Eddie—his prices are insane!" We have today governments and parties who can claim, as Crazy Eddie claimed then, their policies are insane! But people keep going to the store. And that's how it happens.

So, the problem then becomes, how do we get out of that trap? How do we get out of the image of the mythical goldfish, which, released from a fishbowl into a pond, swims in circles? Now, I would emphasize that real goldfish don't do that, but human goldfish do. That human beings, when they're conditioned to believe certain things, irrationally—that is, the way most people believe whatever they believe today, as public opinion, or something like that—then, when they find themselves in a pond, and when the bowl doesn't function any more, they still try to act as if they were living successfully in a bowl, not the pond.

And that's what's happening. So, you have in the United States—as in Germany, and as in other countries—you have a situation in which the dominant beliefs, shared by most of the people, at least the public opinionmakers of the world, don't work, in fact, are destructive.

We have come to the point that the comet of history, as defined by these beliefs, is now nearing its death in the Sun. *The system is about to collapse, morally, economically, and otherwise. And nothing can save this financial and monetary system. Nothing. It is systemically doomed. That is, its very nature dooms it.* Like the man who jumped from the top of a building, and he got halfway down toward the street, and he said, "So far, so good."

And that's the condition of the citizen today, generally. He is doomed because he has already made a decision, which, as long as he's unable to change it, will doom him.

Now, every leading banker in the world today knows that this system is doomed. It's finished. We don't know *when* it's finished, maybe Monday, this coming Monday. Probably not. It would be just a big shock. There's a shock on Friday. There will be other shocks.

But in the near future, this system will disappear, in one way or another, just the same way the reichsmark disappeared in Germany in the autumn of 1923. A reichsmark which was doomed, self-doomed, because the policy was insane. The insanity resulted in the hyperinflationary explosion of the type, which the world as a whole is beginning to experience right now.

We've gone through a long period of hyperinflation in so-called financial asset values, typified by the celebrated boom on the New York Stock Exchange, the Dow Jones. We're now getting to a point, as typified by the gold reaction, where commodity prices in general, will begin to turn upward in a direction which is potentially hyperinflationary, which is what happened in Germany under the conditions of '21-'23. It happened in the spring and summer of 1923, that a long period of inflation, which had not yet hit the average prices of commodities, began to turn upward. And therefore, over the spring, late spring, summer, and autumn, of 1923, there was a hyperbolic spiral of hyperinflation, which resulted in the total blowout of the reichsmark.

And that's the kind of situation we're facing on the world market today, that all governments face, that the IMF faces.

There are solutions which I propose, in the form of a New Bretton Woods agreement. And people are beginning to suspect, that maybe I'm right. As many bankers know it, the system is doomed. There's no possible way to save the system. It's not a question of finding a safe niche within the system; the system itself is unsafe.

You don't find a "safe niche" within one of the lower cabins of the sinking *Titanic*, which many people will attempt to do, and say, "I've got to find some way to survive under these conditions of crisis. I'm going to find a cabin where I can go down and be safe from this sinking ship." And that's what they'll give you. They'll say, "Tell me how I can save my money."

Well, there's no way. There was no way people could save their money if they had their money in financial assets in Germany in the fall of 1923, because money no longer existed. All Germans who had their savings tied up in financial assets, were bankrupted. Only those who had something solid, like a business, a farm, or solid physical assets, survived economically. The great part of the German white-collar population, and others, were wiped out. And that's the kind of condition we face today, worldwide, or most of the world.

What's the problem? Why can't people learn from history? Why can't they learn from the history of European civilization, from the history of the crises, the wars, the revivals of culture? Why can't they learn from the rebuilding of Germany after the end of World War II, in terms of the Kreditanstalt für Wiederaufbau program¹, under Hermann Abs' direction,

1. See article in this issue, p. 4. See also Lothar Komp, "How Germany Financed Its Postwar Reconstruction," *EIR*, June 25, 1999.

which rebuilt the German economy? Why can't they learn?

Why can't they learn, that what they're proposing, what they're doing today, is the same mistake that was made by many nations beforehand, and always resulted in the same kind of general result? Why can't they learn? Because they *cling* to these conditioned definitions, axioms, and postulates.

So therefore, real politics takes on a different character, worldwide. No longer does politics as, say, Schröder believes it exists, no longer does it work. No longer do the parties of western Europe work. There's not a single leading political party on the continent of western Europe, or in the United Kingdom, which can survive this period. None of them are viable. Because they are all based on certain assumptions, which are the integument which ties the elements of these parties together, assumptions which are false. And the more they try to *enforce* what they call their ideology, their doctrine, their tradition, the worse the result becomes. There's no hope.

But then you have a confused population that says: "What is the answer?"

Now, when you go out, they're going to ask you, first of all, "What is the answer? What is the little thing that we can do that's going to solve the problem? What little change in policy? What's the right?" — if you have these three, four alternatives people are talking about — "which is the right one, or which is the least worst?"

They're all bad, because they're inherently bad.

The same thing in the United States. You have the picture. You have Al Gore, the so-called leading candidate, who is actually falling, the falling candidate. He probably will not receive the Democratic Party nomination, and certainly will never become President — no hope.

You have the dumbest man in America, George W. Bush, with \$57 million for a campaign fund already, who is the so-called frontrunner on the Republican side, a man who can't think. He's a ventriloquist dummy, whom even the world's best ventriloquist can not teach to give a decent answer to any question. It's a farce. He's only a tool of his father, and of various people on Wall Street who control him. These people represent the worst possible policies. Gore represents the worst possible policies.

My other rival in the Democratic nomination campaign presently, Bradley, is not a *bad* person. He expresses many ideas which are not bad — good, as opposed to what's going on now. But he's not a serious candidate as a person. He may be a serious candidate as a name in the rolls. He may be cosmetically approved of as a candidate. But you put him in this crisis? Imagine him in the White House, as President of the United States, a very powerful institution on this planet, sitting there, having to make the decisions which are comparable, at least, to those that Franklin Roosevelt had to make during the 1930s and 1940s. And think of this man trying to make those decisions? Not possible. He's not that kind of man.

A generation of incompetents

And partly, it's generational, as Helmut Schmidt has said. The generation which was on ship in the beginning of the 1980s, the 1970s, that generation dealt with crises, had a certain competence to respond to crises—not always correctly, of course—but at least respond to crises in some cogent way.

Those in charge today, except for a few old people hanging around in nooks and corners of the institutions, can't. They're incapable. As a matter of fact, most of the so-called postwar generation, the part that came out of the universities in the 1960s and later, is incapable of serious thinking. There may be individual exceptions here and there, and there are. But the population in general has an emotional instinctive tendency to—a phrase which is used by this generation in the United States: “We don't go there.”

They react to *sentiment*. “I don't *feel* like that. That doesn't *feel good* to me. I don't want to think about that. Look, I'm not going to pay attention to that, maybe it will go away.” That's the characteristic of the generation in government, in business, and so forth, today.

That's what happened, for example, at Daimler-Benz. Daimler-Benz is being destroyed, Daimler-Benz-Chrysler, *being destroyed from the inside*.

I remember some years ago, Germany had an aerospace industry. In the aerospace industry, it had the largest concentration, then existing, of qualified machine-tool and related design people in Germany, the largest single concentration. When that firm was assimilated, in the 1990s, assimilated by Daimler-Benz, one of the first things that was done was to destroy that machine-tool capability, one of the most precious assets of the German economy—dissipated. You don't put one of those things together just by hiring people. This is a *team* which works together over years, and develops capabilities, by working together to solve problems, and had a sense of competence of how to test ideas, and solve problems. They destroyed the German aerospace industry, by absorbing it.

Then you look at “benchmarking.” You look at the case of the A-Klasse, at Daimler-Benz.² A farce! That would never have happened on an earlier watch. Or the “Smart.” That would never have happened on an earlier watch, a mistake like that. You look at products which are made in Germany, which used to be, like Braun—which used to be premium products in various parts of the world, like the Braun shaver. It doesn't work! Outsourcing and other changes have brought about a result that *it doesn't work*.

And the same thing could be said of government. It doesn't work. It makes a lot of fuss, it runs about, it expresses a lot of sentiment, but it doesn't work.

Now, so what am I doing to get the U.S.—

2. See Lyndon H. LaRouche, Jr., “The Coming Scientific Revolution,” *EIR*, April 30, 1999; Jonathan Tennenbaum, Rüdiger Rumpf, and Ralf Schauerhammer, “The Fallacy of Benchmarking,” *EIR*, June 11, 1999.



“Most of the so-called postwar generation . . . is incapable of serious thinking. . . . They react to sentiment. ‘I don't feel like that. That doesn't feel good to me.’ ” Shown here: Anti-nuclear demonstrators in Wiesbaden, Germany, April 1996.

Well, it's tough sometimes, because you tell people what has to be done, which reason tells you is what has to be done, and people say, “Yes, but that won't be accepted.”

I say, “I don't care whether you think it's accepted or not, that's what we're going to do.”

“Why?”

“Because when you say it won't work, because it's not accepted practice, not an accepted approach, what you're telling me is to embrace doom. *Because what is at fault here, is the very standard of acceptability of opinions and methods of political organizing.*”

That's where the problem lies. It lies in the idea of democratization and similar kinds of fetishes which have changed Europe from the postwar period, say, into the middle of the '60s, when people still believed in truth, believed in science, believed in verifiable principles, believed in results, in physical results; believed in the improvement of the minds of the children, in terms of a Classical education, for example.

The world has changed from that, to now you have a

body of opinion which is inherently antithetical to any kind of behavior which corresponds to what used to work.

And therefore, you're not going to do anything good. You may make some dust, you may convince yourself you're doing something, but if you're going along with the habits of public opinion and generally accepted methods of organizing, you're going to fail.

That doesn't mean that simply repudiating these methods, will ensure success. It's only the first step to success. The essential step to success, is to go back to the principle of education.

The Classical idea

And, as I've emphasized in a television production which will be soon produced, in the conclusion, the key to this problem lies within the history of European civilization, as traced from Ancient Greece, the development of what became known as the Greek Classic: the Greek Classic in science, as typified by Plato, typified by Eratosthenes and others, and the Greek Classic as typified by the development of the conception of man, and the evolution of the idea of what man is, from the relatively primitive bestial conception of the gods of Olympus predominating in the Homeric epics, to the new conception of man expressed by people like Aeschylus and Sophocles in the Golden Age, or earlier by Solon of Athens in the constitutional poem, and brought to a certain degree of perfection, by Plato.

The Classical idea. This Classical idea is preserved by Christianity, which used the medium of Greek culture to organize Europe against the evil which had taken over Europe, then called the Roman Empire, in which there was a great collapse in the level of civilization, relative to what Hellenistic civilization had been, say, before 200 BC.

This gave us the idea of a civilization—no plan for a design of a nation-state—but a civilization based on the conception that *every man and woman is absolutely distinguished above the animal, by being made equally in the image of the Creator of the universe*. And therefore, that every man and woman has not only this special quality, by which man dominates the universe increasingly over all other things, but that *man by his nature is inherently good*.

This goodness lies in what? It lies in precisely what the Frankfurt School tried to destroy in the conception of cognition, the conception of truth. What Kant tried to destroy, in the same way: truth signifying what we mean by an original scientific discovery of a universal physical principle that is validated, or similar discoveries of Classical artistic principles, which inform sane politics, sane political processes.

This quality of cognition, the ability of the human mind to produce discoveries of ideas which have the quality of universal validatable principles by which man increases man's power in the universe, is the efficient definition of truth.

This definition of truth, as expressed in a loving regard

for all humanity because of man's special nature; this respect for truth is the quality of goodness inherent in each individual.

The only way that you can do now as was done before, in the great renaissances of Europe, whether the Fifteenth-Century Renaissance in Italy, or the great Renaissance in Germany which occurred under the influence of Lessing and Mendelssohn and their followers,³ the only way you can deal with this problem, is to have a renaissance.

And a renaissance in European terms, European civilization terms, means to go back to the Classical idea, or the Christian conception of the Classical idea, in which we treat every individual as born *good*, as opposed to the opposing philosophy of the existentialists, of Kant and others, who assumed that the individual is made *bad*, and that only by negation of the negation can the individual be hammered into becoming socialized in a way which is acceptable to public opinion.

So, how do you do that? You do that by using the methods of Classical education. *You challenge people on their false beliefs. Not just their false opinions, but expose the relationship between those opinions and certain definitions, axioms, and postulates, often hidden from them themselves, which govern the way they behave.*

What you have to do, is inspire people—and they are inspired. Whenever you get people to recognize within themselves this *quality of cognition*, which is what is referred to as *agapē* by Plato and by the Apostle Paul; the emotion that comes out, is this sense of joy, like the joy expressed by a young child who has first made a discovery, say, in the playroom, a discovery of principle, where the child is suddenly elated—happy.

Why? Why is the child happy? Because of physical pleasure? No, not because of physical pleasure. The child is happy, because the child has experienced something within them which makes their existence meaningful. They've experienced something inner about themselves, which is not strictly an externality of sense-experience.

Whenever you educate people in that way, you make them happy, which is Leibniz's definition of "happiness." The function of society is the pursuit of happiness in that way.

How do you evoke that? Well, let's take one of my non-favorite poets, Goethe. A very great poet, very skilled. Not such a great thinker. But Goethe had something in his short poetry, which I've referred to before, often: that he knew how to write a poem in such a way that usually, in the last strophe, the reader of the poem or the hearer of the poem, would undergo an experience of discovery, and recognize that Goethe was right in that discovery; that Goethe has misled you in a

3. See, in *Fidelio*, Summer 1999: Helga Zepp-LaRouche, "What It Takes To Be a World-Historical Leader Today"; Steven Meyer, "Moses Mendelssohn and the Bach Tradition"; David Shavin, "Philosophical Vignettes from the Political Life of Moses Mendelssohn."



The Classical conception, developed beautifully by such poets as Germany's Friedrich Schiller, says LaRouche, shows us "the way in which we educate children to become truthful adults, who know what they know, as opposed to simply believing what they're told to say. And therefore take personal responsibility for acting in a truthful and just way." Shown here: A Schiller Institute performance of Schiller's "The Robbers," December 1994.

sense, up to that last strophe, and then suddenly revealed to you, that *you had been misleading yourself, in reading his poem, all along.*

And then, in the very last strophe usually, you laugh. You've been taken by surprise. You're happy with Goethe, because he's made you happy, because you have been surprised by the exercise of your own cognitive function. And you're now uplifted and a happier person, as a result of his poetry.

So, simply, Classical art, whether music, painting, sculpture, and so forth, is one of the things that makes people happy, evokes within them those emotional qualities which are goodness. And the evocation of this quality within them, gives them the strength and motivation to begin to do what they should have done in school: *They begin to acquire knowledge, as opposed to mere learning.*

They have an appetite for knowledge, not because they think of what the practical use of knowledge is, but because it makes them happy. Just think about living from one end of a boring day, to the other end of that boring day — morning to night. Where does happiness lie in that day? Happiness lies in the experience of those beautiful moments, in which this principle of *agapē*, this principle of joy in the sense that one is human, and human is good, and human is discovery of principle, or relishing memory of a discovery of a principle, of sharing discoveries with others — not because they're practical, they may be practical; but because they're beautiful.

And it's only by evoking within people, by challenging people, by challenging them, saying, "Get out of the garbage can! Stop rolling in public opinion! You don't smell good when you do that!" And by challenging them. That's what we're doing. We're doing that in the U.S., and that's what has to be done in Europe.

We must undertake no lesser objective globally now; but also in Europe, in the United States; no lesser objective, than launching a new renaissance, a new Classical renaissance, in which people become happy through being — sometimes reluctantly — impelled to realize they have something within them which is beautiful: the experience of a validatable act of discovery of a universal principle, whether as a scientific principle, a physical principle, or as an artistic principle.

And when you have that joy, and unleash that kind of joy in people, as they show invariably, when they have that experience, then you have tapped the kind of power which allowed a relative handful of people in Germany, for example, in the middle of the Eighteenth Century, to take a bunch of dumb, brutish Germans, and turn them into a nation of poets and thinkers.

That's how you make a revolution. The way Lessing understood it, the way Mendelssohn understood it, the way Schiller understood it, the way Humboldt understood it. That's how you make a revolution, and that's what we need right now.

Thank you.

Iran's Khatami advances 'dialogue of civilizations'

by Muriel Mirak-Weissbach

The visit to France at the end of October of Iranian President Seyyed Mohammad Khatami, constituted a giant step forward in the Islamic Republic's stride toward total normalization of relations with the West. Not only were important agreements made, for strengthening and broadening economic and cultural cooperation, but the personal stature of Iran's President was also visibly enhanced, as the Chirac government rolled out the red carpet for its guest.

Khatami, who was voted into power two years ago with a massive mandate, has been in the forefront of efforts inside Iran to liberalize internal political debate, especially through the encouragement of a free press. In this, he has run up against an entrenched conservative bloc, based in the clerical establishment, which still controls the judiciary, the intelligence apparatus, and a majority in the Majlis (parliament). As the political strife between the two factions has come to a head repeatedly since Khatami took office—for example in the trial against his political ally, Tehran Mayor Karbaschi, and in the riots last summer at Tehran University—Khatami has consistently moved to defuse tensions, while strictly adhering to the law. His message, to supporters eager for more rapid and more radical changes in Iranian society, has been to be patient, and to proceed through democratic means to consolidate institutionally the power which he enjoys among the population. One key inflection point in this process of democratic change, will be the parliamentary elections, scheduled four months from now, through which Khatami's moderate faction could clinch a majority.

Every foreign policy success, is therefore also a vote of confidence for Khatami inside Iran, in his delicate relations

with the opposition. This fact has not gone unnoticed in Western capitals. Thus, the Italians, who historically have had excellent relations with Iran dating back to the times of oil developer Enrico Mattei, have led Europe in developing healthy relations with Tehran.

Foreign policy successes

Khatami's trip to Rome earlier this year signalled a breakthrough in economic and political cooperation, and the Iranian President's audience with Pope John Paul II was an historic contribution to inter-religious understanding.

Thus, too, the French interest in hosting Khatami, the first time Paris has opened its doors to an Iranian President since the 1979 Islamic revolution. As France's *Libération* commented, "The visit to France appears like a 'shield' to protect M. Khatami, in the case of destabilization." Iran specialist Ahmad Salamatian told the daily, "Iranian foreign policy has always served the interests of domestic policies. . . . In the times of Khomeini, it was favorable to factions favorable to radicalization. With Khatami, on the contrary, it favors the partisans of openness. This trip reinforces the President on the international scene because it puts his adversaries in a difficult position. The price of his elimination becomes too high. Any putting into question of the existence of Khatami would only increase the isolation of Iran, which is what all factions fear."

The impact of normalization of relations between Iran, and the Italians, the French, and also the Germans (who have invited Khatami for a state visit), will be to stabilize Khatami's government inside Iran, as a means of stabilizing

the entire Persian Gulf region and, by extension, Central Asia—a region which the British-American-Commonwealth oligarchy has targetted for utter destabilization and disintegration.

In fact, in all his political encounters, Khatami emphasized the importance of political stability in the volatile region. He repeatedly said that Iran’s “détente policy” in the region had been crucial to achieving stability and regional security. He welcomed a proposal from François Poncelet, president of the French Senate, for members of the French Foreign Policy and Defense committees to visit Tehran.

France has managed to maintain good economic relations with Iran, despite the sanctions regime imposed by former Senator Alfonse D’Amato (R-N.Y.), and the witch-hunt against Iran launched by Great Britain around the Salmon Rushdie affair years ago. In particular, the French oil concern Total has been collaborating with the Russian Gazprom and the Malaysian Petronas, on major oil development projects.

During his three-day visit on Oct. 27-29, Khatami, accompanied by Foreign Minister Kamal Kharazzi, and a large delegation of political and economic representatives, held talks with Foreign Minister Hubert Védrine, French President Jacques Chirac, and others.

The concrete results of the visit included a significant deal for French locomotives to Iran. The Alstom group announced that the Iranian rail company had placed an order for 100 diesel-electric locomotives, worth 192 million euros. Significantly, most of the locomotives will be built in Iran, which will contribute to expanding its already considerable rail construction capability. Rail transportation development has been at the top of Iran’s foreign policy thrust, in the context of the transcontinental Eurasian Land-Bridge, stretching from China to western Europe. In 1997, Iran celebrated the completion of a rail stretch between Mashhad and Sarakhs-Tajan in Turkmenistan, which supplied the missing link in the network through Central Asia.

The battle for ideas

Crucial though such cooperation by France on rail development may be, it would be shortsighted to judge the success of the visit only in these economic agreements. Rather, what must be stressed is the less concrete, but more substantial progress made in what the Iranian President has called the “dialogue of civilizations and cultures.”

This idea, which Khatami conceptualized, has been adopted as that to which the United Nations should dedicate the year 2001. Whatever may come out of deliberations inside the UN is secondary. The point is that, for the first time in recent history, an elected head of state has raised the level of political discourse to that of ideas, and has suggested that dialogue between politicians can succeed only to the extent that they consider themselves philosophers.

Khatami has elaborated his concept of dialogue of civili-



*Iran’s President
Seyyed
Mohammad
Khatami*

zations on several occasions, including the summit of the Organization of Islamic Conference (OIC), in Tehran on Dec. 9-11, 1997, and in his visit to Rome. In Paris, he developed his thought further, in a major speech delivered to the UN Economic, Social, and Cultural Organization. Noting that the proposal, presented by Iran, for the year 2001 to be designated the year of such a dialogue, had been unanimously accepted by the UN, Khatami went into the reasons why this concept has found such favor.

Khatami referred to two meanings of the word “dialogue,” the denotative, meaning actual meetings for discussion, and the connotative, meaning “all cultural, artistic, scientific, and literary endeavors.”

Launching such a dialogue among cultures and civilizations, he said, “will require the definitions of ‘culture,’ ‘civilization,’ and ‘man’ to be framed in such a way that they do not clash with the very essence of dialogue. This would mean our paying special attention to the collective aspect of man’s existence, emphasizing the vast and infinite range of human civilization, and especially, stressing the point that no major culture or civilization has evolved in isolation” and that only those capable of learning from other cultures have developed.

In this context, he developed the relationship between the politician and the artist: “We cannot ignore the fact that an artist is a person capable of living in the ‘present,’ and that he or she can also transform this present into an ‘eternity.’ Creating this eternity of the present for the sake of presenting the concept of the time ‘when’ and ‘at which time,’ the artist is able to create a work of art, and we, as members of the

target audience, are drawn to it as the enchanted spectators in its presence. This is regarded as the magic touch of an artist, and only great artists are capable of achieving such a status. The historical fate of an art work is painted in perpetuity. We are also cognizant of this fact, that the historical fate of nations is shaped at certain junctures by great statesmen."

Later, he added, "the common traits between the statesman and the artist are nothing other than 'creativity,' and repetition and imitation are therefore meaningless when it comes to creativity. Furthermore, the full manifestation of creativity in a person depends on his or her 'tenacity.'

"A great artist tackles the artistic truth with creativity and tenacity, and a great statesman, likewise, tackles the fundamental and vital problems of his country with the same tenacity, resoluteness, and creativity.

"Today politicians can take a long stride toward the creation of a better future, which is more just, more humane, and more beautiful, for their countries and for the world, by helping the realization of the proposal for the dialogue among civilizations."

Khatami's notion of dialogue

It is important that Khatami's notion of dialogue is not of the pluralist, touchy-feely sort often associated with the term.

He made clear, that he was not talking about dialogue in the broad sense of "cultural interaction, cultural interchange, and cultural domination," but in the strict sense, and under specific conditions. Therefore, "not everybody, with any world view and belief in some political, moral, religious, or philosophical system can claim that he or she is an advocate of dialogue. For real dialogue to take place, we require a set of general, all-inclusive, *a priori* axioms, without which no dialogue is possible in the true sense of the word." These axioms, he added, are "not compatible with the dogmas of positivists, and they are not in so much agreement with the extreme cynicism of the post-modernists either." Therefore, those seeking dialogue must "refine the philosophical and intellectual core of the theory," emancipating it from "any dogmatism hostile to the pursuit of truth and from the excessive cynicism afflicting the post-modernist thinkers, who, heedless of the terrible pain and suffering of thousands of human beings, regard any call for the pursuit of justice and relief from oppression as a sort of 'metadiscourse,' with no philosophical justification or explanation."

Finally, he called for tolerance, specifying that it is not negative tolerance, but "positive mass cooperation" which is required. Concretely, this means "all human beings are entitled to participate in the activities that will shape the world in the third millennium. No nation should be left on the sidelines because of some philosophical, political, or economic argument. It is not enough to tolerate others, but one must work with others."

This cooperation, he went on, should be not only economic and political, but "to bring the hearts of human beings closer together." This can occur only if "great thinkers" make an effort to understand the concepts of others, and to communicate them. Such concepts include the meaning of life, of happiness, and of death. To overcome the brutality and oppression which have characterized the 20th century, and which were the "joint product of the ideas of philosophers and the acts of statesmen," Khatami called for "a basic change in political thinking" and for "changing the present state of international relations, replacing it with a new paradigm such as the dialogue among cultures and civilizations."

Khatami specified that his proposed dialogue as a prerequisite for peace, has nothing to do with diplomatic negotiations. "It is a well-known fact that throughout history, there have been many occasions when wars and negotiations have existed side by side. By dialogue, we do not mean here the use of diplomatic language to promote one's political and economic interests and to bring about victory over the enemy, and in short to continue the war in another form. The dialogue among civilizations cannot take place without sympathy and affection, and without a genuine effort to understand others without the desire to vanquish them."

The Way Out of The Crisis



A 90-minute video of highlights from *EIR*'s April 21, 1999 seminar in Bonn, Germany.

Lyndon LaRouche was the keynote speaker, in a dialogue with distinguished international panelists: **Wilhelm Hankel**, professor of economics and a former banker from Germany; **Stanislav Menshikov**, a Russian economist and journalist; Schiller Institute founder **Helga Zepp-LaRouche** from Germany; **Devendra Kaushik**, professor of Central Asian Studies from India; **Qian Jing**, international affairs analyst from China; **Natalya Vitrenko**, economist and parliamentarian from Ukraine.



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The economic and social dimensions

Finally, the Iranian President addressed the economic and social dimensions of such dialogue, saying that no such communication could succeed, unless clarity were reached on the causes of wars and conflicts, especially the economic causes. "With the terrible gap between the rich and the poor . . . how can we naively call for peace and mutual understanding, and how can we call for dialogue if this inequity persists and if no fundamental steps are taken to help the deprived people of the world? When, on the eve of the third millennium, 30% of the world's population will live in abject poverty, how can we talk of peace and security and forget justice?"

Denouncing the illusion that the West could survive at the expense of the rest of the world, Khatami said, "All the people living in today's world find themselves aboard the same ship. Riding out the storms and reaching the safety of the shore will be either for all the passengers or for none." He concluded with a warning, that if dialogue in the 21st century does not replace the "sword" which was arbiter in the 20th century, then "this sword will reemerge as a two-edged weapon which will spare no one, and it is quite possible that the mighty warmongers will be among its first victims."

