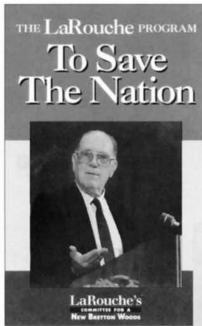


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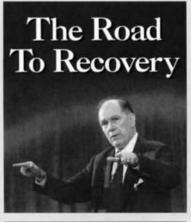
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### From the Associate Editor

Our foreign readers may find it flabbergasting, that American passions are currently being enflamed over whether the Confederate flag should be allowed to fly atop South Carolina's capitol building. Wasn't the question decided more than a hundred years ago, by the Civil War, during which more Americans died than in all other wars combined?

The issue now is the same as it was then: the dignity of man, *all* men. Yes, oligarchism was defeated on the battlefield, and the slaves were freed. But no sooner was the peace signed at Appomatox, than the British renewed their efforts to undermine the American republican ideal. With the assassination of Lincoln and the sabotage of his Reconstruction policy, the assassination of President McKinley and his replacement by Theodore Roosevelt, the re-emergence of the Ku Klux Klan under President Woodrow Wilson, British oligarchism strengthened its grip on the Union, as Lyndon LaRouche reports in our *Feature*.

But, as LaRouche elaborates in his Jan. 11 webcast (see *Economics*), Franklin D. Roosevelt broke with that evil trend. His fight with Winston Churchill over postwar policy toward the former colonies posed the fundamental issue of the dignity of man, once again. That issue is before us again today, in LaRouche's proposal for a New Bretton Woods System, taking up where Roosevelt left off.

The issue was raised by Dr. Martin Luther King's civil rights movement, whose victories are now being erased by the Dixiecrats in the Democratic Party—those who are seeking to exclude LaRouche from the Presidential race, and to nullify the 1965 Voting Rights Act.

South Carolina seceded from the United States in 1860, invoking a doctrine of states' rights. When George W. Bush refused to take a position on the Confederate flag question on Jan. 7, saying this was a matter for the people of South Carolina to decide, he was not "waffling," as some have said. He was *endorsing* the very argument upon which the Confederacy was based.

But, as Abraham Lincoln knew, that was never really the issue. The issue was, and remains, what Lincoln said at Gettysburg: "that these dead shall not have died in vain; that this nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people, shall not perish from the earth."

Susan Welsh

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## **PREconomics**

## 'Dollarization' will ensure Ecuador's disintegration

by Cynthia R. Rush

Against a backdrop of surging hyperinflation, mass strikes and protests, and a currency which plunged 18% in the first week of January, Ecuador President Jamil Mahuad went on national television on Jan. 9 and dramatically announced that he intends to "dollarize" the economy. That is, the U.S. dollar would become the national currency, replacing the now almost-worthless sucre.

Mahuad's decision to go with dollarization is a change from March 1999, when he rejected this as an option to deal with the crisis that erupted at that time. His announcement came just a few days after he declared a national emergency, in an attempt to deal with demands that he either resign, or take action to halt an explosion of hyperinflation, in which prices were changing almost hourly, wreaking economic and political havoc.

As Finance Minister Alberto Arizaga clarified a day later, amid general confusion as to the details of the plan, this alleged "stabilization" policy means that Ecuador would become like Panama, the only country in Ibero-America whose currency, which is called the balboa, is actually, and has been since 1904, the U.S. dollar. Ecuador would cease exercising sovereign control over credit issuance, throwing itself instead on the mercy of the U.S. Federal Reserve, which is itself bankrupt, and dollar banking system.

Along with the abdication of currency sovereignty, Mahuad, a technocrat who got his degree at Harvard University's business school, promises to impose a package of harsh new privatization, tax, and labor "reforms" long demanded by the International Monetary Fund (IMF). To get around the Constitution's stipulation that Ecuador have a national currency, he plans to implement the package in three stages over the next year, first pegging the sucre at 25,000 to dollar, and getting Congress to approve enactment of dollarization legislation within 30 days. The process would culminate in the elimination of the Central Bank as a generator of credit, and the complete replacement of the sucre with the dollar. Mahuad told the Central Bank's board of directors that, if they disagreed with the plan, they should resign; three of the five board members, including president Pablo Better, did just

Mahuad now claims to have the votes in Congress to ram through austerity measures, based on an alliance with the Roldosista Party of Abdalá Bucaram, the exiled former President, appropriately nicknamed "the madman," who was deposed in 1997 for advocating the same nation-wrecking policies Mahuad is now embracing.

### No local crisis

Contrary to assertions from London and Wall Street, Ecuador's crisis is not the result of "mismanagement," "rampant corruption," or failure to adopt "tough" IMF and other "modernizing" reforms. Like Pakistan, Ukraine, and many other countries, Ecuador is a victim of the global financial system's disintegration. A poor country of 12 million people, with pitifully limited infrastructure and the largest per-capita debt in Ibero-America, it has been battered by the sharp decline in prices for its major export commodities—it relies largely on revenue from the export of oil, bananas, shrimp, and cut flowers—as well as by the reduction in trade with countries hit by the global meltdown, and the shutdown of foreign credit lines. Ecuador's bankruptcy is also the result of creditor demands that production and living standards be cut to pay foreign obligations. On Jan. 7, Central Bank officials announced a \$7.4 billion gap between total debts due this year, and Ecuador's total combined public and private assets.

In March 1999, a foreign-led speculative assault on the sucre plunged the country into a severe banking and currency crisis. With the sucre devalued by almost 50%, the cost of repaying debt increased. Mahuad tried to compensate by doubling the price of gasoline and freezing half the nation's bank accounts, a de facto confiscation. Many of those accounts remain frozen today, although the government has promised to meet the March deadline for unfreezing them. By late September, Ecuador defaulted on the collateralized portion of its interest payments on its Brady bond debt, about \$50 million, because, as Mahuad said at the time, the country "cannot, and will not" pay.

### A change in policy?

During the March 1999 crisis, as Ecuador's Andean region neighbors nervously monitored events there, the Mahuad government toyed with the idea of adopting the British colonial mechanism of a currency board, or the variant of that adopted in April 1991 by the Menem government in Argentina, known as "convertibility."

An orthodox currency board, of the type peddled by Mont Pelerin Society fanatic Steve Hanke, pegs the local currency to a foreign one—the British pound in the days of the "Empah"—and prohibits credit generation or currency issuance unless it is 100% backed by reserves of that foreign currency. This model doesn't allow for a central bank; Hanke proposes instead that IMF and foreign banking officials comprise a board of directors which will determine local monetary and credit issuance policy. This model also demands imposition of harsh austerity. The Argentine model permits the existence of a central bank, but pegs the peso to the dollar *by law*, and demands that for each peso issued, there be a dollar in reserves to back it up. The central bank's role as "lender of last resort" is also eliminated.

Since April 1991, when the plan was introduced by President Carlos Menem and Finance Minister Domingo Cavallo, Argentina has been locked into the U.S. Federal Reserve system, with dire consequences. Convertibility put an end to Argentina's hyperinflation, for which it was praised internationally as a "miracle." But it subjected the country's physical economy to such vicious looting and financial speculation, while encouraging constant new indebtedness, that Argentina today also faces the threat of economic and physical disintegration.

Mahuad's consideration of convertibility, or even full dollarization, in March 1999, coincided with a campaign to promote these options internationally. In August 1998, Cavallo, an intimate of global speculator George Soros, revealed that he had been asked by Russian Deputy Prime Minister Boris Fyodorov to serve as an adviser to the Russian government on monetary policy, probably to include adoption of a currency board. Amidst great media hype, Cavallo travelled to Moscow, and was also reportedly hired by the Ukrainian government as a consultant. Argentine media reported in late September that Cavallo would also advise Brazil on some kind of currency board plan, and in early October, the egotistical Harvard grad also recommended that Mexico adopt a currency board.

Interviewed at the time by Argentina's *Página 12* newspaper, Hanke lamented, "I tried to sell" the convertibility idea

to the Russians in 1993, "but they didn't want to buy. The IMF said no." Hanke also tried to sell his currency board scheme to Indonesia in 1997, discussing the idea with President Suharto. But IMF Managing Director Michel Camdessus nixed the plan.

In September 1998, right after Cavallo's Russian adventure, Menem announced that he wanted to completely dollarize Argentina's economy, as the only way to eliminate any risk of currency devaluation and ensure low interest rates. The proposal set off a debate that was still going strong at the time of Ecuador's March 1999 crisis. On March 8, as Ecuador was reeling, Harvard University economics professor Robert J. Barro, in an article for the Wall Street Journal entitled "Let the Dollar Reign From Seattle to Santiago," praised Menem to the skies. On March 11, a group of Mexico's most powerful businessmen ambushed President Ernesto Zedillo in a private meeting, with a proposal to scrap the peso and dollarize Mexico's economy. In a press conference later, business leader Eugenio Clariond Reyes held up the example of Panama. "Previously, each country had to have a flag, a national anthem, and a currency, as a symbol of sovereignty . . . but now ... look at Panama," where the dollar is the real currency and the whole system "works very well."

### A suicidal strategy

Despite all the lobbying, the currency board or dollarization options never materialized, in Russia, Indonesia, Brazil, or Ecuador. The IMF was adamantly opposed, as was then-U.S. Treasury Secretary Robert Rubin, although Lawrence Summers, Treasury Undersecretary at the time, was more favorable to the idea.

But today things are different. The global financial crisis is that much further out of control, and Summers is now at Treasury's helm. In response to Mahuad's Jan. 9 announcement, the IMF's Camdessus coyly indicated that the Fund "doesn't oppose" dollarization, and on Jan. 11, State Department spokesman Jamie Rubin praised Mahuad's announcement as a "bold step" toward "far-reaching, fundamental changes to the financial system of Ecuador."

If the international financial oligarchy now intends to promote dollarization as a way to "stabilize" the crisis-wracked countries of Ibero-America or Asia, as these statements imply, the results will be far worse than the destabilizations unleashed so far by the global financial meltdown.

State Department support for Ecuador's dollarization proposal has had immediate, nasty results. In response to Mahuad's announcement of dollarization and privatization, Ecuador's national indigenous organization CONAIE, and the narco-terrorist-allied Patriotic Front, launched a "general uprising" on Jan. 12 aimed at overthrowing the government and establishing a "plurinational" state—effectively the breaking up of Ecuador into small ethnic tribes. Like the narco-terrorist insurgencies in the rest of the Andean region, which will be bolstered by this process, this is a real national security threat to the United States and the hemisphere.

## Financial collapse is near, observers say

## Danish daily *Politiken*, Jan. 12, article in Business Section by Steen Valgreen-Voigt.

The article is entitled "U.S.A.'s Economy on Financial 'Doping,' " with a kicker reading, "On credit. The American upswing is driven by consumer spending financed by loans, based on low-interest and explosively growing stock market prices. But the popular spreading of stocks makes the society's economy more vulnerable, if the stock market bubble bursts." It states that the world's economists are looking with more skepticism and concern at the "economic miracle" in the United States. Fewer now believe the theory that globalization and information technology can create inflation-free growth.

"The question is no longer whether the growth can continue. The question now is, what will happen when the bubble bursts, or, in the best case, the world can hope for a 'soft landing.' "Two Danish banks, Unibank and BG Bank, have recently made detailed analyses and come to the same conclusion. There is a link between the rising stock values and the consumer boom. Consumer spending has risen more than income

Although the 1987 crash didn't affect the real economy, now up to 50% of American families own stocks directly, or through mutual funds. Also, there is an increase in stock options as salary—now 10% of the American stock markets. Hence, a big decrease in stock prices will have a much greater effect than in the past.

There have also been warnings that the American stock market is overvalued and that what is developing is a bubble like that in Japan in the 1980s, which burst in 1990.

"It can continue awhile, but it is not sustainable in the long run. Our point is, that the economic development in the U.S., is, to a certain degree, based on financial 'doping.' It can take one to two years before the symptoms are seen, but that will only make the downturn harder," says Carsten Valgreen of BG Bank.

"One never knows which straw will break the camel's back, but break it will. When that happens, it will most probably have global consequences. It is seldom that the U.S. has a recession, without affecting the rest of the world," he said

In an accompanying article on Alan Greenspan, the same reporter writes that although Greenspan may be the most powerful banker on earth, the blind trust in him can boomerang. Because he intervened after the crises in 1987 and 1998, it is expected that next time, too, he will act as the man on the white horse. People active in the financial markets have taken more risks. Greenspan himself is worried that investor psychosis will topple the world economy, and that even the Fed has limited powers to bring an overvalued market back on the right track.

### Danish daily *Jyllands-Posten*, Jan. 12, by Kristoffer Brahm.

"The Trade of Hot Air" is the headline on an article on IT-stocks and the Internet stock market boom. "The expectations of the Internet companies' future have been set at a level experts think is hysterical. More and more people say, it is not a question *whether* the bubble will burst, but *when*. On the stock exchange in the first four days of the year . . . the Nasdaq fell almost 10%."

The article gives an example from a Danish Internet company, i-data, which has had only losses so far, and couldn't get its credit extended by the bank, but still could sell stocks for a half-billion crowns. The newspaper asked an investment adviser company, Linde Partners, to analyze the Internet stocks. They calculated the stock value and the earnings for nine big companies such as AOL, Yahoo, Internet Capital, and Amazon.com. The conclusion was that they had a stock value of \$453 billion and a profit of \$583 million in 1998. That's a price/earnings ratio of 779.

Linde Partners compared this to nine traditional companies with an equal stock value, companies like AT&T, Coca Cola, Disney, and Boeing. Here the p/e ratio was 30. Jorn Linde Andersen concluded: "These Internet companies are pure fantasy monsters. In my opinion it makes the U.S.A. of 1929 and the Japan of '89 pale in comparison." The article quoted Fed Chairman Alan Greenspan and others to warn people that, in their quest for quick riches, a few might make it, but the overwhelming majority will go broke.

### Konrad Seitz, former head of the German Foreign Ministry's policy planning department, and until last year, Germany's Ambassador to China, commentary in the German weekly *Die Zeit*, Jan. 4.

"Explosive debt growth and social disparity could lead to the sudden end" of the U.S. boom, states Seitz, who compares the present situation in the United States with Japan exactly 10 years ago. At that time, Tokyo was celebrating another all-time high of the Nikkei index, and Nomura, the world's largest securities house, was predicting a further doubling of the Nikkei by 1995. Japan had become the biggest industrial producer in the world, as well as the biggest financial power, and a shining model of how to run an economy.

Ten years later, similar enthusiasm is being expressed in respect to the U.S. economy. However, while Wall Street is dreaming of a never-ending stock market boom, an "explosive growth of disparity" is building up which "could bring the whole system down." In the 1980s and in the first half of the 1990s, all income gains were restricted to the upper 20% of

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the U.S. population. The recent turmoil at the World Trade Organization conference in Seattle could already be "the harbinger of a coming storm against the global capitalism of American style."

An even bigger threat to the new paradigm is the "gigantic financial disparities" in the United States. The "Greenspan boom" looks very similar to the Japanese "Heisei boom" of 1986-90. "In both cases, the economic boom was driven by a stock market boom going beyond all limits," says Seitz. "In relation to every traditional measure, the U.S. stock market today is overvalued by at least 50%." Following the bursting of the stock market bubble, the U.S. economy would sink into deflation and recession. Viewed from the outside, the unsustainability of the U.S. boom is obvious. The U.S. current account deficit in 1998 crossed the \$200 billion level. In 1999 it reached \$300 billion, and in 2000 it could go beyond the \$400 billion mark. After 1990, the "Japanese century" proved to be nothing but a shortlived "Fata Morgana." The same might happen to the illusion of an "American 21st century." Instead, the 21st century could start off as a "European century," headed by Germany, France, and Italy, and be transformed later into a "Chinese century."

## Robert Samuelson, Washington Post, Jan. 12, article entitled "The Nasdaq Casino: Place Your Bets."

Samuelson warns that that Nasdaq stock index is vastly overvalued. Nasdaq's surge was an increase in 1998 of 86%, following increases in the past three years: 1996, 23%; 1997, 22%; and 1998, 40%. He jokes that this must represent the fact that America has entered "an economic wonderland, where old investment rules have been rewritten or repealed." Were this not to have happened, "the Nasdaq explosion would be a speculative bubble, which will ultimately burst or deflate. Heresy. Perish the thought."

## Kenichi Ohmae, Japanese economist, former head of McKinsey Asia, interview with the German weekly *Der Spiegel*, Jan. 3.

"The worst is yet to come" for the Japanese economic/ financial system, Ohmae states. He rejects the assertion by *Spiegel*, that after the government has bailed out the banks and thereby "countered the danger of a worldwide financial crash," Japan's economy would now be improving. "Indeed, the government has spent 60 trillion yen [\$600 billion] of taxpayers' money to rescue rotten banks, which better should have gone bankrupt. And it has pumped far more than 100 trillion yen into the economy—if indirect measures are taken account, even double that amount."

However, problems have only been postponed. The government debt is getting out of control. And the recent rise of the Tokyo stock exchange is fully dependent on developments on Wall Street. "Once there is a crash on Wall Street, there will be also a crash in Tokyo." If there is a political vacuum in the United States after the elections in November 2000, Japan could push up its interest rates and this "could trigger a crash."

# Blair-Thatcher austerity is killing British population

by Mark Burdman

In a speech at year's end, made with the usual strange glint in his eye, British Prime Minister Tony Blair proclaimed that Britain would emerge in the 21st century as a "beacon" for the rest of the world. This boast, noted the British press, was central to a recently developed Blair political concept that he has dubbed "beaconology." Around the same time as this address was made, Blair and his hyperactive propaganda apparatus were proclaiming that the "Millennium Dome" in Greenwich, England, a garish extravaganza filled with ghoulish exhibits that cost more than \$1 billion to build, would be perceived throughout the world, in the days following its opening on Jan. 1, 2000, as a prime example of "British creativity."

But no sooner had the new millennium begun, than Blair's bubble quickly began to burst. The press was filled with articles and editorials giving thumbs down to the Millennium Dome, in words echoing the way one London source characterized it to EIR: "The greatest waste of money ever." One of the more incisive comments was that of senior commentator Simon Sebag-Montefiore, in the Jan. 8 London *Times*. He said that the "Blair Dome" was a cruder "illusory facade" than the notorious "Potemkin Village," created by the Russian Count Potemkin to impress the Empress Catherine the Great in the 18th century. At least Potemkin showed "imagination and finesse" in what he did, Sebag-Montefiore stressed, whereas Blair's Dome is a "drab, lifeless North Korean project." EIR has learned that traditionalists in the British Labour Party opposed to Blair's "New Labour" policies, have begun to call him "Kim Il-Tony," in reference to the late North Korean dictator.

### National Health Service dismantled

Developments in Britain in the new millennium have also brutally revealed that Britain, under Blair's guidance, is hardly a "beacon" for anybody or anything, but is rather a disgrace to the civilized world. The country's National Health Service (NHS), ripped to pieces by more than two decades of austerity imposed by Prime Ministers Margaret Thatcher and John Major, and most recently by Blair, has shown itself completely unable to cope with a flu epidemic that has gripped the country.

The resulting massive health crisis augurs badly for

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Blair's political future. A series of opinion polls taken in late 1999, and probably reliably representing the sentiment of the population, showed that the main issue on people's minds is declining health care, and the parlous state of the NHS. The NHS is the public health system which, in previous years, was often pointed to with pride, as the strongest and most durable feature of the British economic and social infrastructure, amid the rot and decay that characterized most of the Britain of recent decades. According to these surveys, Blair's priorities, such as intervening in sovereign nations for supposedly "humanitarian" reasons, are low on the list of popular concerns.

Concerns over health care are greatly increasing as the current flu-vectored crisis worsens, as horror stories emerge from most regions of Great Britain, and as the obvious contrast is drawn between Blair's willingness to throw money at insanities like the Millennium Dome or the war in Kosovo, while denying funds for crucial domestic matters of life and death. The rage in the population currently is probably even greater than it was following the Oct. 5, 1999 rail crash at London's Paddington Station, the which was also brought about by refusal to invest in, and savage austerity against, national infrastructure.

What is really being demonstrated on the health issue, is that the British monarchy and the relevant oligarchs who control Blair and his government, have the same genocidal contempt for the lives of their British subjects, particularly the elderly and frail and infirm, as they have toward the nonwhite peoples of Africa and Asia. Of course, the relevant authorities and powers cannot openly say that they want to eliminate such layers of British society, but what they are doing in practice, amounts to the same thing.

### **Brutal beyond belief**

From the period starting the last couple of weeks of 1999 up to mid-January 2000, an estimated 8 million or more people in Britain, almost one-sixth of the population, have been affected to varying degrees by influenza. It is being widely forecast in Britain, that the situation will worsen throughout the rest of January and into February.

Already, there have been a large number of cases (a precise estimate is not available as of this writing) in which sufferers have required emergency care in hospital intensive care units, because of such complications as viral or bacterial pneumonia. But in all of England and Wales, there are only 1,400 beds in intensive care units, and by early January, only a handful were available for emergencies. (For comparison, in Germany there are 28.6 intensive care beds per 100,000 population, while in Britain there are only 5!)

At the same time, there is little spare capacity in the NHS hospital system as a whole, because the average bed occupancy in "normal" times is more than 90%, whereas in 1970 it was 70%. This is only one indication of what has been brought about by the austerity implemented in Britain, under the successive Thatcher (1979-92), Major (1992-97), and Blair governments.

A Jan. 11 London *Times* item reported that the number of hospital beds in the NHS has been reduced by 22% since 1995—almost three of those years being ones that Blair's "New Labour" has been in power. According to the Times, the 1995 figure was already less than half the NHS beds in 1960. The London Observer noted on Oct. 9 that "London alone has lost 40% of its acute [care] beds since 1982, a figure that is reflected nationally."

The NHS Confederation, an association of managers representing NHS Trusts and Health Authorities around the U.K., has reported that in the past 10 years, hospital admissions have increased 33% while the number of beds have fallen 17%, and the workload of a qualified nurse is now 22% greater than it was in 1990. Stephen Thornton, Chief Executive Officer of the NHS Confederation, stated on Jan. 10: "There is no reason why hospitals should suffer like this because of a flu outbreak. Repeated efficiency drives have left the NHS without spare capacity for winter outbreaks" (emphasis added).

John Chisholm, the leader of General Practitioners in the British Medical Association, charged on Jan. 10: "There is an endemic problem, with lack of spare capacity, lack of resources, lack of beds and nurses and intensive care facilities to meet the needs of the population. . . . We need to learn the lessons from this crisis, and get more spare capacity in the system."

In an article entitled "Flu Epidemic Exposes NHS Crisis," the London Observer of Jan. 9 reported that the hospital bed shortage in Britain is primarily due to "efficiency savings." One health expert told the paper that the NHS "appears quite simply to have shrunk — shrunk too far to be able to cope with the predictable period when more people are likely to need its services." The paper noted that the "acute shortage of intensive-care beds" has created a situation where there are "even plans for some patients to be sent to France for treatment." The British press has noted that in France, which is also undergoing a very serious flu epidemic, the public health system is fully able to cope, and shows little signs of strain or crisis, because there are sufficient numbers of empty beds and emergency care available.

An unnamed health expert told the London *Guardian* on Jan. 10, that the situation in the NHS has become "brutal beyond belief."

### Horror stories

Horror stories abound from across the U.K. In one case brought to the attention of EIR by the wife of a regular EIR contact, her husband became ill with influenza during the last days of 1999. Early in the new year, his condition seriously worsened, with the flu virus entering his lungs, resulting in both viral and bacterial pneumonia. The wife drove him to several hospitals in his city, one of Britain's most populated and (relatively speaking) prosperous cities, but there were no vacancies. They eventually found a vacant bed in an intensive care unit, in a hospital almost 20 miles outside the city. This delay, plus the fact that the staff caring for him is terribly overworked, has contributed to making his situation even worse than the disease spread as such. As of this writing, the man, a leading British academic who has just reached the age of 70, is not given a high chance of survival by his doctors. He is unconscious, because he requires massive sedation so that tubes can be inserted into his bronchia.

Throughout Britain, those with serious conditions are being shunted aside in hospital emergency rooms and told to wait, because the priority is being given to the flu sufferers. Under these circumstances, sick non-flu sufferers are dying.

On Jan. 11, the World Health Organization condemned the flu-epidemic preparations in Britain as inadequate, and among the worst in Europe.

The mood in Britain has become so intense in reaction to such developments, that parliamentarians have had no choice but to respond in some fashion. On Jan. 10, there was an angry, albeit absurd confrontation in the House of Commons. Conservative Party Shadow Health Secretary Dr. Liam Fox declared: "How can it be that with the world's fifth-biggest economy, at the beginning of the 21st century, that something as predictable, as cyclical, and as common as flu, can cause the system to be breaking apart at the seams?" Health Secretary Alun Milburn retorted that it were unwise for the Tories to bring up the question of bed availability, since in their last 10 years in power (i.e., the Thatcher and Major governments), they eliminated 40,000 beds.

True to say, this is a case of Tweedledee and Tweedledum, because Blair and Thatcher-Major are all guilty of the crime, Blair perhaps even more so, because he has *chosen* to imitate Thatcher's disgusting legacy.

#### Eliminate northern Britain

What need be stressed, and what various of the above-cited sources are pointing to, is a very straightforward matter. Although no one can forecast the future with precision, it was obvious to any informed Briton before this winter that, based on recent years' experience, Britain sorely needed to upgrade basic health infrastructure and staffing to deal with an emergency. Last winter, when the spread of flu was much milder than at present, an estimated 3,000 people, most of them elderly, died from the flu or flu-linked complications. Already in the two winters (1997-98 and 1998-99) that Blair was Prime Minister, there were cases across the country where hospitals were so over-crowded that emergency patients had to be kept on trolleys for days on end awaiting treatment.

By its failure to "preemptively" invest in upgraded health infrastructure and staffing, the Blair regime is demonstrating that genocidal intent respecting its own population that we have previously referred to. This only adds to the case, for those who think that Britain may be one country requiring foreign intervention, to save its population from death and disaster.

That there is a genocidal mood erupting among the relevant elites, can be demonstrated by another curious development. It so happens, that the part of Britain where the flu epidemic is most virulent, is the north of the country, whose cities and towns are the kingdom's most economically devastated and deindustrialized. Coincidence or not, on Jan. 5, a report that had been funded and commissioned by the Blair government was released publicly, by Sheffield University's Center for Regional, Economic, and Social Research. Authored by one Ian Cole, the report's primary recommendation is that large areas of Britain's north be demolished!

Cole claimed that numerous parts of the northeast and northwest are "beyond redemption," because they are comprised of "older manufacturing cities" and "old coalfield communities," which have undergone 15 years of economic decline. Cole argued that there is "no point in going back to the time when [the population] was near to coal mines, shipyards, and other large industries, because they are gone forever." So, he advised, the relevant cities and/or towns should be basically torn to the ground. And, the populations should move to more "prosperous" areas.

Or, perhaps, simply die out? Such are the choices in Blair's British "beacon."

### LAROUCHE ON THE NEW BRETTON WOODS

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# Flu season reveals U.S. hospital crisis

by Marcia Merry Baker

What makes this year's influenza "season" so severe in the United States? Not the currently prevalent type of microbe, Type A strain-Sydney variant, which is the predominant influenza now circling the globe. It is a nasty virus, but there have been worse. The relevant fact is that the U.S. hospital base, and health-care delivery system, have been so cut back in recent years by deregulation and privatization, that resources are overtaxed simply because of the predictable, annual arrival of the flu. The model for cutbacks in social services, Britain, is in even worse shape (see accompanying article, p. 7).

Granted, there is another contributing factor to the flu's fierce impact in the United States, which is its relatively early arrival. As of Jan. 10, the flu had broken out in 35 U.S. states, with the worst hit being in the west and south. Epidemiologists consider the outbreak early, because flu more commonly shows up in late January, or even as late as March. But though uncommon, today's flu epidemic is *not rare*.

Thus, the dramatic strains and overload now showing up in hospitals and public health systems result, not from an out-of-the-blue catastrophe, but from the drastic *reduction* in facilities and staffing that has occurred over the last 20 years of "managed care" and Health Maintenance Organizations, to the point that just a fairly normal flu season overtaxes the system. Because the normal length of a flu season is six to eight weeks, the worst may be yet to come.

On average, 30 million Americans get the flu each year, and 110,000 people need hospitalization and 20,000 deaths occur annually from flu-related illness (pneumonia, or complications of pre-existing conditions such as asthma, heart and lung disease, diabetes, AIDS, or sickle cell anemia). The elderly, the very young, and those with health impairments may need special medical care. The way to reduce the toll of illness and death, is to have *redundancy* in facilities, medical and public health staff, medications, and so on, in case of heavy requirements.

Now, instead of licensed hospital beds numbering in the range of four or five per 1,000 people—the rule of thumb (suited to local conditions) since the 1940s Hill Burton Act standards—there are less than two per 1,000 for most communities, or even no beds for hundreds of miles. This is true for the economic "bubble-belt" of Northern Virginia

("Silicon Valley East"), as well as for poorer and remote rural areas. The situation in the eastern states typifies the national picture:

Maryland: At least 12 hospitals of 26 in the Baltimore area and Washington's Maryland suburbs were on red alert as of Jan. 6, which means that they had no more critical-care beds and their in-patient operations were overwhelmed. Many hospitals were cancelling elective surgery and turning away non-emergency patients. There was the worry that the state's facilities would be "saturated" if the intensity of the flu epidemic persists. Dr. Rick Alcorta, head of the state Emergency Medical Resource Center, which tracks the status of hospitals, said, "If the trend continues the way it is now, within the next month we are going to have a great challenge to find beds to admit anybody in the state of Maryland."

**Pennsylvania:** At Temple University Hospital in Philadelphia, patients lined the halls on gurneys, waiting for rooms. As of Jan. 6, flu patients occupied half of the Lehigh Valley's 70 single-patient rooms.

**Virginia:** In hard-hit Northern Virginia, Inova-Fairfax Hospital took to having nurses treat patients in the hallways of the Emergency Room.

**New York City:** St. Luke's-Roosevelt Hospital in Manhattan as of Jan. 10 had to close its Emergency Room to ambulances.

**Rhode Island** and **Connecticut:** Many hospitals became swamped as of the first week of January, and began rescheduling all elective surgery in an attempt to free up beds.

### No substitute for medical facilities

This shortage of hospital infrastructure was revealed in another way when, as of the second week in January, Federal health officials issued an advisory to all local physicians to stop relying so much on newly approved anti-viral flu medications (which at best only decrease the length of the illness by a day), and to instead diligently diagnose and hospitalize people where called for.

On Jan. 11, the Food and Drug Administration (FDA) said that some flu patients might have died because they did not get the more aggressive treatment they should have received, such as oxygen, intravenous fluids, and other intensive therapy. Diagnosis and treatment for bacterial infections that may be lurking in a flu patient are especially important.

Six months ago, two new anti-viral drugs received Federal approval. One is Relenza, made by Glaxo Wellcome, and the other, Tamiflu, by Hoffman-LaRoche. By early January, doctors had already written over 300,000 prescriptions for Relenza, and several hundreds of thousands for Tamiflu.

Dr. Heidi Jolson, head of the FDA anti-viral drug products division, cited several specific cases this year where death from flu of people who were given such medicines was considered avoidable. "These cases suggest that these products are being used in patients who are at higher risk of adverse outcomes," she said.

# Argentine government carries out IMF orders

### by Gonzalo Huertas

Less than 24 hours after the Alliance, the political coalition made up of the Radical Civic Union (UCR) and the Frepaso front, took power in Argentina last Dec. 10, it made clear that it would fulfill to the letter the orders of the International Monetary Fund (IMF), which had already captured the Alliance well before the electoral campaign even began. The government of newly elected President Fernando de la Rúa announced a program of greater austerity, supposedly to reduce a fiscal deficit which, according to the Alliance, was \$8 billion last year, and to enforce punctual payment of the public debt.

At the government's urging, Congress approved the year 2000 national budget on Dec. 28, which establishes that the fiscal deficit in 2000 must be lowered to \$4.5 billion. To achieve this goal, public expenses will be cut \$1.419 billion. The hardest hit sector will be the social security system, with a cutback of \$378 million, followed by the provinces, which will lose \$262 million in government revenue-sharing funds. The daily *Página 12* described this as "the largest adjustment of a national budget plan in the last decade."

### Only the debt is inviolable

The great beneficiary of the new budget is the international banking community, which was given the lion's share when the government allocated \$9.034 billion to public debt payments in 2000. International banks are the main creditors of the Argentine public debt.

To comply with such an allocation, the government has decided to pursue tax evaders who, according to the government, owe about \$25 billion a year. Of this amount, it is estimated that \$10 billion is unpaid value-added taxes, \$9 billion is unpaid social security taxes, and the rest unpaid income tax.

To ensure tax collection, on Dec. 22 the government confirmed that Carlos Silvani would remain at the head of the Federal Administration of Public Income. Silvani is an IMF employee who currently is "on leave from the IMF," a highlevel IMF official told the daily *Clarín*'s Washington correspondent Ana Barón. At the same time, on Dec. 28, Finance Mininster José Luis Machinea, Justice Minister Ricardo Gil Laveda, and Attorney General Nicolás Becerra announced the formation of the "Prosecutorial Unit of Tax Crime Investigations," to pursue "evaders of more than \$200,000," and the creation of a special legal jurisdiction dedicated exclusively

to cases of "tax fraud." Further, as of Jan. 1, the government has begun to implement its new tax package, which some journalists have begun to drily characterize as "your taxes, or your life."

However, undoubtedly the area most affected by the tax reform is wages, because the tax rate on earnings rises and the deductible drops, from 4,800 pesos to 4,000.

The package also imposes a 4% tax on certain vehicles, earmarked for the Education Fund. Hopeful that this would increase salaries, the Teachers' Federation of the Argentine Republic on Dec. 30 halted its strike, which had continued for more than 1,000 days, and removed the "white tent" that had been placed in front of the Congress, thus ending demands for wage increases for the sector.

In justifying the tax package, President De la Rúa said that "no one likes to levy new taxes, but the country cannot function with a fiscal hole and a crisis situation.... I ask you not to think about the taxes, but rather about the deficit [the Menem government] has left us.... I said that I would make these adjustments the policy of my government, and we are making cutbacks never seen before. We are leading the way with the salaries of government officials across the country, to set an example."

#### The IMF demands more

The government seeks to meet the demands of the IMF with this new tax package and cutbacks in public spending; however, the IMF is demanding much more. On Dec. 20, after meeting with the IMF mission that arrived to carry out the first stage of its country evaluation, Cabinet chief Rodolfo Terragno admitted: "The Fund's main concern is the consolidated fiscal deficit and the consolidated debt. They are studying the red side of the ledger, and the indebtedness of the provinces, with a magnifying glass." The provinces must reduce their deficits and their debts, said Terragno. "If they don't do this, it will be difficult to reach an agreement with the Fund. The country risk rating could increase, interest rates could rise ever further, and we would all suffer the consequences, beginning with the most indebted provinces."

Currently, the accumulated debt of the provinces is \$18 billion, with a combined fiscal deficit of nearly \$3 billion. This year, the provinces owe \$3.5 billion in interest payments alone.

As a result of the Convertibility Plan (the currency-board system implemented in 1991), Argentine industry was devastated. Because of the shrinkage in the tax base, tax revenues also declined dramatically. According to the Finance Ministry's latest figures, collection in December 1999 was 9.2% less than in December 1998.

The same thing is happening with the agricultural sector, whose products account for the bulk of Argentina's exports. Agriculture Minister Antonio Berhongaray recently admitted that "the rural sector is bankrupt," a result of the "absurd interest rates the producers are being forced to pay."

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## Return to Roosevelt's concept of the Bretton Woods system

The following is the transcript of a live Internet video webcast, conducted by Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. on Jan. 11 from the Westin Copley Place Hotel in Boston, Massachusetts. (See www.larouche campaign.org.) Subheads have been added.

Video clip from the 1944 Bretton Woods Conference, held at the Mount Washington Hotel, Bretton Woods, New Hampshire: "Today, men and women of different races and creeds are here assembled together, determined to work out by mutual cooperation a plan for a permanent contribution for the benefit of the people of the world. The specific task assigned to us is to formulate a practical plan for the establishment of a world fund, and for the stabilization of exchange. This is our immediate and essential objective."

**Lyndon LaRouche:** What you looked at, of course, was Mount Washington. It's a local land-site in New England which I climbed a number of times, from the west, and from the east, and from the north. In my younger days, I used to do that regularly as sort of an annual, once- or twice-a-year workout, just to keep myself in some kind of condition, which I understand is something my opponents regret very much, that I did that.

But in any case, the point being that this Mount Washington is, at this point, perhaps the most memorable place in New England, in the sense that it is the place from which a monetary system was created which served the United States very well, and some of the world very well, from 1944, when this conference occurred at the Bretton Woods hotel—under there, Mount Washington—and until, actually, the middle of the 1960s, we had continued benefit of it.

Today, that conference, in 1944, is the most important issue which should be on the agenda of any candidate for President of the United States at this time. Any candidate who does not have that vision of Mount Washington and Bretton Woods on his mind, and on his lips, is not serious about politics. He may be serious about being elected, but not about doing any good for the country and the world.