Khatami's message was well received in France, by the political elite and the press. For instance, the daily *Le Figaro* on Oct. 27 ran an article by Serge Michel, from Tehran, entitled "The President Philosopher." Michel dismissed the idea, which has appeared in other press accounts, that Khatami is some sort of Islamic Gorbachov, and suggested a different comparison:

"If one has to find a kind of model, one should look in the direction of the ancient Greeks. . . . In 1997, twenty million Iranians chose a philosopher President, who seeks his inspiration with Socrates, Plato, and Aristotle." The article summarizes the highlights of Khatami's activities, from his religious studies at Qom and his meeting with Khomeini in 1961, to his philosophy studies at Isfahan, and his moving to Germany in 1977, where he chaired the Islamic Center of Hamburg, prior to the 1979 revolution. It was in that period that Khatami began to study German philosophy and culture. Later, Khatami wrote a book, in which he presented the idea that Islam should welcome the positive cultural contributions of all civilizations, including the West, while rejecting negative tendencies.

Khatami's mission in France was obviously shaped to the exigencies of improving bilateral relations between Paris and Tehran; however, no one could miss the implications of his speech, for the government in the United States as well. Khatami inaugurated his foreign policy revolution shortly after his election by going on CNN, in a television interview addressing the American people. In that interview, which cost him considerable grief in Iran, he extended the offer to "thinkers" in America, to engage in this dialogue of civilizations. One is still awaiting the response.

Pakistan's Musharraf faces an uphill task

by Ramtanu Maitra

The bloodless coup that brought the sacked Chief of Armed Services Gen. Pervez Musharraf to power in Pakistan on Oct. 12, poses serious challenges to the Pakistani Army. A huge foreign debt, growing poverty, and a weak economy overall have worsened Pakistan's law and order situation. Threats of Islamic fundamentalists moving eastward into Pakistan from Afghanistan worry Pakistan's traditional friends, China and the United States. In addition, the failure of Pakistan's leading politicians over the last decade to deal effectively with both foreign and domestic policy has weakened the national institutions. Under the circumstances, the new ruler of Pakistan will have to move quickly before he, too, fails.

An Army takeover in Pakistan is neither a new phenomenon, nor fully unexpected at any given time. Musharraf's is the fourth Army takeover in the nation's 52-year history, and this one came after two and a half years of inept administration by the Pakistan Muslim League (PML) under the leadership of Prime Minister Nawaz Sharif.

Sharif, who was a protégé of the late martial law administrator, President Mohammad Zia ul-Haq, was always close to the Army. But, his conflict with the Army was brought about following the recent armed clashes with Indian Armed Forces over Kashmir. In April, Pakistani regulars and Afghan mujahideen infiltrated inside the India-held part of Kashmir around Kargil and captured some high ground. Following a massive operation, the Indian Army drove back the infiltrators. Prime Minister Nawaz Sharif blamed the Army for the debacle, drawing the wrath of the military brass.

The response abroad

Musharraf's coup raised eyebrows among policymakers in Washington, and some routine protests were issued. But there are indications that Washington was aware of the developments and had not agreed with Prime Minister Nawaz Sharif's sacking of the Army chief. Within a week or so, Washington began to change its publicly stated views about the coup, and the U.S. State Department has since issued statements which indicate that the United States is willing to give Musharraf time to bring back democracy.

On the other hand, the European Union, particularly Germany and Britain, refused to accept the legitimacy of

the Musharraf regime. While Washington has taken a “wait and watch” policy, the European Union sent a high-profile special emissary, Jukka Valtasaari, to pressure General Musharraf to hold an early election. Valtasaari met with the leaders of both the Pakistan People’s Party (PPP) and the Pakistan Muslim League—the two main political parties—while in Islamabad.

Problems to overcome

Despite Washington’s present hands-off attitude toward Musharraf, it is unlikely that the new Army rulers will have much time at the helm. The reasons why can be summed up as the following:

- General Musharraf, who has issued statements about getting Pakistan’s economy back on the rails again, has come to power essentially because of the former Prime Minister’s decision to sack him. He had earlier given no sign that he, or his backers, were unhappy about the way things were being run in Pakistan.

- General Musharraf has inherited an extremely weak economy. According to data from the first quarter of the 1999-2000 fiscal year issued by the Central Bureau of Revenue, revenue collection was the only positive benchmark so far. During the first three months of the fiscal year, the industrial sector registered a meager 3.5% growth, and despite several incentives offered by the Nawaz Sharif government, exports grew slowly and imports rose sharply, resulting in a trade gap of 479 million rupees.

- According to Dr. Akmal Hussain, a leading economist, speaking at a “Meet the Press” event in Lahore on Nov. 2, the crisis is in the real, physical economy, and not in the financial economy. Hussain pointed out that the percentage of Pakistanis living below the poverty line has grown from 17% in 1977 to 30% in 1999. This factor has periodically led to large-scale self-immolations in protest. Hussain argued that to remove bottlenecks in the economy, new management and institution-building measures will be required.

- While General Musharraf has mentioned his intent to rebuild the institutions of national government, he nonetheless made corruption his first target of attack. In Pakistan, corruption is surely an issue, and every politician addresses it. Both Nawaz Sharif and Benazir Bhutto, two top political leaders in the country, had officially declared war against corrupt practices. As a result, corruption increased multi-fold.

- General Musharraf has promised the Pakistani people that he will work to recover nearly \$4 billion in debts owed to Pakistani banks by 300-plus defaulters. He pointed out that a majority of defaulters have strong political connections.

During a visit to Saudi Arabia following his takeover, General Musharraf told Pakistani correspondents that recovery of money from the defaulters will take time, and that, as a result, due process of elections will be delayed—from as much as six months to three years.

Political machinations

There is little doubt that General Musharraf enjoys the support of some of the political parties, particularly that of the PPP, which was in the opposition during Sharif’s tenure. Sharif had gone after the corrupt practices of the former Prime Minister and head of the PPP, Mrs. Benazir Bhutto Zardari, and had convicted her in court. PPP supporters want General Musharraf to reverse the case. In all likelihood, General Musharraf will not accept this proposal, and, as a result, the PPP will later turn against General Musharraf and demand an early election. The PML, under Nawaz Sharif, will demand early elections also.

More importantly, pressure will come from Washington to hold elections, sooner rather than later. Washington’s leverage is provided by the International Monetary Fund (IMF) and the World Bank. Pakistan recently persuaded international banks to renew \$877 million in loans and the Paris Club of Western donors to roll over \$3.3 billion in credits. Neither deal has been ratified formally, and now could easily be derailed. Also in doubt is the receipt of the third tranche of a \$1.56 billion loan from the IMF.

- The Kashmir issue, which finally brought about the downfall of the Nawaz Sharif government, remains unresolved. The Indian government in New Delhi had gotten the signal from Sharif that the government in Islamabad would be ready to hold talks on the issue. Now, the change of guard in Islamabad has worried New Delhi, and it is expected that India will exert pressure on Pakistan to start talks. Things have already begun to heat up along the Kashmir border. Neither New Delhi nor Washington will allow a replay of the conflict that brought down the Sharif government.

- Despite General Musharraf’s promise to revitalize Pakistan’s economy, he has chosen a Finance Minister, Shaukat Aziz, who is not only a monetarist, but was working as a top official at Citicorp in the United States.

Musharraf’s other choices are similarly uninspiring. Foreign Minister Abdus Sattar, former High Commissioner to India and a virulent anti-India bureaucrat, has now joined the political party of Imran Khan, a star cricket player and son-in-law of the late British billionaire Sir Jimmy Goldsmith.

Attorney General Sharifuddin Pirzada is an old hat who served successive governments, including that of the late General Zia ul-Haq. Pirzada is widely known in Pakistan as the “permanent adviser.”

Musharraf will have to fend off varied political pressures and, at the same time, move ahead with economic development. Pressure from Washington will be aimed not only at bringing about early elections, but at forcing Islamabad to sign the Comprehensive Test Ban Treaty, to curb Islamic fundamentalists, to break off relations with the Taliban rulers in Afghanistan, to hand over terrorist Osama bin Laden and help the West to procure oil and gas resources in Central Asia. If Musharraf complies with these demands, internal political pressures will certainly bring him down.

The British factor in the Strauss-Kahn exit

by Mark Burdman

High-level British sources in the ambiance of the City of London and the Bank of England, are reportedly chuckling with glee over the Nov. 2 resignation of French Finance Minister Dominique Strauss-Kahn.

The public indication of this mood, was a nasty lead item in the "Observer" column of the City of London's *Financial Times*, the day after Strauss-Kahn's resignation. Entitled, "Sayonara Strauss-Kahn," the item stated, "Back to the drawing board for the French." His resignation, the *Financial Times* commented, would undermine France's desire to play a leading role in global economic policy. Nov. 2 was "a bad day for Strauss-Kahn, but perhaps France's financial ambitions have also been dealt a blow. Who was it who said, 'Après moi le deluge'?" ["After me, the deluge"]," a reference to the famous declaration by French King Louis XVI, before he was beheaded during the French Revolution. That day's leading *Financial Times* editorial, entitled "Farewell Mr. Strauss-Kahn," commented that France's "political clout" has now been seriously reduced, a "weakness" that will be felt not only domestically, but also "outside France."

The French Finance Minister resigned, following revelations made by Paris investigating judges on Oct. 28, that they intended to question Strauss-Kahn about how he had received 600,000-plus French francs, when acting as a lawyer for the MNEF, the French student social security fund. There are allegations of forgery of documents, and that Strauss-Kahn never did the work for which he was paid. He resigned, before being formally charged, stating that "for me it is inconceivable that a minister should continue in office, so long as there is the slightest suspicion in this regard, as a result of judicial proceedings. Otherwise there is a risk of the whole government being tainted."

While in strictly formal-legal terms the charges against Strauss-Kahn can be considered serious, there are strong suspicions that more is involved behind the investigation. It is notable that, in recent weeks, a bitter war between Britain and France has come to the public's attention. The most publicized issue, is certainly the controversy over British beef imports into France, and counter-moves by the British to ban French products. But, there are obviously other issues involved. There are tensions over policies in the Balkans, and the French government has consistently opposed British

Prime Minister Tony Blair's "Third Way" policies.

On Oct. 26, a senior City of London source told *EIR* that "British-French relations are worsening significantly. The summit meeting in Finland last week between Blair and [French Prime Minister Lionel] Jospin was a disaster. There is a growing hostility in Britain against all things French. . . . It's being fed by Rupert Murdoch's media. Today, for example, his *Sun* tabloid carries the banner page-one headline: '21 Reasons We Brits Hate the French.' "

Against deregulation, for the role of gold

In terms of policy, Strauss-Kahn is an ambiguous figure, but there are clear reasons London would be uneasy with him. On the one side, he has pushed certain "liberal" schemes for "privatization" and "stock options" in France, and has backed various International Monetary Fund policies, to the extent that he was sometimes rumored as a possible replacement for fellow Frenchman Michel Camdessus, who is soon to step down from his post as IMF managing director. On the other side, Strauss-Kahn has publicly aligned himself with some of the polemics attacking global financial speculation and related matters, made by former German Finance Minister Oskar Lafontaine.

A senior French diplomatic source put matters the following way, during a Nov. 3 discussion.

First, he insisted that the legal case against Strauss-Kahn is, in reality, a triviality, but typical of those weapons that are used against politicians when a decision has been made to get rid of him or her. "The relevant people use small things and build an elephant," the source said.

Then, he said: "The timing is significant, because of the upcoming World Trade Organization [WTO] summit in Seattle. Strauss-Kahn would have been a very good international authority. In my estimation, on an important issue, he is on the same side as LaRouche, namely, the maintenance of regulation in trade. He's a moderate, against radical deregulation. He was prepared to go to Seattle, to use his authority on this point. Now, France will have a very reduced role in the WTO meetings. I think London is happy to see him destroyed, since London is the core of the fight for deregulation."

The same individual made a further point: "I also think that Strauss-Kahn, as French Minister of Finance, played a key role in the decision recently to maintain the role of gold. I think he was one of the people at the origin of this decision. The Germans and French were the real drivers in this decision," he said. He added that senior levels of the Bank of England/City of London structure "have now had their revenge."

The diplomat said that the circles "who run groups like Bilderberg and Trilateral" have long practice, not only in destroying political leaders, but also destroying the confidence of people in leaders. "Look at what was done to Clinton in the Lewinsky affair. He has been half of what he was, ever since."

Italy: The acquittal of Andreotti and the crisis of D'Alema's government

by Claudio Celani

On Oct. 22, a three-judge panel in Palermo voted to acquit former Italian Prime Minister Giulio Andreotti, thus exonerating him fully from the allegation of being the political leader of the Sicilian Mafia. A month earlier, a jury in Perugia also acquitted the 80-year-old leader, on a murder charge stemming from the Palermo trial. As we analyzed in an earlier article (*EIR*, Oct. 8), both the Perugia and the Palermo cases were built almost exclusively on statements released by *pentiti*, or “repentant” Mafia members, the most famous being Tommaso Buscetta, a “former” member of Cosa Nostra, the U.S. branch of the Sicilian Mafia.

From a legal standpoint, the acquittal is the best possible outcome in a case that should have never been brought to trial in the first place. Whereas the role of the Sicilian Mafia in the political destabilization of Italy has never been fully clarified, and several questions about that could undoubtedly be answered by Andreotti himself, the attempt to obliterate the question with a criminal trial against the seven-time Prime Minister was a legal atrocity and a political deception.

The Andreotti case has been the expression of the tectonic changes that occurred in Italy in 1992-93 as a consequence of what *EIR* has exposed as the “*Britannia* plot”: the effort on the part of the Thatcher-Bush circles to eliminate national forces which, up until the dissolution of the Warsaw Pact, had represented a bulwark against Communism. Such forces, represented in Italy by the Christian Democratic party (DC) and its government allies, had become an obstacle to the British strategy of privatizing Italy's state-sector industries, discussed in a meeting off the Italian coast on board the royal yacht *Britannia* on June 2, 1992.

As an element of that strategy, the case against Andreotti, a Christian Democrat, was built through the efforts of a section of the “permanent bureaucracy” in the U.S. Department of Justice. A key person in this effort has been Dick Martin, a former special representative in Rome of George Bush's Attorney General Richard Thornburgh and the person who, after the murder of Italian anti-Mafia prosecutor Giovanni Falcone, managed star *pentito* Tommaso Buscetta, who had been a protected witness in the United States.

In a television interview given after the Palermo verdict, Andreotti referred to Martin, without naming him, by hinting at a “prompter” behind the *pentiti* revelations against him. Andreotti, who was asked if he thought that the American

government or government agencies were behind his prosecution, denied it, saying that one should rather think of “pieces of intelligence.”

A new phase begins

The implications of the Palermo sentence are numerous. First, Andreotti can now have a comeback on the political scene, not excluding a government role (as a matter of fact, in recent years, Andreotti has continued to play a decisive, although behind-the-scenes, role in matters of foreign policy, for instance in the development of relations, through Italy, between the European Union and Iran). Second, through the rehabilitation of Andreotti, the DC, which dissolved in 1993, will be rehabilitated, thus opening the door to some sort of rebirth of the old Catholic party.

A new phase is now beginning for Italy, which portends both opportunity and danger. The opportunity is that the most positive tradition of the Christian Democracy, that of Andreotti and the late industrialist and nation-builder Enrico Mattei, can be revived, and pro-national forces can join in a fight against the Anglo-American oligarchical enemy, adopting initiatives consistent with Lyndon LaRouche's indicated solutions to the world crisis. The danger is that the forces defeated in the 1992-93 *Britannia* coup, instead of following this path, could move to take revenge in a classic left-right conflict, manipulated by the City of London—thus further ensuring the doom of the nation.

Government crisis looms

Andreotti's acquittal was made possible thanks to a change of political climate, which started when current Prime Minister Massimo D'Alema became secretary general of the former Communist Party, now the DS (Democratici di Sinistra), and became evident when D'Alema took office as Prime Minister last year. D'Alema is an adversary of British Prime Minister Tony Blair's “Third Way” current in the international Social Democracy, and has attempted to stabilize the Italian political scene by avoiding the most radical economic recipes of the Blair sort, at the same time as intervening to reverse the “purging” of political adversaries, of which the Andreotti case was an example.

The rehabilitation of Andreotti and the strengthening of the Catholic faction means, strategically, a potential strength-



Former Prime Minister Giulio Andreotti. His acquittal on trumped-up charges brings Italy to a new phase in its political strife, providing both an opportunity and a danger for the nation.

ening of D'Alema. It is not clear, however, whether this will succeed in changing the trajectory of the current government, which seems headed toward an inevitable crisis, by the beginning of next year at the latest. As we wrote one year ago, the D'Alema government was based on a compromise among at least three factions, whose fundamental conflicting interests would explode sooner or later. That is exactly what has happened.

Key to the destabilization of the government, as we predicted, is Francesco Cossiga, the former President who is an asset of the City of London, and whose faction is part of the current government coalition. Cossiga launched the latest threat against D'Alema with the official help of British intelligence, which fabricated what has become known as the "Mitrokhin dossier." The dossier contains lists of alleged KGB spies in the West during the Cold War, and was released by British MI6 with the primary aim of destabilizing continental Europe.

At the beginning of October, when the British leaked word that the dossier contained the names of 300 Italian politicians, journalists, and diplomats who had allegedly worked for the KGB, and that the Italian government had received the list, London's assets in Italy started to demand that the government make it public, while the media wrote that the publication of such a list could have the same effect on the D'Alema government that the famous Propaganda-2 list had had in 1981 (at that time, the publication of the names of members of the secret freemasonic P-2 Lodge led to the fall of the government of Christian Democrat Arnaldo Forlani). It was expected, in fact, that the list would contain names of members of the former Communist Party who are now part of the government coalition.

The government delivered the list to the Rome prosecutor's office, which in turn gave it to the parliamentary investigative committee on terrorism. A faction on that committee pushed to make the list public; and that faction is steered, according to information received by *EIR*, by former leaders of the NATO "stay-behind" organization called Gladio. As soon as the committee received the list, on Oct. 11, it was made public and became the dominating political issue in Italy.

On one side, the list contains banalities such as the revelation that Armando Cossutta, chairman of the Communist Party (PDCI), is a KGB agent. Cossutta has been for decades the recognized leader of the pro-Soviet faction of the former Italian Communist Party (PCI), and has made no secret of having, in that function, received financial support from Moscow. It is clear that by targetting Cossutta, the MI6's fabricated list is actually intended to target the government.

The dossier contains such deceptions as a report which exposes the "American connection" behind the kidnapping and assassination of Aldo Moro, in 1978, as actually the result of a KGB black propaganda operation. The dossier refers to the alleged success by the KGB in convincing Christian Democratic leaders, a few months after Moro's murder, that the U.S. government was behind the assassination. Thus, in an oblique way, the MI6 dossier tries to discredit the central issue of the Moro case: the role of Henry Kissinger, as it was exposed by the LaRouche movement with the publication, in September 1978, of the famous report, "Who Killed Aldo Moro?" This publication, which had a decisive influence on Christian Democratic circles, exposed Kissinger not as a representative of the U.S. government, but as an agent of influence of the British oligarchy.

The Mitrokhin hoax exposed

Paolo Raimondi, chairman of the Italian Civil Rights Movement Solidarity, the Italian branch of the LaRouche movement, has issued a statement calling for the establishment of a parliamentary committee to investigate why MI6 is releasing the "Mitrokhin bomb" just at the present time. "How is it possible," Raimondi asks, "that even the most naive political observer does not realize that the Mitrokhin operation is a hoax fabricated by London?" Raimondi exposes the attempt to destabilize the Italian political system in particular, because "the current government, which did not embrace Blair's Third Way, has lost London's support." Raimondi connects the Mitrokhin case to the current British campaign against the Vatican, and indicates that the current destabilization is "a repeat, in different ways, of the *Britannia* operation." Raimondi also blasts the cover-up of Henry Kissinger's role in the Moro case. Kissinger, Raimondi says, "is a confessed London agent, who often threatened Aldo Moro and opposed, with London and the Moscow hard-liners, Moro's policy of national unity and real East-West détente."

The Mitrokhin dossier was exposed as a hoax by, among others, journalist Gianni Cipriani, who wrote on Oct. 13 in the

pro-government daily *L'Unità*, an article under the headline: "The Dossier Crime Story: Russian or British?" "After the orgy of revelations," Cipriani writes, "a more careful reading of the 645 pages prompts the discovery that the so-called Mitrokhin dossier . . . is nothing other than the product of a collection of reports packaged by British counterintelligence. It is worth repeating: packaged by British counterintelligence, on the basis of no-better-specified notes supplied by the KGB defector." Cipriani indicates that British intelligence has other interests than establishing the truth. "With all due respect for an allied service, it is clear that the British have elaborated what they have seen, since, although allied, the task of a secret service is above all to protect national interests." With a slight correction, namely that the task of MI6 is to protect the interests of the Crown, Cipriani hits the mark. His opinion is shared by a member of the Parliament investigating committee on terrorism, Senator Pardini, who says that the "value of the dossier is practically zero," and that the source is not only Mitrokhin: "They gave us only reports written by British agents."

That the Mitrokhin dossier is an MI6 hoax is a fact recognized in all political circles. Nevertheless, the British action has manipulated the opposition (and part of the government coalition), into supporting the use of the fraudulent story for an electoral crusade.

The effort was launched by Cossiga, who published an "Open letter to the Government" on Oct. 14, in which he threatened D'Alema with creating a government crisis, unless the government supports the establishment of an investigating commission. The idea would be to have a sort of "Truth Commission" to investigate, not just the content of the Mitrokhin dossier, but the role of the KGB in postwar Italy. Such a commission would focus on the fact that the Left, during the Cold War, was financed by Moscow; this—and not the economic crisis—would become the dominating issue in the months leading into the important administrative elections which are scheduled for next spring. The target of these electoral manipulations could be even higher, since it is not to be excluded that, in case of government crisis, early general elections would be called.

Despite the farcical character of Cossiga's initiative, the government accepted the idea. Currently, the two branches of Parliament are discussing various options for the committee requested by Cossiga, going from an all-encompassing "Truth Commission" to a smaller one, limited to the content of the Mitrokhin dossier.

According to an informed source, the most probable outcome will be that no committee will be formed, but that the process will lead to a government crisis anyway. The government has been at a dead end for weeks, mainly as a result of D'Alema's refusal to face the real challenge facing Italy: the economic crisis. On one side, one has to recognize that the D'Alema government, since its inception, has been forced to deal with an array of other issues, ranging from the case involving the arrest of Kurdish separatist leader Abdullah Ocalan, to the Kosovo War, and now the Mitrokhin dossier—all stemming from British geopolitical games and manipulation. However, D'Alema gives no indication of readiness to change his course in the near future. His latest attempt to survive has been to try a government reshuffle by including the Democratic Party, a newly born entity founded by Third Way puppet Romano Prodi, in the government coalition—but this seems doomed to fail. Our sources indicate that D'Alema might decide to anticipate a crisis by resigning after the budget is voted on by Parliament, at the end of December, and try to force early elections. The Left would therefore accept a vote on the "communist" issue, confident that its base would close ranks behind it.

However, another scenario could be that President Carlo Azeglio Ciampi, instead of dissolving Parliament, would replace D'Alema with a technocratic cabinet, and blackmail Parliament to support it, lest Italy should lose the "confidence of the markets." Since the practice of imposing technocratic governments on Parliament has not been the exception, but the rule in Italy in the last seven years, this scenario could materialize, unless the forces around D'Alema and the rehabilitated Catholic factions decide to wage a winning war for economic liberation against the dictatorship of the global financial markets.

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Christian Solidarity International loses NGO status at UN

by Scott Thompson

The United Nations Economic and Social Council (ECOSOC) voted to remove Christian Solidarity International's non-governmental organization (NGO) "consultative status" on Oct. 26, on the basis of a charge by Sudan that CSI had colluded with terrorists. The announcement was made in an press release issued by ECOSOC.

CSI has used the guise of "Christianity" to engage in a British-style "Great Game" policy of encouraging tribal and ethnic warfare around the world, often by supporting terrorist insurgencies, to overthrow governments and destroy nations. Sudan has long been a prime target.

The vote to eliminate CSI's NGO status was 26 in favor, 14 against, and 12 abstaining. The United States had proposed a compromise, of suspending the NGO's consultative status for three years. U.S. Secretary of State Madeleine Albright has lavished praise and money on the terrorist leader cited in the bill of indictment against CSI, namely, John Garang, the head of the Sudanese People's Liberation Army, whose rebel gang seeks to break away southern Sudan by force.

Although Sudan had earlier filed complaints that CSI, through its "slave-redemption" program, has been aiding and abetting a "slave trade" in SPLA-controlled southern Sudan, this was not the "straw that broke the camel's back." The main reason why ECOSOC decided to remove CSI's NGO status, is that CSI had used the terrorist Garang — who has been waging a dirty war, murdering civilian men, women, and children — to represent it before the UN Commission on Human Rights in March of this year. As for the question of "slave redemption," Garang is himself one of the leading "slavers," forcing tribes like the Dinkas and Nuers, as well as Christians, to be beasts of burden for his terrorist army.

EIR has elsewhere traced the question of slavery in Sudan back to the inter-tribal warfare that the British encouraged during its colonial rule of Sudan. However, as the United Nations has reported, not only is there no proof that the Khartoum government is involved in modern-day slavery in Sudan, but it has criticized CSI for creating a phony "slave market" where ethnic tribal members and Christians are taken prisoner for the sole purpose of having CSI redeem them for a profit.

EIR has for years reported that CSI has been aiding and

abetting terrorists such as Garang in their war against the Khartoum government. Baroness Caroline Cox, who headed the British branch of CSI before it split off to form a so-called "independent group," had been caught by a Washington, D.C.-based journalist soliciting sophisticated weapons, including Stinger missiles, on behalf of Garang's forces. And, together with the former Israeli intelligence operative Yossef Bodansky, who now works as a "terrorism expert" for Congressional Republicans, Cox has repeatedly made fantastic charges that the Khartoum government had received weapons of mass destruction (especially chemical warfare agents and their means of production) from Iraq that were being hidden in Sudan. It is ironic, given Bodansky's GOP credentials, that one of the reports that Cox circulated to this effect had been drafted by the head of the Communist Party in Egypt.

While the Swiss headquarters of CSI claimed that it would have nothing to do with the sort of arms-trafficking that Cox had been caught in, there is no real policy difference between Cox and the CSI headquarters in Switzerland on destabilizing Sudan, the Transcaucasus (over Nagorno-Karabakh), China, Myanmar, and other sovereign nation-states where both organizations are supporting insurgents who are frequently little more than terrorists — all in the name of protecting "Christianity." Baroness Cox, for example, has made 44 trips to Nagorno-Karabakh, to keep Armenia and Azerbaijan embroiled in conflict.

Turf wars

In reality, CSI-Britain decided to break off from CSI headquarters in Switzerland because of an turf war over fundraising contacts and Swiss demands for greater administrative control over CSI worldwide. CSI in the United States also decided to break away from CSI headquarters in Switzerland for the same reasons, even though CSI-U.S. remains active in the same regions mentioned above. CSI-U.S. has also been especially active in support of a narco-terrorist "Christian" minority in Myanmar that is in conflict with the anti-drug policies of the Yangon government. Yet, CSI-U.S. continues to get the support of U.S. Congressmen, especially U.S. Reps. Frank Wolf (R-Va.) and Chris Smith (R-N.J.).

The chief aide to Cox, Stuart Windsor, who claims to have close ties to the British royal family, has frequently used his contacts from his previous employer, the British intelligence electronic eavesdropping center of Cheltenham GCHQ — which, among other things, monitors the dozens of terrorist organizations headquarters that have safe haven in London. Windsor uses his sources at Cheltenham GCHQ to support the British branch of CSI's activities in destabilizing governments around the world.

CSI-Britain has applied for separate NGO status. But, if anything, CSI-Britain has even closer ties with terrorists such as Garang, than does the Swiss headquarters that was just stripped of its NGO status.

East Africa needs peace, economic development, not witchcraft

by Hussein Al-Nadeem

U.S. Secretary of State Madeleine Albright has been doing her best in Africa and the Middle East to enrage every ally of the United States, and to push policies perpetuating war and chaos, especially in East Africa and against Sudan. Albright's gang in the U.S. State Department, featuring British Empire enthusiast Susan Rice and her "special adviser" John Prendergast, are desperately fanning the embers of the war which was recently lost by the British to the advantage of the unity of the nation of Sudan (see "Britain's Baroness Cox Is Losing the Battle, and the War, Against Sudan," *EIR*, Jan. 30, 1998). This operation is doomed to fail for several reasons. Nonetheless, it will have dire consequences for U.S. foreign policy.

The regional states around Sudan are exhausted, and are no longer economically, logistically, or politically capable of continuing the war against Sudan in support of Sudanese People's Liberation Army (SPLA) leader John Garang. The states which played a key role in the invasion of Sudan in 1996—Uganda, Ethiopia, and Eritrea—are facing an economic and political nightmare internally; Ethiopia and Eritrea are engaged in a bloody war which has already claimed tens of thousands of lives. Kenya, which has been a central staging ground for a massive international "humanitarian aid" operation in support of the SPLA, is no longer able to sustain that role, because it is itself in pressing need of help.

The "humanitarian" operation has been exposed for what it is, and governments in Europe are stopping their support for such operations. For example, earlier this year, the Norwegian government refused to renew its funding of the Norwegian People's Aid operations in southern Sudan, one of the most aggressive organizations in the war against Khartoum. Christian Solidarity International—headed by Baroness Caroline Cox, until recently when she split off her own group—has recently been stripped of its non-governmental organization status in the United Nations Economic and Social Council (see p. 41). CSI, it was charged, was encouraging and engaging in slavery, in its zeal to "redeem" slaves for money, as part of its propaganda efforts on behalf of Garang and the SPLA.

Enter Egypt

In her recent tour in Africa, Albright was struck by a new, powerful regional factor: the Egyptian drive for a settlement

in Sudan, whereby all political groups from south and north Sudan are to meet with Khartoum government representatives in Cairo under the auspices of the "Libyan-Egyptian initiative for a comprehensive settlement in Sudan." The result of this meeting would be the establishment of "national reconciliation agreement," binding upon all parties. All the parties, including Garang, have signed the "Tripoli Accord," hosted by Libya.

Egypt, one of the more powerful countries in Africa and the Middle East, and an important ally of the United States, has been positive toward the peace process initiated by the Sudanese government which culminated in the April 1997 Khartoum Charter signed by the government and six southern Sudanese rebel factions—with the exception of the SPLA. The Egyptian government, which had previously attacked Sudan for allegedly harboring the terrorists who had attempted to assassinate President Hosni Mubarak at the Organization of African Unity summit in Ethiopia in 1995, changed its stance following the emergence of strong evidence that Britain, and not Sudan, is the international center for "Islamic terrorism." The massacre of tourists at Luxor, Egypt in November 1997 by the London-based Islamic Group, was the breaking point. Egypt realized that the real danger to stability in the region comes from the British, not Sudan. Normalization of full political, diplomatic, and trade relations with Sudan has been pursued ever since. Moreover, the Egyptian leadership realized that a separate state carved out of Sudan's south would represent a great danger to the security of the Nile headwaters upon which Egypt depends.

When Albright met with Garang in Nairobi, Kenya in Oct. 23, she insisted that the Inter-Governmental Authority for Development (IGAD) is the only forum for a settlement in southern Sudan. In addition to Sudan, IGAD includes current and former enemies of Sudan, such as Uganda, Eritrea, Ethiopia, and Kenya. Albright also said that she "does not support other processes that some others are suggesting, the Egyptians and the Libyans."

The first reactions from Sudan and Egypt were "diplomatic," emphasizing that Albright's statement does not reflect a rejection of the Egyptian-Libyan initiative. However, while

Albright was in Africa, Sudanese Foreign Minister Mustafa Othman Ismail held five meetings in Cairo, three with his Egyptian counterpart Amr Moussa, and one each with Egyptian Prime Minister Atef Ebeid and President Mubarak. A summit meeting between Mubarak and Sudanese President Omar Al-Bashir was planned for December.

The diplomatic language changed when Ismail, after meeting with Moussa, charged on Oct. 25 that Albright's statements "offering support to the southern rebels and stressing her objection to the Egyptian and Libyan initiative, are part of a plot. . . . They constitute foreign interference in the internal affairs of Sudan which the Sudanese government finds unacceptable." Ismail's remarks were in contrast to his comments two days earlier, when he welcomed any U.S. mediation between his government and Garang's SPLA. "We interpreted Albright's statement in Nairobi as saying that despite U.S. hostility toward Sudan, they're working to mediate between the government and Garang."

Serious statements were later made by Sudanese officials. Speaker of the Parliament Hassan Al-Turabi was quoted that he "does not rule out that the U.S. administration would use force to separate south Sudan, in the same manner as was done in Kosovo and East Timor"—not through the use of direct American or European forces, he said, but through a joint African force with international military and financial backing. "The recent developments, that revealed the rejection by the European and American IGAD partners of the Egyptian-Libyan proposal which supports the territorial unity of Sudan, have made the Egyptian, Libyan, and Sudanese forces within governments and the opposition realize the dangers that are threatening Sudan," Al-Turabi said.

President Al-Bashir urged the Sudanese people "to be prepared for war soon."

However, Sudanese Foreign Minister Ismail later told Reuters that the government in Khartoum believed the United States could play a very important role in ending the 16-year-old conflict, if it acted in a neutral, fair way. "Your [U.S.] policy now will not lead to peace. It will lead to the continuation of war, the suffering of the people, the loss of lives in the south," he said.

On Oct. 25, Egyptian Foreign Minister Moussa commented on Albright's criticism of the Egyptian-Libyan initiative, telling reporters that "Egyptian foreign policy is a matter that concerns Egypt alone. To merely give one's opinion is something else." He said that the "Egypt-Libya initiative is only related to Egypt and Libya, and it is not aimed at the interests of any other state." Moussa emphasized that "Sudan is an extremely crucial matter to Egypt because it is related to our national security and all neighboring countries, north and south of Sudan, are concerned just as much."

On Oct. 24, the day after Albright's meeting with Garang in Nairobi, Kenyan President Daniel Arap Moi arrived in Cairo for talks with Moussa, to coordinate the Egyptian-Libyan initiative with that of IGAD. Kenya has chaired IGAD

for several years. Moi realizes that the IGAD talks are deadlocked, and that new steps have to be taken. Hence, his support for the Egyptian-Libyan initiative. All reasonable leaders in the region have realized that continuation of the current policy is perpetuating a war which no party can any longer afford to fight. What is needed is peace and development. The warlord posture of Garang which he has adopted, along with the Frantz Fanon theory of implacable violence, has been exposed as a nihilist nightmare that has achieved nothing but death for southern Sudan.

Garang sabotages the Cairo meeting

Reflecting the intense effort played by Egypt to find a final settlement for the war in Sudan, the umbrella group of the Sudanese opposition, the National Democratic Alliance (NDA), was invited to hold a conference in Cairo on Oct. 23-24, at the same time that Ismail was in Cairo and Albright was in Nairobi. The aim was to encourage the NDA, composed of both southern and northern Sudanese rebel groups, to form a delegation to meet with Sudanese government representatives in Cairo under the Egyptian-Libyan initiative.

However, Deng Alor, the SPLA representative, disrupted the Cairo meeting only hours after Garang had met with Albright in Nairobi. The NDA postponed any decision until Nov. 15, when it meets in Kampala, Uganda.

The preparatory talks which will precede a national reconciliation conference were originally set for Sept. 13, but were postponed indefinitely after Garang expressed reservations. Echoing Albright, Alor stated that the Egyptian-Libyan initiative is not compatible with the IGAD initiative.

In response to this attempt to isolate the northern opposition group, NDA member Sadig Al-Mahdi, leader of the Ummah Party, attacked Albright, in a seminar at Cairo University on Oct. 26. Al-Mahdi said that "there is a high degree of haste and ignoring facts." He emphasized that the decision in this matter is up to the IGAD countries, and that there is no reason for such bold U.S. interference which provoked the resentment of the IGAD member-states. He stressed that "imposing a European-American mood on the IGAD initiative will mean the separation of the south, because the Western countries support the self-determination issue." He warned against attempts "to encourage the opposition to invade the country and overthrow the government by force." Al-Mahdi said that this "will mean burning [defaming] the Sudanese opposition, in the same manner Washington burned the Iraqi opposition."

Al-Mahdi's statement reflects the major strategic shift which has taken place in the region. Al-Mahdi, who is a former President of Sudan, fled his country in 1997 to Eritrea to join the NDA, believing that the government in Khartoum would fall shortly thereafter through an uprising. This did not come to pass. He now lives in Egypt, promoting the Egyptian-Libyan initiative for a comprehensive peaceful settlement for all of Sudan.

Tensions between Egypt and Israel

In the few days during and after Albright's tour in Africa, tension was provoked between the Egypt and Israel on the peace process in the Middle East. U.S. Defense Secretary William Cohen's utterances at the "Bright Star" war games added fuel to the fire.

Israeli officials, especially Foreign Minister David Levy and Science Minister Matan Vilna'i, made harsh, provocative statements implying that Egypt is an obstacle to the resumption of the "final status" negotiations between Israel and the Palestinians. Furthermore, Israeli Foreign Ministry officials are stressing that Egypt is trying to dictate a negotiation policy to Palestinian President Yasser Arafat, and is rallying other Arab states to adopt a hard line vis-à-vis Israel and block any Israeli attempts to normalize relations.

Vilna'i gave a lecture in Washington at the Israeli Policy Forum on Oct. 27, in which his main theme, according to the *Jerusalem Post*, was, "We must be prepared to fight a war with Egypt if necessary." Vilna'i, who is a former Deputy Chief of Staff, listed Egypt as a potential long-range threat. "The third circle [of danger to Israeli security] is missiles that can be launched into the civilian centers of Israel from Iraq, Iran, Libya, and from Egypt if something will happen," he said. Worse, Vilna'i said that the Islamists could take power in Egypt, and he reminded the audience that Egyptian President Anwar Sadat was killed by the Muslim Brotherhood. "They will try to do something," he said, implying a threat to the life of President Mubarak.

Moussa criticized Levy's remarks, saying, "We regret these statements by Levy. Egypt is fully committed to promoting the pursuit for comprehensive peace by encouraging negotiations on all tracks." He added that this peace can only be achieved when the agreements signed by the Palestinians and Israelis are fully implemented.

Egypt has increasingly assumed a pivotal role in the Arab-Israeli negotiations. This has come as a natural response to the Clinton administration's failure to live up to its promise to force all parties to live up to their promises. These developments culminated in the announcement by Moussa, prior to the Nov. 3-4 Oslo summit, that Egypt will not attend a Mideast summit proposed by Norway.

Cohen in Albright's shoes

The other provocation came from Cohen, who, while attending the "Bright Star 99" war games in Egypt (see *EIR*, Oct. 29, p. 37), insulted his hosts. First, he said that the war games are aimed at containing Iraq. Moussa immediately replied that "the Bright Star drills have nothing to do with Iraq." In fact, at the time of the drills, a high-level Egyptian delegation was visiting Iraq to concluded commercial agreements.

Second, Cohen said that the United States is interested in establishing military and security cooperation between Egypt and Israel. At a later press conference, Moussa commented

that "no discussion has been raised regarding military cooperation between Egypt and Israel," and that "any talk about military cooperation with Israel is overruled."

Third, Cohen said that Egypt should be prepared to protect itself from threats of Iranian long-range missile attacks by importing U.S. Patriot defense systems. This was a slap in the face of the Egyptian hosts, who have been taking steps to normalize relations and expand economic cooperation with Iran.

The official Egyptian press responded with "anti-American" commentaries that seldom appear there. The *Al-Ahram* daily editorialized:

"U.S. Defense Secretary William Cohen is not going to help the cause of peace in the Middle East by acting as if major progress has already been made and the time has come to start considering post-peace arrangements, including joint military exercises between the Arab countries and Israel. Israel continues to occupy Arab land in Palestine, Syria, and Lebanon. Its huge arsenal of weapons of mass destruction, aimed at the Arab countries, is another threat. If Israel fails to meet Arab demands and allay their concerns, it will not be possible to normalize ties fully, let alone establish genuine cooperation.

"The United States, instead of seeking to dictate the agenda of sovereign states, should listen to its close regional allies and trust their assessment of the situation. The statements made by Secretary Cohen during his tour this week, and his incapacity to see beyond the Israeli point of view, can do nothing to bring the region closer to its goals of peace and stability."

This is important advice that has been brushed aside by Albright, Cohen, and other members of the Principals Committee, who are acting as imperial masters dictating policy to everyone. This possibly applies to all U.S. foreign policy interventions everywhere on the globe.

The issue of Sudan, however, could become the breaking point of American-Egyptian relations. Sudan and the Nile are red lines for Egypt's strategic considerations. Also, the groups that have been targetting Sudan over allegations of oppression of religious minorities, slavery, and abuse of human rights, are the same ones that have been attacking Egypt during the past two years. These groups, which are also enemies of the Clinton administration, must not be allowed inside the U.S. State Department under the cloak of Albright and her minions. Under Albright, the State Department has followed British guidance in every step, keeping the Clinton administration hostage to a war policy vis-à-vis Sudan, Iran, Libya, and Iraq.

The British Foreign Office, with the help of Albright's State Department, has succeeded in selling the southern Sudanese "cause of Garang" to the United States. Meanwhile, the British, in their usual double-game, have reestablished full diplomatic relations with Sudan and Iran, and commercial relations with Sudan, Iran, and Libya.

Mexico's Vicente Fox promotes globalization

by Carlos Cota Meza

In mid-May of this year, Vicente Fox made another one of his visits to the United States. Speaking before a group of "Mexicanologists" meeting in a Congressional salon in Washington, D.C., the Presidential candidate of the National Action Party (PAN) stated that "Mexico's foreign policy is based on fundamental principles which, with the exception of a few which no longer correspond to reality, will be preserved in my government."

Among those which no longer correspond to reality, according to Fox, is the principle of non-intervention. "This principle, in and of itself, is fine," said the PANista, "but it should be revised for cases such as the NATO intervention in Kosovo."

Fox not only supports Margaret Thatcher and George Bush's globalization of international policy, but he also shares their economic policy, along with all of its "philosophical" underpinnings.

The Bangladesh model

For example, on April 23, 1996, Fox, as the Governor of Guanajuato state, participated in the "Commitments to the Nation Forum," a grouplet sponsored by Carlos Salinas de Gortari, the former Mexican President who allied himself with George Bush, and former Mexico City Mayor and George Soros partner Manuel Camacho. There, Fox stated the globalization thesis of the financial oligarchy:

"Mexico is a straggler. . . . Today we make up the rear-guard, at a time when many countries took good advantage of the times, of the century, to free themselves of military, personal, or party dictatorships; they took advantage of the century to adjust their political models and to modify their constitutions. These nations today live as democracies. . . . In our case, we have unfortunately let the century go by, let the millennium pass us by, and we still have no resolution to this old problem."

Fox continued, "First of all, we want to clarify . . . that today in the world, there is no other path than the free market, the capitalist sphere, and participatory democracy," but the country needs to "surpass Salinista and Zedillista neo-liberalism." Fox added demagogically, "I don't know what we are doing running around there in Washington, on Wall Street, seeking the solution to our problems." The economic proposal Fox presented was that "it is no longer possible to be coming

up with national development plans: The vocation of each region of the country, of each community, of each state and of each municipality, requires a different development plan."

As he has been doing all along, Fox proclaimed that in Guanajuato, during his governorship, "unemployment was eliminated," "every child and youth attended school," and so on. He has given "thousands in credits," he claims, so that especially the women of Guanajuato could "set up their own small businesses," "some goats to milk, for selling milk and cheese," or to buy "a sewing machine and dress their family, or take in outside work," and so on.

While Fox may sound like a manor lord talking fondly about his house servants, the truth is that the most superficial investigation into the state of affairs in Guanajuato reveals that the goats and sewing machines never existed. The women of Guanajuato have been milking in a vacuum.

Where does Fox get his demagoguery from?

"We have known," says Fox, "very interesting experiences, such as the case of Bangladesh with the Grameen Bank." As far as we have been able to check, Fox has never been in Bangladesh, making one wonder whether his "visit" to that country might not be a kind of brainwashed "Clockwork Orange" experience.

What Fox alleges are Guanajuato's economic experiences, are entire paragraphs taken from *The New World of Microbusiness Finances*, a book which carries the subtitle "The Structuring of Healthy Financial Institutions for the Poor." The text is revised programs developed over the past 20 years by the U.S. Agency for International Development and the World Bank, in particular its Developing Women's Division.

As the text states, the revisions were made in the programs because the 75 non-governmental organizations (NGOs) from several countries which were doing the financing, "are transitioning from a condition as NGO to entities subject to the risks of a financial company and the demands of a banking superintendent." This reconversion of the NGOs into financial businesses is a program that was elaborated at Ohio State University, through its Program of Rural Finances, with the participation of the Shorebank Corp. of Chicago, Illinois.

It appears that the dizzy Fox was confusing Ohio State University with Bangladesh. Regarding this country, by the way, the reality is that Grameen Bank is the product of a government program known as the "Committee for Rural Advance in Bangladesh." As for the "extraordinary" things it does, what seems most notable is that it has "approximately 1 million (small) loans outstanding" in this most impoverished nation.

The world's crème de la crème

On Oct. 3, 1995, Fox revealed the "very important lessons" that he had learned during his participation in the "State of the World Forum," an event in San Francisco designed to "take a look at the next millennium from different view-

points.” Fox declared himself “honored” and “surprised” to have been the only Mexican invited, which enabled him to “hobnob with the world’s crème de la crème.”

A rumor that has never been denied is that Fox’s invitation was arranged by the multinational Campbells, the canned-food company which controls huge tracts of land in Guanajuato, where crops including potatoes, asparagus, and broccoli are grown. Even the 500 hectares of the Fox family are involved in this activity.

Here again, Fox spoke of the “Bangladesh model,” and about how what most struck him were the speeches of Alvin Toffler, the snake-oil salesman who proclaims that industrialization has come to an end; Shirley McLaine, Hollywood’s yoga guru; and Jean Jaques, whom the fascinated Fox referred to as “this woman who has lived for 30 years with the chimpanzees. . . . She was one of those who spoke most beautifully regarding coexistence with nature, and of course, coexisting with other animals of the planet. So, spirituality can be found in every field. . . . There are many religions filled with content, filled with philosophy, filled with values.”

Fox seems to be confused on this matter, as on so many others. It appears that the woman he has in mind is Dianne Fossey, who was the model for the making of the film “Gorillas in the Mist,” an open promotion of zoophilia, financed by British Royal Consort Prince Philip’s World Wildlife Fund. (Is this where Fox gets his affinity for young goats?) Another

individual who influenced him on the “spiritual” level, says Fox, was “the top dog of Vietnamese Buddhism.”

By his own comments, there can be no doubt that Vicente Fox is a convert to some esoteric religion, and, like Frankenstein, is someone who has been unleashed to facilitate the destruction of national institutions.

“The strongest message,” said Fox, “is that the future of humanity is only going to be possible, is only going to be successful, if we strongly return to development of the spirit. . . . I believe that one of the great lessons to be drawn from this is that there should be no inhibitions, that the paradigm in Mexico should be broken. . . . I would once again emphasize . . . that the most important is the intensity of the religious, the intensity of the spiritual.”

Who can help create this so very “spiritual” world that fascinates our Mr. Fox so much? The NGOs, of course, because they are “social institutions which today have the great confidence of the world financial centers, and by virtue of being in private hands, they are receiving a large portion of development resources and are taking them directly to society. The governments are being displaced. . . . They are not trustworthy, that is the word.”

On the “political front,” what Fox most stressed was his three-hour meeting with former Russian Communist President Mikhail Gorbachov. Gorbachov “was adamant that the entire system is coming to an end, above all when one no longer knows how to manage things,” Fox said. “The prediction is that the era of the PRI [the ruling Revolutionary Institutional Party] and of the Mexican system has come to an end, and he could also see that in the year 2000, there will surely be changes, important transformations in this country. . . .

“Mikhail said that Salinas spoke of *perestroika* and *glasnost*, in the aftermath of the changes Gorbachov had made in Russia, and that nonetheless had ended up with a total rupture of the Mexican project. We tried to find out the reasons and the mistakes. One of these points precisely to presidentialism. . . . We spoke of the failure of the implementation of a program by Salinas.”

Revealing a mental state totally dependent on what he considers to be the “great personalities,” Fox, while still Governor of the state in 1995, said of his chat with Gorbachov: “I wouldn’t exchange those three hours for anything, except to govern Guanajuato.”

If Fox doesn’t know how he got to the “State of the World Forum,” we know how he returned: brainwashed. But, we also know who got him there. This “forum” was created after Gorbachov was overthrown in Russia. When his own reelection aspirations were defeated, George Bush created the “George Bush Library,” an NGO through which Bush channels funds on a world scale for his political activities. Gorbachov was named president of the “State of the World Forum,” explicitly as a means of financially supporting him personally. For her part, Thatcher also provides funds to the “forum,” an NGO. This is the same scheme used for the creation of the electoral organization “Friends of Fox.”

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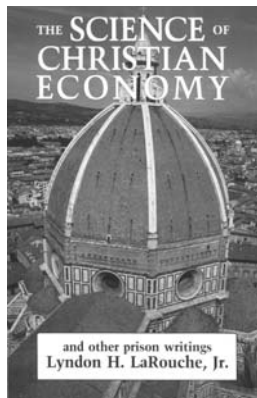
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Burundi is at the danger point

by Linda de Hoyos

The death of former Tanzanian President Julius Nyerere in October has brought a halt to negotiations to end the six-year war in Burundi. Nyerere, whose country borders Burundi and has taken in 300,000 Burundian refugees, had led the Arusha peace process until he was hospitalized for leukemia in London in October. The halt to the negotiations could not have come at a more dangerous point.

In September, military operations by groups opposing the regime of President Pierre Buyoya came closer to the capital city of Bujumbura than ever before. The Buyoya regime reacted by initiating a harsh campaign of repression against the civilian population.

As of this writing, there remains a deadlock on how to proceed with negotiations, as hundreds of thousands of civilians, mostly women, children, and the elderly, are being used as virtual hostages by the military regime in power. The collapse of the talks, in combination with the panicked response of the Tutsi military and increasing military operations, puts an urgency on effective intervention from the international community, which will require an end to the credibility given to the murderous Buyoya regime—a regime that is currently deployed, along with Rwanda and Uganda, as an occupation force in the Democratic Republic of the Congo (D.R.C.).

The fighting in Burundi would appear at first glance to be an ethnic conflict similar to that portrayed in Rwanda, between Hutus and a minority Tutsi community. It is the case that both Rwanda and Burundi today are military regimes based on a mono-ethnic Tutsi armed forces. However, whereas in Rwanda various Hutu-centered governments were in power during 1959-94, Burundi has been ruled since independence by successive Tutsi military regimes, most of them centered on a narrow base of a clique from the southern Bururi province.

The military regimes carried out pogroms against the Hutus in 1965, 1972, and 1988, which resulted in the deaths of hundreds of thousands of people; Hutu men and male children were especially targeted. In 1993, President Buyoya cooperated with an international effort for elections in Burundi, which brought to power the Frodebu party government of Melchior Ndayaye. Frodebu at the time was not only Hutu, but included Tutsi members and leaders. In October 1993, documents released in 1997 showed, Buyoya attempted a coup against Ndadaye, which was not successful but resulted in the murder of the first elected President. In

the ensuing panic, another 100,000 people are believed to have been killed.

The international community is silent

The international community did nothing; the murder of Ndadaye and the bloodletting that followed were met by a universal silence. The events, however, did not go unnoticed in Rwanda, and were a major factor in the mass slaughter that occurred in that country in the wake of the assassination of Rwandan President Juvenal Habyarimana.

Inside Burundi, from October 1993 until July 1996, the Burundian Tutsi military, led by its Bururi clique, carried out a campaign to regain power with a twofold strategy: a campaign of targeted assassinations of leaders of the elected government, especially Tutsi leaders who did not agree with the Bururi clique's oligarchical outlook, and a campaign of retribution against the civilian population. Frodebu was turned into a mere shell, as its leaders were killed or driven out of the country. In defense of the population and political leadership, Ndadaye's Interior Minister Leonard Nyangoma formed the National Council for the Defense of Democracy (CNDD), and its armed wing, the Forces for the Defense of Democracy, which launched war against the regime. Today, other groups are also fighting against the regime.

Rather than defending the elected government, the UN Security Council imposed "power-sharing agreements" on the Frodebu government, which did not include sharing of the military power, and which gave the Buyoya Tutsi military a free rein, leading eventually to the coup. Democratic leaders such as Nyangoma and others were then labelled in the international press as "extremists" and "rebels." In July 1996, Buyoya, who had become a World Bank adviser in the interim, overthrew the remaining shards of the Frodebu government and took power in a military coup.

None of this would have been possible if the international community had acted to place pressure on the Tutsi military. This was never done, because the Burundian military was allied with the Tutsi military of Rwanda and with the Ugandan military of London warlord Yoweri Museveni, with the mission of overthrowing the Mobutu regime in Zaire and seizing the vast mineral wealth of eastern Congo for British Commonwealth extraction companies such as Banro Resources. (Although the Buyoya regime has consistently denied its presence in the D.R.C., on Oct. 23, for instance, according to sources reporting to the Missionary News Agency [MISNA] in Nairobi, Burundian troops assisted forces of the Rwandan-backed Rally for Congolese Democracy in carrying out a massacre at the Kihungwe market near Uvira in South Kivu, in which 75 people were killed, most of them women.)

The international protection given to the Tutsi warlords of the region, has led to a catastrophe for the Burundian people. In 1996, after coming to power, Buyoya instituted a policy of moving hundreds of thousands of Burundians into concentration camps, where many died of starvation and disease, including the biggest typhoid epidemic since World War II.