### There is no 'economic boom'

We'll get down to this Bretton Woods thing in just a moment, as such. But first, I want to indicate to you, contrary

to the kinds of statements you're getting as propaganda—and I say lying propaganda—the United States economy is not better than ever, the United States economy is not growing at the fastest rate in its history, or anything of the sort. There are some people, in the upper 20% of the family-income brackets, who have more money today, than they did in recent past. But if you look at the conditions of life, and the communities for the lower 80% of the family-income brackets of the United States; if you look at health care, if you look at education; if you look at energy supplies; if you look at other basic economic infrastructure; if you look at Social Security, and all these kinds of things of importance; if you look at family relations; if you look at violence in the society, particularly among teenagers, among so-called middle-class teenagers; in all of these respects, everything today has been becoming worse, factually, since about 1971, when Nixon pulled the system down in mid-August of that year.

Under Carter, it became worse. At the end of the Carter administration, at the end of the first years of the Reagan administration, the United States economy, as we'd known it, as a successful economy, began to disintegrate. We had legislation such as Garn-St Germain in 1982, we had the ripoff of the savings and loan associations, under Garn-St Germain. We had, at the same time, the Kemp-Roth legislation, which started this process: junk bonds, derivatives. The economy today is not only worse than it ever was, in physical terms; we don't produce much any more.

Some of you remember, for example, 1966-67. Under the influence of the aerospace program, which had been launched by Kennedy, or, in an accelerated form by Kennedy, we had, around Route 128—here, around Boston—we had a fairly vigorous high-tech growth, real high-tech, not imaginary high-tech. In 1967, we had a disaster in employment among those firms in the Route 128 area. Later, we had an expansion of some degree around the 495 route, then gradually, at the end of the 1970s, we had some spread into the cheap labor markets in southern New Hampshire—Portsmouth, Nashua, so forth. Western Massachusetts survived, but the conditions of life, the opportunities, the future of the area was going downhill.

Around the whole country, it was worse. We produce less and less. We import more and more, chiefly produced by slave

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Delegates to the 1944
Bretton Woods
International Monetary
Conference. That
conference, states
LaRouche, "is the most
important issue which
should be on the agenda
of any candidate for
President of the United
States at this time."

labor from South America, from Asia, different parts of Asia, by very cheap labor. We can not afford to buy the quality goods we used to have, and we don't get them any more. If you go to the malls, you get junk, at high prices—not fit to use, wear, or buy. But at high prices. But the stores you used to rely upon, the brands you used to rely upon, they're not as good any more. We don't do a machine-tool quality testing of products before they go on the market. You don't know whether it's going to work or not. This economy is going down.

The United States *seems* to be in fairly strong position because we and the United Kingdom and some other countries, like Australia, Canada, and so forth have a great military power, muscle. And through that military power and other political muscle, especially since the Soviet system collapsed, the United States is able to bully other parts of the world into giving us credit, to giving us goods produced by slave labor. We also are able to borrow, at the point of a gun, virtually, from other countries; for example, we're ripping off the entire former Soviet Union. We're stealing the raw materials there, at bargain prices. That's been propping up parts of the world economy. But people of the former Soviet Union, Asia, East Asia, South Asia, are the principal markets for Europe. They're also the principal export markets, in the future, for the

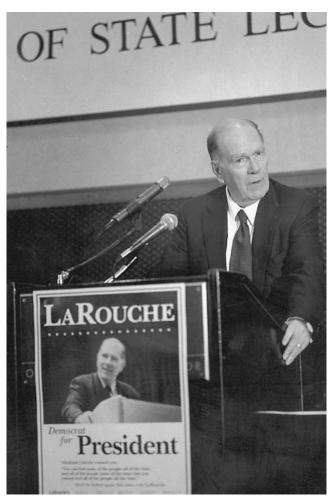
United States, together with South America, Central America, which we're bankrupting, and therefore by muscle, by forcing them to reduce the value of their currency, by swindling them, by forcing slave labor on them, by looting them, and by forcing credit from them, the United States economy is being kept up in a giant bubble.

### A parasite economy

Now, think back. Think back to 1974-75, before Carter was elected. We didn't have a perpetual Federal debt crisis in that year. It didn't exist. Yes, we had a national debt. It was large, it was considerable. But we didn't have a cancer of a prevalent, growing, incurable debt crisis. Under Carter, we got an incurable debt crisis, which has been growing cancerously ever since. And then, what did they do? Carter, the Trilateral Commission—Bush was part of the same thing at that time—the Trilateral Commission destroyed regulation. What happened to our transportation systems? All parts of the country that used to get under regulated transportation, regulated freight rates; they could get parity in getting goods delivered into the town on time, and goods delivered out. They had access to the United States as a total market in the world market.

When they deregulated, rails, to a large degree, and truck-

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Lyndon H. LaRouche, Jr. addresses the National Black Caucus of State Legislators, Dec. 2, 1999.

ing, began to deregulate other things, the whole system, which had been built up to make the United States the most powerful economy in the world, was destroyed. The savings and loan system went down first. Volcker, who managed the Federal Reserve System into the ground until he was succeeded by Greenspan, who's a worse wrecker than Volcker, destroyed the housing industry as we used to have it.

We became a parasite economy; the debts kept growing, growing, growing. The United States today, lives on borrowing money, which it can never repay under present conditions, at the rate of between \$300 and \$400 billion a year, in what's called a current accounts deficit, borrowing this from other countries to enable Americans to borrow debts they could never pay, to buy goods which ain't fit to take home, to keep this economy going—and some call it "financial growth."

In the meantime, since 1986-87, the United States has lived, financially, on looting other countries financially. For example, Japan: There was a meeting called at the Plaza

Hotel in New York City, and Japan agreed to jack up the price of the yen, in order to support the dollar, because the United States, at that point, in the '80s, could no longer compete with Japan, dollar for yen, in quality of automobiles and other things. We couldn't compete any more, because we were looting our industrial economy. So, we imported from Japan, which had better technology than we had. We forced the Japanese to raise their prices of their exports, in order to subsidize a relatively backward U.S. automobile and other industries.

Look at all the products of the type that you used to get from U.S. companies, that, beginning in the 1970s and early '80s, you began to get from Japan companies. Think of how many products have a Japan origin that used to be made by companies based around, say, Boston here. You began to get Japan products. Then, we turned around and looted Japan. We say, "Now you will raise the price of your yen, so that you can no longer compete in the U.S. market, at least in the same way. You, then, will loan money to the United States at bargain rates. You'll bail out and subsidize the Federal Reserve System and our banking system."

We continue to do that.

Recently, beginning 1997, the Japan system began to collapse. It collapsed in the so-called 1997 Asia crisis. Now at that point, Japan had a bunch of bankrupt banks; as a matter of fact, the whole banking system of Japan was essentially bankrupt in 1997, as a result of this policy which had started in 1986-87. The system was bankrupt. What did Japan do, under the gun of Paul Volcker and other people? Japan began printing money, as credit, overnight, at one-quarter of one percent interest rate per annum! What happened to that money? Well, people from the United States, people from Europe, bankers, borrowed those yen, at borrowing costs of as low as one-quarter of one percent. They used the yen they'd borrowed to buy dollars, deutschemarks, francs, and so forth. They then brought those dollars, which they'd bought with yen, brought them back into the United States, to pump into the Wall Street speculative market. What did they invest in? They don't invest in industry any more. Oh, this investment in real estate—we've got a real estate bubble, the zooming real estate prices, for houses you would call a tar-paper shack, with a little bit glorified treatment, a few years ago. We have people all through the United States in these areas, who are taking on mortgages at a minimum of \$300,000, usually in the higher-rent areas, up to \$600,000 per house, or equivalent unit, and up to a million or more. These things are essentially shacks, if people didn't live in them to keep them maintained. They seem to be made of the same paper that was used to write the mortgages on. A strong windstorm or something might bring them down.

Now, these houses are being bought by people who have a \$50-, \$60-, \$70,000-a-year income as middle management in some of these so-called Nasdaq firms. These guys—how

are they buying at those prices, how do they buy a house carrying a mortgage price of \$600,000 to \$1 million? How is this possible, in these so-called suburban areas? Well, they have stock options, and as long as the money market continues to go up, the Nasdaq, the so-called Internet speculative stock market bubble goes up, then their stock options appreciate in value, now they can convert their stock options into assets to go into hock to buy the mortgages on these houses.

### The coming market collapse

What happens when this market collapses, as it will soon? Many of the people in the upper 20% of family-income brackets will instantly lose their employment. Their stock-option values will collapse, their salaries will disappear, but their mortgages will persist, while the houses are crumbling. Which means, that, as in the 1929-1931 period, but on a worse level, you will have mortgage companies and banks in bankruptcy, because they're controlling uncollectable paper on mortgages on these houses, and similar kinds of things.

Think of the malls that are springing up in some parts of the country. They're going to collapse too, these so-called suburban development areas.

What's going to happen to our power supply? We don't have the electrical power and other power needed any more. These things are going out of business. The prices are going up. If they continue to pump money into the system, print money the way they are, to try to keep this financial bubble afloat, we are already in the beginning of a hyperinflationary spiral like that which hit Germany in 1923.

If Japan goes, the United States goes. If Russia goes, who knows what happens? Europe is in the process of going. Ecuador has gone. Brazil is ready to blow. Argentina has gone. Mexico is ready to blow. Africa, most of southern Africa, is gone. Much of East Asia. Indonesia is disintegrating as a nation, under the conditions imposed upon it in 1997 by the IMF. It may stop disintegrating, but that's the condition now; its debt is climbing, and that's the fourth-largest-population nation in the world. And similar things throughout the world.

So, the whole world is disintegrating. It's about to come here.

If you look carefully behind the propaganda, which comes from the Federal government, which comes from the leading candidates, generally, which comes from most of the press, if you look behind the lies to the reality of the situation of banks, financial institutions, and other relevant institutions around the world, people that I talk to in these circles, in Europe and elsewhere, agree — and they agree with me, and not with these jokers—they agree that the world financial system is in the worst, not a cyclical crisis, the worst systemic financial, monetary and economic crisis of this past hundred years, and longer. And it's coming down fast now. No one can say, predict, what day is the market going to collapse. It's collapsing already, in one sense or the other. It's caught between

deflationary threats, hyperinflationary threats, wars spreading all over the world, a new war every month or so, which doesn't seem to quit. A new scandal, a new destabilization. We're in a crisis worse than that of the 1930s. We're in a crisis of the type, which, in terms of worldwide strategic implications, is the kind of thing that gave us Adolf Hitler in World War II.

And you have, in Washington, they're playing as if reality would never come. But it's going to come.

When this thing hits, with stronger force, when the illusions among the American population collapse—and it probably will be fairly soon—then you're going to have an effect upon the American population like that which some of us remember from December 1941. Those of us who are old enough to remember the mood of the U.S. population in most parts of the United States in 1941, will remember that the general feeling was: There is a war in Europe, it's spreading around other parts of the world, but *it's not going to come here*. Even when the Barbarossa attack on the Soviet Union occurred, people still believed here, "Yes, it's awful, but it will be handled; you'll see, *it will not come here*."

They'll say the American people will never support such a war, will never support getting into such a war. Then, suddenly, on one Sunday morning, Dec. 7, 1941, the American people changed, because suddenly, they had to face the reality that we were in World War II.

Now, many people didn't believe what we could do then. Roosevelt knew what we could do. He said it, and we did it. We had a great economic revival; we did what everyone thought was impossible. We produced more warplanes than Roosevelt had ever promised we'd be able to do; we took people off the streets, we put them back into industries, using skills they had almost lost after ten years of depression.

For example, up north of here, you have a city called Lynn, Massachusetts, where I lived, for a while. And in the central square in that city, you had a cafeteria, called Hunt's Cafeteria. It was the popular-priced, large cafeteria in the central square, which adjoined what had been the Boston & Maine railway terminal there at that time, with the local newspaper, the Lynn Item on the other side, and so forth, and so on. Now, in that period of time, on almost any given day in the late afternoon, you would see grown men standing in front of Hunt's Cafeteria, leaning against the wall, often picking their teeth with a toothpick, when they hadn't eaten that day. Such were the conditions at that time. These were often broken men, who had not had any decent employment at their trade, which they had had some skills at earlier, since the Depression hit. And there they were, trying to keep up the illusion, keep up their dignity, by picking their teeth with a toothpick, in front of the cafeteria, when they had not eaten a meal that day.

That was our condition. And out of such conditions, we mobilized, and we changed it. Oh, it took a year or so before people in that condition, going back into the factories, were

able to develop the skills to produce a quality product. We produced a lot of junk, and a lot of scrap in those factories in those first 12 months. But we got it going.

We're in a situation which is, for us—that experience is important. And for those of you who remember that experience as I do, it's important that you tell people about it, so they will understand that this is the way that things sometimes happen. Because I don't think we're going to be hit by nuclear weapons right away, but we're going to be hit by a financial crisis, which for many Americans will be just like being hit with nuclear weapons—the shock effect. What people believe now could not possibly happen, screaming people in the upper 20% of the income brackets: "It couldn't happen! I don't believe you. The press all tells me it's not going to happen. Wall Street tells me. The President says it's not going to happen. Everyone says it's going to get better and better. Globalization and Glory Forever!"

### Illusions: worse than the 1930s

Well, that's the illusion. This is worse than the illusion we had back among people in the late 1930s. Much worse! People today are more *insane* than they were in the late 1930s, at the beginning of the 1940s, because then we had a sense of physical reality. We still believed that the secret to solving problems was to produce wealth. To produce agricultural goods. To produce industrial product. To produce things that worked. To fix up infrastructure, to build power lines, to clean up water systems. All the things that make physical life possible on a higher level. We believed in that. We just believed that we weren't getting it, the way we should. But we still had those values. And, when the war mobilization occurred, we were prepared to accept the mobilization, because it coincided with what we knew was the right thing to do. And we just did it. We said, "Why didn't we do it earlier? Why did we have to have a war to get us to mobilize to do what we should have done anyway?"

Well, Roosevelt did want to do it. But he was not able politically to do what he could have done until the war created a crisis where the American people would mobilize, and say, "Yes, don't get in our way. We're going to do it."

We're now at a situation where the upper 20% does not generally believe in this any more. Oh, you may have a few machine-tool operators and people like that still running around, who still believe in production. They're a vanishing feature these days. Even competent engineers are becoming a vanishing species. They all want to sit down and design at the computer. Nobody wants to go out and see if this mathematical model will actually work, so they produce—That's why our space program failed. That's why this Mars exploration goofed. This is why we don't get satellites up regularly anymore, and many of the engineering and other people involved in implementing the programs are *incompetent*. Because they believe you can sit back, at a computer, play out a mathematical model, give an order to somebody who is not

properly trained, and hope that the thing will work. It may not work.

In the old days, we would test the product, competently, before we would put it out in design, or at least we'd make a test model and see if that would run before we got into production. Now, we're actually lofting planes before the design people even find out about it. And who knows what's going to happen next?

So, that's our situation.

Yes, we have a population which is in worse condition, psychologically, than it was in the end of the 1930s and the beginning of the 1940s. *But we must survive*, the nation must survive, the people must survive, and the world must survive.

And therefore, given the difficulties, given the insanity and the illusions that prevail among many people in the upper 20% of the income brackets, the fanatics, the "Third Way" people, the Gore lovers, the Bush lovers—or people coming out of the Bushes, or rolling in Gore—these people are based on a constituency which dominates party politics and elections these days.

If you look at the elections, you'll find that 30% of the possible voters, that is, citizens who should vote—either are voters or should be voters—that about 30% of this part of the population dominates and determines the outcome of elections. That 30% is usually dominated by people from the upper 20%, the so-called suburban level of income brackets, family-income brackets. Those upper brackets used to be, significantly, people who were involved producing things, or in the management or engineering, or something, of a firm which made a decent product, or maintained a utility, or did something of that nature—construction, what not.

Now, we don't have those kinds of jobs. We're in a so-called post-industrial era.

How do people make incomes in the upper 20% of income brackets unless they're Wall Street tycoons? They make it by working in a service area, as middle-management or more, producing something which we probably would get along quite well if weren't produced at all, performing a service we'd rather perform for ourselves. I mean, wouldn't you rather have a meal at home than go out and get a fast food by some poor guy who's working at a McDonald's or something? We pay a premium for getting our food cooked for us. We don't cook our own food. We don't have our own children at home any more. And we wonder why things don't turn out so well. You don't have family meals. You don't have a family culture. You're afraid to send the children to school, the way the conditions are in these schools.

And that's the life, the change in life, of this dominant layer of many of us, but especially this upper 20%, who believe that they've *got it made*. They haven't. They're living on the threshold of disaster. They're like people in Germany in 1922-23, who had all their income tied up in financial assets, and then the Weimar inflation in Reichsmarks, about the spring and summer of 1923, began to become a creeping

hyperinflation, like we're experiencing in real estate in the United States today, and other things. Then, by the autumn of 1923, the Reichsmark had *evaporated* in a hyperinflationary explosion. They couldn't print money at prices to keep up with the rate of inflation. It broke down. And the United States gold, with the Dawes Plan, stepped in to provide a new currency for Germany.

But in that process, those German families who had their assets entirely in savings, financial savings, things like that, were wiped out, *and their shirts turned from white to brown*. And Hitler, who was an also-ran, the Nazis were an also-ran in that period, in the fall of 1923, became for the first time, a significant political force in Germany.

So, you have a population here in the United States—they may not wear white shirts, or you may not be able to see what they've got under their beard—but they're middle-income families, the so-called upper 20%, middle-management, living in a world of illusions, counting on their money-management account, counting on their mutual funds to retire, not realizing, and not willing to think about the fact that when this system blows, as it will blow, one way or the other, very soon, that's wiped out.

Now, if we do not, as a nation, recognize that factor, if we do not solve this problem, when the Pearl Harbor effect of crisis starts, then their shirts are going to turn brown. And the George Bushes and the Al Gores, who are the prototypes of the kind of fascist leader that leads to new Hitlers, will be the leadership. And where the world goes from there is hard to say. But we don't want to go there.

#### Lies, and more lies

So we have two problems: We have a population which is —80% of the population fears that they have no voice in politics. The press gives you a list of the so-called *issues*: "Where do you stand on the issue? Plus, minus, or maybe? Up, down? What's your percentile change in your opinion today? Which candidate do you like the best? This one, because of his nose, or this one because of his chin?" And so forth.

So the people in the lower 80% are disgusted, because they know that nobody wants to discuss with them what the issues are, because the leading political machines, and the major press, which is either controlled by Wall Street or by foreign press syndicates such as Murdoch and Hollinger, tells you what the issues are! You don't tell them what the issues are, *they tell you* what the issues are. And you can comment on the issues.

So people go along with that. Most people in the lower 80% are still reading things like *USA Today*, or something, which tells you, "Here's today's discussion point. Here's what you're permitted to discuss with your neighbor. Here's what the pollsters tell you the issues are. Here's what these fabricated candidates tell you what the issues are." And the lower 80% say, "I guess we've got to go along with it." Or

they just turn away from politics with disgust.

We don't have political parties any more. We have political machines which are run from the top down by bureaucrats

Then you have the upper 20% income brackets, which are much more involved in politics, but they're brainwashed by their own illusions. They think that Al Gore is human. They think that George Bush can think. Therefore, you have a situation in which, given the current trend in popular opinion, this country hasn't got a chance, is going to Hell.

Only a crisis of a Pearl Harbor type which will awaken the American people to an illusion, the fact of an illusion, which will prompt them to start thinking again, can save this nation, and possibly the world as a whole, because this nation is very important to the world as a whole.

Now, you don't do that spontaneously. People in the lower 80%, who haven't been doing much thinking lately, who have had no optimism, and no confidence that they could do anything, except choose their options—like going into a mall, and choosing, "Which piece of junk am I going to buy?" They don't control what they're going to buy, they control what they can select from what's offered to them. Cheap-labor junk from some strange part of the world they never heard of.

In that situation, with a leadership—look at the leadership of the parties: They're typified by the candidates. Well, George Bush, don't count him, he can't think. Gore? Gore is just mean, he's a mean thug, who changes opinion three or four times a day; I wish he'd change his shirt, his underwear, that often. Bradley's sort of a warm-hearted guy, relatively speaking, but he hasn't had a thing to say about any of the real issues that will determine whether this nation lives or dies. And what he says on real issues, such as health or welfare, or health care generally, and social security, that won't work.

How are you going to find the money to maintain programs, if you're not producing enough to maintain the tax revenue base, and the private income base, to do the things in the first place? You're trying to divide a cake that no longer exists.

The question is all these issues. Yes, I'm dealing with the health problem, which is one of the most important social issues in the United States today. We can no longer afford the health care we used to be able to afford. And, they tell us the country is getting more prosperous: We no longer have the Social Security that we once had guaranteed. And, they're telling us the country is getting more prosperous: We no longer have the education we used to have. And, they tell us, "The country is getting better and more prosperous, the education system is getting better." It's all lies.

### Leadership: the case of the 1930s

In this situation, with the population inundated with lies, not accustomed to thinking, because they weren't permitted to think, either they were deluded by illusions, the upper 20%,

or deluded by pessimism—"there's nothing I can do about it" kind of pessimism—by the lower 80%, how are you going to get, in a crisis, a reaction which is actually going to solve the problem? So in that point in history, in all crises, the question of leadership is crucial.

I'll give this example from Germany, the Hitler case, because it's relevant today.

In January 1933: Remember, Franklin Roosevelt had been elected in November 1932, elected on a program to address the issue which should be familiar to us here today in this room: the "forgotten man." Roosevelt's campaign for the Presidency began with a campaign to address the problem of the forgotten man of American politics.

And when he came in, in 1933, he began to work on that problem. He restored the concept of the General Welfare, promotion of the General Welfare as a principle of government. He may not have done it as well as he should have, maybe he couldn't, but he did it. But he was not going to be installed in office until the third week of March 1933.

In the meantime, Hitler had been defeated electorally in Germany, in the recent election. A new Chancellor had been elected, Kurt von Schleicher. The program of von Schleicher was based on a program which was not too much unlike my own. It was developed by the so-called Friedrich List Society, and if this program had been continued, which had a resemblance to the Roosevelt program, then Hitler would have never come to power. The Hitler movement would have been finished at that point.

But on the 28th of January 1933, London bankers, and their New York partners, including Prescott Bush, the father of President George Bush, who was then the chief executive officer for Brown Brothers Harriman, and a partner of the former head of the Bank of England, put Hitler into power in Germany, and brought von Schleicher down, and Hitler into power.

Hell broke loose.

Then, less than a year later, in July 1934, von Schleicher and others were assassinated by the Nazis in Germany, and Hitler, after the death of Hindenburg in August of that year, consolidated power as dictator of Germany. At that point, World War II was inevitable. Nobody could have stopped it.

Now, in that period, in January 1933, had von Schleicher stayed as Chancellor, had he not been toppled, had leading forces in Germany rallied to ensure that he were not toppled, then his program would have been implemented. Under his program, you would have had, in the third week of March 1933, about eight weeks later, you would have had Roosevelt as President of the United States, with a policy which was similar to that of the economic policy of von Schleicher, the so-called Lautenbach policy. Had that occurred, World War II would never have occurred.

So, it's in these moments, and there are many such moments in all history, in moments of crisis, when a people have been corrupted by illusions or pessimism over a long period of time, and the society is drifting in the direction of destruction, somewhere in these processes, there's always a point of crisis, something analogous to "the Pearl Harbor effect," at which a nation and a people have the opportunity to come to their senses and change the policies to change themselves.

For this, people require leadership which is qualified to rally them around the conceptions which they need to get the job started. That is history. Every major event in the history of European civilization, back from the time of ancient Greece, has always been that.

The problem is, right now, tonight, I'm the only person who is either a candidate for President, or who might become a candidate for President in this time, who is qualified to handle the problem this crisis represents. And I haven't got a chance, unless the crisis hits. And we don't have a chance, unless we prepare for this development. That's what this is about.

#### What we must do

Now, what do we do?

All right, we're going to scrap every change in policy bearing on economics which the United States has adopted since August 1971. It goes. Now, under our government, under our Constitution, the Presidency of the United States is a unique institution in the world—contrary to Kenneth Starr and other people who don't understand these things. They're more interested in girls and peeking under skirts and things, than finding out the truth of things.

But the President of the United States is the only true chief executive, elected chief executive, in the world. And the executive power of the United States is unique. It's controlled by the Supreme Court, by the Federal court system, by the voters, by the population, and by the Congress.

But in an emergency, the power of the President to act in an emergency, for the nation, within the bounds of checks and balances, is unique on this planet. The President has the power of a dictator under those circumstances, but he's not a dictator. He's still responsible and accountable.

And only such a President, has the capability of initiating, on a global scale, the kind of thing which has to be done, not only in the United States, but in cooperation with other nations.

What has to be done? Scrap all these mistakes. We go back to - what?

Now, here we are. Imagine that the crisis has struck, and I'm President. And there's general confusion and mayhem of an intellectual type, all over the place: confusion, screaming, terror, fear. Someone has to say: "Calm. Be calm. We're going to fix this. Unite. Stop screaming. We're going to fix it now."

If the President of the United States is going to say something, what is he going to say? He's not going to say, "I've got a grand plan that's going to solve everything." That's not going to work, not with these people we have today, not with the condition of mind of the lower 80% today, not with the condition of our educational system today, and not with our entertainment system today; not with the 20% today. No, it won't work.

In politics, in all real politics, you have to rely upon the fact that there's a continuity of proven precedents of things that *did* work, in the past, which are appropriate to the problem of the present.

So, what you do in an emergency, is you adopt measures which people can recognize were proven precedents that worked.

Now, what's the proven precedent that worked?

We went through the Depression, we went through World War II. We came out of the World War II period, with still a lot of mistakes made, but we survived, until about the middle of the 1960s. We were still going along as a viable, leading nation, and apparently on the surface, our prospects were good.

Then, in the middle of the 1960s—'66, '67—we began to change. 1971: the acceleration of change, downhill. Under Carter, a catastrophe. Under Reagan-Bush, we had a succession of catastrophes. Under George Bush as President, a horrible catastrophe. He and Thatcher ruined the world.

And Clinton really has done nothing to stop the avalanche since, because he's afraid. He compromises all the time. He's afraid. So he has done a number of things, he tried some things that were actually good. But he's done nothing to stop this avalanche of Hell, which keeps coming on.

So, in our history, and in the history of Western Europe, and in the history of other parts of the world, if you want to say to someone, "We know something that did work, that we stopped doing, which worked very well, and everything since then has been a failure, because we stopped doing what worked. So, we're going to go back *now*, to where we made the wrong turn in the road, and make the right turn in the road, by continuing the way we were going. We will make some changes, but we will make changes which are consistent with a proven example."

That takes us back to Mount Washington, to Bretton Woods. Now, what we got out of Bretton Woods wasn't exactly what Roosevelt had intended, because Roosevelt died in 1945, and the minute he was dead, before they could get him fully buried, Truman, under the direction of London, was beginning to take out as much as they could of Roosevelt's program. You would just think Roosevelt had never existed, the way they were going. They were trying to rip up everything Roosevelt did, including the UN.

The UN was never implemented the way he intended. The problems of the UN was, his plan was not installed. Truman went along with people like Acheson, and so forth, and did something different.

The same thing was true of the Bretton Woods system. Truman sank the economy in 1946. As a result of sinking the economy in 1946—the take-down of the so-called war economy—instead of making a transition to a recovery pro-

gram based on conversion, we shut the economy down. There were mass lay-offs among people returning as veterans from service overseas, the military.

You got a reactionary Congress, the one that Truman cursed about, in 1946 into 1948, the 1948 election. It was a terrible time.

But nonetheless, over the course of the late 1940s, the beginning of the 1950s, we began to get back a bit on track, particularly with the Marshall Plan. And we used the Bretton Woods system, in order to organize a recovery of Western Europe and some other parts of the world. The program went the best in Germany, where they had the best banking system, the best design of banking system.

Britain was very inefficient. They didn't use the U.S. Marshall Plan money efficiently at all. The Germans used it *very* efficiently. And the French a little in-between.

But it worked. There was a general recovery of Europe, of the United States. We began to produce on a large scale, exporting to Europe, for Europe's recovery. The Marshall Plan boom in the United States of exports, is what rebuilt our industry into the 1950s. And this system went along until 1958, with all kinds of regulation.

You had tariffs—a totally protectionist system. Fixed currency-exchange rates, a gold reserve system, a tightly regulated economy, a tax policy designed to foster production, investment in production and agriculture, industry, and so forth. Growth of school systems. They weren't too good in quality, but they grew. We raised the level of education—school-leaving age, through the veterans programs, for example, and other programs.

More people began going into university grades, college/ university grades for more advanced skills. Things began to work.

Now, there were some things that should have been done, that weren't done. Roosevelt had intended, that when the war had been won, that the United States was going to use the power of its friends around the world, and its own power, to shut down immediately, every legacy of Portuguese, Dutch, British, and French colonialism and imperialism, and to shut down the free-trade system. And to bring in countries, the new countries freed from colonialism, as partners of the United States and of European countries, full partners, to create a policy of growth, world growth, which would be mutually beneficial to all.

We didn't do that. There were some good things done in respect to our special relationship to countries in Central and South America. But overall, U.S. policy after Roosevelt's death stunk, in these terms.

But we had a Bretton Woods system, the old IMF monetary system, and our regulated system here, which, with all its faults and shortcomings, moral shortcomings, and others, worked.

What we have to do, essentially, is in the moment of crisis, have mobilized enough people among the core of the popula-

tion, the natural organic layers of the population, to be prepared for this around the things I'm talking about.

And when the moment of the crisis strikes, we're going to have to move fast, before the white shirts begin turning into brown shirts. Because if you don't deal with swarms of people from the middle class, so-called, pouring around the country in madness and desperation, losing their homes, hopelessly, with no prospect of employment, you're going to have something awful in this country. You look at the execution rates in Virginia and Texas, it gives you a sense. There's something very bad in this population right now. You turn this loose, you're going to get something very nasty.

### Introduce an optimistic outlook

So we must intervene, very quickly, to introduce an optimistic outlook in the U.S. population, which is not going to be based on conversation. It's going to be based on doing things which give people good reason to become optimistic. And that's what this is about.

So therefore, what we have to do, is we have to take this image of Mount Washington, which is about the only thing New Hampshire has left—I mean, they used to have farms, they used to have some industries, they used to have some other things. Now they've got tourism, and who knows what's going to happen to that next?

So, give New Hampshire back something. Show respect for Mount Washington, my friend that I used to climb. The hotel up there, the Bretton Woods hotel, is probably not as fancy as it used to be, but it's a place you can remember at least, and maybe you might want to visit some time. And take the guts of the workable features of the old Bretton Woods system, the model up to 1958 or perhaps into 1966, and say, we're going to go back to that system.

How are we going to do it? What we're going to do, obviously: The President of the United States must call an emergency conference among a group of nations, which represents, in effect, the majority of the human race. This means nations in Asia, Europe, and elsewhere; nations that agree to do this. Those nations, on the period of not longer than a weekend, essentially, must agree to revive the form of the old Bretton Woods system, with one fundamental improvement. And that is to bring in major nations of the world, such as China, India, and so forth, as full partners of the United States and Europe, in managing this new system.

We must adopt immediately a long-term economic policy—I'm talking about a thirty-year perspective: long-term credit, where these nations will put the old financial system immediately, by agreement among themselves, into government-supervised bankruptcy reorganization.

By doing so, that means we freeze all financial accounts. And then, as you do in a bankruptcy, certain categories of accounts you release money from. For example, all the big money stuff: Freeze it.

But then, we've got to take care of the citizens in their

communities. So therefore, people with savings, they've got to be able to have their savings secured, be able to draw against those savings, things like that. Pensions have to be paid; salaries, payrolls, have to be met to keep employment going. Infrastructure has to be maintained. So therefore, we have to regulate the way in which the reorganized financial capital is leaked back into the economy.

Under those conditions, with full guarantees for the debt of the United States Treasury, for reasons Hamilton cited earlier, we then have to, by agreement with these nations, create this kind of fixed parity system, which allows us to issue credit at 1% per annum; by being able to issue credit at 1% per annum, without fluctuations in values in currencies, you can make long-term loans inside the United States, and abroad, of up from five to thirty years.

Under those conditions, we can issue the loans, for what? In the United States, we have people who are unemployed, unemployable, or poorly employed. We have a power shortage that's going to kill us. We have a medical facility process which is actually killing us, as in the Boston area right now. We've got a health crisis here, as in many other parts of the United States and in the world. We've got to rebuild those facilities, rebuild that system.

We've got to rebuild the power system. Our national water-management system is in a crisis. We've got to rebuild it. Our transportation system, including our rail system, is in a crisis. We've got to rebuild it. We have whole sections of the urban structure, infrastructure of the United States, which is a junk shop. We've got to rebuild it. So, we have very much work to do.

If we put credit, through public and private channels, into infrastructure-rebuilding programs, not only will we employ people who otherwise will be on the streets, at useful work, but by employing them, we will generate a market in the communities where this work is going on, which will help to reinvigorate private businesses, and lay the foundations for general growth.

### The international dimension

On an international scale, however, there's something much more fundamental, involving orientation.

For example, take the case of China, as a case in point. China's over—well over 1.2 billion people, and Macao has just joined it again, so that makes it even larger. And then India will soon be 1 billion people, if it hasn't already reached that level. And then, so forth, the countries of Asia.

All of this area of Asia is in that condition. Africa, particularly Sub-Saharan Africa, is in a much worse condition. It's beyond belief.

How can these areas of the world develop? Take China, for example. China has a growth rate, probably, in the vicinity of 8% per year. That's gross. But China has an internal problem. China's higher productive layers of the population, are situated traditionally along the coastlines. In the interior of China, going westward toward Central Asia, China is underdeveloped, and the people are poor. If there is going to be political and social stability in China, and peace in the region for a period to come, there must be a high rate of growth, of technological growth, in the interior of China, bringing people up from absolutely poverty-stricken levels, up to higher levels, and so forth. This can not occur, without the infusion of machine-tool and similar kinds of high technology.

We have a similar problem throughout all of this area of East and South Asia. We have a much worse problem in Africa. We have built up similar problems in Central and South America. Some of them used to be fairly decent areas, but now they've been ruined by recent developments.

Therefore, we have a thirty-year mission, to say that nations which have scientific and machine-tool capability, and can revive it: nations such as the United States, nations such as the nations of Central Europe, central continental Europe; Russia, which does have a machine-tool capability buried in its former scientific machine—military-industrial complex; Japan.

These nations, which have a machine-tool export potential, to provide technology to countries which need technology, to enable them to raise their level of productivity per capita, including South and Central America: that we must adopt a mission, saying that we in the United States and other countries, which have the capability, must orient our economy for a period of twenty-five to thirty years to come, to envisage that over this period, our immediate business, our principal export business, will be exporting technology to those areas of the world which need it, in order to improve their own standard of living, their own powers of productivity.

Because they won't really be able to repay the loans we make on credit to them for ten, twenty, thirty years, so that's a long-term agreement. We need a system which can absorb the commitment to that kind of long-term agreement.

Then we in the United States, must reorient our health-care system, our educational system, our urban policies, our investment policies, in order to steer our potential in areas where we will not try to compete with the world in producing things that they can also produce. We are going to concentrate on the areas where we are needed. And we are going to export what is needed, within the bounds of our national economic security, to those countries which need it, to build up a new arrangement on this planet, an alliance, of cooperation, among sovereign, perfectly sovereign nation-states.

### **Roosevelt's vision**

End globalization! Develop a true partnership among nation-states, cooperating nation-states, based on this conception, which was already Franklin Roosevelt's conception back in 1942 through 1944.

I have to make this clear to the American people: *That was the vision of Roosevelt*. Not because I'm endorsing Roosevelt. I'm not endorsing his mind, everything he said, everything

he thought. But he had a conception, and an effort, and a policy, which was valid as a policy of the United States.

He had a policy of economic recovery from the greatest depression up to then, which was valid. He had a vision of how to build a postwar monetary system, which would get us through the reconstruction of the postwar period, which was valid.

So, the mission is to educate our fellow-citizens about these things, make comprehensible what these precedents are, and say, "We're not coming to you with any fly-by-night funny ideas. We're coming to you, not with a wild scheme, not with some gimmick. We're saying, we were wrong. In 1966-1971, we made mistakes, bad mistakes. We didn't correct our mistakes, and we should have recognized them. And things got worse."

Now, things are bad and practically impossible. Now, let us stop travelling the road to doom. Let us turn around, go back to where we turned off the road, go back in the right direction, and pick up on ideas that worked, and figure out how to make them work today, and reach out to our neighbors in various parts of the world—those that wish to cooperate with us. And say, "Let us, as sovereign nation-states work together, and bring this planet finally back to some kind of peaceful, durable order."

Thank you.

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### **Business Briefs**

### Infrastructure

## Egypt, Sudan prioritize rail, road construction

Egypt and Sudan are putting the construction of rail and road links at the top of a list of objectives for full normalization of relations and economic integration.

The Egyptian-Sudanese Joint Commission, which will be headed by the foreign ministers of the two countries, is scheduled to meet in Cairo in January, to discuss normalization of relations, integration, and implementation of joint economic projects. It will take up the establishment of institutions and integration formulas in all fields, in addition to the immediate implementation of joint economic projects which will enhance the linking of the two countries.

According to the Egyptian daily Al-Ahram on Dec. 28, 1999, Sudanese President Omar Al-Bashir said, "There are projects that have priority, such as the construction of roads, railways, and the different communications capabilities." He emphasized the necessity of "establishing regulations and mechanisms which will prevent any potential crises between the two countries in the future."