This policy somewhat abated during the two years that the Arusha peace process under the sponsorship of Nyerere were undertaken.

Events have escalated

But since mid-September, events in Burundi have escalated. As it appeared that the capital of Bujumbura, which the Tutsi military had moved to ethnically cleanse in 1995, might come under a siege from various Hutu forces, the Buyoya regime took swift, retributive action against the local population. At the end of September, the military forcibly removed 260,000 people from their homes and put them into 30 camps. Humanitarian agencies have not been permitted to visit the camps. According to MISNA, "for the past weeks thousands of civilians of Runyaga, Kanyosho, and Isale (all in Rural Bujumbura province) have been crowded into concentration camps, without water or food. Dozens have already died from fatigue and violence. The men are held separate from the women; they are interrogated, often beaten, and sometimes tortured in atrocious manners. Some even had their eyes extracted. Though the authorities justify a similar mass deportation as a necessary step for a 'census,' no humanitarian organization or agency has been permitted to bring aid, even to the women and children." There are reports that new camps have also been set up in southern Burundi, where fighting has been intense.

MISNA says that the round-up of hundreds of thousands of people was carried out with back-up from the Ugandan armed forces, although this has been denied by Uganda. "Military forces surrounded the areas all situated outside the capital. They then began the mass operation, gathering all the residents and closing them in temporary camps near the Catholic and Protestant churches in the area. . . . The units conducting the operations also opened fire, killing many people."

A month has not improved the situation. UN special rapporteur for human rights Marie-Thérèse Keita visited Burundi at the end of October, and reported that "massacres, numerous assassinations, arbitrary executions, and forced displacement to supposedly protected areas" are all ongoing in Burundi. Keita was not permitted to leave the capital, and therefore did not visit the 50 camps which by the time of her visit were holding 314,000 people.

Without pressure for immediate negotiations which attack the central issues, as opposed to giving the Burundian military plenty of time to fill its pockets in the Congo, the danger is rising that a total conflagration could break out in Burundi or in the capital Bujumbura similar to the panicked chaos and mutual murder that gripped Rwanda in 1994. According to Amnesty International, as of Sept. 30 "the situation in Bujumbura is reported to be extremely tense, with rumors of attacks or infiltration by Hutu-dominated armed opposition groups." The Buyoya regime has permitted the re-formation and arming of Tutsi youth militias, which had carried out the ethnic cleansing of Bujumbura.

Book Review

The evil of banality

by Mary Burdman

The Road to Democracy: Taiwan's Pursuit of Identity

by Lee Teng-hui

Tokyo, PHP Institute, Inc., 1999

229 pages, hardbound

Lee Teng-hui, the President of Taiwan, is an obsessive proponent of what he terms "democracy" and having an "affirmative" outlook. However, his "political philosophy" embraces some of the worst evils which have afflicted modern American culture since the 1950s: Here is the utter banality of "democracy and a nice life," of "positive thinking," the awful prosings of Dale Carnegie and Norman Vincent Peale, imposed on the strategic issues of modern East Asia.

Just where such "positive thinking" can lead, is revealed in the following passage, on Lee's conversion to "Christianity" as a young man. "The Christian concept of love," he asserts, "boils down to taking an affirmative view of life. Among the great thinkers of history are many people who tried to look back on their lives in a positive light. . . . The ultimate aspiration even of Friedrich Nietzsche, well known for his 'God is dead' thesis, was in his later years to live 'a life to which I can say "ja"!' " Actually, Nietzsche, the philosopher of world fascism, died a demented syphilitic.

An agent provocateur

Lee Teng-hui claims to be a "liberal democrat," but "agent provocateur" would be a more apt epithet. Lee is, in fact, a mouthpiece for a small, but dangerous circle of neo-conservatives in the United States, such as U.S. Senator Jesse Helms (R-N.C.), and their counterparts in Japan, who are trying to create a U.S.-Japan-Taiwan monolith which, as conceived by this mob, would be totally against the national interests of everyone. Lee is in a position to inflict real damage, on China, the United States, and Japan.

Lee grew up in Taiwan under the colonial rule of the Japanese empire, in a family of police officials and landowners. He was educated in Japanese, as were all members of the elite at that time. From his studies at the Kyoto Imperial University, he ended up in 1945 in Nagoya, serving as a sec-

ond lieutenant in the Imperial Japanese Army — the same Imperial Japanese Army which had been running a war against China since 1932.

Lee Teng-hui remains hostile to China and Chinese culture today. He dismisses 5,000 years of Chinese history as a “stagnant, repetitious cycle,” and complains about Confucianism, which is “very much part of traditional Chinese culture,” but which “sorely lacks teachings which address ‘death’ and ‘resurrection.’” Death, claims Lee, is necessary to “negate” the self, because a truly affirmative life “is possible only through ‘death’ of the self.” It is the born-again Lee Teng-hui, and his Taiwan, which must become the model for all China, he demands. And the purpose of it all? For the people on Taiwan to “fully express their individuality and lead happy lives.”

Lee’s political agenda

Lee then gets to his political agenda. This is, first and foremost, to attack China, and, secondly, to try to create a trilateraloid American-Japanese-Taiwanese bloc in the Pacific. This triumvirate must direct policy on the economy, on political questions like the situation on the Korean Peninsula, and so on, and take on their “common potential enemies” — which can only mean China.

Japan, for example, says Lee, should expand cooperation with U.S. military forces, and take initiatives on economic policy in Asia, “in such a way that Washington cannot help but approve and help the effort.”

Lee reveals his economic agenda by objecting to Taiwanese investment in China, while touting, in contrast, investments in Indonesia, which “are making large profits.” Because of the collapse of Indonesia’s currency, wages are one-third the level of those which have to be paid in China. The drawback, Lee admits, is that Taiwanese investors have to fund a special “policing unit” to guard their factories — leading the reader to wonder whether their impoverished Indonesian workers lead such “happy lives.”

Lee wants this triumvirate to, at all costs, prevent China from taking economic leadership, or any other kind of leadership. He strenuously opposes President Clinton’s efforts to “engage” China, on the grounds that China is not “democratic.” But then, we come to the heart of the matter, the reality of Lee’s obsession with “democracy”: He uses this



Taiwan’s President Lee Teng-hui

well-worn phrase as the basis to attack the very idea of a sovereign, united nation of China, and to demand that it be dismembered.

Lee asserts, first, that the “Republic of China” on Taiwan is an “independent and sovereign state,” and, while he claims not to be looking for “Taiwan independence,” it is “important for the world to recognize the existence of the R.O.C. on Taiwan,” and that there are “two equals on either side of the Taiwan Strait.” He ignores the historical reality, that the R.O.C. was founded as the government of all China, and that when the government “moved to Taiwan in 1949,” it was because the Nationalists had lost the civil war to the People’s Republic.

Plotting the breakup of China

Lee then makes clear why he ignores these historic realities: He is fundamentally opposed to a united nation of China. Its very existence, he asserts, is “unquestionably a threat to mainland China’s neighbors” — and perhaps his own career. Modern, united China is not a nation, but something which he calls “Greater China.”

“Taiwan has its own identity as Taiwan, Tibet as Tibet, Xinjiang as Xinjiang, Inner Mongolia as Inner Mongolia, and the Tungpei [northeast] as the Tungpei. Ideally, if each one were allowed to affirm its own existence, we would see Asia’s regional stability enhanced. For reasons of effective management alone, ‘Greater China’ would be better off divided into perhaps seven autonomous regions, which could then compete among themselves and with the world for progress,” Lee writes. Unfortunately, he complains, this is not likely to happen soon.

However, for all Lee Teng-hui’s professed admiration for Japan, he is also very impatient with its current orientation. Prewar Japan had made mistakes, he acknowledges, “but did manage to assert itself in the international community.” Lee has his own circle in Japan, including Kiyoshi Ito of the Kyorin University in Tokyo and Mineo Nakashima of the National Foreign Languages University of Tokyo, which also advocates dividing China into many or fewer entities. Lee’s book, in fact, was first written as a series of interviews with journalist Katsuhiko Eguchi, and the Japanese and English versions were published by the Japanese Peace, Happiness, Prosperity for All (PHP) Foundation.

Outside this circle, however, modern Japanese are too “low-profile” for Lee. Japan should be more forceful in its international dealings, asserts the erstwhile second lieutenant: For example, he says, “A sudden and massive sale of U.S. bonds could produce the greatest jolt since the Pearl Harbor attack.”

The wretchedness of this book, with its toothy cover portrait, is only matched by the politics of this neo-conservative puppet. The people of Taiwan will get rid of Lee in the coming elections in March 2000; it is to be hoped, they will also root out Lee’s influence.

From Korea to Kosovo: the No Gun Ri massacre

by Edward Spannaus

In the early weeks of the Korean War, hundreds of South Korean civilian refugees were killed by U.S. soldiers, according to accounts of survivors and ex-GIs who were interviewed for a story released by Associated Press on Sept. 30. The massacre at No Gun Ri (or Nokuen-Ri), 100 miles southeast of Seoul, took place in late July 1950, just five weeks into the war.

An 18-month investigation by Associated Press uncovered a story which the Pentagon had suppressed for almost half a century. AP found a dozen or so American veterans who said that they had been ordered to fire on refugees, and that at least 100-200 had been killed. Korean survivors of the incident say that the number of civilians killed was more like 400. The reasons given for the shootings were that North Korean soldiers were disguised among the refugees. Some ex-GI's maintain that this was the case; others dispute it. AP said that all of those interviewed agreed that the victims were predominantly women, children, and older men.

On Oct. 21, ABC "Nightline" ran a program on No Gun Ri, which included interviews with U.S. veterans who acknowledged that they had been ordered to shoot refugees.

Investigations under way

On Sept. 30, the date of the publication of the AP story, President Clinton asked Army Secretary Louis Caldera to conduct a full investigation of the reports of the No Gun Ri massacre, saying that the review is important to the active and retired members of the Armed Forces, for public confidence in the Armed Forces, and for "our relationship with the people of the Republic of Korea."

On Oct. 8, U.S. Defense Secretary William Cohen sent a letter to South Korean President Kim Dae-jung promising a full investigation and complete information-sharing with the South Koreans, and on Oct. 27, the Pentagon announced that an Army investigative team was being sent to South Korea to consult with government officials there on the investigation. That team was led by the Army's Inspector General, Lt. Gen. Michael Ackerman; among other things, the team visited the site of the bridge at No Gun Ri where the massacre took place.

On Nov. 2, the Pentagon announced the creation of a

commission of outside experts "to provide advice and guidance on the Nokuen-Ri investigation." The committee includes two former commanders in Korea; two former soldiers, former U.S. Rep. Pete McCloskey of California and *Washington Post* writer Dan Oberdorfer; historian Ernest May; and former Ambassador Donald Gregg.

Why did it happen?

In an article entitled "Where Franklin Roosevelt Was Interrupted" (*EIR*, July 17, 1998), *EIR* founder Lyndon LaRouche wrote that "the principal problems of 1949-51 were, that the U.S.A., in its foolish excess of power-sharing with the British and other allies, had surrendered the sovereignty of the U.S.A. to an increasing degree of meddling by supranational authority." More specifically, LaRouche noted that President Harry Truman had abandoned Franklin Roosevelt's post-war perspective, and had adopted "the world-government perspective of Bertrand Russell and Winston Churchill, a policy launched by unnecessary nuclear bombing of Hiroshima and Nagasaki." The idea behind this, going back to H.G. Wells, was that the use of nuclear weapons would be so terrible that nations would give up their national sovereignty and submit to world government.

In the case of the Korean War, conducted as a farcical "United Nations war," LaRouche says that the United States had given up its use of appropriate military means, "by denying itself access to means which might not be pleasing to the Bertrand Russell and Winston Churchill devotees of a nuclear march toward world government."

This also translated into an utter lack of preparation for the U.S. soldiers who were abruptly sent into the Korean conflict in 1950.

As U.S. Army Col. Carl Bernard (ret.) told *EIR*, there was a prevailing belief at the time that the infantry soldier didn't count any more, now that we were in the nuclear age. The soldiers sent to Korea were untrained and under-equipped; the equipment that the troops who were at No Gun Ri brought with them, was ill-maintained and often obsolete.

Bernard, whose unit was about 25 miles from No Gun Ri, says, "We thought the war was going to be over in a week." As he describes in the accompanying article, "American soldiers were in a state of psychic disarmament" in the post-war period, and were not at all prepared to face the competent and efficient North Korean troops.

Bernard further traces the problem back to the "air power" doctrine being promoted already in the 1920s. "The solution to war suggested by [Air Marshall] Douhet in 1922 and demonstrated most recently in Kosovo, is to use ever fancier and more expensive aircraft to bomb small countries into doing what we demand," Bernard told a recent assembly of his regimental veterans.

"The myths he [Douhet] ascribed to, would make armies unnecessary, and make all visible problems disappear," Ber-

nard added. "The only trouble is that none of it works, as Kosovo and other wars keep demonstrating."

Guest Commentary

The high cost of not being ready

by Carl F. Bernard

Carl F. Bernard, a retired Army Colonel, won a Distinguished Service Cross for extraordinary heroism in the Korean War. The following article has also been published by the Los Angeles Times and the International Herald Tribune.

If civilians were massacred at No Gun Ri, it was by untrained and under-equipped U.S. soldiers under brutal assault.

Did U.S. infantrymen massacre more than 100 South Koreans in 1950 during the chaotic early weeks of the Korean War? A Pentagon investigation now under way must answer that question. Yet the more important questions are: How could young American soldiers do such a thing? Can we keep it from happening again?

The current Pentagon investigation involved H Company, 7th Cavalry. At the time, I was a second lieutenant with L Company, 21st Infantry, about 25 miles east of No Gun Ri.

Our "occupation army" in Japan was not ready, in any sense, for the Korean War. The nuclear bombs that took out Hiroshima and Nagasaki seemed to have ended fighting as the Army understood it. American soldiers were in a state of psychic disarmament. Inertia and the distractions of Japanese "social" life finished our battle readiness. Our weapons were relics, often inoperable. Our communications equipment, radios and wire, were too old and beat-up to function in heavy dew, let alone monsoon rains.

We went to fight tanks with a piece of failed anti-tank trash (the 2.36-inch "bazooka") the gravediggers in World War II often found ground up in the bodies of GIs because it would not stop tanks. The terror that bazooka-proof tanks imposed on exposed infantry makes "blind panic" seem a commendation. The myth of airplanes coming from the heavens to rescue our soldiers melted with the early morning mist and low-hanging clouds. The rain took out radios to our supporting artillery; tank's tracks took out the telephone lines that supplemented the radios.

None of these damning mechanical and operational faults

hinted at the size of our most grievous, distressful problem: the continuous transfer of personnel well before they could learn their jobs and the capabilities of their comrades in arms, whether chiefs or subordinates, or of the enemy. Strangers do not make effective fighting units. The 30-man platoon assigned to me in Task Force Smith was my fourth different one in the nine months before this battle.

Yet we went to Korea believing that the North Koreans would turn and head back north as soon as they discovered we were there. Sadly, we were no more than a souvenir-loaded speed bump for North Koreans at our first blocking position. Our seven hours in position bought us only one precious day. Our next five days delaying their move southward toward Pusan cost the Division the best part of three battalions.

These North Korean successes were not lost on the American units coming over from Japan. The North Korean army's successful technique of pinning down the 24th Infantry Division's battalion-sized units with frontal attacks, circling around their exposed flanks and installing themselves behind these battalions to then launch coordinated infantry-tank attacks over the top of our improvised defenses could not be countered. The Division Commander was captured and the remnants of two Regiments were lost in Taejon. U.S. prisoners broadcast their fates and apologies over Seoul City Sue's radio station.

Pulling back south toward Pusan, where most U.S. units' hopes of re-embarking, including the unit accused of the slaughter of No Gun Ri, were shared by many people. The Army's official history quotes this outfit's war diary as saying, two days after the supposed slaughter at the bridge, that the "increased uneasiness of the untested staff and troops . . . had become magnified and exaggerated." Reports of an enemy breakthrough caused the withdrawal of the 2nd Battalion, "an untried unit, [to be] scattered in panic. That evening 119 of its men were still missing. In this frantic departure from its position, the battalion left behind a switchboard, an emergency lighting unit, and weapons of all types. After daylight truck drivers and platoon sergeants returned to the scene and recovered 14 machine guns, 9 radios, 120 M-1 rifles, 26 carbines, 7 Browning automatic rifles, and six 60-mm. mortars."

These units and their men were not remotely ready for the costly operations they were sent to do in Korea. The ignorance of their chiefs was matched only by their incompetence. Men paid for this shameful neglect in blood, pain, and imprisonment.

Were all units like this? Of course not. But enough were to make our Army's subsequent disgraceful conduct undeniable, despite what may have been a very successful cover-up until now. How can we keep this from happening again?

A fruitful beginning might be telling the truth, and avoiding false reports designed to ensure promotions for individual commanders.

International Intelligence

Primakov holds useful dialogues in Germany

German media characterized Russian Presidential candidate Yevgeni Primakov as someone who is “reliable and constructive,” in their reportage of his Oct. 28-29 visit to Berlin. The former Prime Minister met with Chancellor Gerhard Schröder, Foreign Minister Joschka Fischer, and opposition head Wolfgang Schäuble. He also gave a speech hosted by the German Foreign Policy Association.

Primakov told the press that, in his discussions with political figures, they had all voiced deep concern over the Russian military operations in Chechnya, but they also had to admit they did not have an answer to the problem, at present. Primakov responded to them that neither Germany nor other Western nations have yet been confronted with a terrorist threat of the dimension that Russia is facing in the North Caucasus. He added that he thinks the military operation is justified, as long as it is limited to air strikes, and he emphasized that he disagrees with any deployment of ground forces, because it would cause too many casualties and threaten Russia with stumbling into a larger war.

He warned against the expansion of NATO to the East and the U.S. plans to withdraw from the 1972 ABM Treaty, which, he said, would pose an “asymmetrical threat” to which Russia would be forced to respond.

Brit mercenaries offer to kill PKK, arm KLA

Britain’s infamy as a safe-haven for terrorist groups is becoming seconded by its fame for mercenary organizations that will offer weapons to a terrorist gang one day, and offer to wipe out another the next. Aims Ltd. of Salisbury, Wiltshire, which has been linked to Prince Philip, is accused in the *Sunday Times* of London on Oct. 31, of making an offer to Turkey to wipe out Kurdish Workers Party (PKK) rebels, through radiation poisoning, of offering to assassinate PKK leader Abdullah Ocalan (whom Tur-

key has sentenced to death), and of providing arms and mercenaries to the Kosovo Liberation Army during the NATO war against Yugoslavia.

The firm, according to the *Times*, “has close links to British intelligence and the SAS.” It was founded by Brian “Tom” Smith, a former noncommissioned officer in the British Army who served as a special military adviser to the military leadership in Ghana, “claims to have close links to Special Branch and has boasted to business colleagues that he is connected to a former MI5 officer who is said to be a close friend of the Duke of Edinburgh.”

The *Times* “Insight Team” reporters say that Aims proposed to Turkish military officials that they would irradiate Kurdish rebels, whom Turkey had captured in northern Iraq. Smith’s memo to the Turkish government, provided to the *Times*, read, in part: “Radiation detection. This is a method in which a radioactive source is placed in the target and the source is then monitored. This can be done by aircraft or satellite. The downside is that the target succumbs to radiation poisoning in approximately 21 days. This has been used by certain nations when they have released POWs.” Other proposals that Aims offered to the Turkish military involved sabotage of Greek Cypriot air defense systems, and “neutralization” of alleged Kurdish bases in southern Cyprus.

Menem asked to pardon Malvinas hero, Seineldín

“Call for Pardon for Seineldín,” was the headline in the leading Argentine daily *La Nación* on Oct. 29, reporting that Carlos González Cabral, who had been the political secretary for former President Arturo Frondizi, had sent a letter to President Carlos Menem, requesting that he pardon Col. Mohamed Alí Seineldín, a national hero of the 1982 Malvinas War against Great Britain.

As *La Nación* reports, González Cabral’s letter charges that Transparency International (TI) and its president for Latin America and the Caribbean, Luis Moreno Ocampo, led the prosecution team against Seineldín, politically targeting him, not because of the December 1990 military upris-

ing which Seineldín had led, but “to intensify the psychological war, launched much earlier, against the armed forces, not only of this country, but of all of Ibero-America.”

La Nación concludes, “Finally, González Cabral tells Menem that he believes, ‘as do many Argentines, that if [Chile’s] Gen. Augusto Pinochet could be decorated by Argentina (in 1993, by Army chief Martín Balza) after allying with the [British] usurpers of our Malvinas . . . the former combat soldier, Col. Mohamed Alí Seineldín, should be free.’”

Although not covered by *La Nación*, González’s letter reminds President Menem that Transparency International stands behind Spain’s Judge Baltasar Garzón, who is illegally seeking Pinochet’s extradition, which Menem himself had denounced as “judicial colonialism.” González writes, “TI was founded in 1993 to serve the British Empire. It is a powerful organization run by London . . . which always counted on the support of Prince Philip of Edinburgh.”

Anxious Ecuadorans seek solution from military

Anxious and terrified people are asking the military to resolve the economic crisis, declared Ecuador’s Defense Minister, Gen. José Gallardo (ret.), speaking at the Oct. 27 function commemorating the founding of the Air Force. “With immense concern,” he said, “we have learned that people of different economic strata and conditions are coming to military authorities, to express their anxiety over the growing unemployment brought about by the ruin of large, medium and small productive companies. They are terrified by the dizzying rise in the value of the dollar [against the devalued currency, the sucre], which sets off a chain reaction of greater economic deterioration and poverty.”

Gallardo, however, went on to insist that Congress pass the International Monetary Fund-dictated budget cuts and tax increases. The government of President Jamil Mahuad, apparently with the backing of a leading section of the Armed Forces, argues that the IMF accord is the only hope for the country, because it should bring in \$400-800 million.

MALAYSIA'S *New Straits Times* previewed "Russian Laureate Night" to celebrate the 200th anniversary of the birth of Russia's great poet, Alexander Pushkin. The Oct. 31 event was announced by Royal Professor Ungku A. Aziz, who said that the festivities would include poetry and piano recitals, and drama in English, Bahasa Malaysia, and Russian.

SADDAM HUSSEIN of Iraq discussed the possibility of a constitutional amendment allowing a multi-party system, in Oct. 26 talks with the Revolutionary Command Council and the Baath Party leadership. Iraq was in the process of drafting a permanent constitution in 1990-91, which process was halted by the war against it.

IGOR IVANOV, Russia's Foreign Minister, is scheduled to visit North Korea on Nov. 8-11, to sign a new treaty replacing the one in effect since just after the Korean War. He is the first Foreign Minister from Moscow to visit Pyongyang since then-Soviet Foreign Minister Eduard Shevardnadze visited there in 1990. Among other topics to be discussed is the U.S. plan to build an anti-missile defense system in Northeast Asia.

JAPANESE Prime Minister Keizo Obuchi was quoted by wires on Oct. 31, saying, "It is essential to prepare the necessary framework to counter possible attacks on our country." He referred specifically to the suspected ballistic missile launch last year by North Korea, and an incursion of suspected North Korean spy ships into Japanese waters earlier this year.

EDUARD SHEVARDNADZE, Georgia's President, told a press conference in Tbilisi on Nov. 1 that Georgia will be a NATO member by 2005. He welcomed the Oct. 31 election victory of his Citizens' Union of Georgia party, and said he is hopeful to win the re-election next year. If so, his pro-NATO policy will be continued, which will ensure that Georgia will be a member of the Western alliance by the year 2005, he said.

Stating that it is "indispensable" for the country to reach an accord with the IMF, Gallardo called on the Congress "to reach a consensus to save the republic."

Two days earlier, on Oct. 25, major newspapers published an unprecedented communiqué signed by the Armed Forces, striking out at the "senseless and dangerous" behavior of political, business, and trade union leaders, who engage in "permanent conflicts, scandals and paralyzing actions, without offering far-reaching strategies or objectives which extend beyond election and material concerns. The results are clear: confrontation, violence, social fragmentation, incalculable economic and social losses." If continued, this could lead to "radicalization, and possible violent solutions, and confrontation."

The Armed Forces called for society and its leaders to provide "generous, rational and wise contributions to guide a practical policy, capable of overcoming the antagonisms, and find viable political, economic and social solutions based upon common interests."

Transparency puts out 'bribe payers index'

For the first time, Transparency International—the World Bank "anti-corruption" watchdog that is heavily backed by Britain's Prince Philip—has put out a listing called the "Bribe Payers Perception List," along with its five-year-old "Corruption Perception Index." The listings are used to target countries for political and social destabilization, and/or to deny them access to international credit. The list contains 19 countries whose "corporations are perceived to be paying bribes to foreign officials." The allegedly ten worst cases include China (including Hong Kong), South Korea, Taiwan, Italy, and Malaysia.

Malaysia's Primary Industries Minister Datuk Seri Dr. Lim Keng Yaik dismissed Transparency's Bribe Payers Perception Index as "ridiculous," on Oct. 28. He ridiculed TI's methodology, pointing out that even TI admits it is impossible to obtain factual evidence to back up the index. Lim's views are supported by the Malaysian International

Chamber of Commerce and Industry, the Federation of Malaysian Manufacturers, and prominent U.S.-linked firms.

Australians set to turn down pseudo-republic

The push for Australia to become a "republic," by replacing Queen Elizabeth of England as head of state with an Australian President, looks set to fail, as late-October polls show that only 33% indicate they would approve it at the national referendum on Nov. 6. The present referendum would allow a President to be chosen only by Parliament, not directly elected, as in the United States. The "republicans" are run by the Australian Republican Movement (ARM), comprised of current and former employees of Australia's richest man, media magnate Kerry Packer, a close crony of Her Majesty. At the 1998 Constitutional Convention, Packer's ARM joined forces with the monarchists to agree to have the President appointed by Parliament, and allow the President to dismiss the prime minister and vice-versa.

A triumvirate of Australia's most senior knighted jurists, former Governor-General Sir Zelman Cowen, and former High Court chief justices Sir Anthony Mason and Sir Gerard Brennan, have attacked the push for the direct election of a President, complaining that "Without extensive constitutional constraints an elected Presidency could destroy the Westminster system of responsible government." As argued in 1920 by High Court Justice Isaac Isaacs, a framer of the Australian Constitution, and subsequently a Governor-General of Australia: "It is essential to bear in mind two cardinal features of our political system which are interwoven in its texture and . . . radically distinguish it from the American Constitution. One is the common sovereignty of all parts of the British Empire [that means the Crown, of course]; the other is the principle of responsible government . . . the institution of responsible government, a government under which the Executive is directly responsible to—nay, is almost the creature of—the Legislature. This is not so in America."

How to catch a British agent

From the Editors

The editors of *EIR* are pleased to publish the third in a series of book reviews by Stu Rosenblatt, cataloguing the perfidious careers of some of the 20th century's leading British agents-of-influence within the U.S. political establishment. In our Oct. 23, 1998 issue, we published Rosenblatt's review ("How Mr. Fixit Nearly Wrecked the World") of Kai Bird's biography of John J. McCloy, *The Chairman*, with an introduction by Lyndon LaRouche ("How Our World Was Nearly Destroyed"). On March 12, 1999, we published Rosenblatt's second installment ("How Henry Stimson Bombed Hiroshima, and Nagasaki Too"), reviewing Godfrey Hodgson's book *The Colonel: The Life and Wars of Henry Stimson 1867-1950*.