#### Eurasia

### 'South passage' of Land-Bridge to open soon

Another segment of the Eurasian Land-Bridge is expected to open soon, Xiong Chunfan, chief engineer of the First Survey and Design Institute of the Chinese Ministry of Railways, said in an interview with Xinhua on Dec. 30. The "south passage" starts in east China's Lianyungang port, goes west to Kashi in northwest China's Xinjiang Region, then extends to Uzbekistan, and joins the rail network in central and southern Europe. Xiong Chunfan said that this route would open soon after the Nanjiang Railway (the southern branch of the Xinjiang rail line) opened.

The rail line will connect China to the Middle East and southern Europe, including

Turkey, Greece, and Italy, Xiong said. However, there is still a gap along the passage—the planned China-Kyrgyzstan-Uzbekistan international rail line. The three nations have signed an agreement to build this 577 kilometer rail line, which would begin in Kashi and run through Kyrgyzstan to Uzbekistan.

The northern passage of the Land-Bridge connects Lianyungang with Rotterdam. However, a faster route is still needed for cargo transport between China and south Europe, Xiong said. Also, Kyrgyzstan and Uzbekistan are not satisfied with the inefficient transportation system that currently links them with China, and are urging that a new international rail line be built.

### Asia

## Framework proposed for Koreas cooperation

South Korea President Kim Dae-jung proposed creation of a framework for inter-Korean economic cooperation, in a statement on Jan. 2, *China Daily* reported. "I propose that [the South Korean and North Korean] state research agencies start discussion on establishing an economic cooperation framework," Kim said. He called for a positive response from Pyongyang, saying that the proposed body would bring substantial benefits to the two Koreas, and called on North Korea to allow the reunion this year of families separated by the division of the Korean peninsula.

President Kim is to chair a National Security Council session on his proposal. South Korea's Unification Ministry said that Seoul's first goal is to open an inter-Korean government channel aimed at "systematizing" economic exchanges being pushed by private firms. "First of all, the two Koreas need a government channel to systematize scattered economic exchanges being pushed by private enterprises," a ministry official said. "The channel could be expanded later to cover various non-political matters."

On Jan. 1, President Kim, in an interview with the Japanese daily *Asahi Shimbun*, said that a Korean summit might be possible before his term expires in 2003. "What I should do during my term is to end the cold war on

the Korean peninsula, realize peaceful coexistence of the North and South, and establish peaceful exchanges," he said. "I will entrust the job of unification to our successors. It is impossible that the people, who had been unified for 1,300 years will not be unified again just because of several decades of separation."

However, he warned that now, it would not be economically possible to reunify the two Koreas. "We do not have the capability to sustain the North Korean economy right now. It [reunification now] would have more minuses than pluses," he said.

On Jan. 2, President Kim, in an interview with CNN, predicted "significant progress" this year in North Korea's relations with South Korea and its allies. He said that South Korea would be neither "naive" nor "optimistic," despite North Korea's recent overtures to improve ties with Japan and the United States. "We should use both carrots and sticks," Kim said. "We should provide due assistance if the North abides by promises it made. If it does not, we should ensure that it suffers pains."

Kim said that although North Korea's economy improved marginally last year, its situation remained unstable because of persistent food shortages and industrial weakness.

### Energy

### Malaysian firm to build two projects in India

The Malaysia power utility firm Remaco has decided develop two power projects of 105 megawatts each in the state of Tamil Nadu, India, on its own, the *Business Standard* of Mumbai (Bombay) reported on Jan. 3. Earlier, the company was planning to develop both projects as part of a consortium.

The consortium of Remaco, Prisitine Infrastructure Development Corp., and the U.S.-based Stone and Webster Development Corp. (S&W) was awarded two projects of 105 MW each. They were to be set up at Thuvakudy and Samayapuram in Tiruchirapulli district in Tamil Nadu. Initially, Prisitine was to develop the project, with Remaco as the operations and maintenance (O&M) con-

tractor, and S&W as the engineering, procurement, and construction (EPC) contractor.

"Remaco has decided to set up both these projects, relocated to Paganur village in Tiruchirapalli district. Remaco will be the O&M contractor while the EPC contract is likely to go to Thermax Cogen," a source said. Remaco is a wholly owned subsidiary of Tenaga Nasional Berhad, the Malaysian national power utility copany. The Malaysian government holds 70% in the parent company. TNB generates, transmits, and distributes 8,129 MW in Malaysia.

#### China

## Government endorses moving water north

China plans to go ahead with its huge "moving southern water north" project, at a cost of several billion dollars, the Jan. 7 London *Financial Times* reported. Wang Chunzheng, vice minister of the State Development Planning Commission, said, "We will definitely do this project." The plan is to transport water from the well-watered south of the country, to the dry north.

"Moving southern water north," which was conceived by Mao Zedong, will require an engineering project on the scale of the Three Gorges Dam. It will involve moving water many hundreds of kilometers, via canals, pipelines, and man-made rivers, through mountains and other difficult terrain. The government had not previously publicly endorsed the project.

A consensus to build the project, despite ongoing controversy, is growing in the government, because of the worsening water crisis in northern China. The water table under Beijing fell by an average of 2.6 meters last year, and by 6 meters in one industrial suburb. Since the late 1960s, the water table beneath Beijing has dropped by 59.5 meters. The Yellow River is so diminished, that it did not even flow to the sea for 226 days during 1997.

The route of the project has yet to be decided. There are three possible routes, one from the lower reaches of the Yangtze River, one from the middle, and one from the upper

section. This might involve taking water from the upper reaches of the Mekong or Irrawaddy rivers, which flow into Southeast Asia. Five of Asia's greatest rivers all originate within a relatively small area, in the Himalayan-Tibetan region.

Wang Chunzheng said it was unlikely that the project would be begun this year, but might be made a key element of China's 10th Five Year Plan (2001-2005), which is now being drafted by senior planners.

### **Economic Policy**

### Jospin reaffirms intent to curb market forces

French Prime Minister Lionel Jospin, in presenting his New Year's greetings to President Jacques Chirac, reiterated his commitment to exert controls on market forces.

Referring to the lessons which should be drawn from the two catastrophes which recently struck France (a hurricane and an oil spill), Jospin said that "the world is not only a market, our societies require rules, the economy must be at the service of man, and not the reverse. The tempest and the oil spill were not the specimens of the same type. There was, on the one hand, the sudden violence of a natural catastrophe; and, on the other, an accident which a defective international organization was not capable of preventing.

"The sinking of an oil tanker . . . has underscored the dangers of an unbridled globalization, cast off by a savage capitalism. In the face of the often excessive appetite of market interests, the rights of the human person, the quality of our environment, and our resources must be defended," he said.

Jospin characterized his government's policy as one which would "guarantee the security of the French, exert control over market forces, and combat the excess of liberalism." Referring to France's refusal to import British beef, he cited the "determination with which we defended the food security of the French. The freedom of the markets must not be imposed, putting public health in jeopardy."

## Briefly

**EUROPE** can no longer reproduce itself and needs immigrants, according to a UN report, "Replacement Migration," the French daily *Le Monde* reported on Jan. 6. Due to low birth rates and greater longevity, the ratio of active to retired members of society will go from 4:1 to 2:1 in the next 50 years. The report says that Europe will need 159 million immigrants by 2025.

'FREE TRADE' kills trade. Bolivia, Colombia, Ecuador, Peru, and Venezuela suffered a 33.3% decline in trade among themselves, from \$5.4 billion in 1998, to \$3.6 billion in 1999. Trade among Mercosur nations (Argentina, Brazil, Paraguay, and Uruguay) fell 29.4%: from \$20 billion, to \$14 billion. So much for International Monetary Fund demands that countries trade their way out of "their" crises.

**RUSSIA** paid to the International Monetary Fund seven times what it received from it, in 1999. While the IMF disbursed \$640 million to Russia in 1999, Russia paid \$4.4 billion in debt service.

THE MALAYSIAN construction company Safuan Group will be building the majority of a new township for 40,000 residents of Soweto, South Africa, exemplifying the close relationship between the two nations. The project will link Soweto with South Johannesburg, and has been described as "the first fully integrated township in South Africa."

FORMER GERMAN Chancellor Helmut Schmidt declared that the worst aspect of the situation as we enter the new millennium, is the degenerate media bosses who are manipulating the youth into ego-centrism and materialism. But that fits with the present hegemony of "jungle monetarism," he said.

THE AVERAGE PRICE of a new house in the United States was \$209,700 as of November 1999, up 17% from one year earlier, the Commerce Department reported on Jan. 6.

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## **Fig. Feature**

## Gore: Ozymandias topples!

by Lyndon H. LaRouche, Jr.

January 7, 2000

The manner of Vice-President Al Gore during a televised, January 5th New Hampshire debate with former Senator Bill Bradley, a manner matched to the increasing thuggishness shown by Gore's campaign organization, has once again brought the issue of Gore's personal state of mind into the foreground. Since the incident of Gore's shocking personal conduct in his nationally televised debate with Ross Perot, over NAFTA, and in his lunatic assault on the Prime Minister of Malaysia,<sup>2</sup> the Vice-President has shown a side of himself which warrants his classification as the "Uriah Heep" of today's U.S. political scene. Like the typically "bi-polar" personality which his schoolyard bully's style has often shown him to be, throughout the years of his role as Vice-President, his public behavior is characterized by wild oscillations, from snivelling sycophant to goon.

I referred to Gore's January 5th conduct, in my reply to a question to me during an international webcast on the following day. I replied, on the matter of Gore's rumored assignment to lead UN Security Council inquiries into the Africa AIDS matter, that Gore's recent behavior revealed him as a man beginning to crack up under the stresses and strains of his Presidential-nomination campaign. I recommended to that international audience, that Gore be allowed a compassionate, two-month's vacation from all Vice-Presidential and campaign duties, for the sake of his own mental health.<sup>3</sup>

New reports received this morning, including reports of a recently stepped-up bullying shown in New Hampshire by Gore's campaign, indicate that the recent pattern has now become a matter of wide and growing concern in press and other circles. Some observers of that same pattern in Gore's behavior, will recall Charles Dickens' portrayal of Uriah Heep; others might call up the image of the pagan Roman Emperors Nero and Caligula. As long as Gore continues to suffer the stresses of his present campaigning for the Presidency, the problem is not going to go away. It will become worse, and increasingly the subject of a world-wide scandal. In this increasingly crisis-ridden state of affairs, the Vice-President's behavior and suspect mental condition, are national-security issues of the utmost importance to the people of our own, and other nations.

On this urgent matter of U.S. national security, except for that broad reference to the clear evidence of a "bi-polar" pattern in Gore's publicly exhibited political behavior, I leave the practice of psychiatry to the psychiatrists. My relevant best expertise lies within the domain of a branch of science known as epistemology, the standpoint represented by all of my professional achievements in the branch of science known as physical economy.4

Epistemology is the branch of science which defines the way in which both valid and falsified universal principles are generated, and how their often unsuspected presence in the human mind, influences human behavior, both the individual behavior of persons, and of social relations among persons on a larger scale. On this occasion, I am applying my expertise in that branch of science to the case of the state of mind

<sup>1.</sup> Nov. 9, 1993.

<sup>2.</sup> Keynote to the final dinner at the Asia-Pacific Economic Cooperation Business Summit in Kuala Lumpur, Malaysia, on Nov. 16, 1998.

<sup>3.</sup> See "Dialogue with Healthcare Professionals," Jan. 6, 2000, on LaRouche campaign website: www.larouchecampaign.org

<sup>4.</sup> Physical economy, a branch of physical science founded by Gottfried Leibniz, concentrates attention on the role of addition of universal physical and other principles, such as validated, fundamental scientific discoveries, in determining the potential rate of increase of the physical productivity, and improvement of the demographic characteristics of populations, per capita and per square kilometer of the Earth's surface area.



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Russians ( Grozny As

Battles Rage on 3 Side

By DAVID HOFFMAN

MOSCOW, Dec. 25-Russian

MOSCOW. Dec. 25—Russian forces opened a long-expected assault today on Grozny, the Chechen capital, triggering intensive freights with Chechen defenders as Russian Interior Ministry troops and a Moscow-backed Chechen militia took the lead in advancing slowly toward the center of the besieged city. Battles were reported underway to the south, west and east of Grozny. The Interfax news agency said explosions were being heard "almost every minute" as Russian forces laid down a heavy barrage of artillery and rocket fire ahead of the advancing troops. A Chechen commander, Aslanbek Ismailov, told Interfax that "close-in fighting" had erupted in the Chernorechnie region to the south of the city, as well as to the west, where

has insiste the city, ming battles to heavy a ally to de the Russia

Al Gore stands out (second from left in front row), in the Washington Post's published photo of Harvard dorm residents in 1966, "as one apparently attempting to project the selfimage of the pathetic Ozymandias described by Shelley," LaRouche writes.

exhibited by Al Gore: or, to employ a term which we Americans sometimes borrow from British convention, what may be defined as the Vice-President's turbulent "mind-set."

The term "mind-set," used in that way, signifies that we must look at the fact, that the subject person's predispositions to believe and to act, are determined in a manner which resembles the way in which a set of definitions, axioms, and postulates of a standard secondary-school Euclidean geometry, predetermines what are considered the acceptable theorems of that geometry. To map that set of axiomatic assumptions, we must dig still deeper, to uncover the core assumption underlying all of the other definitions, axioms, and postulates.<sup>5</sup> In sum, we must look at that mind-set in the way the bestknown figures of modern anti-Euclidean geometry, Carl Gauss and his follower Bernhard Riemann, successively defined what became known as a modern, relativistic form of physical geometry.6

5. For example, in the case of empiricism, the assumption of the method of deduction is the underlying assumption of the system. This aprioristic assumption serves as the basis for the axiomatic assumption of linearization. In all of this, the underlying, aprioristic assumption, is that only the evidence provided by the dots of sense-perceptual acts, is truthful representation of the real universe.

6. It should be noted, for precision, that the founder of what became known as non- and anti-Euclidean geometry, was Gauss's teacher, Göttingen Professor Abraham Kaestner. Kaestner, a leading scientific follower of Gottfried Leibniz, and opponent of the empiricist Leonhard Euler, was a collaborator of Gotthold Lessing, and served as host of Benjamin Frankin at Göttingen University.

Therefore, if we are to explain Gore's moments of such aberrant behavior competently, we must first ask ourselves, "Who is Al Gore, really?" Or, to be more precise, "What is the tragic discrepancy between what Gore himself wishes to believe that he is, and Gore's intended victim, the contrary reality, a real world which Gore regards as the adversary stubbornly refusing to bend to what are, in fact, his tragically misguided assumptions on that account?" That takes us to the inner core of his mind-set. Once we recognize who he imagines himself to be, we may readily recognize what he is, as well.

### 'Is he man or beast?'

As one ought to suspect from reading Gore's *Earth in* the Balance, the most generous thing which can be said respecting his sense of personal identity, is that he is a man of uncertain belief on the issue of whether or not human beings are merely another kind of animal species. In fact, the thesis of his book is, that he has decided, in his stated intent of practice, in favor of the beasts, rather than man. So he behaved in his debate with Ross Perot, and his baboonishness against Malaysia's Prime Minister Mahathir bin Mohamad. This, naturally, makes it most difficult for Gore to maintain the pretense of being a Christian, or even a card-carrying member in modern European civilization generally. Imagine Gore being

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<sup>7.</sup> Al Gore, Jr., Earth in the Balance: Ecology and the Human Spirit (New York: Houghton Mifflin, 1992).



challenged publicly by some church, by the following series of questions:

"Al Gore, are you a Christian?"

"Yes." At that point bi-polar Gore's mood vacillates, like a touchy barroom drunk already half-soused, between sickening-sweet sycophancy and menacing overtones of truculence.

"Then, you accept the conception of man expressed by *Genesis* 1: 27-30?"

Gore becomes restive. He struggles to hide the wildeyed storms in his mind's eyes from showing themselves. He stares, with his customary wooden-Indian pose of feigned sincerity. "As I tried to leave no doubt in writing my book, I believe we are given the duties of *stewardship* in nature." Perhaps, at that moment, Gore imagines, that the Duke of Edinburgh, whom he greatly admires, would be proud of him.

To understand the source of the torment which Gore is suffering inwardly at that moment, one need but know that for about twenty years at the least, Gore has been a follower of the anti-human views of Canada's Maurice Strong, and was a 1970s confederate of the now-former Speaker of the House Newt Gingrich and Alvin Toffler in promoting such "Third Wave" kookery as those "Air Land Battle 2000" military dogmas which Gore has supported so energetically in his campaigns for the bombing of several targetted nations. As *Earth in the Balance* reflects this, Gore is an avid true believer in following the radically neo-Malthusian population-

reduction policies of the British Royal Consort, the Duke of Edinburgh, and of like-minded promoters of globalized genocide generally.

The questioner poses the question again: "I asked you: do you believe that man and woman are made equally in the image of the Creator of the universe, and therefore given dominion over other species? Or, do you believe that man is just another great ape?"

Gore now finds it most difficult to prevent his eyeballs from dancing wildly, as the eyes of enraged "bi-polar" types are wont to do. A certain smell permeates the auditorium at that moment. Inwardly, Gore is gripped by a rage to kill. He appears, at that moment to be about as democratic as the Hollywood image of mafia boss attempting to strike a pose of "class."

It is the smell radiating, repeatedly, from those moments of Gore-like moral ambiguities, which has caused Gore to be virtually unelectable outside the state of Tennessee. Being chosen as part of the baggage of Bill Clinton's 1992 campaign for the general election, is not necessarily the same thing as being elected a person in one's own right. Gore knows that, and it rankles him.

That is the state of affairs at the center of Gore's personal tragic flaw. It could also become the fatal tragic flaw of any nation, or political party foolish enough to make him its choice of President. This flaw is the deeper inner well-spring of that boundless rage which has erupted lately with increasing fre-

quency, from Gore's combined real and imagined failures to secure his grip on what the poor wretch wishes to believe is his pre-rigged year 2000 election as President. Barring an intervening collapse of Gore's Wall Street backers, nothing is more likely to drive Gore over the edge, than the fear that the August 2000 Democratic Party nominating convention might turn out to be an unrigged, open convention. That is precisely what would drive him, inwardly, to wish he were a modern-day King Richard III, with the power to launch a thermonuclear ballistic-missile barrage at someone: perhaps me, first of all.

That much said, now turn your eyes inward, to your powers of imagination. Imagine the fabled Ozymandias as described by the great Classical poet Percy Shelley.8 Now compare that image with the Washington Post's recent front-page presentation of a group portrait of 1966 Harvard freshmen, in which Gore stands out as one apparently attempting to project the self-image of the pathetic Ozymandias described by Shelley.9 Now, see that same Ozymandias again, this time disguised as a wooden cigar-store Indian, wearing a psychotic glare about the eyes. Now, compare that wooden Indian with the toppled fragments of the self-doomed Ozymandias, as described by Shelley's famous short poem. See the severed head of the statue rolling in the desert sand, the psychotic glare still fixed upon the face. Let your imagination roam across those panels, from left to right, letting the process of change, as represented by scanning, replace viewing each panel individually.

Now, pause for a moment. Reflect upon the implications of that imagery. I have introduced this imagery for a most relevant reason.

To understand the processes of the mind, it is indispensable to copy the method of Plato's Socrates. If you ask me, "Why?" I will respond by asking: "Did you ever actually see a universal physical principle? Did you recognize it with your eyes, or by sound, touch, or smell? Did you ever see an *idea* with your senses?" To reach any competent judgment respecting the human mind in general, or the actual mind-set of any person in particular, it is indispensable to grasp the notion of the mind. The mind, considered either in general, or in a particular case, exists for us only as an *idea*, that in the Platonic sense of *idea*.

That the human mind, as distinct from the sense-percepti-

ble brain as such, exists, is beyond doubt. Otherwise the human population would never much exceed that of the higher apes; but our knowledge of the existence of that efficient agency, the mind, comes to us, not as the perception of a sense-object, but, rather, only as our cognitive perception of an efficient idea, an idea which is as real as thermonuclear fusion, but which is more powerful, more efficient, than any sense-object as such.

Barring an intervening collapse of Gore's Wall Street backers, nothing is more likely to drive Gore over the edge, than the fear that the August 2000 Democratic Party nominating convention might turn out to be an unrigged, open convention. That is precisely what would drive him, inwardly, to wish he were a modern-day King Richard III, with the power to launch a thermonuclear ballistic-missile barrage at someone: perhaps me, first of all.

Another name for idea is *metaphor*. That is not metaphor as the term is falsely defined by Aristotle. It is typified by the practice of Leonardo da Vinci, for example, in composing his Milan The Last Supper. To see that painting, you must view it as you move about within that chapel, viewing the portrait on the wall from various positions, as you move sideways and back and forth. Then, the images within the room portrayed by the painting, move with you, as if you were looking into the room portrayed. The use of Leonardo's same principle of composition of metaphor in plastic art-forms, is also to be seen in the most famous paintings by his follower Raphael Sanzio. The same principle of composition of metaphor, is the characteristic of those methods of well-tempered, polyphonic thorough-composition, which Mozart, Haydn, Beethoven, Schubert, Mendelssohn, Schumann, and Brahms derived from the work of Johann Sebastian Bach.

All true ideas are generated as non-deductive, cognitive solutions for otherwise insoluble deductive paradoxes. No deductive method could ever produce a valid solution. The act of insight, by means of which the cognitive processes of an individual mind generate an experimentally validatable solution for such a paradox, is the proper definition of *idea* in all Classical scientific and artistic use of that term. The fact that a second mind can re-enact that cognitive discovery of a

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<sup>8. &</sup>quot;I met a traveller from an antique land/Who said: Two vast and trunkless legs of stone/Stand in the desert. . . . Near them, on the sand/Half sunk, a shattered visage lies, whose frown/And wrinkled lip, and sneer of cold command/Tell that its sculptor well those passions read/Which yet survive, stamped on these lifeless things/The hand that mocked them, and the heart that fed:/And on the pedestal these words appear:/ My name is Ozymandias, king of kings:/Look on my works, ye Mighty, and despair! 'Nothing beside remains. Round the decay/Of that colossal wreck, boundless and bare/The lone and level sands stretch far away." Percy Bysshe Shelley, *Ozymandias*, in *The Top 500 Poems*, edited by William Harmon (New York: Columbia University Press, 1992), p. 495.

<sup>9.</sup> Photo by Christopher Bayley, Washington Post, Dec. 26, 1999.

validatable hypothetical solution for such a paradox, and that both minds can share the proof of that hypothesis, defines that replicatable act of cognition, the act of discovery itself, as a knowable, known *idea*, in Plato's sense of idea.

Bringing this back to the matter immediately at hand, the mind of a subject such as Gore; the human mind itself is the greatest, the most fundamental of the paradoxes which the human mind must solve. <sup>10</sup> It is from that standpoint, and only that standpoint, that we can come to a validatable understanding of our own mind, and that of others, such as the pathetic Gore. The task here, is to define a clear and distinct, cognitive idea of what is tragically wrong with Gore's mind. We approach this just as Shakespeare presents a clear and distinct, metaphorical idea of the mind of the historical Richard III, <sup>11</sup> or Macbeth, Hamlet, Othello, or as Aeschylus and Shelley present the mind of the wicked, self-doomed tyrant Zeus, and as Friedrich Schiller presents the tragic folly of both Spain's real-life King Philip II, and also the tragically flawed character of Rodrigo, Marquis of Posa.

That method is the same used by Leonardo and Raphael for plastic composition, the method which Shakespeare applies with exemplary force in the famous Third Act soliloquy of *Hamlet*. There, in "To be, or not to be . . . ," Hamlet states the paradox on which his life depends, but explicitly refuses to accept the solution. It is then that refusal which leads Hamlet to the doom he brings upon both himself and his kingdom.

The connection is underscored by the character Horatio, while fresh dead Hamlet is being carried off stage:

"...let this<sup>12</sup> be present performed, Even while men's minds are wild: lest some more mischance On plots and errors happen."

Thus, the audience's mind is turned, by the contrast between the final irony of the dialogue between foolish Fortinbras and insightful Horatio. The audience thinks back to the Third Act soliloquy, and recalls, with a cold shudder, the foreseeable doom which Hamlet had embraced within that soliloquy. The fateful unfolding of Hamlet's folly awes the audience, because it is so recognizably true to life; but, then, now recognizing that such a doom might have been willfully avoided, is a lesson in hope. So, as Schiller said of great tragedy well performed, the audience leaves the theater better, more optimistic people, than it had entered it a few hours earlier.

Such is the nature of ideas. Such are the powers of the human mind for insight into itself. If the citizens of today, could better see the folly of supporting a Gore, or George W. Bush, aided so by the tragedian's art, might not our nation be saved from an otherwise more or less certain doom? The great tragedian would see what Celtic tradition describes as a fey look, around the glaring eyes of Gore, and would whisper to the audience, "Avoid this man, lest the doom he bears become your own."

A great painter, such as a Leonardo, Raphael, or Rembrandt, would recognize that fey look around the eyes of that Gore from the 1966 Harvard photograph. That portrait might invoke memory of Hamlet's encounter with the ghost, in the First Act. Already, there, the tragic flaw in Hamlet betrays itself to the viewer. Such is the way of doomed actual and would-be princelings, even an ignoble one, such as poor Gore.

To avoid an otherwise likely misunderstanding, let us now warn the reader against the popular, illiterate misuse of the term "tragedy" as a mere synonym for "awful" or "pitiable." "Tragedy" is an important word, whose use must be reserved for the function it performs, not only in Classical drama, but in the practice of statecraft.<sup>13</sup> As the meaning of the term has been passed down to us from the Classical Greek epics and drama, it signifies a condition partaking of the sacred, such as the inevitable, self-inflicted doom of the gods of Olympus, or of a real-life nation, or what might have been, otherwise, a great statesman. It signifies self-inflicted doom, as brought about either by the whole people of a nation, or some leading figure who, for a moment, held the power to bring on, or avert that doom. It signifies the refusal by a people, or their leaders of that time, to seek and accept the truth, truth in the Socratic sense of truthfulness and justice. 14 It signifies a systemic, existential quality of conflict, between the intent of the decisions generated by a ruling, but wrong-headed mind-set, such as the belief that one must respect a currently foolish trend in policy-shaping as "inevitable," and the reality upon which that false and foolish intention is stubbornly imposed. It signifies a nation self-doomed by its own most cherished, perhaps Kantian customs. Like that character Thrasymachus of Plato's *Republic*, or the Olympus of Aeschylus' *Prometheus* **Bound**, it is doomed by the same laws by which the nation had proudly consented to be ruled.

Such is the presently looming tragedy of Vice-President Gore, and therefore of any political party, or nation, which adopts him as its choice for President. The root of the Vice-President's pathetic state of mind, is his refusal to be re-

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<sup>10.</sup> Some might protest: "Is not the idea of God the greatest idea?" One should reply to that challenge: How does one know oneself as in the image of the Creator of the universe? Is that not the greatest question which directly confronts the human mind?

<sup>11.</sup> Shakespeare's *Richard III* is based chiefly on extremely detailed, extensively first-hand historical studies supplied by Sir Thomas More and More's father.

<sup>12.</sup> The re-enactment of this tragedy.

<sup>13.</sup> It could be fatal to our nation, were we to follow the illiterate's advice given by the *New York Times*' William Safire, to decapitate the function of the President of the United States, by proposing that he conduct himself as the elected officer of a common chowder-and-marching society. Contrary to Safire's contemporary *Times*, a U.S. President must be 'Presidential.'

<sup>14.</sup> I.e., the Classical Greek  $agap\bar{e}$ , as also in the Apostle Paul's *I Corinthians* 13.

deemed, his refusal to accept the fact of the fundamental difference between man and beast. Worse than that state of belief itself, is his staking the entirety of his identity on becoming the President who leads the nation to the doom such a belief incurs. Gore should reconsider his tragic ways by comparing himself today with the image of doomed Adolf Hitler in his bunker, as the specter of Old Marley showed Dickens' Ebenezer Scrooge the urgent need to change his own foolish, greedy ways.

### Why Gore hates reality

There is a bit of Gore in every mechanic who reacts against a machine's disobedience, by smashing that machine with his tools. Or, compare the driver who smashes the windshield, or headlights of his car, to punish it for running out of gas. Would you wish to put a man of such disposition in the position of Commander in Chief of our armed forces? Watching relevant symptoms of Gore's public performance, prompts us to think of some rural racist, filled with sweet memories of the Confederacy, who warns his African-American neighbor, "You know how I get, when I don't get my way!"

For a long time, until the change which erupted on university campuses during the 1964-72 interval, the propensity for such "bi-polar" styles in tool-breaking, was constrained by the general population's sense of the rightness of a certain American tradition. Despite the evil done to our nation and its popular culture, by such sons of the Confederacy as Teddy Roosevelt and Ku Klux Klan enthusiast Woodrow Wilson, and by the mysterious death of President Warren Harding, this tradition was renewed, to a significant and beneficial degree, by the U.S. popular experience under President Roosevelt, during the 1930s Great Depression and the war which followed. That tradition was a sense of confident commitment to the betterment of the conditions of life, through reliance upon the benefits of scientific, technological, and related progress. As long as that tradition prevailed, the neighbor who occasionally smashed things out of rage, was a problem, but usually a tolerable one. The tendencies for such irrationalism, even those bordering upon insanity, tended to be contained within the bounds of representing an occasional aberration, bounded by a healthy surrounding cultural tradition.

When that tradition ebbed, as it has over the course of the recent three decades, the aberrations were less and less contained. One of those endemic aberrations, is the legacy of the Confederacy known as the Nashville Agrarian cult of figures such as Huey Long-hater Robert Penn Warren and the rabid Anglophile William Yandell Elliot. Young Gore, like Teddy Roosevelt, a Miniver Cheevy in his own right, fits more or less exactly into that decadent tradition. Long on ambition, and short on interest in cognitive activities, young Gore fell in quite readily with the up-and-coming campus counter-culture of the middle to late 1960s.

To understand Gore, one should compare his case with that of the youth counter-culture of post-Versailles Germany's 1920s and early 1930s. He typifies the existentialist who hates the society into which he imagines himself to have been thrown. He is an echo of the same moral sickness typified by such sundry, existentialist right-wingers and leftists as Nazi Martin Heidegger, or Bertolt Brecht, Theodor Adorno, Hannah Arendt, Heidegger's follower Jean-Paul Sartre and Sartre's protégé Frantz Fanon, all of whom were avowed haters of truth, of reason, and of mankind in general. They were haters, like Gore, of modern, science-driven industrial society and the Yankee-style nation-state republic.

There is a bit of Gore in every mechanic who reacts against a machine's disobedience, by smashing that machine with his tools. Or, compare the driver who smashes the windshield, or headlights of his car, to punish it for running out of gas. Would you wish to put a man of such disposition in the position of Commander in Chief of our armed forces?

In the case of the German and French existentialists of the 1920s and 1930s, we should reject, with disgust, the attempt of nominalist phrase-jugglers to divide political currents between "right wing" and "leftist."

Those existentialists of the 1920s and 1930s were equally products of what is termed by scholars "the Conservative Revolution." In both the relics of the Confederacy's legacy and in late Nineteenth- and Twentieth-Century Europe, "the Conservative Revolution" was rooted in the doom of the Habsburg-centered system of feudal landed aristocracy, and the replacement of those feudal relics by the new Venetian financier aristocracy which had chosen London for its new world capital. The doom of the princely tyranny of such creatures as Austro-Hungarian Chancellors von Kaunitz and Metternich, unleashed a deep, implicitly satanic pessimism and anti-social rage among the fading feudal tyrants, and the class of habituated lackeys which had adored their former way of life so passionately.<sup>15</sup>

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<sup>15.</sup> For the benefit of those who expect historical niceties from me in such matters, the following qualifications are supplied. The existentialist movement in Europe takes its root from the cultural and political legacies of the Roman Empire, both of Rome and Byzantium. This legacy, known as Romanticism, was the hegemonic current in western European feudalism, until the Greek Classical revival introduced by the Fifteenth-Century, Italy-centered Golden Renaissance. During the Sixteenth Century, Romanticism

It was the same with the would-be feudal landed aristocracy on which the Confederacy had been based. It was the British Foreign Office's Bentham and Palmerston, who created Giuseppe Mazzini and what became Young Europe, and established the future organization of the Confederacy, as Young America, in the U.S.A. So, the Ku Klux Klan emerged as the harbinger of fascism in the U.S.A., as did the Conservative Revolution which bred Nazism in Germany. Both the so-called "right" and "left" factions of the existentialist ferment, represented that often frankly satanic outburst of cultural pes-

Gore has adopted certain petulantly childish beliefs as to how the universe must behave; he, like the man seized by a quasi-psychotic fit of cursing and tool-breaking, is obsessed with the intent to force the universe to work the way he, Gore, demands, or else.

simism among the lackey classes of Europe. Thus, Heidegger, Jaspers, Adorno, and Hannah Arendt, the leftist acid and right-wing lye of European cultural pessimism. Thus, the array of existentialist cults in the U.S.A., ranging typically from the Ku Klux Klan to Nashville Agrarians. Hence, Al Gore.

Compare Gore to a second type of rabid tool-breaker. Take the case of those whom Gore follows, whether with full comprehension, or not: the Bertrand Russell devotees Professors Norbert Wiener (of "cybernetics" notoriety), and John von Neumann, the putative grandfather of the August 1998 collapse of a Gore crony, Wall Street's Long Term Capital Management (LTCM). The combined life's work of Wiener and von Neumann, which Gore knows as "The Third Wave," has turned out to be an hysterical fit, an elaborate tantrum, prompted by the refusal of the physical universe to obey the lunatic linear dogmas of the father of nuclear terror, Bertrand Russell. Typical is von Neumann's virtually

divided itself between a Conservative (pro-landed aristocracy) and radical (pro-financier aristocracy) current. The empiricism of Paolo Sarpi, typified the latter. The first forerunners of modern fascism, or neo-Caesarism, erupted in the Romantic 'Enlightenment' of the Eighteenth Century. Fascism began its emergence with the Jacobin Terror of Jeremy Bentham's British Foreign Office assets Robespierre, Danton, Marat, and Saint-Just, and with the principal forerunner of Mussolini and Hitler, the Romantic figure of the Emperor Napoleon Bonaparte. Romanticism took root in Germany in the aftermath of Napoleon's victory at Jena-Auerstadt, and Metternich's 1819 Carlsbad Decrees. Hegel and Savigny are representative, as are Schopenhauer, Burckhardt, Nietzsche, et al. The pro-satanic theosophical movement of such figures as Aleister Crowley, is part of the same development.

psychotic (e.g., literally schizophrenic) passion for the possibility of "artificial intelligence," and Wiener's promotion of the same hoax under the rubric of "information theory."

To appreciate such behavior among persons ostensibly dedicated to be original thinkers in science, one must focus upon the way in which all validatable discoveries of universal physical principles have been generated: through the cognitive processes to which I have referred here, above. Every successful discoverer recognizes this fact from both education and professional experience. Valid such discoveries could never occur in any different way than that. But, then, as a brilliant Yale psychiatrist, the late Professor Lawrence Kubie pointed out, there are many talented scientific professionals, and others, who had once been considered of great promise, but who seemed to go almost brain-dead sometime after receiving their terminal degrees. Kubie addressed this in his book on The Neurotic Distortion of the Creative Process, 16 and, later, in a report, "The Fostering of Creative Scientific Productivity," published in the journal *Daedalus*. <sup>17</sup> I have had occasion, in times past, to observe this phenomenon directly, as the case of brilliant young minds who turned intellectually sterile, transformed into pitiable mere pedants, during the period immediately preceding the final qualifying stages of gaining a terminal degree.

Snippets from the personal history of Wiener and von Neumann, point to the phenomenon of the enraged "toolbreakers" among science professionals who became notable after they became cognitively sterile. Both were thrown out of Göttingen University. Wiener was chucked out for scientific incompetence, by David Hilbert himself. Later, von Neumann, originally brought in by Hilbert, was chucked out, for offenses against academic honor, at the prompting of Richard Courant. Notably, von Neumann's career in the hoax known as "systems analysis," was shaped, from the beginning of the 1930s, on, chiefly by the crushing defeat of his mentor, Bertrand Russell, by the mathematician Kurt Gödel's refutation of the principal feature of Russell's life's work in mathematics.<sup>18</sup> The breakdown in the cognitive abilities of both men turned them into compulsive tool-breakers within the domain of science, just like the neurotic mechanic, who reacts to frustration by attempting to punish either the machine or his tools.

In the case of both Wiener and von Neumann, their escapades in scientific quackery were expressed by their desperate attempts to show that there was no area of scientific inquiry which could not be mastered from a simply deductive, linearized approach to mathematical thinking about physical pro-

<sup>16.</sup> Lawrence S. Kubie, *The Neurotic Distortion of the Creative Process* (New York: The Noonday Press, 1961; reprint of 1958 University of Kansas Press edition).

<sup>17. &</sup>quot;The Fostering of Scientific Creativity," Daedalus, Spring 1962.

<sup>18.</sup> Kurt Gödel, "On Formally Undecidable Propositions of *Principia Mathematica* and Related Systems" (1931), *Collected Works*, Vol. I (New York: Oxford University Press, 1986).



The Temple of Abu-Simbel from Egypt's 19th dynasty, including Ramses II, also known as Ozymandias.

cesses: by *linear methods of mathematical modeling*. Like Russell, both Wiener and von Neumann excited themselves over the topic of "random theory," a tell-tale choice of topic, a desperate effort to refute the Hilbert, Courant, and Gödel, who had caused much pain to Bertrand Russell, and to Wiener and von Neumann, too.