It is most fitting that the third in the series of Rosenblatt reviews should take up the careers of McGeorge and William Bundy. The Bundy brothers were both sponsored into the preeminent positions they occupied in the Wall Street-centered "Eastern Liberal Establishment" by McCloy and Stimson; and, as you will read here, they were responsible for many of the wretched, British-steered turns in American foreign policy and national outlook, during the period between the end of World War II and the beginning of the Reagan Presidency. Their legacy lives on in the persons of Henry A. Kissinger, Zbigniew Brzezinski, and Samuel Huntington, to name just three of their most immediate protégés who remain active today.

The LaRouche-Bundy wars

The Bundy case is of special significance for another reason. McGeorge Bundy was the first leader of the City of

London/Wall Street faction to engage in political "hand-to-hand combat" with Lyndon LaRouche and the political movement that LaRouche founded during the mid-1960s. The first such confrontation took place at the time of the Columbia University student strike in the spring of 1968, when Bundy, through the Ford Foundation, was bankrolling the Weathermen terrorist group, and LaRouche was educating a group of student strike leaders on the need to broaden the strike to take up issues of concern to all New Yorkers: the collapse of education, the "red-lining" of whole areas of the city by real estate speculators, slave-labor wages in the garment center, and so on.

The following year, LaRouche and his followers clashed with Bundy and the entire Ford Foundation-bankrolled New Left, by supporting the New York City Teachers Federation in its strike against Bundy's "community control" wrecking campaign against the New York City school system. LaRouche penned a devastating exposé of the Bundy policies at that time, in a widely circulated pamphlet titled "The New Left, Local Control, and Fascism." LaRouche identified the policies of Bundy's Ford Foundation, the International Monetary Fund, and the nascent environmentalist movement as being no different than those of Adolf Hitler's Economics Minister, Hjalmar Schacht.

LaRouche's arrival on the political scene provoked a strong, personal reaction from Bundy. The reason is clear, and it dates back to a debate on economic policy at New York's Queens College in 1971, between LaRouche and Prof. Abba Lerner. As LaRouche describes it in his autobiography, he forced Lerner, a Keynesian social democrat, to



“Eastern Liberal Establishment” representatives McGeorge (left) and William Bundy played key roles in ushering the technology-proud, culturally optimistic U.S. population through a paradigm-shift into a post-industrial New Dark Age. As head of the Ford Foundation, McGeorge Bundy clashed with Lyndon LaRouche during the late 1960s and 1970s.

admit that his own economic philosophy would lead to the kind of austerity that Hjalmar Schacht had imposed on pre-Hitler and Hitler Germany. Cornered, Lerner snarled that if Weimar Germany had only adopted the measures which Schacht introduced under the Nazi regime, Hitler might have been avoided. After that debate, Lerner’s crony Prof. Sidney Hook declared: “LaRouche defeated Lerner in the debate, but he lost the war.”

The “establishment” had determined that LaRouche was a “potential dangerous adversary” who would be blocked, at every turn, from changing the direction of American policy.

At the time of the debate, LaRouche had already sized up the implications of President Richard Nixon’s disastrous, politically and economically fatal decision to take the dollar off the gold-backed, fixed-exchange-rate monetary system that had been formed in 1944 at the Bretton Woods conference convened by President Franklin Roosevelt. LaRouche foresaw that the Nixon decision would bring on an epoch of financial instability, speculation, and, ultimately, the crash of the system itself.

It was the Bundy gang that assessed that LaRouche represented a revival of the traditional American System outlook, which they had all but eradicated from the national conscience. Years later, as LaRouche’s political impact broke through the walls of containment erected by Bundy et al.—by years of FBI “Cointelpro” harassment (and at least one officially acknowledged assassination plot, in 1973-74), and by a systematic smear campaign through the establishment media—Bundy acolyte Kissinger personally solicited an ille-

gal FBI “national security” program to shut down the LaRouche movement altogether. During this period, McGeorge Bundy’s son, Steven Bundy, provided *pro bono* legal representation to one of the leading “Get LaRouche” poison-pens, Dennis King.

London’s Wall Street

There is a deeper significance to the Bundy case, as well as to the profiles of McCloy and Stimson, which goes to the issue of the real history of the United States. During the Second World War, individuals such as McCloy, Stimson, Harvey Bundy (father of McGeorge and William), and Dean Acheson, were part of a British-steered factor in American life that was formally referred to by its major participants as the “British-American-Canadian” group. Kissinger described this group, in his May 10, 1982 speech before his superiors at the Royal Institute for International Affairs’ Chatham House in London, as more devoted to the outlook and policies of Winston Churchill than to those of Franklin Delano Roosevelt, whom Kissinger derided as a “moralistic American.”

Although Britain has shed the outward trappings of empire, the fact is that, today, what is now referred to as the “British-American-Commonwealth” (BAC) apparatus, is more powerful, in financial, economic, and political terms, than at any point since the era of Queen Victoria and her son, “The Prince of the Isles,” Edward Albert (King Edward VII).

One important component of that BAC power is Wall Street, which has been a hub of British treason against the

American Revolution and the American System since the founding of the Republic. Aaron Burr, the assassin of the first Treasury Secretary, Alexander Hamilton, embodied the British treason on Wall Street.

Burr, who fell one vote short of becoming President of the United States, was an agent of Jeremy Bentham and Lord Shelburne, America's leading British adversaries in the American Revolution. Shelburne ran the "Secret Committee" of the British East India Company and pioneered Britain's opium war policy. He nearly succeeded in wrecking the nascent United States by Anglo-American free-trade subversion, before the nation was saved at the Constitutional Convention in Philadelphia.

During the 19th century, City of London-Wall Street figure Martin Van Buren did become President of the United States, after running the Presidency of Andrew Jackson. August Belmont, the formal representative of the British Rothschild family interests on Wall Street, was, for decades, the head of the Democratic Party, from which position he played a pivotal role in launching the Southern secessionist drive to break up America's noble experiment.

In other words, Wall Street, throughout American history, has been an epicenter of British treason. In the World War II and postwar periods, the names Stimson, McCloy, and Bundy deserve the same "Made in the City of London" label as Burr, Van Buren, Belmont, et al. did earlier.

Real power centers

The power of the Wall Street crowd today is still widely misunderstood. From key positions in banking, academia, the media, and, especially, the legal profession, the leaders of "the liberal establishment" exert extraordinary power over our elected officials. Their real centers of power inside the government are not, however, as most people foolishly believe, in the CIA. Look instead at the Department of Justice, particularly the permanent bureaucracy, which is run, from outside the government, by Wall Street lawyers. Look at the "white shoe" bureaucrats of the State Department, whom FDR labeled as "more British than the British." Years ago, LaRouche referred to this Wall Street apparatus as "the real CIA."

This Wall Street component of the BAC complex is far from invincible. Just consider that it is the Wall Street establishment which has produced two generations of George Bushes who have stumbled and blundered their way across the American political stage.

To the extent that more and more citizens of this Republic, and nations around the world, come to understand this BAC phenomenon, and the idea that much of Wall Street serves at the beck and call of London, this leviathan can be soundly defeated, particularly as *their* post-Bretton Woods, would-be one-world system moves ever closer to the point of evaporation. Hence, *EIR's* continuing commitment to provide you with the necessary historical ammunition to help defeat this alien virus.

Book Review

How the Bundy family ruined America

by Stu Rosenblatt

The Color of Truth

by Kai Bird

New York, Simon & Schuster, 1998

496 pages, hardbound

Gray is the color of truth.

—McGeorge Bundy, May 1967 speech about Vietnam at the Cosmos Club, Washington, D.C.

Despite President Bill Clinton's generally good intentions, U.S. foreign policy, as steered by his so-called Principals Committee, is drifting in the direction of war. Following disastrous and senseless military operations against Iraq and Serbia, U.S. relations with Russia and China—two countries with which the President has sought a partnership—have run aground. Secessionist wars are raging in Russia's Northern Caucasus, in the volatile India-Pakistan border region of Kashmir, and in the Pacific archipelago. The British drive to extend NATO to the borders of Russia, coincident with an ambitious raw-materials grab by London-centered cartels in the Caspian Sea basin and Central Asia, are driving Russia to contemplate a new military doctrine based on the limited use of nuclear weapons.

The warning signs are all there. If current trends are not soon reversed, the United States and the world may be on an unstoppable path toward a nuclear war.

We are dangerously close to repeating, step by step, the mistakes made four decades ago, when we blundered into the Cuban Missile Crisis and the Vietnam War, this time with potentially more catastrophic consequences. Then, as now, we had a President, John F. Kennedy, who was personally opposed to such a war-vectored policy, but who was continuously undercut and betrayed by a crew of formal and informal "advisers" more loyal to Britain and to British geopolitical thinking than to their Commander in Chief.

If we are to avoid a repeat of the disasters and blunders of the past, we must break the vise-grip on American policymaking enjoyed by what Lyndon LaRouche has labelled the British-American-Commonwealth (BAC) cabal.

Kai Bird's *The Color of Truth* offers us a timely opportunity to take a fresh look at a painful period that generated the axiomatic changes in our national makeup that led us to the current disaster. Only by rooting out those false assumptions can we hope to replace them with more promising ideas, drawn from the rich tradition of the American System of political economy and diplomacy.

Four crucial moments

Bird's book is a useful overview of the actions of the brothers William and McGeorge Bundy, during the period of their strongest influence — 1950-75 — on American foreign and national security policy. This review examines four crucial moments in the Bundy boys' careers, which account for the dramatic shift in U.S. cultural and political values that has left us in crisis today:

1. the role of McGeorge Bundy in covering up the real story behind the atomic bombing of Hiroshima and Nagasaki;
2. the treacherous actions taken by McGeorge Bundy's National Security Council in nearly provoking a thermonuclear war during the Cuban Missile Crisis;
3. the central role played by Bundy and his accomplice, Robert Strange McNamara, in escalating the war in Vietnam; and
4. the role of McGeorge Bundy at the Ford Foundation, in launching the so-called anti-war movement and the drug-rock-sex counterculture.

Unlike Bird, we do not turn a blind eye to the determining role of the British oligarchy as the senior partner in shaping the outlook and actions of the Bundys and their collaborators. This fatal weakness in American historiography must be corrected immediately, or any chance for our nation's survival will be hopelessly compromised.

Both Bundys acted as thoroughly assimilated members of the British establishment. McGeorge Bundy's every move was shaped by such hard-core Anglophiles as H.G. Wells's acolyte Walter Lippmann, intelligence operative William Yandell Elliott, and Winston Churchill/Rothschild family agent Sir Isaiah Berlin. Bill Bundy, son-in-law of British admiral Dean Acheson, strode about the Defense and State departments in imitation of British foreign officers, even down to the garb.

The Bundys traced their origins back to the Tories who opposed the American Revolution and fought to undermine the early republic.¹

Hiroshima and Nagasaki: a criminal falsification

World War II ended with the militarily unjustified nuclear annihilation of Hiroshima and Nagasaki. As has been thor-

1. Anton Chaitkin, *Treason in America: From Aaron Burr to Averell Harriman*, 2nd edition (Washington, D.C.: Executive Intelligence Review, 1999).

oughly documented by LaRouche, Bird, and others, the Japanese were prepared to surrender as early as the spring of 1945, but the war was deliberately prolonged to ensure that the atomic bomb would be dropped on a civilian population, for strategic reasons. The British and their American henchmen, including Secretary of War Henry Stimson, wanted to terrorize the world into capitulating to a postwar form of world government.

President Franklin Roosevelt had envisioned a postwar world devoid of colonialism, an outlook totally at odds with that of his adversary, Winston Churchill, who wanted to restore the British Empire. With the malleable Harry Truman in the White House, the British sought to carry out Wells's perspective of a world terrorized by the threat of atomic bombing, submitting to their new world order — what Lippmann knew as Wells's "New Republic."

Once the bomb had been dropped, it was imperative that that criminal, needless action be defended as having legitimacy. The threat of nuclear attack and the will to launch were at the center of the new strategic doctrine. As LaRouche emphasized in "Congress Revisits the ABM Treaty" (*EIR*, Aug. 20, 1999), the issue was not nuclear weapons per se, but the implementation of a new strategic doctrine. "So, from Hiroshima onward, the hegemonic Anglo-American strategic doctrine, was the [Bertrand] Russell dogma of nuclear weapons, as nothing other than a scheme to establish world government under joint domination by London and London's Wall Street cronies," LaRouche wrote.

If the central falsehood, that the bombing of Hiroshima was militarily necessary, could not be maintained, then the whole scheme would unravel and, in fact, could be turned against its perpetrators. Therefore, the typical justifications offered included the following: Dropping the bomb obviated the need for a U.S. invasion of Japan, saved lives, and was carried out after careful consideration of all options.

The tissue of lies began to unravel after the war, when Pulitzer Prize-winning author John Hersey published an article in the *New Yorker* magazine in August 1946, simply entitled "Hiroshima." Its publication caused an immediate sensation, and the justification for having used the bomb was about to be broken.

Two major pieces were written to combat the breach: an essay by Henry Stimson, which appeared in *Harpers* magazine in January 1947, and Stimson's biography, *On Active Service in Peace and War*, which appeared one year later. Both works were scribbled in large measure by McGeorge Bundy, the 27-year-old son of Stimson's aide de camp, Harvey Bundy. The *Harpers* article followed an outline provided by Harvard president and atomic project insider James Conant. This work was also scripted by Harvey Bundy. The Bundys and the Stimsons were close family friends, and McGeorge was assigned the project.

Both works retailed the Big Lie. McGeorge Bundy knew that it had not been necessary to drop the bomb, that the Japanese were already suing for peace, that no land invasion



In these two photos printed in *The Color of Truth*, McGeorge Bundy lectures President Johnson at his farewell party in February 1966 (right), and Walt Rostow, William Bundy, Cyrus Vance, and Dwight Eisenhower are shown with President Johnson on April 18, 1968, shortly after he had decided not to seek reelection. Johnson, who had been continually bullied by the Bundys to stay in the war, faced a growing anti-war movement that was funded—by McGeorge Bundy.

of Japan was needed, and that the use of the atomic bomb had not been supported by leading military commanders. But, Bundy and company concocted, out of thin air, the fabrication that the bomb saved the lives of 1 million U.S. soldiers. This lie has been the standard now for more than 50 years.

The method of lying

In *The Color of Truth*, Kai Bird exposes the method of lying permeating the Bundy-Stimson collaboration as they concocted the “bomb saved lives” story: “In his ‘note of explanation and acknowledgment’ at the end of Stimson’s memoirs, Bundy provides a brief description of how the book was written. He states that Stimson’s ‘diary has been liberally quoted. . . .’ And yet, curiously, when his narrative comes to dealing with the decision to use the bomb against Japan, Bundy quotes from the diary very little. The omissions are so startling that one must conclude that Bundy and Stimson were intent on suppressing any suggestion in the memoirs that the bomb was used for any reasons other than military necessity” (p. 95).

The final proof of the deliberate invention of the Big Lie came 40 years later, from Bundy himself. The strategic direction had changed, and Bundy was now a leader of the “disarmament” faction in the establishment. In 1988, Bundy published *Danger and Survival: Choices about the Bomb in the First Fifty Years*, in which he grudgingly admitted the falsification: He defended the decision to use the bomb as “understandable,” but admitted that the motivation was political,

not military.

As Bird puts it: “A delay on the atomic bombing of Nagasaki ‘would have been relatively easy, and I think right.’ Regarding the undocumented casualty estimate of ‘over a million,’ Bundy writes that ‘defenders of the use of the bomb, Stimson among them, were not always careful about numbers of casualties expected. Revisionist scholars are on strong ground when they question flat assertions that the bomb saved a million lives’ ” (p. 97).

In 1985, Bundy laid bare the duplicity surrounding the decision to use the atomic bomb, in an interview on the MacNeil/Lehrer News Hour on the 40th anniversary of the bombing. “I am not disposed to criticize the use of the existence of the bomb to help to end the war, but it does seem to me, looking back on it, that there were opportunities for communication and warning available to the United States government which were not completely thought through by our government at that time. In July and early August 1945, the United States government knew three things that the Japanese government did not. One was that the bomb was coming into existence, had been successfully tested. One was that the United States government was prepared to allow the emperor to remain on his throne in Japan, and the third was that the Russians were coming into the war. And the question, it seems to me, that was not fully studied, fully presented to President Truman, was whether warning of the bomb and assurance on the emperor could not have been combined in a fashion which would have produced Japanese surrender without the use of

the bomb on a large city, with all the human consequences that followed” (pp. 97-98).

The issue here was not merely one of deceit, but, as LaRouche elaborated in “Congress Revisits the ABM Treaty,” the crucial idea was that “for reasons of state,” evil fairy tales are fabricated, and nations go to their doom defending these myths. In 1945, the United States could have pursued Franklin Roosevelt’s postwar vision of a world of republican nation-states collaborating for the pursuit of economic and political progress. That constellation of forces would have been anti-colonialist, especially anti-British, and would have constituted a return to the outlook of President John Quincy Adams and his philosophical heirs. Instead, we took the path of a return to the colonial outlook of the reorganized British Empire. That path was steered by Henry Stimson, Dean Acheson, John McCloy, and other leaders of the Anglophile U.S. foreign policy establishment.

BAC rite of passage

Harvey Bundy’s sons, were in effect, born into the BAC.² They were the postwar, “next generation” of British agents of influence who set the republic on a course toward a Russellite one-world government, technological stagnation—and the possible obliteration of the human race.

During 1948-60, McGeorge Bundy was passed from one BAC leader to another for polishing. He was already a nasty, impudent snob. One thing did stand out from his undergraduate days at Yale: Contrary to the traditional Anglophile profile, he majored not in government, but in mathematics. In

2. The American side of the BAC is composed of three interrelated groups: the Boston Brahman slave and opium traders, the Wall Street bankers and lawyers, and the Confederate planters and agrarian aristocracy. The Bundys hail from the Boston apparatus. McGeorge and Bill’s mother was a Putnam, who married into the Lowell family. As Anton Chaitkin recounts in *Treason in America*, the Lowells descend from the treasonous Judge John Lowell, a prominent Boston Tory, who aided and abetted the British during the American Revolution, joined the New England Secessionists and opium-smugglers in the early 19th century, and generally plotted to return America to British rule. The Lowells became a prominent pillar in the Boston aristocracy. As Bird cites the famous 1910 quip, “And this is good old Boston, / The home of the bean and the cod, / Where the Lowells talk to the Cabots, / And the Cabots talk only to God” (p. 27).

Harvey Bundy, Bill and McGeorge’s father, was of moderate means, but his marriage propelled him into the upper ranks of the BAC. He attended Yale, where he was a member of the Skull and Bones secret society, went through the Plattsburgh Training Camps, and eventually became chief aide to Henry Stimson. McGeorge and Bill followed the same road: Groton, Yale, Skull and Bones, World War II intelligence operations. Bill was stationed in England during the war as a director of the Ultra code-breaking operation, and McGeorge was also an intelligence operator. While in England, Bill became thoroughly assimilated, aping all that was British, down to the clothing of a “proper” British Empire man. Bill Bundy married arch-Anglophile Dean Acheson’s daughter, and McGeorge was all but raised at the feet of Stimson. He was quickly placed in the “right” social and political circles. Thus, with the Bundy entry to power, *Treason in America* comes full circle.

1948, Bundy worked for Walter Lippmann, a devotee of H.G. Wells who turned Bundy into an admirer of British free-market economics and 19th-century British social welfare policies.³

Lippmann brought Bundy into Thomas Dewey’s Presidential campaign later that year, where Bundy worked with Allen and John Foster Dulles in various dirty tricks operations against Harry Truman.

During 1949-60, Bundy was placed in Harvard University, first in the Government Department, and later, as Dean of the Faculty of Arts and Sciences. His original controller was avowed Anglophile William Yandell Elliott. As Dean of Harvard, Bundy built it into a major center for the intrusion of British geopolitics into American policymaking. Harvard became an Anglophile zoo, with such geopolitical fanatics as Samuel P. Huntington, Zbigniew Brzezinski, and Henry Kissinger all recruited by Bundy.⁴

During this period, Bundy was following Bertrand Russell’s lead, “reinventing” himself as a “ban the bomb” disarmament fanatic. Earlier, Russell had been a loud advocate of a preemptive nuclear attack on the Soviet Union. However, once Moscow had developed its own hydrogen bomb, Russell shifted to the nuclear disarmament/Mutually Assured Destruction track, launching outfits like the Pugwash Conference, and, later, Bundy’s own International Institute for Applied Systems Analysis, to facilitate the one-world agenda.

Bundy was deployed directly into the nascent arms control movement. In 1952, the Oppenheimer Panel on arms control met in Bundy’s living room in Cambridge, Massachusetts, with Bundy serving as rapporteur. Ironically, the committee was composed of many of the individuals who only years earlier had orchestrated the Hiroshima/Nagasaki bombing, including Robert Oppenheimer, Vannevar Bush, Allen Dulles, and Harvard President James Conant.

Bundy authored the concluding report of this group, which outlined the now-familiar litany urging “no first use” of nuclear weapons, nuclear test bans, and nuclear disarmament.

As part of his retooling, Bundy later deployed Kissinger

3. Ronald Steel, *Walter Lippmann and the American Century* (New Brunswick, N.J.: Transaction Publishers, 1998). Lippmann was a fawning admirer of H.G. Wells. He was an original member of the editorial board of the *New Republic*, a magazine launched to promote Wells’s utopian conception of an oligarchical order. The title of the magazine was lifted from Wells’s writings calling for the “men of the New Republic” to run civilization.

4. Two other things of note surround Bundy’s tenure at Harvard. First, he taught a much-ballyhooed class on “The Lessons of Munich,” in which he counterposed the tough, interventionist approach of Stimson to the softness of Chamberlain. He cited the incident *ad nauseam* while in the White House (as he escalated various crises), and would refer to this comparison for the rest of his life. Second, Bundy, Elliott, and Kissinger all served as FBI informants during the McCarthy witch-hunts of the early 1950s. Bird unearthed documents identifying these men, not as liberal defenders of free speech, but as thugs for the FBI throughout the era, intimidating faculty members, forcing lecturers to take various oaths, and, on several occasions, running faculty out of the school (p. 131).

from Harvard to New York to chair the New York Council on Foreign Relations panel on nuclear arms and disarmament, which issued all the findings and reports that led to the creation of the Arms Control and Disarmament bureaucracy inside the government.

Bundy and Kennedy

In the Kennedy administration (1961-63), Bundy served as chairman of the National Security Council (NSC). From that perch, he tried to sabotage every tendency on the part of President Kennedy to return the United States to the policies of FDR.

The administration was bitterly divided from the outset. The New Deal-FDR democrats included Arthur Schlesinger, John K. Galbraith, Arthur Goldberg, Orville Freeman, Chester Bowles, and others. They were at odds with the BAC group of Bundy, Robert McNamara, Dean Rusk, Douglas Dillon, and Allen Dulles.

Bundy's National Security Council became a center of BAC intrigue. He brought in many of his Harvard academic blowhards, including Carl Kaysen, Walt Rostow, Robert "Blowtorch" Komer, Marcus Raskin, Dave Klein, and Kissinger.

As National Security Adviser, Bundy aped the modus operandi of classic Venetian agents, alternating among flattery, manipulation, and brute force. Over the six years that he held the position, Bundy played the role of Iago—the manipulative courtier—to perfection.

While serving in the Kennedy and the Lyndon Johnson White House, Bundy was at the height of his prowess. He was the prototypical Boston elitist of Tory persuasion. He was known for his vicious, sardonic wit and compulsive, manic "decisiveness." He blundered his way from one fiasco to another.

The guiding principle in Bundy's operation was the witting destruction of the United States as a sovereign nation-state. Bundy, McNamara, and company operated within the assumptions of the Churchill-orchestrated Cold War, to destroy the United States and ruin relations with wartime allies France, Russia, and China.

The Cold War was typified by the British-created NATO apparatus, the "containment" doctrine of George Kennan, and the machinations of Bertrand Russell and the Pugwashers. The immediate purpose was to pit the Warsaw Pact against the NATO alliance in a confrontation of wills, induce them to destroy one another, and then be superseded by a world government modelled on the works of Wells and Russell.

Bundy, playing the role of both the Stimsonian hawk and the Oppenheimer arms-control advocate, was a pivotal figure in executing the entire operation.

The sabotage began in 1961 when Allen Dulles launched the militarily insane Bay of Pigs operation, and followed it

up with the equally lunatic Operation Mongoose. Mongoose was a massive, anti-Castro covert operation that assembled a collection of hit-men and black-bag specialists. (It anticipated the Iran-Contra apparatus of George Bush.) Bundy chaired the highly secretive Special Group Augmented (SGA), an interagency task force of State Department, CIA, and Defense Department personnel that carried out the clandestine campaign. The SGA was later revived as Bush's "Special Situation Group."

Bundy's response to the failure of the Bay of Pigs invasion was to escalate. He argued that the disaster occurred because they had not been pragmatic enough. He wrote Kennedy: "Cuba was a bad mistake. But it was not a disgrace and there were reasons for it. If we set our critics on the left and right against each other they would eat each other up, and we already know more about what went wrong and why than any of them. . . . Against our hopes and our responsibilities, Cuba is a nitpick—it must not throw us off-balance. . . . [Our true friends] now fear that because of Cuba we may turn back to cautious inactivity" (p. 200.).

And so, Bundy escalated, launching Operation Mongoose in earnest, and also stationing nuclear weapons in Turkey.

Falling into the British-designed psychological trap, Soviet General Secretary Nikita Khrushchov responded in kind, shipping nuclear missiles and parts to Cuba. What followed was the Cuban Missile Crisis, in which Russell attempted to personally mediate between Washington and Moscow.

Bundy, Cuba, and 'Apocalypse Then'

The Cuban Missile Crisis was the opening traumatic shock of the 1960s, the murder of the President was the second, and the Warren Commission cover-up of the conspiracy behind Kennedy's murder was the third. McGeorge Bundy was in the middle of it all.

In the early 1960s, the Cuban Missile Crisis was the first major shock directed against the American public and the world, with profound results. The world would appear to come within inches of nuclear annihilation, an entire generation would be forever scarred, and the United States would be radically restructured to reflect the brazen BAC power-grab over all major areas of policymaking.

It is necessary here to sketch the actions of McGeorge Bundy and his brother. During the entire incident, the worst roles were played by Bundy and his two mentors, Dean Acheson and John McCloy, both members of the orchestrating group, the Ex-Com (Executive Committee).

At the outset, President Kennedy was very cautious, and leaned toward a blockade of Cuba. Bundy argued instead for limited air strikes against Cuban missiles. On Oct. 17, Bundy flipped, and voted in the Ex-Com for the blockade. On Oct. 19, he flopped; under pressure from the Joint Chiefs of Staff, Bundy called for a massive air strike of 800 sorties against Cuban and Russian positions. William Bundy, then an Undersecretary of Defense, argued for the same. In the Ex-Com, the

air strikes were strenuously promoted by McCloy and Acheson.