Gore's tragic flaw is of a parallel quality. To suggest that I am saying that Gore is a "science-illiterate" would require a vast overestimate of Gore's intellectual powers. What I am saying, and implying, is that the neurotic form of Gore's pathology is of the same general type as that of the enraged back-yard tool-breaker, or the hoaxes of Wiener and von Neumann. Gore has adopted certain petulantly childish beliefs as to how the universe must behave; he, like the man seized by a quasi-psychotic fit of cursing and tool-breaking, is obsessed with the intent to force the universe to work the way he, Gore, demands, *or else*.

That kind of problem is endemic among today's more poorly educated populations. However, with Gore it is much worse, a potentially terminal hovering at an increasingly turbulent threshold of insanity. Many people suffer from analogous follies; the difference is, that they, at a certain point, are prepared to abandon a folly which they recognize to be such. Gore is more like the *Titanic* passenger who would cling to the sinking ship, solely because he is determined not to let anyone cheat him out of occupying the luxurious stateroom he has just taken over from a guest who took to the lifeboats.

He is prepared to kill anyone who would prevent him from enjoying that purloined stateroom, and perhaps even prepared to kill anyone who would insist that the ship is actually sinking.

Gore's most visible obsessions of more functional nature are three: 1) His commitment to his faith in the "inevitability" of the utopian fantasy of "globalization;" 2) His commitment to an assortment of ideologies fairly grouped under the heading of "Third Wave;" 3) His picaresque self-image, that of a would-be aristocrat in a utopia akin to the Nashville Agrarian fantasy, in which he becomes virtually "king of the world." His attachment to each and all of these three notions, is more emotional in nature, than conceptual. As we see lately, the stress of the campaign has now put him close to, if not over the edge. The impulse to do something akin to smashing tools, is evidently either overwhelming, or nearly so. Perhaps some psychiatrist might suggest the term "paranoid;" I leave that matter to his ministrations. I have a different relevant point to add, here and now.

### What is sanity?

To understand insanity, one must first know what constitutes sanity. There, among his other faults, Dr. Sigmund Freud, for one, failed absolutely. Given the fact, that we must all die, what is a sane, optimistic view of our individual mortal life?

A short time before a famous musical arist. Gertrude

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Pitzinger, died, my wife and I, and two others, had a private birthday celebration with her. It was said that she was ninety-two years of age. She had been among the great singers, in the U.S.A. and in Europe, during the 1930s and 1940s. On the occasion of that birthday celebration, she had my wife Helga recite certain German poems, after each of which Madame Pitzinger would produce one of her recorded performances of a song based on the same poem. In the course of this visit, she said of those songs, that she had been privileged in life to be able to sing this music so. That was no overstatement; her performance of the Schumann *Frauenliebe und -leben*, for example, is among the masterpieces of the recorded musical literature. It was the last time we met, and it was an extraordinarily beautiful, happy, and most memorable moment.

In great Classical artistic compositions, as in valid discoveries of universal physical principle, the mortal individual touches immortality. There is no vanity in stating that; it is a plain fact known to and relished by every sane person. There is no blind faith in such a statement; the evidence is strictly scientific. The proof goes as follows. The proof is, among its other applications, a source of insight into the reasons Vice-President Al Gore is, so visibly, such a mean and unhappy man.

What is it which sets each man and woman equally apart from and above the beasts? The proof of that fact is the relationship between the cooperative employment of validated discoveries of universal physical principle, and mankind's increase of our species' power in and over the universe. The Creator has so designed this universe, that whenever mankind generates a valid discovery of a universal physical principle, the universe is obliged to obey the command which that discovery represents. Thus, the nature of the human individual, and man's relationship to the Creator and His universe, lies in that sovereign cognitive power of the cultivated individual human mind, by means of which valid solutions to deductively insoluble paradoxes are generated, as valid discoveries of universal principle.

The cultivation of the individual's such sovereign powers, is effected in us through our reliving the act of discovery of such principles, reliving the creative acts of those who have gone before us. We, in turn, should not only pass that experience on to future generations, but, hopefully, add something to that stock of wisdom. Thus, for the scientist whose mind has been cultivated and employed in this manner, his or her mortal existence lies in a definite and permanent place in the well-ordered simultaneity of eternity.

This is clear for science. What does this say for art?

In Classical art, as distinct from mere popular entertainments or contemporary Romantic, modernist, or post-modernist fads, what defines a composition performed as art, is that the composition embodies some demonstration of a discovery of principle, in the same sense that this applies to the discovery of valid universal physical principles. Look at this

from the standpoint of the performing Classical artist, in music, the Classical stage, and poetry. What constitutes a bad, or good performance of such compositions? Wherein do we touch the immortality of Gertrude Pitzinger's performing artistry, for example?

In those instances, the key lies in the cognitive principle of metaphor. The poor attempt at Classical artistry in performance, is usually a tendency to sing the notes, rather than the music, to deliver the words of a poem in a stylized way, rather than, as this century's greatest conductor, Wilhelm Furtwängler, did, convey the passion embedded in the ironies the composer has supplied. In a good performance, the artist enables the audience to relive the discovery of the universal idea in the composition, an experience which only an artist could provoke in that audience. In all such cases of successful performance, the essential relationship among the performer, the performance, and the audience, is a cognitive one, not a matter of sensory effects or symbolisms as such. By cognition, we should understand the same kinds of social relations and sovereign personal experience presented by inducing a student to re-enact the discovery of a valid universal physical principle.

Thus, does an art, and its qualified artists, perform an indispensable function of transmitting the universal principles of the art of the past, to future generations. So, all Classical artists who work so find a permanent place in the simultaneity of eternity.

Yet, there is something more in Classical artistic composition. As the case of Shakespeare's character Hamlet attests, all Classical art has the general social function of civilizing populations, by imparting to them those insights into social relations which are essential for daily life and statecraft alike. Classical art is the science of society, as Classical science is the science of man's mastery of the universe. Thus, the cultivation of the sovereign cognitive powers of each generation, a cultivation rooted in reliving the discovery of the great universal principles of the physical universe and Classical artistic composition and performance, is the form of activities of the mortal individual in society, which offers each the opportunity to secure a permanent place in the simultaneity of eternity.

This is not a matter of finding consolations for mortality. It goes much deeper than that. We are like a visitor sent from some distant galaxy, here briefly to fulfill some necessary mission for both mankind and for the universe in general. Therein lies our identity, our essential sanity.

That sanity is what the obviously wretched, self-tormented, pathetic Al Gore presently lacks. He has publicly repudiated everything he might become which is truly human, for the sake of his foolish desire to be nothing better than a cruel wooden doll—an evil wooden nutcracker, perhaps—in a paper universe.

That said, the rest which might be added follows implicitly.

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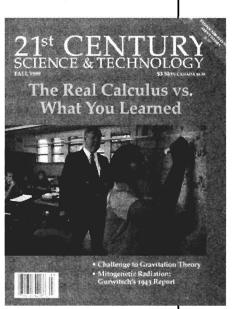
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## **E**IRInternational

## Puppet Emperor Lee Teng-hui

by Lyndon H. LaRouche, Jr.

On the subject of foreign manipulations of Taiwan's election process which threaten to draw the U.S. and China into military conflict.

January 10, 2000

The current British government and its Christian Solidarity agents in the U.S. Congress and the George W. Bush Presidential campaign, are using the same Japan factions used to launch the previous, 1894 and 1930s military aggressions of Japan against China, using their asset, current Taiwan President Lee Teng-hui, in an effort to stir up a third such aggression. The target of these London-directed attacks, is the tradition of the U.S.-allied Sun Yat-sen, founder of modern China. Those behind Lee Teng-hui's attacks are the same interests who backed the launching of the two earlier Sino-Japanese wars against China, in 1894-95 and the 1930s.

From my personal knowledge of U.S. and other relevant intelligence circles from the 1980s, I have a well-marked road-map of the British and U.S. complicity in this deployment of exactly those forces within Japan, who were the authors of the first Sino-Japanese war, and who launched the second, despite the opposition from Japan's Emperor Hirohito.

The pivot of the latest development is the current President of Taiwan, Lee Teng-hui, whose role is well-known to me since the late 1980s, and who has made no effort to cover up the fact that he is operating as a de facto agent of those same London-backed forces in Japan who launched the first and second Sino-Japanese wars.

President Lee Teng-hui's behavior has not improved, but worsened since the late 1980s, when I had my earlier first-hand experience with and knowledge of his role to this effect, most notably his connection to circles associated with former

U.S. CIA Deputy Director Ray Cline. President Lee's behavior, especially during the last half-year, has clearly demonstrated, that he is not representing the interest of the people of Taiwan, but is acting as an agent of influence of certain forces in Japan, Great Britain, and the U.S.A., who are trying to provoke a war between the U.S. and Mainland China.

I am obliged to speak out publicly, to clarify this matter, because of an understandable, but insufficiently clear public statement on this role of President Lee Teng-hui, by high-ranking officials of the government of the People's Republic of China. When People's Republic officials say that the current London-backed provocations by President Lee Teng-hui threaten a war across the Taiwan Straits, Beijing officials are speaking nothing but the simple truth; but, their omission of the crucial role of the British monarchy in provoking this danger, tends both to play into the hands of the enemies of the Chinese people, and to confuse the world more generally. Therefore, I am obliged to clarify the present situation by stating what I can report as my expert knowledge of the problems involved.

I should qualify what I have just reported, by emphasizing that my old friend, the late senior U.S. diplomat Stefan Kozak, and I, had a serious falling-out with our Anglophile acquaintance, former CIA Deputy Director Ray Cline, over the policy of using Taiwan's President Lee Teng-hui for building up this London-directed operation. Yes, there is a Japan tradition rooted in the two earlier Sino-Japanese wars; yes, that tradition is deployed behind President Lee Teng-hui today; yes, there are corrupt U.S. interests acting in support of Japanbacked control over Lee Teng-hui, including the backers of Texas Governor George W. Bush; but, the mother of this is the British monarchy, which orchestrates all of the corrupt, war-mongering U.S.A. and Japan factions involved. Not to pinpoint the British monarchy's controlling role behind this



Taiwan's President Lee Teng-hui, writes LaRouche, "has made no effort to cover up the fact that he is operating as a de facto agent of those same London-backed forces in Japan who launched the first and second Sino-Japanese wars."

matter, is to encourage a new Japan-China war, by failing to tell the whole truth of the situation. Before wise men allow themselves to be drawn into war, they first discover who is the enemy which must be defeated.

### U.S. China policy

To sum up the strategic situation, as this affects U.S.-China relations, I state the following:

A new form of cooperation among a multi-polar group of nations, including China, India, Russia, the U.S.A., and key nations of western continental Europe, is the most vital longterm economic interest of the U.S.A. The perspective of improved future relations developed among China, India, Russia, and other nations during the administration of Russian Prime Minister Yevgeni Primakov, represented a step toward a new form of global economic cooperation including many nations, including the U.S.A. and key nations, such as Germany, France, and Italy, of western continental Europe. This requires a return to the proven precedent of the 1944-1958 phase of the previous Bretton Woods agreements, but, this time, with a leading role, as principal partners, by China, India, and other so-called developing nations. Since the crisis of 1997, Malaysia's Prime Minister Mahathir bin Mohamad has taken steps which represent invaluable, and successfully tested precedents for broader action in this specific direction. On the other hand, if such cooperation among such a multipolar assembly of nations does not emerge soon, this entire planet will be plunged, very soon, into the worst "dark age" of chaos and general depopulation in known history.

The form of this multi-polar cooperation must be that envisaged by U.S. President Franklin Roosevelt before his most untimely death. Then, China and Russia should have been among the principal powers and partners of the U.S.A. in shaping the world's postwar monetary and economic system. With Roosevelt's death, Churchill prevailed, imperialism was restored, and what came to be known as the developing nations, became reduced to second- or third-rate, colonial or semi-colonial, appendages of an Anglo-American form of thinly disguised global neo-colonialism. The follies of abandoning the original Bretton Woods system, and replacing it with a lunatic "floating exchange-rate system," during 1971-1972, have brought the world's financial and monetary systems to their impending, inevitable self-termination. Now, we shall either replace this presently bankrupt current world financial, monetary, and economic system, with an appropriate new system, or civilization as we have known it will soon disintegrate worldwide.

This gives cooperation with China, India, and Russia a new, more profound quality of strategic importance for the world as a whole,

and the United States in particular. There is no margin for tolerating any of the varieties of strategic lunacy associated with irrational fanatics such as former U.S. National Security Adviser Zbigniew Brzezinski, or the current Blair government of the United Kingdom.

The central characteristic of the new, multi-polar world monetary system which must be established by emergency action, is a long-term perspective of the use of long-term low-cost credit, to provide the so-called developing nations of the world with the capital improvements needed to foster a revolutionary increase of the productive powers of labor, per capita and per square kilometer, especially in the so-called developing nations, including such keystone nations as China and India. This quality of partnership represents, among other things, the only rational definition of the strategic self-interest of my United States.

However, as since the U.S. War of Independence, there are those, not only the British monarchy, but also the financier oligarchy of the U.S.A., who would rather send the whole world to Hell, than allow President Franklin Roosevelt's policy for global, postwar cooperation to be realized. The backers of Taiwan President Lee Teng-hui are agents of precisely such forces.

### A London-directed Japan war against China

During the first and second Sino-Japanese wars, the London-directed, anti-U.S.A. war party in Japan, struck north against China and Russia, building a captive base around the former heir of the China imperial dynasty in so-called Manchuria, for the general effort of the conquest and dismemberment of an enslaved China as a whole. During the 1920s, when the British and the Japan war-party were allied for naval

warfare against the U.S.A., the Anglo-Japanese allies drew up war plans for a joint attack on the U.S.A. The attack on Pearl Harbor, on Dec. 7, 1941, was an outgrowth of those earlier British-Japan plans for a joint aggression against the U.S.A. U.S. war plans "Red" and "Orange" addressed those known war plans of the London-Japan alliance.

Today, those who share the heritage of the 1920s London-Japan naval war plans against the U.S.A., have selected Taiwan President Lee Teng-hui to replace the puppet-role of the former boy-emperor of China in the earlier, second Japanese aggression against China.

When the government of the People's Republic of China warned that the current puppet-role of Taiwan President Lee threatened a new war, they spoke the truth. The problem was, that China's government failed to emphasize the crucial role of the British monarchy and its Christian Solidarity puppets in the U.S.A., in threatening China with a casus belli. Therefore, I must speak to clarify the situation.

Therefore, I report as follows on the latest strategic provocation by the anti-China war party of London and its U.S. Christian Solidarity and kindred puppets, the operation against the forces representing the Sun Yat-sen tradition in Taiwan, as typified by President Lee Teng-hui's dishonorable targetting of the most honorable James Soong.

When it became apparent, that former Governor of Taiwan James Soong, now Independent Presidential Candidate for the March 18 election, was leading in the polls by a wide margin, the government of incumbent President Lee Teng-hui launched a political smear campaign against Soong. President Lee fabricated a series of obvious lies against James Soong, lies designed to destroy his chances to win the election, and to boost Chen Shui-bian, the candidate of that Democratic Progressive Party whose pronounced goal is the independence of Taiwan and a Japan-backed military conflict with China.

The Lee Teng-hui Finance Ministry of Paul Chui, in a naked misuse of power, published charges against James Soong's private accounts, and accounts in the name of some family members. An additional report by some departments of the KMT, recklessly accused Soong of "forgery, breach of trust, and embezzlement." Japan-backed President Lee went so far as to spread lies accusing Soong of being a "traitor," "thief," and "shameless."

According to James Soong, one of the accounts in question, contains monies (NT \$140 millions—U.S. \$4.43 millions) given to him by President Lee Teng-hui himself! It is reported that, in 1992, when Soong was still the KMT secretary general, President Lee instructed him to set up a fund to care for the family of former President Chiang Ching-kuo.

In the meantime, to President Lee's embarrassment, a probe by legislator Hsieh Chi-ta of the New Party, into the accusations against Soong, found that Soong has neither embezzled money from the KMT, nor forged documents, and was not involved in a breach of trust, nor money-laundering, nor dodging donation taxes, nor income taxes. Furthermore, it is uncontested that the money which Lee instructed Soong to use for the Chiang family, has not been used for other purposes, and is still sitting—intact!—in the account.

These facts of the matter suggest that, if President Lee is not suffering from senile loss of memory, he must be lying about the entire matter.

So, despite the fact that no wrongdoing could be proven against James Soong, the smear campaign against him was used to create a negative effect on his ratings in the polls. This libel and slander campaign gave Soong's opponents Chen Shui-bian from the DPP and Lien Chan from the KMT, an illdeserved boost.

### Prince Philip and Transparency International

One has only to study how the British-monarchy-directed so-called "Operation Clean Hands," has been used to destroy the entire political system in Italy. How the same fraudulent method was used to destroy the potential Presidential campaign of Primakov in Russia, and how the same method is being used presently in Germany, in an effort to destabilize the political institutions in Germany by playing up scandals around former Chancellor Kohl. The common denominator of operations such as those against Taiwan's James Soong, is to be found in the same type of operations of the British monarchy, deployed in aid of Britain's exports of Prime Minister Tony Blair's "mad cow" meat into continental Europe. Thus, Blair's campaign against France's Strauss-Kahn and against Spain, helps the world to see the common denominator in all these cases.

In all these cases, these smear campaigns which pretend to be concerned with "corruption," mix facts with fantasy, and are associated with an organization called "Transparency International," a tool of the oligarchical financial forces behind globalization, in their war against the sovereign nationstate. This campaign is associated with such individuals as Prince Philip and Philip's admirer Al Gore.

Acting transparently as a tool of these foreign forces, the Lee Finance Ministry went a step further in its terror campaign against Soong. Despite the discreditation of its previous charges, it manufactured a new charge in December, talking about another "mystery account"—a clear attempt to scare away financial contributors to the Soong campaign. The accusation by his two opponents, Chen and Lien, that Soong received funds from Beijing, is believed by only 6% of the population, and is generally dismissed as a dirty trick.

President Lee, whose affinity with such people as Tokyo's Governor Shintaro Ishihara has long been known, started to escalate his recent provocations immediately following a successful seminar that took place in Hong Kong in early July, on the "Peaceful Reunification of the People's Republic of China." That conference was attended by some 200 scholars and noted figures from both the Mainland and Taiwan, as well as some international guests. Lee detonated his bombshell about the "state-to-state" relations, during what were virtually the concluding hours of that conference.