Ultimately, Bundy and Acheson were outvoted, a blockade was initiated, and the world took a step back from the brink. Kennedy also flatly rejected Russell's offer to mediate.

In the aftermath of the affair, Secretary of Defense McNamara made a telltale observation: "There is no such thing as strategy, only crisis management" (p. 244). It has been precisely this kind of thinking that has characterized the disasters in American foreign policy ever since.

Once the crisis was over, McCloy reentered the picture as an arms-control negotiator, and several historic agreements were concluded with the Russians. The McCloy-Zorin accords shifted the world radically in the direction of arms control and disarmament, advancing the Russell-Wells-Pugwash agenda of world government.

The brink of nuclear war

Bird has unearthed a critical piece of the missile crisis picture, indicating Bundy's recklessness: "At the time Bundy and his colleagues believed that while the Soviets probably had not had the time to ship and mount nuclear warheads atop their missiles, they nevertheless had to assume that some warheads were present. Not until 1989-91 did scholars learn the facts: according to Soviet General of the Army Anatoli I. Gribkov, who helped to plan the 1962 Cuban operation, 36 nuclear warheads for medium-range missiles — and 158 tactical nuclear warheads — had made it to Cuba prior to the blockade. Gribkov also revealed that the Soviet commander in Cuba had been given discretionary authority to use the tactical nuclear weapons against any U.S. invasion force. This authorization was not withdrawn until Oct. 22, 1962 — the day President Kennedy revealed the existence of the missiles. And even then, according to Gribkov, a few days later the warheads for these tactical weapons were moved from storage and dispersed to Soviet combat units in preparation for the expected U.S. invasion. Obviously, in the heat of battles, they might well have been used even without direct authorization from Moscow."

Bird continued: "Bundy and McNamara were shocked at these revelations. They had also assumed that there were no more than 20,000 Soviet troops on the island; in fact, there were over 41,000. If Kennedy had ordered an air strike — which in all probability would have led to an invasion — U.S. troops might have been met on the beaches with tactical nuclear weapons. In this event, the odds that the crisis would have escalated to a full strategic nuclear exchange rise dramatically. Humanity should be extremely grateful that Kennedy did not accept the advice of Acheson, Nitze, the Joint Chiefs, and Bundy to take the missiles out with an air strike" (p. 245).

President Kennedy's refusal to go along with Bundy's missile crisis confrontation placed him in the cross-hairs of those in London who were most aggressively pushing the one-world Pugwash agenda.

Subsequently, in June 1963, Kennedy delivered a policy address at American University, in which he proclaimed that the United States would pursue a policy of "peace through strength" (a slogan later adopted by Ronald Reagan). Kennedy vowed that the United States would pursue a war-winning military doctrine (anathema to the Russellites), including the development of ballistic-missile defense, but would use the position of superiority to sue for an end of the Cold War and a new partnership with Moscow. Kennedy signalled that he was making a major turn, back to the policies of FDR. Five months later he was dead, the victim of a British assassination cabal.

The Color of Truth sheds no real light on Bundy's role, if any, in the November 1963 assassination of John Kennedy, but it does report on Bundy's curious behavior after the murder.

Bundy mourned only briefly; he was soon back at the White House, "serving" President Johnson. Bundy, a fervent promoter of covert actions of all types, blocked any investigation into the assassination. Indeed, as the President's body was being flown back to Washington from Dallas, Bundy was issuing official statements that Lee Harvey Oswald was the lone assassin.

The establishment ran the infamous Warren Commission, with two of Bundy's mentors, McCloy and Dulles, personally directing the cover-up.

Bundy's Vietnam War

The next "shock trauma" of the decade was the war in Vietnam, and again, McGeorge Bundy played a decisive, evil role in the matter. At all points, he (and his brother also) knew the war on the ground could not be won, and yet counselled escalation. Five issues stand out.

1. This war was a British colonial campaign, modelled almost explicitly on Lord Louis Mountbatten's operations in colonial Malaya from the end of World War II until 1958.

2. The war grew naturally out of the suicidal economic policies pursued domestically and internationally during the 1960s. Following the assassination of President Kennedy, the United States turned away from the kinds of investments in science and technology, typified by the Kennedy space program, and toward the Great Society social engineering programs of the Johnson administration. Bundy opposed industrial progress as the basis for U.S. policy, including foreign policy; only brutal colonial methods in pursuit of "Cold War aims" were to be tolerated.

3. The Vietnam War was a "surrogate war," fought not only against the Soviet Union, but also against China. This conformed to Britain's goal of preventing any American rapprochement with either of the two communist states.

4. Hence, all proposals by French President Charles de Gaulle to mediate the conflict in favor of an alternative set of

global alliances, pivoted on de Gaulle's emerging entente with Russia and China, were forbidden. De Gaulle's lobbying for a "neutralist" answer in Indochina was categorically rejected.

5. No military strategy for total war, in the tradition of Gen. Douglas MacArthur, would be tolerated; nor would there be a "just war" orientation, to winning the peace by rebuilding Indochina. This war was a very typically British "meatgrinder" conflict, modelled on the Boer War in colonial South Africa. Casualties would be high, diplomacy would replace traditional war-winning strategies, and the morale and fighting ability of the United States would be destroyed in the process.

Thus, the ultimate result of this military conflict would be the demoralization and destruction of the identity and purpose of the U.S. military and our nation as a whole. We would instead be grafted onto the decrepit remains of the British Empire. And, the door to the New Age "cultural revolution" of the 1970s would be opened.

The Color of Truth makes abundantly clear that both President Kennedy and his brother Robert rejected the idea of a protracted military intervention into Vietnam. President Kennedy was no peacenik, but he instinctively realized that the Vietnam conflict, even in 1961, was already a deadly trap.

Kennedy searches for an exit strategy

By 1963, Kennedy was looking for an exit strategy that would obviate the need for a U.S. ground war, and he was also seriously considering President de Gaulle's neutralist solution for Vietnam.⁵ Bird details this as follows:

"As [Roger] Hilsman, [Arthur] Schlesinger and others have related anecdotally, Kennedy had a strong aversion to Americanizing the war. He had, after all, repeatedly resisted sending combat troops, as opposed to 'advisers.' Recall that in the spring of 1962, Michael Forrestal [son of the former Defense Secretary and a staff member on Bundy's National Security Council] had noted in his memorandum of conversation with Kennedy and Harriman, 'The President observed generally that he wished us to be prepared to seize upon any favorable moment to reduce our involvement, recognizing that the moment might yet be some time away.'

"When Kenneth O'Donnell once asked Kennedy how he could withdraw the American forces, Kennedy said, 'Easy, put a government in there that will ask us to leave.' Robert Kennedy told Daniel Ellsberg in October 1967, 'Of course no one can know what my brother would have done in 1964 or 1965, but I do know he was determined not to send ground troops. He would rather do anything than that.' When Ellsberg pressed him, 'But was he prepared to see Saigon go communist?' Bobby replied, 'We would have fuzzed it up, the way we did in Laos.' When Ellsberg asked, 'What made your brother so smart?' Bobby suddenly flared and shouted, 'Be-

5. Mary Burdman, "De Gaulle, JFK, and Stopping War: A Lesson for Today," *EIR*, April 16, 1999.

cause we were there! We were there. We saw what happened to the French.' Indeed the Kennedy brothers had visited Vietnam together back in 1951 and had come away disillusioned with the French effort in Indochina" (pp. 259-60).

However, once Kennedy was conveniently out of the way, Bundy and McNamara escalated the conflict. Their guiding idea is really only touched upon in Bird's book: The model for Vietnam was not the French effort in Indochina, as has been many times alleged. Rather, it was the British effort, especially that of Lord Louis Mountbatten, in combatting the so-called "insurgency" in colonial Malaya. Forrestal outlined this in a 1964 memo. According to Bird:

"Everyone kept saying [in 1964 that] the war had to be won in the South, but Northern intervention might first have to be ended. A couple of weeks later Forrestal restated the position he and Bundy basically shared: 'As in most insurgency situations, South Vietnam is undergoing a kind of social revolution. At the same time, she is being attacked from the North. Therefore, we have had to learn not only how to defend against armed terrorism, but also how to effect fundamental changes in the political and economic structure of the country. This is a tall order, but the British experience in Malaya⁶ and the Philippine experience with the Huk rebellion has proven that it can be done, if outside intervention is controlled.'

"This two pronged strategy—interdicting the terrorism exported from the North while waging a social revolution in the South—would become Washington's policy in Vietnam for the remainder of Mac Bundy's tenure in the White House. The logic required additional Americans on the ground, ostensibly not in combat roles, but to wage the pacification effort

6. British policy in Malaya at the end of World War II became a model for counterinsurgency operations. During the war, the Malayan Communist Party (MCP), a largely indigenous Chinese entity nominally run by Chin Peng, was allied with the British government, to defeat Japan. After the war, rather than grant independence to the mineral-rich area, the British reasserted colonial control. In response, the MCP mounted a guerrilla insurgency, and the British moved quickly to crush it. Counterinsurgency measures were run directly by Churchill. First, the British created numerous "ethnic" political groupings and played them off one against the other. The British forcibly "resettled" the indigenous ethnic Chinese, so-called "squatters," who had been supporting the insurgents, ultimately relocating more than 500,000 people. Next, the British alternated between harsh social control measures and liberal political freedoms to turn the squatters against the MCP. The British recruited a core of indigenous Malays to prosecute the war against the MCP—a war which the British eventually won.

However, crucial elements of the Malaysia situation were different than that in Vietnam. The MCP and the squatters, both ethnic Chinese, were a minority of the population, and the rest of the population was gradually manipulated against the MCP. In Vietnam, where there were no major ethnic divisions to exploit, the population had already been politically united by Ho Chi Minh. Plus, the artificially divided Vietnam had a puppet government in the South, a superimposed oligarchical structure, and all of the negatives associated with the South Vietnamese experiment. Nevertheless, Bundy was determined to apply the lessons of Malaya, where the British had created strategic hamlets (i.e., the relocated squatters), had cordoned off the supply lines to the MCP, and had created indigenous political leadership inside Malaya.

that the South Vietnamese generals seemed incapable of winning” (p. 282).

This became the idea behind the escalated bombing of North Vietnam, the intentional bombing of Cambodia by Bundy-boy Kissinger in 1970, and the various “strategic hamlet” or “Vietnamization” idiocies imposed on the South Vietnamese puppet governments, to force them to take responsibility for conducting the war. This error in thinking, induced by fascination with British colonial operations, led to our national nightmare.

To achieve these ends, Bundy, McNamara, and, later, Kissinger, continuously escalated the war. Bundy authorized the assassinations of Ngo Dinh Diem, Ngo Dinh Nhu, and Duong Van Minh (Big Minh), all of whom sought, to one degree or another, to create a neutral Vietnam that could be reunited. In all probability, this would have ended the war—and thus, it was intolerable to the BAC Cold Warriors.

In 1964, Bundy’s National Security Council ran the covert operations that provoked the Gulf of Tonkin incident, which led to the U.S. bombing of North Vietnam. In January 1965, Bundy travelled to South Vietnam, and witnessed the attack on U.S. troops at Pleiku. He used the incident to bludgeon President Johnson into launching Operation Rolling Thunder, the sustained bombing campaign against the North.

Bundy needed only to whisper a few words into the ear of the President to get the desired results; Johnson admitted just before he died in 1973, that he had been terrorized by the knowledge that “we had a God-damned Murder, Inc.” operating directly out of the government’s national security structures.

At each branching point, it was Bundy and McNamara who escalated the war. They initiated the ground campaign and expanded its scope, and later launched the “pacification” programs that led to unspeakable slaughter and stiffened resistance from the population.

Economic underpinnings of the Vietnam disaster

The situation created by Bundy and McNamara contained within it a fatal paradox. In order for South Vietnam, an artificial creation, to stand on its own, to “win the hearts and minds” of the population, it needed to pursue economic and social policies in the self-interest of the nation. This was never allowed, and the disastrous economic policies contributed heavily to the failed military action.

In May 1964, Forrestal, Bundy’s assistant for Vietnam, recognized the dilemma. Bird writes: “The problem, Forrestal believed, was economic inequality and simple social justice. It was naive to expect that reform could occur by legal means ‘where the social and economic structure are frozen because of the power of the mandarins. . . .’

“ ‘What we are dealing with then,’ he wrote to McNaughton and Bundy, is ‘social revolution by illegal means, infected by the cancer of Communism. I have been told by people in our government that there is no time to reform South Vietnam.

We must win the war first, and then we can get on with the problem of social reform. You may have had something like this in mind yourself when you were talking about the “time fuses” today. I believed this too, until after the third or fourth trip to Vietnam. But the problems are not separable. The Viet Cong know this. It is why they are winning. To the extent we manage our economic assistance, our military action, and our political advice so as to perpetuate a social and economic structure which gave rise to the very problem we are fighting, we will fail to solve that problem’ ” (p. 280).

Bundy addressed this root issue of economic injustice only once, and cynically at that. As a “liberal free-market social welfare advocate,” i.e., an oligarch, he instinctively opposed all development of industry or infrastructure. He was the enemy of anything that even smelled of Roosevelt’s New Deal. But, in 1965, with domestic opposition to the war mounting, President Johnson began searching for a way to placate his liberal critics. He turned to Bundy for an initiative that could win them over.

Bundy decided to call for a large infrastructure development project for Vietnam that would be modelled on the New Deal’s Tennessee Valley Authority. This would appeal to the critics and give pause to the North Vietnamese, or so he hoped. He never intended to actually carry through on the project for the people of Vietnam.

On April 7, 1965, President Johnson delivered a speech in Baltimore drafted by Bundy which called for the creation of a Southeast Asia Development Corporation and a Mekong Valley Authority which would pump billions of dollars of aid into the region. Bird characterized Johnson’s initiative:

“Once the war was settled, North Vietnam would be invited to participate in this extension of the Great Society to Vietnam. He specifically proposed funding a major dam project for the Mekong Valley— ‘bigger and more imaginative than TVA; and a lot tougher to do’ ” (p. 315).

For Bundy, the sole purpose of floating such a development perspective was to buy time for the prosecution of the war, and appease liberal critics. In fact, only this economic development approach, had it been seriously implemented, could have ended the conflict peacefully. It would have superseded de Gaulle’s more limited vision of a neutralist group of nations. However, this approach contradicted Bundy’s British-modelled imperialist outlook and was never pursued; and so, the conflict escalated to its tragic conclusion.

De Gaulle, China, and geopolitics

Once the phony “infrastructure development” policy was dropped, there remained only two directions for U.S. policy in Vietnam in 1965: the British-sponsored, Bundy-crafted escalation, or the policy of de Gaulle, who called for an entente with Russia and China and “neutralist” governments in Indochina.

McGeorge Bundy at the National Security Council, and his brother William, by 1965 Assistant Secretary of State and the action officer on Vietnam, both viewed China as the main

enemy in the region. They despised de Gaulle, and believed his policy as wrecking U.S. foreign policy in Europe and Asia: De Gaulle threatened, as the Bundys saw it, to end the British geopolitical “divide and rule” doctrine that had pitted the United States against its World War II allies Russia and China.

Bird accurately characterizes William Bundy’s approach toward China in 1966: “Townsend Hoopes, who then had Bill’s old job as deputy assistant secretary of defense under John McNaughton, later wrote, ‘Bundy’s real convictions about the war remained to the end a carefully guarded enigma, but in the manner of a professional public servant he lent his considerable diplomatic and legal skills to the support and advocacy of the Rusk position.’ Rusk was obsessed with the lessons he had learned from the last war—Korea. He saw China as the ultimate strategic enemy, and in his view American troops in Vietnam were actually containing Chinese expansionism. His single greatest fear was that the Chinese might repeat their performance in Korea and suddenly dispatch hundreds of thousands of troops to fight alongside the North Vietnamese. The State Department’s leading China expert, Allen Whiting, repeatedly warned his colleagues that the Chinese were getting into the war” (p. 354).

Thus, all political weapons were aimed at de Gaulle, the chief proponent of a policy of entente with the Chinese and the sponsor of neutral governments throughout Southeast Asia, to end the grip of both the Cold War and British colonialism.

In late August 1963, one month before the Bundy coup toppled Diem, the neutralist alternative was a live option. De Gaulle invited all parties to the conflict, both the North and the South Vietnamese, to a peace conference in Paris, to “negotiate the reunification of Vietnam on the basis of a government of national unity and neutralism. If Kennedy had wanted it, the French President was offering the perfect vehicle for a graceful and honorable withdrawal. But Mac Bundy regarded de Gaulle’s proposal as an interference, a bald attempt by the French President to reinsinuate French influence over a former colony. In a memo to the President, Mac observed ‘. . . that we do best when we ignore Nosey Charlie.’ Bill Bundy called the proposal ‘impractical if not mischievous’ ” (p. 256).

In the spring of 1964, establishment insider and Washington columnist Walter Lippmann visited de Gaulle in Paris and returned with yet another overture for peace based on a neutralist formula. This time de Gaulle’s proposal had the backing of Sen. Mike Mansfield and administration confidant John Kenneth Galbraith.

Again Bundy killed the proposal, and gave Lippmann a dose of the Bundy vitriol.

The ‘Wise Men’

Bundy was not speaking only for himself. Escalation in Vietnam was the hardened outlook of the most Anglophile Cold Warriors in the establishment, ironically dubbed the “Wise Men.” These were the protégés and sycophants of Teddy Roosevelt and Henry Stimson, i.e., the leaders of the American faction of the BAC power elite, who included John

J. McCloy, Dean Acheson, and Robert Lovett.

It was during this fight to kill any Franco-American cooperation, that McGeorge Bundy emerged as their leader. On July 8, 1965, Bundy convened a meeting of these men with President Johnson to bolster the case for further escalation in Vietnam. Johnson had been wavering, but, after a string of heavily weighted briefings, Bundy carried the day with the President. The cabal urged a massive increase in U.S. troop commitment in Vietnam. One crucial reason: to stop de Gaulle!

The key player in the sessions was Bundy’s in-law Dean Acheson,⁷ the staunchest proponent of British interests. After a long day of complaints from Johnson about the lack of support for his war, Bird reports that Acheson exploded:

“I blew my top and told him he [Johnson] was wholly right on Vietnam, that he had no choice except to press on, that explanations were not as important as successful action.’ This scolding emboldened the others in the room to join in. ‘With this lead my colleagues came thundering in like the charge of the Scots Greys at Waterloo. They were fine; Bob Lovett, usually cautious, was all out. . . . I think . . . we scored.’ Indeed, the next day, Mac Bundy reported to his aides, ‘The moustache [Acheson, whose trademark was the British General Kitchener mustache] was voluble’ ” (p. 338).

Bird continues, “Bill Bundy’s notes from one of the [Wise Men] meetings summed up the consensus. If Vietnam was lost to the communists, ‘De Gaulle would find many takers for his argument that the U.S. could not now be counted on to defend Europe.’ The war in Vietnam, in other words, was all about NATO’s credibility in Europe” (p. 338).

Any South Vietnamese leader who dared support the de Gaulle approach was summarily killed and his government overthrown. There would be no escape from the Bundy brothers’ prosecution of the war, which was modelled on any British operation: step function escalation, removal of all opposition, meatgrinder campaigns. As McGeorge Bundy said in 1965, he “would rather maintain our present commitment and ‘waffle through’ than withdraw. The country [United States] is in the mood to accept grim news” (p. 339).

Bundy spelled out his Churchillian outlook in a memo drafted two weeks before his departure from the White House. Bird describes how, in it he took issue with the Lippmann

7. The key player orchestrating the United States entry into the Indochina imbroglio was Dean Acheson, President Truman’s Secretary of State and the most overt Anglophile in U.S. State Department policymaking circles in the 1950s and ’60s. Acheson was the son of a British Army officer, who became an Anglican priest and was later bishop of Connecticut. Truman was repeatedly manipulated by Acheson, who drew up what became known as the Truman Doctrine to halt the “spread of communism” in Europe—under the aegis of Churchill’s Cold War. It was Acheson who drew the line, nominally against communism, but in fact in defense of British-French colonialism in Southeast Asia. In 1949, Secretary of State Acheson met with Indian Prime Minister Jawaharlal Nehru on Indochina. Nehru urged Acheson to support Vietnamese nationalist Ho Chi Minh, who had been sympathetic to the United States during World War II. Acheson rejected Nehru’s advice and threw U.S. support behind French puppet Bao Dai.



These pictures, printed in The Color of Truth, show William Bundy confronted by anti-war protesters—a movement which was funded by McGeorge Bundy at the Ford Foundation—in Philadelphia in 1971 (left), and a demonstration against McGeorge Bundy’s plans to decentralize New York City schools. Lyndon LaRouche denounced McGeorge Bundy’s social engineering at that time, in a pamphlet entitled “The New Left, Local Control, and Fascism.”



thesis: “Contrary to Lippmann’s assumption that the United States didn’t belong in Southeast Asia, Bundy noted that ‘we have been the dominant power’ there for twenty years. ‘The truth is that in Southeast Asia we are stronger than China.’ The war’s casualties were terrible, but the ‘danger to one man’s life, as such, is not a worthy guide. . . . If the basic questions of interest, right, and power are answered, the casualties and costs are to be accepted’ ” (pp. 346-47).

However, in the same way that Bundy and company bullied Lyndon Johnson to go deeper into the quagmire, it was Bundy who made the turn toward withdrawal, with the same cabal in tow, three years later.

On March 20, 1968, the Wise Men met for the last time with Johnson, this time to alter course; not to leave Vietnam, but to shift toward increasing “Vietnamization” of the war. The entire conference was orchestrated by the Bundy brothers. Well in advance of the meeting, Bill Bundy brought each of the three “briefers,” who had been carefully selected to bamboozle the assembled VIPs, over to his father-in-law’s house in Georgetown, where they spent hours choreographing the whole affair.

The meeting itself was mere formality. Acheson, Clark Clifford (Bill Bundy’s old boss and confidant), and McGeorge Bundy ran roughshod over the beleaguered President, forcing him to back off from the war and decide not to seek reelection.

The stage was now set for a drastic turn, but this time in domestic policy: the introduction of a new cultural outlook,

something more insidious and more venal than even the war in Indochina. And again, McGeorge Bundy would be in the forefront.

Bundy, the Ford Foundation, and the New Left

As destructive as McGeorge Bundy was in the White House, his tenure at the Ford Foundation was even more corrosive.

Bundy was recruited to replace John J. McCloy as chairman of the Ford Foundation by McCloy himself. At the time, McCloy was the leader of the BAC oligarchs in the United States. Bundy’s deployment into the Foundation signalled his ascendancy in the BAC as well as the importance placed on the role of the Ford Foundation. This was the richest and most influential domestic institution of its type, and Bundy would remain in place for 13 years. In the process, he ushered in the New Age philosophy, whose influence has almost obliterated any memory the nation has left of its founding purpose.

The progressive, enervating shocks of the Cuban Missile Crisis, the assassination of the President, and the protracted conflict in Vietnam had devastated the psychological makeup of both the Baby-Boomer generation and their parents. The moment was ripe for Bundy’s new project: a cultural paradigm-shift whose purpose was to wreck America’s self-con-

ception. The nation would be transformed from one which believed in the principles of the sacredness of human life, the primacy of scientific and technological progress, and cultural optimism, into a degenerate adjunct of the decaying British Empire, which recast itself as the Commonwealth. The United States was to be fully assimilated into the BAC, and the Ford Foundation would play a central role.

In the 1970s, Rep. Wright Patman (D-Tex.), speaking from the floor of the House, charged that “the Ford Foundation [had] a grandiose design to bring vast political, economic, and social changes to the nation in the 1970s” (p. 386). Bundy replied to the charges, “Philanthropy is a very hard business. . . . It’s easy to give away pretty buildings to a nice place. But our social system needs a lot of change, a lot of renewal, which is our problem too, and that’s much harder” (p. 391).

Writes Bird: “As president of the Ford Foundation, Bundy had been promised that he could be his own boss. Charlie Wyzanski [a Warburg who tapped Bundy], McCloy, and other trustees had assured him that he would have the freedom to make mistakes. ‘They were eager for new ideas,’ Bundy said. ‘There was no unwillingness — as a conscious desire — to move into the hot firing line.’ And that’s what Bundy was eager to do. ‘He will be,’ remarked one Ford trustee a bit nervously, ‘a very stimulating influence’ ” (p. 377).

Bundy spent more than \$25 million in his 13-year tenure

at Ford, funding every “New Age,” radical environmentalist, zero-growth outfit to come down the pike. Bundy took a sledge hammer to our national identity. “Social engineering” was his clarion call.

Bundy’s first project was the creation of a public broadcasting network for television. Promoted as an alternative to the commercial networks, the Ford Foundation gave hundreds of millions of dollars over ten years to create the Corporation for Public Broadcasting, which funds the Public Broadcasting System (PBS). Bundy modelled it on the British Broadcasting Corp., and PBS became the vehicle for the invasion of decadent British “culture” into the United States.

We can thank McGeorge Bundy for the tasteless British sit-coms and fawning portrayals of the British aristocracy that inundate our airwaves, the “highbrow” alternative to the pop-cult decadence spewed out over the four commercial networks. PBS has also served to overwhelm the nation with British environmentalist propaganda.

The curious case of Isaiah Berlin

One of the earliest projects sponsored by Ford, and steered through personally by Bundy, involved the funding of an entire college at Oxford University in England.

One of Bundy’s first grants at Ford reflected his relationship with British pseudo-philosopher and intelligence agent Isaiah Berlin. In 1966, Bundy sponsored one of the largest grants of his tenure, \$4.5 million, to endow Wolfson College, a new branch of Oxford University. He did this on behalf of Berlin, a longtime associate dating back to at least Bundy’s days as Harvard dean.

The deal was brokered by a Bundy intimate, columnist Joseph Alsop, and was finally closed by an intervention of British Prime Minister Harold Wilson. Berlin had collaborated with Bundy and Alsop on and off for years, and was a participant at seminars convened during the Kennedy administration at Robert Kennedy’s home.

During the Vietnam War, Berlin, Alsop, Charles “Chip” Bohlen, and Bundy formed the core of the most adamant war hawks around President Johnson.

However, Berlin had a deeper history in British policy-making, and especially in intelligence circles. As the son of well-to-do Russian immigrants to England, Berlin was picked up while an Oxford undergraduate by the Rothschild family. In 1939, while lecturing at Oxford, Berlin was recruited by “Soviet spy,” British triple-agent Guy Burgess. Berlin was assigned to America and spent the entirety of the war at the British Embassy, spying on Americans. His job was to profile American anti-British sentiments and intervene to change them. His reports went directly to Churchill, and he was deployed throughout the United States to convince Americans of the intrinsic goodness of our erstwhile enemies, the British. Berlin went to union meetings and Jewish-American meetings to ply his goods, and sent back voluminous reports on everything he observed.

For previews and
information on
LaRouche publications:

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- Every week: transcript and audio of the latest **EIR Talks** radio interview.

<http://www.larouchepub.com>

e-mail: larouche@larouchepub.com

Following the war, he was courted by Lord Beaverbrook and British spy chief Arnold Toynbee for a career in Her Majesty's secret services. Berlin purportedly rejected the offers and chose a career in academia, along with informal participation in policymaking. He also ghost-wrote sections of Churchill's history of the British Empire.

In the 1950s, he was deployed to Harvard where he hooked up with Bundy and his circle. He periodically contributed articles to *Foreign Affairs*, the magazine of the New York Council on Foreign Relations, and authored short profiles on a variety of historical figures.

Thus, it was only natural that Berlin would turn to Bundy, his American counterpart in the BAC circles, to fund the new extension of British cultural warfare at Oxford.

Cultural paradigm-shift

All the Bundy projects at the Ford Foundation targetted the most deeply held principles of American life. Where Americans naturally supported large families, scientific and technological progress, and a rising standard of living, Bundy introduced radical Malthusian ideology into the culture. He provided substantial initial funding for the Population Council, which advocated radical population reduction and genocide in the underdeveloped nations.

He underwrote the attack on industry, launched by the nascent environmentalist movement. This included a \$400,000 grant to the Natural Resources Defense Council, to sue the Environmental Protection Agency for failing to enforce auto emission standards.

Bundy spawned the array of environmentalist and "public interest" legal outfits, including the Environmental Defense Fund and the Sierra Club Defense Fund.

The Ford Foundation became the leading financier of the British colonial counterinsurgency method, euphemistically called "community control."

The Ford Foundation's specific initiatives included bankrolling radical Black Power counter-operations to the Martin Luther King, Jr.-led civil rights movement, and it initiated the "local community control" operations to divert attention from the radical shift in the economy, out of industry and into what was later called the "post-industrial society" and "controlled disintegration."

At the height of Dr. King's civil rights efforts, Bundy dropped millions of dollars into the Congress of Racial Equality and other Black Power organizations, to break the power of King's Southern Christian Leadership Conference. Explains Bird: "Bundy was saying as explicitly as he could that there was room in America for black nationalism and indeed black power. The Ford Foundation would lend its resources to 'attacking' white prejudice wherever it was found. As to black power, Bundy promised, with a note of defiance, that 'the Ford Foundation will work with Negro leaders of good will and peaceful purpose without any anguished measurement of their position on the issue of a separated power of blackness

as against the continuing claim to integration' " (p. 382).

Bundy's Ford Foundation bankrolled degenerates such as beat poet Leroy Jones, who changed his name to Imamu Bakara and formed a Black Nationalist gang that imposed a reign of street terror on Newark, New Jersey, after that city's economy had already been decimated by the 1967 riots.

During the spring 1968 student strike at Columbia University, Bundy and the Ford Foundation secretly bankrolled the launching of the Weathermen terrorist organization. Ford financed a community group, the East Side Service Organization, headed by Tom Neumann, the nephew of Frankfurt School New Left ideologue Herbert Marcuse. Neumann passed those funds on to Weathermen leaders Mark Rudd and Bernadine Dohrn, who turned the Columbia strike into a mini-riot.

The Weathermen/Ford Foundation story does not appear in Bird's book. But, the Columbia incident marked the beginning of a 30-year battle between the Bundys and Lyndon LaRouche, who, in 1967, had already written a devastating exposé of Bundy's filthy Ford Foundation operations, titled "The New Left, Local Control, and Fascism."

Perhaps the most important experiment launched by Ford, and controlled personally by Bundy, was the destruction of public education in New York City. In the fall of 1966, Bundy chaired a city-wide panel on school decentralization, and he used this panel to impose a Vietnam-style "strategic hamlet" policy on the city. Using the Ford Foundation, Bundy directed \$334,000 into the Ocean Hill-Brownsville community school board. The board fired 19 teachers and the union responded with a prolonged city-wide strike that ripped apart the historic Black-Jewish alliance which had been key in the success of the civil rights movement.

This was also a direct assault on one of the most important unions in the country, and, at one blow, paved the way for the systematic destruction of organized labor and public education over the next three decades.

By the time Bundy retired from the Ford Foundation at the end of the 1970s, the United States was well on its way to becoming a post-industrial scrapheap, dominated by British geopolitical thinking at the top, and New Age lunacy in every pore of society. Bundy's Vietnam War had destroyed the American military; the anti-war movement he bankrolled via the Ford Foundation had spawned a drug-rock-sex counter-culture that has become the dominant culture of the nation. William Bundy had taken charge of *Foreign Affairs*, where he promoted the BAC agenda for the 1980s: "the controlled disintegration of the world economy," as part of its "1980s Project."

Bundy protégés, including Kissinger, Brzezinski, and Huntington, still stalk the corridors of power, peddling their policies of destruction. It's time for this poison to be purged from the American body politic. And to the extent that Kai Bird sheds light on the true Bundy legacy, his book serves a useful purpose.

LaRouche campaign heats up, as Gore's problems mount

by Debra Hanania-Freeman

On Nov. 1, 1999, Lyndon LaRouche became the first major Presidential candidate to file for the New Hampshire primary election. Because it is traditionally the nation's first primary, the New Hampshire election, scheduled to occur on Feb. 1, 2000, is a key focal point in U.S. Presidential politics.

A week earlier, LaRouche was also the first to file in Kansas, for that state's April 4 Democratic Party primary. Both Kansas and New Hampshire, along with a handful of other states, require only a filing fee to obtain ballot status. But, in many of the nation's large industrial and agricultural states—states where LaRouche's political base is concentrated—ballot status is only achieved by fulfilling steep petitioning requirements. During November, petitioning begins in Illinois, Nebraska, Tennessee, Rhode Island, Massachusetts, Vermont, New York, Indiana, Michigan, Maryland, Idaho, Oregon, and Mississippi. Eight additional states—Pennsylvania, Connecticut, New Jersey, Washington, Alabama, Wisconsin, New Mexico, and the District of Columbia—have petition periods that open in December or January. LaRouche has already qualified for Federal matching funds, and plans to have his name placed on the ballot in every state which has either a Democratic primary or caucus.

After filing LaRouche's nominating papers and filing fee at the Secretary of State's office in Concord, Roger Ham, the campaign's New Hampshire representative, spoke to the press. Ham discussed LaRouche's campaign initiatives, and cited LaRouche's promise one year ago, to "break Gore's claim to the Democratic nomination." Ham said that with that goal now clearly achieved, "the Republican Party is fissuring, and it is fair to ask whether any of the other candidates currently in the race—Democratic or Republican—will still be standing by the time of the nominating conventions."

Ham reiterated what has become a key theme of

LaRouche's drive for the year 2000 Democratic Presidential nomination, saying, "Now is the time to end politics as usual, and have a serious debate with the American people about the problems facing the nation and the world." He added that he was disgusted by CNN's arbitrary decision to bar LaRouche from participating in the so-called debate at Dartmouth the week before. Ham called the debate "nothing more than an exchange of sound bites that succeeded in putting the audience to sleep." He noted that "one thing Lyndon LaRouche has never been accused of being, is boring!"

'The wheel is still spinning, but the hamster is dead'

While LaRouche's representative was discussing how LaRouche's stated intent to dislodge Al Gore's alleged lock on the Democratic Party nomination had been achieved, Britain's Lord William Rees-Mogg, in a commentary printed the same day in the London *Times*, suggested that "Gore may yet be dumped by the Democrats in the Presidential race." Rees-Mogg commented on the state of Gore's campaign by quoting Washington columnist Jack Wheeler: "The wheel is still spinning, but the hamster is dead."

Although Rees-Mogg is not usually known for his insight, in this case, he is quite right. Gore became the object of ridicule in the first week of November, when it was revealed that he was paying feminist author Naomi Wolf \$15,000 a month to help "reinvent" Gore into a candidate who could capture the votes of Democratic women. According to *Time* magazine, "Gore was intent on hiding [Wolf's] presence on staff, going so far as to tunnel her paychecks through a consulting firm."

Wolf, who has based her advice on studies of dog packs, has told Gore that he is "a beta male," and that women like "alpha males," like President Clinton. Wolf writes, "The



A LaRouche campaign rally in Philadelphia, at a meeting of the National Association of Latino Elected Officials, June 19, 1999.

alpha male disciplines and leads other members of the pack, while beta males are subordinate and play a helpmate role.” Naomi Wolf insists, “Gore is the classic beta male and he must take on the ‘alpha male’ in the Oval Office [President Clinton] before the female public will see him as top dog.”

It seems, however, that Gore is a slow learner. At the Vice President’s annual Halloween Party, Gore came dressed as the cartoon character “Underdog,” while his wife Tipper dressed as “Polly Purebred.” The *Baltimore Sun* ran a photo of the costumed Gore with the caption, “Someone should tell him that Underdog was a beta.” An African-American radio host, quipped that Tipper’s choice of character reflected the couple’s racial views. According to the *Washington Post*, Gore’s new campaign manager, Donna Brazile, slashed Wolf’s fee to \$5,000 per month.

Gore on hotseat over DNC attacks on Voting Rights Act

Gore has more problems. According to Democratic National Committee circles, numerous members of the Party’s governing body are responding with shock and disgust as the full details of a raging legal battle become public, in which the DNC, through its attorney, John C. Keeney, Jr., submitted a plainly anti-civil-rights, implicitly pro-racist argument, which concluded with a call for nullification of the 1965 Voting Rights Act. These DNC members are holding Gore and the Washington office responsible for acting behind their backs (see *Documentation*).

Adding to Gore’s troubles, there is growing indication of a revolt against the AFL-CIO endorsement that he twisted

arms to obtain. Before the AFL-CIO convention was even over, the Teamsters, the United Auto Workers, and the American Federation of Government Employees all bolted, refusing to rubber-stamp the endorsement. By early November, a rank-and-file upsurge against the Gore endorsement resulted in the International Brotherhood of Electrical Workers, PACE, and United Mine Workers all announcing that they were not endorsing Gore’s candidacy.

A density of LaRouche campaign events

Meanwhile, following the October release of his high-impact video, “LaRouche Speaks to Labor,” featuring the candidate’s response to questions from a panel of labor and legislative leaders on Sept. 3, LaRouche engaged in an Internet dialogue with dozens of American labor leaders on Nov. 4.

LaRouche’s staff has also announced that since the international interest LaRouche’s Oct. 13 Internet press conference generated was so great, they decided to give the international community an opportunity to query LaRouche on his foreign policy views more thoroughly. So, on Nov. 9, at 2 p.m. EST, in an exchange that will be broadcast live on the Internet, LaRouche will become the first candidate for the U.S. Presidency in recent memory, to engage in a dialogue with representatives of other nations on what they can expect from a LaRouche administration. Another dialogue with the candidate, this time with civil rights leaders, will be broadcast on Nov. 23.

LaRouche’s campaign committee has also announced plans for two town meetings that will feature satellite hook-

ups — one on Dec. 4 in New York City, and one in Los Angeles on Dec. 11 — allowing thousands of ordinary citizens to engage in a direct dialogue with the Presidential candidate.

Documentation

Battle rages over DNC move to nullify Voting Rights Act

The following statement was issued by Lyndon LaRouche's Presidential campaign on Nov. 3:

A growing number of Democratic National Committee members from across the nation are responding with shock and disgust as the full details emerge of a raging legal battle, in which the DNC, through its attorney, John C. Keeney, Jr., submitted a plainly anti-civil-rights, implicitly pro-racist argument, which concluded with a call for nullification of the 1965 Voting Rights Act.

The argument was made in the course of a hearing on a DNC motion to dismiss a lawsuit brought by Democratic Presidential candidate Lyndon LaRouche, and Democratic voters from Virginia, Louisiana, Texas, and Arizona, before a three-judge panel in Federal District Court in Washington, D.C. on Aug. 16, 1999. The lawsuit, which was filed in 1996, charges that Donald Fowler, then-Chair of the DNC, violated the Voting Rights Act, when he ordered state Democratic parties to disregard the votes of thousands of Democrats in the 1996 Democratic Presidential primaries and caucuses, who cast their votes for Lyndon LaRouche.

The relevant core of Keeney's argument was based on an opinion authored by Supreme Court Justices Antonin Scalia and Clarence Thomas, in which they argued that national party rules were covered under the 1965 Voting Rights Act, but that the Act itself, which represents the crowning achievement of the civil rights movement, *should be declared unconstitutional*. According to court transcripts, Mr. Keeney argued, "The dissent [the Scalia/Thomas opinion] is going to put into question the constitutionality of the entire act. . . . We have four Justices who say the Voting Rights Act is unconstitutional to the extent that it reaches even state parties holding state party conventions in covered jurisdictions. . . . Your Honor, what I see is four Justices who are going to strike down the Voting Rights Act as unconstitutional if it's extended." (For fuller excerpts from the court transcript, see *EIR*, Nov. 5, 1999, also available at www.larouhecampaign.org.) Apparently, according to Democratic National Committee circles, numerous members are very upset by what Keeney, and some DNC officials, have done behind their backs.

In a statement released today, candidate LaRouche com-

mented, "The stink of racism in this action by Keeney is, unfortunately, consistent with the racism shown by Keeney's father, John C. (Jack) Keeney (Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice), a key figure in the racist campaigns which the permanent bureaucracy of the U.S. Department of Justice has been conducting against targeted African-American elected officials throughout recent years.

"Obviously it is up to both President Clinton and the relevant DNC members to effect a public repudiation of the frankly racist policy of Keeney and his culpable DNC clients. I would expect them to do so, publicly and promptly, simply as a matter of personal honor."

Endorsements

Theo W. Mitchell

The following statement was issued by Theo W. Mitchell, former Democratic candidate for Governor of South Carolina and former State Senator, on Oct. 29:

The need for new leadership in the United States has never been more critical than now; the self-centered "Good Ole Boys" who have been bought by greedy and evil people prevails unchallenged by those entrusted by the public and therefore has sold the United States of America to the highest bidders. Today, America is for sale!

Even I, let alone the founders of this great nation, never envisioned that greed, arrogance, and vile and vicious people would make toilet paper of the Constitution of the United States of America, and that only the privileged few rich boys would control the destiny of countless millions over the globe and destroy the nation in millennium 2000.

The only one who has paid his/her dues to lead us back to a sane, fair, and God-fearing society has been a sacrificial lamb because of his views and predictions and prognostications, which have been true. He has been railroaded by his government and set up for destruction by his government, among other unconstitutional and ungodly acts to silence him. He has been limited in his access to those whose ideas, goals, dreams, and aspirations for a fair, just, and equitable New World Order are shared, but he has never been silent on the remedy, as well as the cause, of the deepening and widening rift in this great nation. Of all the people offering for President of the United States of America, only one can refocus the nation on the proper and morally correct and fair path for its citizens and the rest of the world, Lyndon H. LaRouche, Jr., whom I endorse for President of the United States of America.

Respectfully submitted,
Theo W. Mitchell

Prof. Ernst Florian Winter

Professor Winter, a distinguished veteran of world diplomacy and former director of the Diplomatic Academy in Vienna, Austria, released the following endorsement on Nov. 5, titled "Mr. Lyndon LaRouche for U.S. President. An interview with Professor Winter appeared in EIR, Sept. 3, 1999.

The American people have countless friends over here in Europe. We appreciate the recent help by Americans to rebuild a badly victimized continent. We appreciate their interest in current developments in Europe, inspired by the example of the founding of the United States of America.

However, many of us friends are also increasingly concerned and worried about developments in the U.S.A. Can current global policies and actions of the U.S. government really promote peace and help continue to develop economic prosperity worldwide? History has taught us that all attempts to force a "one world" on its inhabitants were destined to fail. A "unipolar" world can only be maintained for a short period of time by military might alone, provoking today universal armament, eventually leading to wars. A multipolar world requires diplomacy and needs economic development for its peaceful success.

Americans are going to elect a new President. Many of us friends think that this new man will have to display a high degree of personal integrity, set on the conviction that mankind is created in the image and likeness of a transcendent God; command a vast knowledge in politics, economics, science and culture. The next President must be able to gain the confidence of friends and enemies. He will have to work towards the moral rearmament of the entire nation, so that America can rededicate itself to the high moral standards admired by the whole world, and which made America great!

Many of us friendly observers have met such a man and heard him talk very positively about the America he loves. There is such a Presidential candidate in Lyndon LaRouche. He has the habits of a Renaissance man. He is a much respected, worldwide known economist, whose economic predictions over the past years proved flawless. He is personally liked by statesmen in many countries, because of his brilliance and affable habits. Above all, he believes in the virtues of the American way of life being able to overcome its darker sides.

As one who has been involved in international diplomacy since 1960, I commend to the attention of American voters to familiarize themselves with the candidate Lyndon LaRouche, and, if found worthy, to elect him to the Presidency of the United States of America.

LaRouche in dialogue with labor movement

The following are excerpts from Lyndon LaRouche's Nov. 4 live campaign webcast with members of the U.S. labor movement. LaRouche spoke by telephone from Germany. The full transcript will be published in the Nov. 15 issue of the weekly newspaper New Federalist and is available on the campaign website (www.larouchecampaign.org). The moderator is Debra Hanania-Freeman. We begin with the candidate's opening statement.

LaRouche: There are several constituencies which must come together. We used to have farmers, but they're almost wiped out. We have labor. We have African-Americans. We have Hispanic-Americans. We have senior citizens. And we have concerned professionals as well, in significant numbers.

The power in this country has to be taken away from the machines which run in cooperation with Wall Street and the news media. The country has got to be taken back from election campaigns controlled by money. Election campaigns' money is supposed to go to mobilize voters for national interests. We don't need the news media, to mobilize voters, if we have these constituencies together, and the natural leaders, organic leaders, of these constituencies, working together. We can turn out the vote, whatever the news media says.

So, let's stop giving in, to a so-called system which takes the power away from the people, and gives it to those who manage so-called public opinion. And that's what I think my purpose is right now, in addressing any questions you have to throw at me.

Freeman: Ladies and gentlemen, if you have questions for Mr. LaRouche, this is the time to ask them. Why don't we start with the southeastern portion of the United States? If anyone from the Southeast has a question, please identify your union and your state, and ask it.

Rudy Feagin: I'm with the UAW local 5841, in Waynesboro, South Carolina, and I would certainly like to ask Mr. LaRouche, with all the anti-labor, especially created by the National Right to Work Committee, if there's anything we can do to curb some of this? Thank you.

LaRouche: Well, I think what we have to do, is we have to get a concept of what kind of politics we're going to run.

My conception is, that the precedent which many people remember directly, or indirectly, on which most of us can agree, is the fact that whatever criticisms we have of Franklin Roosevelt as President, he led the country out of the worst

aspect of a Great Depression, and led us through the wartime period.

So, what we have to do is emphasize what Roosevelt emphasized in his fight with Wall Street, back in the 1930s, in particular.

Roosevelt, as you remember, had a constant fight over the issue of the General Welfare. And Wall Street was screaming that the General Welfare doesn't mean anything, it's just a bunch of words in the Preamble of the Constitution. Roosevelt thought differently. So do I.

The problem today, is that those who want to impose right-to-work legislation, and similar kinds of anti-labor measures, anti-African-American, anti-Hispanic, anti-medical, and so forth—those who want to do these, are people who are opposed to the concept of the General Welfare. *We have to get ourselves together as power*, and insist, together with the memory of Roosevelt, that the dedication of this country to be a republic governed by the commitment to the General Welfare, is the basis for this republic, and there's no other kind of law, no other kind of politics we should put up with as voters. . . .

Ken Rice: I am secretary-treasurer emeritus of the New York State building trades. . . .

My question would be: When are we going to see you here as a *physical person*, so we can start putting a lot more weight behind you? People like to see the *person*.

LaRouche: Well, they will. I'm dealing with this.

But let me just say what my policy is on the campaign.

Remember, that we had two Presidents at the end of the last century, and in this century, who were anti-Wall Street Presidents. One was McKinley, who was shot, bringing in Teddy Roosevelt, which was a disaster. The second was Harding. And both of these men, campaigning for President, campaigned essentially from the front porch, especially McKinley, who had train-loads of voters coming down to McKinley's front porch, from Cleveland and other places, organized by Mark Hanna, at that time.

If we see that pressing the flesh, and these kinds of tribal dances that we do in election campaigns, haven't worked—we have not gotten the candidates we need. The voters have not been able to select the right candidates, or the right policies on many issues. Because they've counted upon the sideshow, carnival effect of the pressing the flesh, the sideshow of the oompah bands passing through the town, or something equivalent, instead of dealing with the question of the ideas.



An 18-wheeler on cross-country tour promotes LaRouche's "Triple Curve" graph, showing the hyperbolic increase of speculative financial paper and money, as the physical economy goes crashing.

What a voter should want to see—and I would hope I could persuade them of it—is they should look into the *mind* of the candidate, eh? Not just listen to the words, don't listen to the slogans, don't listen to the oompah bands, don't talk about what he looks like. Concentrate on what is the mind that's inside that candidate. Is that a mind that has concepts we want? Is that a mind that can be trusted, once in office?

Now, that's where I'm putting the emphasis.

The other thing is a mechanical problem, that in order to run an election, particularly without the consent of the leading news media, you have to get to people like you, the organic leaders of constituencies throughout the country. And you have to discuss with them, not slogans, but ideas, concepts—where do we stand, what are we going to do about it? And it's through the organic leaders, and the people around them, and bringing them together, as fast as possible, in a matter of weeks and months, because the primary elections are coming up fast. Between the first of February into March, you're going to have a big slug of them. And in that period of time, we have to reach the better part of over 200 million adult Americans. Well, you can't do that by pressing the flesh.

I shall make appearances, and I intend to make a few, especially very special ones, with constituencies, with local constituencies, and national constituency representatives, where we can talk about ideas, not bite-sized slogans back and forth. I'm going to do something. But my concentration is, to use the Internet and other means, electronic means, to get directly, to talk with, directly, as many organic leaders of organizations, particularly the ones which we know are our national constituency, now, quick. And get a movement going.

And it depends not just on me as a candidate. It depends on *you guys*, and others, to pull this together, so we have a national machine, to go in there, and regardless of what the news media says, or what the polls say, we're going to take the election. That's the way we're going to go at it.

But, as I say, I agree with you in the sentiment. I want to meet as many people as possible, as soon as possible. And I'll be doing something about that. . . .

Mel Logan: I'm from Wyoming, with the United Mine Workers, AFL-CIO. I live in one of the most conservative states in the United States, and here we have a lot of minimum-wage workers. The majority of our workers are minimum-wage workers. And they're all conservative, and vote Republican. They tend to believe that investment in education, or social security, or infrastructure, as an expense, is too much for us to pay for, rather than a security for the United States' future.

What can we do to educate those people who don't want to be educated?

LaRouche: Well, you know the history of Wyoming. Maybe many of the people on the call don't. But Wyoming was one of the areas which, under the conditions of the 1870s, 1880s, was targeted by the British, through Canada, for checkerboarding. Originally this involved mining rights, involved agricultural systems. So they had a system of checkerboarding the state, in order to ensure that these British investors, sometimes by way of Canada, would control that area. As a result of that, some of these people who maintain that tradition, from that time, have tried to keep the citizens of Wyoming, which is physically a beautiful state, with many advantages, natural advantages, to keep it as a place where you keep the ordinary people pretty much down, low to the ground, or close to the curbstone, if there is a curbstone.

Now, how do you deal with a situation like that? We've had situations like that in the world, parts of the United States, parts of the Deep South, for a long time. And under certain conditions, we were able to break that, break that chain, a chain of self-imposed submission to those kinds of conditions. And the way you do it, is generally, it happens only in a time of great crisis.

Now, we're on the verge of the greatest financial crisis in history. Don't let anybody kid you—it's coming. The question is—we can deal with crisis—is, can we *handle* it. But if we don't handle it, this is the worst financial crisis in all modern history, and the effects will be felt accordingly.

The shock of this crisis hitting, which will happen on Clinton's watch—it may happen before the year's out, it may happen early next year, but this crisis is going to hit, as I've said many times, like the Pearl Harbor bombing, the bomb that dropped. In those times, these people who think that they have to submit, like dutiful serfs, to their masters who run the territory, they're going to change their attitude, as many

people changed their attitude when they realized that World War II was actually on, at the time the Pearl Harbor bomb was dropped.

And that's the situation. So, my view of this, from a historical standpoint, as well as personal experience, is that: don't give up the fight. As long as the message is out there, and kept out there, when people are faced with a crisis, a great shock, *suddenly* the same people who seemed obdurate in *refusing* to see the immorality of their situation, suddenly change their mind. And if the ideas have been presented to them, if the leadership is presented to them, they'll rally to it. That's the way every great movement in history occurred. It was a sudden rallying of a mass of people, who got up out of the ditch, because they were hit by a crisis, they were hit by what they recognized as an opportunity, and they had some leadership to show them the way, and they would go that way.

And that's—every good thing, for changes for the better, in history, in modern history, in particular, has happened that way. Why shouldn't it happen in the state of Wyoming? . . .

Ken Rice: I just remembered one my brother-in-law asked me to ask: This was pertaining to the military. About 50% or 60% of the military people of the rank of sergeant and under, who are actually the grunts and the hard workers, their level of pay is well below the poverty level. As President, would you take a look at that, and bring those people up to where—if they're serving us, and they're defending our country, I think they should be paid properly?

LaRouche: Well, you do not want a Roman Legion of people who are killers, who are not thinkers.

This is an important point, so I'll try to summarize it very quickly. But in Germany, for example, under the influence of the famous founder of the German military system, who was a republican by the way, Scharnhorst, you had the institution of what's called *Auftragstaktik*, the mission orientation. And the idea was to develop the individual officer, and non-commissioned officer, to a very high level of quality of education and culture, so that, in combat—as you saw, one of the things the German army was best at, even under Hitler—as a relic of this, not because of Hitler—was the best fighting ability per capita of any army in the world. And that is because the junior officer, and the senior officers—not just the top ones—and the non-commissioned officers, were capable of continuing the mission under all kinds of circumstances. And that was because of the quality of education and development and training of the officers.

When you see what's going on today, with the military today, if I'm President, I want an officer corps, and a non-commissioned officer corps, especially, which is of that quality. The best quality in the world. The people who can take a mission orientation, and not make a mess of it, or not make a butchery of it. . . .

CIA will return some Stasi files to Germany

by Edward Spannaus

After years of requests from both the German government and German civil rights activists, the U.S. government has apparently agreed to return to the German government part of the information from the files of the communist East German secret service (the Stasi) which have been in the possession of the CIA since the early 1990s.

Until just recently, the CIA refused to even officially acknowledge that it had the files. But on Oct. 18, speaking at Georgetown University, CIA Director George Tenet responded to a question about the files by saying that the relationship with the German intelligence services is “enormously important” and “enormously productive for us.”

“We have already been sharing information in these Stasi files going back to 1994,” Tenet said. “We have promised the German government that we will provide them with as much information as is possible about all the German cases in these files, in a form that does not compromise sources and methods from our perspective.”

Only transcribed data

On Oct. 27, the *Washington Post*, citing unnamed U.S. and German intelligence officials, reported that the CIA has agreed to give to Germany copies of 320,000 files from the former East German intelligence service.

According to the *Washington Post* report, U.S. and German officials said that, starting in January, the CIA will turn over copies of a significant part of the archive which the CIA obtained through a covert operation in 1989. Germany will receive a master list of the 320,000 “identities”—the real names and code names of East and West German citizens in the files. However, the most sensitive files, those relating to foreigners who worked for the Stasi in the United States, Europe, the Middle East, Africa, and elsewhere, will not be turned over.

The *Washington Post* report is not entirely accurate, according to information provided to *EIR*. A knowledgeable source told *EIR* that the Germans will probably not get copies of the documents in the CIA’s possession, but rather, the data will be transcribed onto CD-ROM disks. Only if the data is unintelligible and cannot be deciphered, would a reproduction of the original documents be provided to the German government.

Appeal to Clinton

A year ago, prominent civil rights activists from former East Germany (German Democratic Republic, G.D.R.) sent an “Open Letter to President Clinton,” on the subject of the Stasi files, which was signed by nearly 1,900 citizens and civil rights activists.

The letter appealed to the U.S. President to help the Germans with determining the identities of former G.D.R. secret service units and agents who were put into crucial positions in East Germany where they remained after unification, and who are now destabilizing democracy in Germany’s eastern states.

“Up to this very day, for example, the domestic network of the Hauptverwaltung Aufklärung (HVA; Main Administration Reconnaissance) of the G.D.R. State Security Service, along with its some 10,000 agents, remains undisclosed,” the letter said. “Mostly before but even after the ‘turning point’ [Nov. 9, 1989], these agents were placed into crucial positions in both society and politics. These individuals are obstructing the establishment of democracy and a sound economy in east Germany.”

Earlier last year, in April 1998, the German magazine *Focus* had published an article entitled “‘Stringer’ for Uncle Sam. Bonn Shakes Up the U.S. Intelligence Service: Is the CIA Covering for Former Stasi Agents?”

Commenting on the *Focus* article, *EIR* founder Lyndon LaRouche urged President Clinton to cooperate with the Germans and to give back the Stasi files. LaRouche called the surreptitious obtaining of the files “a Bush operation,” referring to the time period in which it took place, and said that the United States should not continue to protect the identities of persons who acted as traitors to their country as Soviet and East German agents.

Cooperating with the German government, LaRouche said, “would go a long way to improving the strategic situation of the United States in respect to its relationship to Germany.”

In January of this year, a number of articles appeared in the British and German press, reporting that the CIA was about to return the Stasi files. But shortly after the first round, the *Washington Post* reported on Jan. 20 that the United States had no plans to return the files, and suggested that the CIA may have been using some of the former spies for its own purposes. Again in March, such reports reappeared, and again the *Washington Post* pooh-poohed the reports.

This time, it is the *Washington Post* which says the files will be returned, but the *Post* still don’t have it right: It seems that only certain transcribed data, and not the original materials, will be returned to the rightful owner.

On Oct. 28, Joachim Gauck, the federal commissioner in Germany for the Stasi records, spoke at a semi-private meeting in Washington, but he said he had no information on the latest reported developments concerning possible return of the files.

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Fall 1999

How To Save a Dying U.S.A.

Lyndon H. LaRouche, Jr.

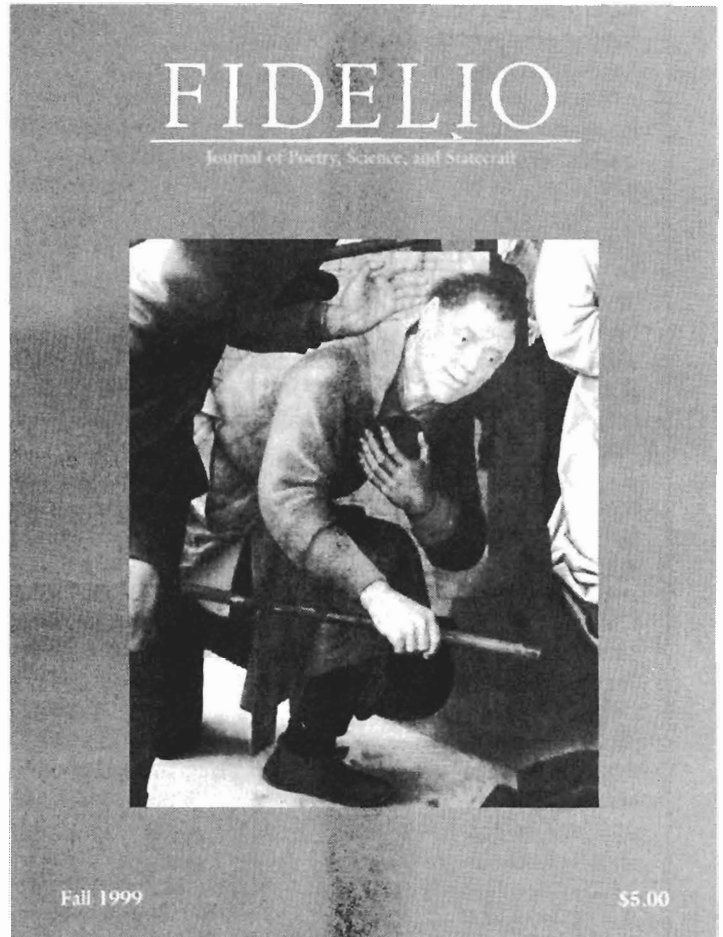
We have come into a time when the only basis for an optimistic outlook, is the fact, that history—and what we know of pre-history—shows us, beyond doubt, that there is something essentially good within human nature. Indeed, this is rightly recognized as a *divine spark of goodness*. . . . What you, the citizen, need to know, most urgently, is how most among your neighbors, each as an individual, must change his, or her own presently foolish opinions, and that radically, in order to help you make the much needed miracle possible now.

SYMPOSIUM

Alexander Pushkin, Russia's Poet of Universal Genius

A CELEBRATION OF THE 200TH ANNIVERSARY OF THE POET'S BIRTH

Helga Zepp LaRouche, Rachel B. Douglas, E.S. Lebedeva, V.V. Kozhinov



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Africa trade bill bogs down in partisanship

Senate consideration of the African Growth and Opportunity Act took a partisan turn on Oct. 27, when Majority Leader Trent Lott (R-Miss.) used a process known as “filling the amendment tree” to block consideration of any amendments he considers “non-germane.” He concluded the process by filing a cloture motion on his amendments. Lott told the Senate that he did not want the bill “to become a debate about farm policy, sanctions policy,” or any number of other issues, including raising the minimum wage, that Democrats might wish to raise.

Lott justified his action on the basis that the Senate had to move on the bill, but the cloture vote to cut off debate, which took place two days later, failed by a vote of 45-46. Finance Committee Chairman William V. Roth (R-Del.) said that the vote “represents a sad day for America,” because it sends the “wrong signal” to those who were “looking forward to this legislation as a means of beginning [to put] their country on a road to success and development.” Roth claimed that the bill, which includes several other trade measures, would have at least 75 votes if it gets to a vote.

In addition to the procedural difficulties, the bill faces formidable opposition from Ernest Hollings (R-S.C.), who plans to use every weapon in the parliamentary arsenal to prevent its passage. He took Lott to task for imposing “unsenatorial” procedures on the Senate. “I don’t think I should have to stand as a Senator . . . and beg another Senator permission to put up an amendment,” he said. “That is the most arrogance I have ever seen” in some 33 years in the Senate. Hollings said that, because free-trade supporters argue that it adds new jobs to the economy, raising the minimum wage is a relevant matter to bring to the de-

bate, since that has relevance to the welfare of American workers.

Lott and Minority Leader Tom Daschle (D-S.D.) wasted no time looking for a way out of the impasse. After a meeting on Nov. 1, Lott agreed to withdraw his amendments, and Daschle agreed to urge his colleagues to vote for cloture on Nov. 2.

Budget battle heads toward end-game

The tug-of-war between President Clinton and Congressional Republicans entered a new phase on Oct. 28, when the House took up a bill which combined a revised District of Columbia appropriations bill and one funding the Labor, Health and Human Services, and Education departments. Not only were Democrats angered by the 0.97% across-the-board cut in discretionary spending included in the bill, but they were also incensed by the fact that the Labor-HHS bill went to conference without ever being considered on the House floor.

Republicans justified the across-the-board cut by claiming that at least 1% of government spending is lost through fraud, waste, and abuse, and they expect the savings to come from there.

One irony is that the across-the-board cut kills almost \$3 billion of the extra \$4.5 billion that the GOP insisted on adding to Defense spending. Chairman of the Joint Chiefs of Staff Gen. Henry Shelton told the Senate Armed Services Committee the day before, that a 1% cut in the Defense budget could result in up to 50,000 layoffs. Randy “Duke” Cunningham (R-Calif.) suggested that Shelton “has no political spine,” because he is supporting President Clinton and the Democrats in the budget battle.

Democrats were no more friendly. Martin Frost (D-Tex.) said that the GOP has proposed the across-the-board cut “in order to make up for the fact that they cannot get their job done.” Minority Leader Richard Gephardt (D-Mo.) waved around yet another letter from the Congressional Budget Office, which says that the GOP has already spent \$17 billion of next year’s Social Security surplus, an assertion that the Republicans deny.

Just before the House took up the Labor-HHS bill, both the House and the Senate passed, and President Clinton signed, a third continuing resolution that funds government operations until Nov. 5. Eight of the 13 spending bills have now been signed into law. Office of Management and Budget Director Jack Lew has been travelling up to Capitol Hill two or three times a week seeking agreement on the remaining five.

Prueher nomination gets Senate hearing

On Oct. 28, the Senate Foreign Relations Committee held a hearing on the nomination of Adm. Joseph Prueher to be U.S. Ambassador to China. The hearing was notably less confrontational than one on U.S. China policy which committee chairman Jesse Helms (R-N.C.) used to “set the stage” for Prueher’s hearing. Witnesses included Rep. Chris Cox (R-Calif.), who demanded a more confrontational and geopolitical approach toward China, in contrast to the policy of engagement advocated by the Clinton administration.

Prueher, whose last post before retirement from the Navy was head of the U.S. Pacific Command, presented himself as a citizen-soldier ready to take on a difficult task. He said that the

U.S. relationship with China, "good, bad, or indifferent, is at the top or very close to the top of the international challenges" faced by the United States in the next century. He said that he "plans to try to help create foundations for long-term resolutions" to the many problems that exist between the two nations. He also referred a number of times to the tremendous physical economic challenges faced by the Chinese leadership in its drive to provide food, shelter, and decent living standards for its population.

Prueher was particularly effective at deflecting provocative questions from Helms on Taiwan, North Korea, and other issues. On Taiwan, Prueher emphasized the importance of peaceful dialogue. "Taiwan has always prospered when the U.S.-China relationship was on an upswing versus a downswing," he said. He also defended his contacts with Chinese military officials during his tenure as Commander in Chief-Pacific. Because such contacts were absent at the time of the Taiwan Strait crisis in 1996, "there was no way of trying to preempt or prevent, through military contact, miscalculation."

Senate panel dubious about NATO strategy

On Oct. 28, the Senate Armed Services Committee took up the issue of NATO's new strategic concept, as adopted during the NATO 50th anniversary summit last April. Former Secretary of State Lawrence Eagleburger preceded a number of Clinton administration witnesses.

The hearing revolved around whether the document produced at the April summit should be submitted to the Senate for ratification. Armed Services Committee Chairman John War-

ner (R-Va.) argued that it should be placed before the Senate because "it is such a radical departure from the original treaty." He added that NATO taking on non-collective defense missions outside of its territory raises issues related to the criteria used to decide which missions to take on, and, when such missions are taken on, what the impact is on forces dedicated to collective defense.

Eagleburger would not commit himself on whether the Senate should ratify the document, but he did say that "it is terribly important that everyone understand that if we are serious, it means some real changes in the way we do business and the way we think about the alliance."

On the other hand, Undersecretary of Defense for Policy Walter Slocombe argued that the strategic concept "does not change NATO's historic purpose as set forth in the Washington Treaty." He added that, because the threat of direct attack is much diminished since the end of the Cold War, "instability from neighboring regions, weapons of mass destruction, and terrorism are the most likely and potentially the most dangerous security problems we face." He concluded that, because the strategic concept is a policy document, not a legal one, it does not require Senate ratification.

'Pain relief' bill passed by House

On Oct. 27, the House plunged into the debate on Oregon's "Death with Dignity" act, by passing a bill which regulates the use of Federally controlled substances but leaves open the question of whether such Nazi practices should be tolerated. The main provision of the bill states that "allevi-

ating pain or discomfort . . . is a legitimate medical purpose for the dispensing, distributing, or administering of a controlled substance . . . even if such use may increase the risk of death." The bill then states that it does not authorize the intentional dispensing of any substance "for the purpose of causing death." It also contains a substantial section on "education and training for palliative care."

Opponents of the bill argued that it violates states' rights and intrudes on the doctor-patient relationship. John Conyers (D-Mich.) said that the bill represents "a new hypocrisy" by GOPers, because they claim to support states' rights but refuse to acknowledge state laws passed by referenda such as the Oregon assisted suicide law. Steve Rothman (D-N.J.) added that the debate is about whether the bill will intimidate doctors to the point that "they will not prescribe the pain medications" to their patients who need it.

Supporters argued that these fears are unfounded. Bart Stupak (D-Mich.) said that the bill does not establish any new Federal standard with respect to the Controlled Substances Act, but rather it forbids the use of controlled substances for the purpose of assisted suicide. Stupak explained that the bill does not repeal the Oregon law, but rather, prevents its use as a defense under Federal law. "There is no reason," he said, "why our tax dollars and our Federal law enforcement personnel must be drafted into assisting Oregon's dangerous experiment in assisted suicide."

While the bill passed the House by a vote of 271-156 and is expected to be taken up in the Senate next year, its future is uncertain. President Clinton has stated his opposition to assisted suicide, but he is reportedly concerned about enforcement issues and the states' rights issue.

Palestinian freed after illegal incarceration

Hany Kaireldeen, a Palestinian immigrant who was held for 18 months in a New Jersey jail on the basis of undisclosed "secret evidence," was freed on Oct. 22. A Federal judge had ruled that the use of secret evidence to detain immigrants violates the due process clause of the U.S. Constitution.

The FBI had claimed that Kaireldeen had hosted a terrorist meeting at his house in 1993, prior to the Feb. 26 World Trade Center bombing, with Nidal Ayyad, one of those convicted for the bombing. The Bureau also claimed that Kaireldeen had threatened the life of Attorney General Janet Reno. But the judge's ruling said that the government had made no effort to produce witnesses, either in public or *in camera*, to support its allegations, and that the FBI's unclassified summaries of evidence were "unreliable."

After first saying it would appeal, the government dropped the case.

The American Muslim Council announced that it would hold a press conference at the Capitol on Nov. 4, urging Congress to pass the "Secret Evidence Repeal Act of 1999," which would end the use of secret evidence in immigration cases. Reps. David Bonior (D-Mich.) and Tom Campbell (R-Calif.) were scheduled to speak, along with representatives of various Muslim and Arab organizations. There are now over 50 co-sponsors of the repeal bill.

Woolsey claims Clinton is 'appeasing' China

Former Director of Central Intelligence R. James Woolsey on Oct. 26 appeared before the House International Relations Committee, and accused the Clinton administration of pursuing a policy of appeasement toward China, which he likened to the way that Britain and France dealt with Adolf Hitler at Munich. "It is wrongheaded and dangerous," he said. The committee is chaired by China-

basher Rep. Ben Gilman (R-N.Y.).

Woolsey recently co-chaired a New York Council on Foreign Relations study group on Chinese governance in the 21st century, which stressed the need for changes in human rights policy.

After Woolsey's testimony, the House International Relations Committee approved, by a 32-6 vote, the Taiwan Security Enhancement Act, to promote U.S. training of Taiwan's military officers and to open lines of communication with the Taiwan military in times of crisis. The vote was intended to send a provocative signal to China that the United States would respond to aggression against Taiwan, and to bolster Taiwan President Lee Teng-Hui's "two Chinas" formula.

Gore's insult causes uproar in Moscow

Vice-President Al Gore gave an interview to the Associated Press on Oct. 19, in which he tried to clean up his own image with respect to the Russian money-laundering scandal, by putting the blame on Russian President Boris Yeltsin. Calling Yeltsin an "on-again, off-again" President, Gore said, "Yeltsin's episodic approach to the Presidency has not helped their ability to get on top of all these problems."

As *EIR* has reported, the mafiosi accused of money-laundering and other corruption in the Bank of New York (BONY) case, from former Prime Minister Viktor Chernomyrdin on down, are Gore's personal cronies (see *EIR*, Sept. 3, 1999).

On Oct. 24, Yeltsin's spokesman Dmitri Yakushkin went on Ekho Moskvy radio to protest that "if the respected U.S. Vice President Albert Gore did make a statement of this sort, I can say he has incorrect, I would even say distorted, information on this score." Yakushkin asserted that Yeltsin "feels well and, most importantly, controls the most crucial political decisions being made today." Duma (Parliament) Foreign Affairs Committee head Vladimir Lukin told Ekho Moskvy that if the U.S. Vice President "has only now established that our Pres-

ident's state of health leaves something to be desired, then I do not congratulate him or the agencies reporting to him."

Former Prime Minister Sergei Stepashin called Gore's words "a very harsh speech . . . against our President."

ORT television commentator Mikhail Leontyev was more acerbic: "Mr. Gore has already blown his election campaign to the Republicans. He is like an American Luzhkov, who has always been formally loyal to his boss Clinton, but now, obviously interested in discrediting him. And I don't doubt this will be a whole campaign."

An article in the daily *Kommersant* said, "On the eve of the Presidential elections, Gore needs to win back the positions undermined in the course of the BONY scandal, and for that reason, he intends to distance himself from the incumbent President as far as possible, ascribing all the real and supposed mistakes 'in the Russian direction' to him personally."

Clinton vows to help Nigeria with debt

Speaking at a joint press conference with Nigerian President Olusegun Obasanjo on Oct. 28, President Clinton promised to work to reduce the debt burden of Nigeria.

"A second concrete step we can take, as President Obasanjo has reminded us, is to help relieve the crushing debt burden that is making it so hard for developing nations to get on their feet," Clinton said. "It is neither morally right, nor economically sound, to say that young democracies like Nigeria, as they overcome the painful legacy of dictatorship or misrule, must choose between making interest payments on their debt and investing in the health and education of their children. As Nigeria undertakes its reforms, I will support generous debt rescheduling through the Paris Club, and encourage other countries to take further steps."

When questioned further on the issue, Clinton elaborated: "First of all, you must understand this is not a question for the United States only to resolve. I have a much more aggressive attitude, generally, on debt

DEFENSE SECRETARY William Cohen, visiting Israel on Oct. 26, told Israeli Prime Minister Ehud Barak and President Ezer Weizman that the Clinton administration would deliver on the promised \$1.6 billion aid to help implement the Wye peace accord. The U.S. Congress cut the funds out of the Foreign Operations Appropriations bill, which Clinton then vetoed. A compromise budget now has to be negotiated.

MADELEINE ALBRIGHT was one of the key figures, together with British Prime Minister Tony Blair and Foreign Secretary Robin Cook, in a “grotesque propaganda operation” to exaggerate the number of Kosovo Albanians killed by the Serbs, in order to justify the NATO war against Kosovo, said a British source who has investigated the killings.

HENRY KISSINGER will provide Disney studios with a “voice-over” for its upcoming production of “Henney-Penney.” He will be the voice of the sheriff who investigates the crime. Kissinger’s son has the franchise for selling Disney products to China.

CHASE MANHATTAN Bank is backing a \$500 million global resources fund being launched by Australian mining magnate “Diamond” Joe Gutnick, according to the Melbourne *Herald Sun* on Oct. 15. Gutnick is one of the main funders of the settlement movement in the Hebron area, which is sabotaging the Israeli-Palestinian peace process. The fund, to be called Capital Growth Resources Fund, will be based in the Cayman Islands tax haven.

ROBERT RUBIN, the former Treasury Secretary, has been named to serve as chairman of the Executive Committee of Citigroup, joining Sandy Weill and John Reed in a newly constituted three-person Office of the Chairman. He will participate in strategic managerial and operational matters of the company, but will have no “line responsibilities,” Citigroup said in a press release.

relief than many of my counterparts do in other parts of the world, although not all of them. There are others who agree with me. And I have a more aggressive attitude than some people in our Congress do, although I hope I can persuade them before we go home this year.

“Under the present framework, Nigeria is not eligible for total cancellation of debt because of its assets, its petroleum assets. As the President pointed out to me today, if you had a different measure, if you measured the real per-capita income of individual Nigerians, or some of the other social indicators like infant mortality—it would present, I think, a more accurate picture of what life in Nigeria is like today.

“Here is my view. Right now, we ought to get whatever relief we can, because you need to—even the rescheduling relief is worth something. It takes a burden off your back now, and gives you a chance to get some breathing room, and doesn’t raise the questions of creditworthiness—so that we can get more investment into Nigeria and more loans into Nigeria as well, if they’re necessary. . . .

“If you look at what’s happened to Nigeria’s oil resources, and what’s happened in the previous years, and what people are really living on, you could make a compelling case for more relief. And I think what we should do is take what we can get now and pocket it, and try to get some more investment in your country, and keep working to support the reforms that the President has outlined, and just keep working to get more relief as we go along. That’s what I think is the only realistic hope.”

CIA chief on secret trip to Israel, PNA

CIA director George Tenet arrived in Israel on Oct. 26 to meet secretly with Israeli and Palestinian leaders, according to the Israeli daily *Yediot Aharonot*. He reportedly was planning to meet Ephraim Halevy, the head of the Mossad, Israel’s foreign intelligence service; Amy Axalon, the head of the Shabak, Israel’s domestic intelligence service;

and Moshe Ya’alon, commander of Israel’s Central Command, which is responsible for the West Bank.

He also intended to travel to Gaza to meet Palestinian National Authority (PNA) President Yasser Arafat and the chiefs of the Palestinian Preventive Security Force, Jibril Rajoub and Muhammed Dahlan. The Israeli newspaper said that they would discuss security cooperation among the United States, Israel, and the Palestinian National Authority. Tenet would also discuss the shipment of weapons and communications equipment to the Palestinians and the opening of a CIA office in the Palestinian-controlled city of Ramallah.

EIR confronts pro-drug meeting in Washington

At a conference on “Drugs and Democracy” held on Oct. 29 by George Washington University’s Andean Studies program, the TransNational Institute of Amsterdam, and the Washington Office on Latin America, *EIR*’s Michele Steinberg created quite a stir when she held up a photo of New York Stock Exchange President Richard Grasso embracing Colombian narco-terrorist Raúl Reyes, the head of the FARC (published in *EIR*, Oct. 29). Steinberg asked the panel, which included Colombian Interior Minister Nestor Martínez, to explain what Grasso was doing there.

“You have told us here, and given the details, of how pathetic and pitiful the amount of international investment for infrastructure and technological development in Colombia has been,” she said. “Yet, here is the head of Wall Street, meeting with the FARC. It appears he is there to *sabotage* the efforts to stop the coca production, because he wants the narco-profits to come into Wall Street, and *not* because he wants to invest to help Colombia. Would the Minister, and Mr. Nyholm [from the UN’s project on ‘alternative development’ which is working with the FARC] comment on this?”

While the speakers did not directly address Wall Street’s role, several diplomats and academics came to her to ask for more information.

President Clinton must fire Albright!

Enough is enough! U.S. Secretary of State Madeleine Albright has demonstrated herself to be a public menace internationally, and must be removed from power by her boss, President William Clinton. In issuing an urgent demand that this be done, statesman Lyndon LaRouche said that the firing of Albright is the only way in which President Clinton can reassert the initiative in U.S. foreign policy, which, if it remains on its current track, is going to lead the United States, and the world, to a disaster beyond most people's imagination.

It shouldn't be hard for those who are aware of the dynamic in the world strategic situation, to understand the urgency of sacking Albright at this time. In every area of the world where tensions are increasing, the Secretary of State has done her part in stoking the fires, and in discrediting the United States. Acting as a member of the Principals' Committee in the United States, along with Al Gore and his cronies, and in concert with British Foreign Secretary Robin Cook, Albright has brought us to the point of strategic disaster.

A couple of specific cases exemplify how Albright's Brzezinski-ite arrogance has done severe damage.

- Take Kosovo. There, Albright worked with Cook to sabotage any possible political settlement, through actions in favor of the drug thugs in the Kosovo Liberation Army, and demands upon Serbia to give up its sovereignty, that were bound to ensure that no agreement would be reached. Her attitude helped sabotage cooperation with the Russians, and led to the prosecution of a war which had no redeeming benefits, but which has successfully strained relations between the United States and Russia, China, and other nations who correctly see the war as a blow to national sovereignty.

- The bombing of the Chinese Embassy in Belgrade is a related matter. This bombing was deliberate, as *EIR* emphasized at the time, and as has been again exposed recently. Given the undeclared nature of the NATO war, only the Secretary of State, collaborating with NATO Commander Gen. Wesley Clark, could have ordered the B-2 bomber attack on the Embassy. This provocation against the Chinese was a heavy blow

against President Clinton's policy of strategic partnership with China.

- Africa policy is another major area where Albright has carried out disastrous provocations. As has been underscored in recent press exposés, including one in the *New York Times*, Albright weighed in heavily in favor of bombing the Al-Shifa pharmaceutical plant in Khartoum, Sudan in August 1998, despite the fact that substantial information had been brought to the attention of the Clinton administration that there was not sufficient evidence to justify the claim that chemical weapons were being manufactured there. Albright also *refused* a Sudanese offer for the FBI to interrogate two suspects it had picked up after the bombing of the U.S. Embassies in Kenya and Tanzania.

The bombing of Sudan has boomeranged against the United States. The "evidence" Washington had was so weak, that it refused to put it before a UN Commission, and it backed down before the suit by the factory's owner.

And, on top of that, Albright has recently been running around Africa, putting her support behind warmonger John Garang in Sudan, and demanding draconian International Monetary Fund conditionalities for nations already devastated by poverty, AIDS, and war.

Everything that Albright has done dovetails precisely with the objectives of British imperial policy, and runs counter to that of President Clinton himself. Her arrogant demands upon Russia and China, and her support for riding roughshod over developing-sector nations, fly in the face of President Clinton's stated desire for partnerships and collaboration.

That is not surprising, of course, since Albright was brought into office in 1996 in a deal with Al Gore, and with the virtual embrace of Stone Age Republican Jesse Helms, who heads the Senate Foreign Relations Committee. She was intended to be a linchpin of the British-American-Commonwealth grouping's assault on the nation-state, and she has done her job.

Now, before it's too late to repair the damage, President Clinton should finally reassert his authority. Madeleine Albright has got to go!

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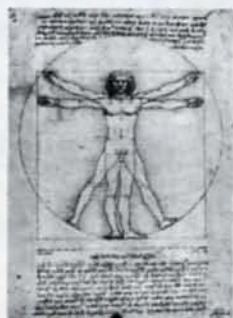
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