Lee obviously felt encouraged to engage in this provocation following NATO's bombing of China's Belgrade embassy. The increase in sale of advanced weapons systems by the U.S. to Taiwan (the U.S. has tentatively agreed to sell AIM-120 advanced medium-range air-to-air missiles to Taiwan), as well as the introduction of the so-called "Taiwan Security Enhancement Act," which was introduced into the U.S. Senate in March, are part of the context of Lee's provocations. That bill, which calls for extending U.S. military intervention in the Taiwan Straits, by including Taiwan in the proposed "Theater Missile Defense" (TMD) system, was introduced in the Senate by Senators Jesse Helms (R-North

Carolina) and Robert Torricelli (D-New Jersey), and was cosponsored by Frank Murkowski (R-Alaska). The orchestration of Lee's provocations is underscored by the fact that Murkowski, with Senator Trent Lott (R-Mississippi) and others, was the key sponsor of President Lee's tour in the U.S. in 1995. A similar bill was introduced into the House of Representatives.

Also related is the fact, that, on August 14, Texas Governor George W. Bush declared, that if he were to become President, he might choose to defend Taiwan by force. Bush said, that the U.S. must be "tough and resolute" when dealing with China as a "strategic rival."

# The stakes in Taiwan's Presidential election

On March 18, Taiwan will hold Presidential elections, the outcome of which will have major international strategic importance.

Over the past ten years, Taiwan has been subject to intense outside interference, intended to use the island as a key geopolitical player against Mainland China. As LaRouche writes, Taiwan's President Lee Teng-hui, who has been in power since the death of President Chiang Ching-kuo in 1987, has been the main puppet. But also, the Democratic Progressive Party (DPP), whose main political platform is Taiwan independence, is completely controlled from outside. Both have been working, one covertly and the other overtly, to foster Taiwan's independence.

To this end, Lee has hindered the natural tendency for collaboration across the Taiwan Strait with a "no haste, be patient" policy, which has seriously restricted Taiwan business investment in Mainland China, and opposed direct cross-strait transportation and commercial and postal service links. In vain, he has tried to silence his critics, by monopolizing the electronic media, including the three main television networks, throwing opponents out of the Kuomintang (KMT) party, and firing leaders of thinktanks and other institutions who would not kowtow to him. In addition, Lee has amassed a lot of wealth, personally as well as within the KMT. Lee's buying support and propaganda by wining and dining foreign elected officials is well known. (A former U.S. Congressman told EIR that the two places in the world which are notorious for such practices are Israel and Taiwan; he himself had been invited to Taiwan 12 times, until Lee Teng-hui's government finally realized that he supported Mainland China.)

Despite Lee's efforts, the last ten years have demonstrated an ever-increasing interdependence—economi-

cally, culturally, and politically (albeit unofficial)—between Mainland China and Taiwan. And, in Taiwan, the heirs of Sun Yat-sen have waged a tenacious fight to expose the traitorous nature of Lee Teng-hui and to get him out of the way. Now is the chance, with the Presidential elections on March 18.

The election has three main contenders: DPP candidate Chen Shui-bian, who is outspokenly for independence; KMT candidate Lien Chan, who is handpicked by Lee Teng-hui; and, independent candidate James Soong, former elected Governor of Taiwan.

### A responsible program

James Soong is opposed to the Theater Missile Defense (TMD) proposal, and wants to open up the three direct links with China—for travel, trade, and communications. In his economic and trade platform presented on Jan. 12, Soong attacked Lee's "go slow, be patient" policy, saying that it is hindering Taiwan's investment in Mainland China. Instead, he proposed a "go straight, be positive" posture. Soong also stated that the government should help small and medium-sized businesses explore the Mainland market for their originally designed products, and help local industries increase the added value of their products. He called for steps to normalize and institutionalize bilateral economic and trade relations.

By contrast, Lee Teng-hui, at a public meeting on Jan. 10, declared that the people of Taiwan should agree with each other on the identity of Taiwan and speak out, that Taiwan is a sovereign state.

If Soong wins the Presidential elections, the most important tool for geopolitical manipulations directed against China, will be lost. That is the background for the recent, vicious attacks on Soong. These attacks will escalate, and, as one parliamentarian told *EIR*, "If they don't succeed in stopping Soong, they might use their last option, and assassinate him." But, as LaRouche writes, "the matches with which they play, and the tinder amidst which they are sitting, are both real."—*Leni Rubinstein* 

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Continuing that pattern of war-mongering by the British monarchy's U.S. assets, on August 11, the director of the former China asset-handling office of the U.S. Department of Defense (DOD) proclaimed: "Based on the 'Law on Relations with Taiwan,' the U.S. Pacific Command always has a war plan ready for intervening in the military situation in the Taiwan Straits." Regarding the present situation, he said that if Beijing "intends to punish" Taiwan, the U.S. will consider making a military response. During the same time, two carriers of the U.S. Seventh Fleet, the "Kitty Hawk" and the "Constellation," conducted exercises in the South China Sea, close to the Taiwan Straits.

In August, after Lee's provocative statement on the "stateto-state" relation, a discussion flared up about the inclusion of Taiwan in the TMD. A series of extremely stern warnings was published in military publications on the Mainland. In unusually sharp language, these articles wished to remind readers of the fact, that previous military engagements of the U.S. in the region did not end so well for the United States. It was stated, that when China assisted Korea and Vietnam against the "apparently powerful U.S. aggressors," they were "eventually defeated." It was stated that, today, if the U.S. were to engage militarily because of Taiwan, the U.S. would be "operating far from home, [with] its supply lines too long, and [unable to] win a war of attrition." One should not be surprised if the logic of those utterances is more than a bit strained. Such statements should be read as intended to convey a sense of the anger which British assets in Washington are stirring up within China.

The circles in Japan, Britain, and the U.S., such as those formerly associated with retired CIA Deputy Director Ray Cline and his "China Spring" operation, have fanned the flames, and continue to encourage the fraudulent operations of the Lee government against James Soong. Such people are as foolish children, so amused by the games they are playing, that they overlook the fact that the matches with which they play, and the tinder amidst which they are sitting, are both real. The only thing they can accomplish by encouraging the so-called independence of Taiwan, is to throw yet another part of the world into chaos. Furthermore, they are in the exact tradition of the forces who were responsible for the first and second Japan wars against China.

Contrary to such fools and their foolishness, back in the real world, it is a fundamental interest of the U.S., to support the policy of Sun Yat-sen for China today, as this has always been the policy of leading U.S. patriots. Sane U.S. officials will continue to promote a peaceful reunification, by the people of China themselves. If we put the foolish meddlers, such as George W. Bush, back into playpens where they can do no more harm, unification will occur according to the rules which the sovereign People's Republic of China has repeatedly set forth, and has, so far, peacefully honored. It is in the vital strategic interest of the U.S.A., and of the peoples of Asia, that that effort should succeed.

### BAC cabal exposed behind German scandals

by Rainer Apel

Were certain circles in the political elite of Canada not corrupt, Karlheinz Schreiber would have been extradited to Germany in September 1999, and he would be on trial in Augsburg, on charges of tax evasion in the range of 23 million German marks (roughly \$14 million).

The Royal Canadian Mounted Police had arrested Schreiber on Aug. 30, in response to a German arrest warrant delivered through Interpol, and had put him in jail in Toronto. A hectic back-and-forth developed, for about a week, between the RCMP, the court, and Schreiber's lawyers, but instead of being extradited to Germany, Schreiber was released on bail on Sept. 8. Since then, he has been a continuous source of rather vague but ominous remarks, in interviews and the like, on the "corruption" of the German political class, which, he has hinted, have been bribed by him.

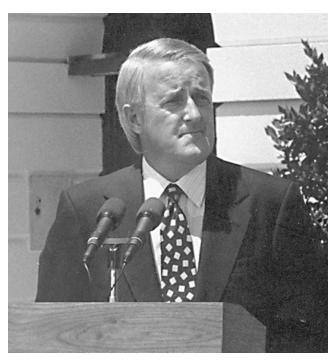
The latest among these interviews, each of which has unleashed another round of media witch-hunts against leading German politicians, notably former Chancellor Helmut Kohl, was with the "Report" TV magazine of Germany's first national channel on Jan. 10, and another with the German daily *Die Welt* on Jan. 12. There, Schreiber hinted that what has become known in the "party-funding" scandals, "has been but the beginning. The real damage to the Federal Republic of Germany is yet to come." Schreiber also said that "many facts that will cause damage to the entire political class" of Germany, would become known in the near future.

### Why is Schreiber walking around free?

Apart from the notorious muckraking media and their supporters in the political elite who welcome Schreiber's threats as additional ammunition against, primarily, the Christian Democrats of former Chancellor Kohl, concerned Germans are wondering how it is possible that a man who should be on trial, is walking around in Canada a free man, slinging mud at Germany.

The case of Schreiber, who has been friends with leading Canadian politicians from at least the early 1980s on, exposes the role of prominent circles of the British-American-Commonwealth (BAC), in the destabilization of Germany.

Schreiber was able to walk out of a Toronto jail on Sept. 8, 1999 because two former Canadian cabinet ministers, among others, each put up Can \$100,000 in bail for his release. These were Elmer Mackay, former Solicitor General under Prime Minister Brian Mulroney in the 1980s, and Marc Lalonde,



Former Canadian Prime Minister Brian Mulroney. The British-American-Commonwealth cabal is targetting Germany's political structure using a close associate of Mulroney's, Karlheinz Schreiber.

former Minister of Justice under, and principal secretary of Pierre Trudeau, who was Prime Minister throughout the 1970s.

But these are not the only friends of Schreiber in Canada: There is, for example, Frank Moores, a former Premier of Newfoundland, who has been a business partner of Schreiber since at least the time that Mulroney made Moores chairman of Air Canada in 1985.

And, less apparent than these cases, is Schreiber's closeness to Mulroney himself. That relationship led Schreiber, as the *Toronto Globe & Mail* reported on Sept. 2, 1999, to do the following: "In November of 1995, Mr. Schreiber, as a Swiss bank account holder, was notified that Canadian authorities wanted to freeze his assets. He called Mr. Mulroney to alert him."

Alert him about what? Did he expect Mulroney to intervene with the Canadian authorities, or did it have to do with the fact that at that time, Mulroney was suspected of holding undeclared Swiss bank accounts for kickbacks from several murky deals under his government? The kickbacks were paid to Canadian politicians, in the context of three government contracts, one involving the purchase of 43 Franco-German Airbus planes in 1988, when Moores was chairman of Air Canada, at that time still a state-owned company. Schreiber's name had come up in the investigation of the kickbacks. The Canadian courts ruled that Mulroney was not guilty of holding undeclared bank accounts in Switzerland, and the former

Prime Minister was paid Can \$2 million in compensation.

Schreiber, however, did not get away that easily: The RCMP investigation into his activities continued, and in late 1998, Schreiber felt that his dual Canadian-German citizenship would not protect him enough in Canada, so he travelled to Switzerland. From there, he wrote to leading German politicians, requesting their help in ending an ongoing Augsburg court investigation against him on charges of tax evasion—as he put it, to protect a German citizen from being extradited to Canada by Swiss authorities on an RCMP arrest warrant, which he expected to arrive, sooner or later.

The German politicians he wrote to, among them Bavarian State Gov. Edmund Stoiber, did not suppress the investigation. And, as the Canadian courts had not yet ruled on the RCMP request to look into his Swiss bank accounts, Schreiber chose to stay in Switzerland for the time being.

### Schreiber returns to Canada

But in May 1999, the situation worsened for him: The investigators in Augsburg sent a formal request to the Swiss authorities for information on his bank accounts, in connection with several cases of bribes to German politicians and government officials. One of those, Holger Pfahls, a former Assistant Defense Minister, was charged with taking a bribe of DM 3.8 million from Schreiber, for assisting him in the "mediation" of a sale of 36 light German tanks to Saudi Arabia in 1991. In May 1999, Pfahls worked as the chairman of the Asia operation of Germany's Daimler-Chrysler company in Singapore. But before investigators could lay hands on him, Pfahls went underground, escaping the investigation. That same May, Schreiber left Switzerland, returning to legally less steady ground in Canada. And, indeed, in spite of prominent sponsors among the Canadian elite, Schreiber lost his legal case against the RCMP.

But, the RCMP did not arrest him in connection with the ongoing Canadian kickbacks investigations; it put him in jail on the German arrest warrant delivered through Interpol. However, political protection worked well for him: He was released on bail that was paid for him, and, it seems, he returned the favor by starting to make nasty remarks about Germany, remarks that have contributed to the destabilization of the German political class, notably the Christian Democrats, since early September 1999.

So far, Schreiber is only free on bail. A renewed arrest warrant from Germany forced him to appear before a Toronto court on Jan. 6, to testify concerning the German charges of tax evasion. Before appearing in court, Schreiber gave a series of telephone interviews to German media, telling them that what has been made public so far in the German party-funding affairs "has only been the overture."

Apparently, these allegations are going to escalate, at least until Jan. 24, when the Toronto court is expected to rule on the extradition case. Schreiber and his lawyer, Eddie Greenspan, expect the court to rule in their favor, and against Germany.

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# Pakistan reiterates its nuclear option

### by Ramtanu Maitra

In an interview with CNN released on Jan. 4, Pakistan's Chief Executive Gen. Pervez Musharraf made clear that Pakistan would use its nuclear option, if the country's security were threatened. Although such statements have been made by other subcontinental political leaders before, the latest statement has angered not only those who point fingers at Pakistan as the major source of terrorism in the region, but also those non-proliferation bureaucrats who preach selective denuclearization. The statement has worried others who are keen to see India and Pakistan resolve their differences peacefully and not resort to the use of nuclear weapons to settle the Kashmir dispute.

General Musharraf's statement actually underlines the helpless situation in which Islamabad now finds itself. Long before the Dec. 24 hijacking of the Indian Airlines plane—which New Delhi says was masterminded by Pakistan, and Islamabad categorically denies—Pakistan's domestic security situation had gone haywire. A number of militant groups, some with distinct links to international terrorist organizations, the international narcotics cartel, and dirty intelligence networks, were functioning almost freely within Pakistan, corrupting whatever is left of the once-stable Pakistani establishment. Most, if not all, of these militants are mercenaries, who, for convenience's sake, use *jihad* to do what they do.

As a result, Pakistan is under pressure from the West. Washington wants it to give up the nuclear option and its nuclear linkages with China, sign the Comprehensive Test Ban Treaty (CTBT), curb terrorism, and "fix" the nation's economy in the way that the International Monetary Fund prescribes. Europeans chant the same mantra. It is obvious to General Musharraf that these demands cannot be met, or even approached directly. But, the pressure is on. As of Jan. 12, British Chief of Defence Charles Guthrie and a four-member U.S. Congressional delegation led by Senate Minority Leader Tom Daschle (D-S.D) were in Islamabad. The IMF team were to arrive two days later.

In addition, international organizations headquartered in London are pushing to establish an independent Kashmir—independent of both Pakistan and India. Using the easier route through Pakistan, mercenaries are sent to aggravate, hurt, and drain India. Since Pakistan is being used by these terrorists for training camps and launching bases, India, for good reasons, puts the blame on Islamabad. Neither New Delhi nor

Islamabad has gone beyond blaming each other. Neither has really shown interest in exposing the "great game" that is weakening both and steadily prodding the two countries to a full-fledged war.

### **Indian military power**

General Musharraf's statement, badly timed no doubt, was ostensibly intended to avert such a war. He is using the old theory, propagated by Henry Kissinger et al. during the Cold War days, that nuclear weapons act as deterrents. What Pakistan's strongman knows, is that in case of a conventional war, India has overwhelming supremacy. The Indian Air Force, well-endowed with MiGs, SUs, and Mirages, could lay Pakistan's major cities to ruins within hours. This is not because Pakistan does not have a modern Air Force, but because Pakistan is a small country; and the Indian Air Force, at a cost, could bomb most major cities, military cantonments, cut off the supply lines, and even get the Pakistani nuclear installations. All this could be achieved effectively and quickly.

By contrast, the Pakistani Air Force, as good as it is, would have to make deep inroads into India, a vast country geographically, before it could damage important targets. India's superior air defense system will make such sorties highly ineffective. The 1965 and the 1972 wars between India and Pakistan brought to the fore the efficacy of the Indian Air Force and its ability to control the skies over the battle arena.

After exhibiting its superiority in the air, India would move in to choke Pakistan's oil supply line by blockading Pakistan's only major port, Karachi. Again, India's naval strength is vastly superior to Pakistan's, for obvious reasons. India has a long coast line—facing at least seven neighbors at close range—that requires protection. India is becoming more and more concerned about this, and has a begun a serious dialogue to develop a closer relationship with the U.S. Navy.

In other words, except for making some inroads in the border areas using its land-based army, Pakistan would be fighting for survival in an all-out conventional war against India. This is not a new development, but recent shifts in geostrategic alignments have highlighted the situation. During the Cold War, Pakistan was a "useful" ally of the West. Such is not the case now. Washington is concerned about narcotics and terrorism—so-called Islamic terrorism, in particular—and Pakistan cannot meet the U.S. demands on that. As a result, Islamabad has reason to believe that Washington has removed its protective umbrella, making the nation vulnerable to India's conventional war machine.

In announcing that Pakistan has nuclear weapons and will use them if he feels the country's sovereignty is endangered, General Musharraf has told Washington, and its allies, that Pakistan cannot give up its nuclear options under the prevailing conditions, and that it needs Washington's help to get out of the logjam with India created because of the Kashmir dispute.

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# Croatia takes stock of a century of war and British geopolitics

by Elke Fimmen

Editor's note: The Croatian Democratic Union (HDZ) party of the late President Franjo Tudjman was defeated in parliamentary elections on Jan. 3, bringing to power the centerleft opposition coalition of the Social Democrats (headed by former Communist Party leader Ivica Racan) and the Social Liberals. The two parties, according to projections by Croatia's state television, are expected to hold some 70 seats in the 152-seat Parliament, requiring the support of four other opposition parties (24 seats) to achieve a majority. The HDZ is expected to have 48 seats. Racan, the new Prime Minister, is reputed to be "pro-Western," and the vote was welcomed by the Clinton administration and the European Union. Racan is promising 17% state budget cuts, reduction of taxes, and efforts to reduce unemployment, which is over 20%. Presidential elections are scheduled for Jan. 24. The following report was filed from Zagreb before the parliamentary elections.

On Dec. 14, 1999, the Croatian translation of William Eng-dahl's book *A Century of War: Anglo-American Oil Politics and the New World Order*, was presented in Zagreb to about 100 guests by the publishing house AGM. Engdahl is the Economics Intelligence Co-Director of *EIR*. The book was published in 1992 in German and one year later in English (the English translation is available from Ben Franklin Book-sellers, Inc., 1 (800) 453-4108). AGM, which is named after the famous Croatian writer Antun Gustav Matos, is owned by the city of Zagreb; it decided last autumn to publish the book in its series on contemporary history, and invited the author for this occasion.

After an introduction by the director of AGM, Boze Covic, the book was presented by historian Antun Abramovic and Zeljko Kruselj, writer and commentator for the Croatian daily *Vecernji List*. Mirjana Rakic, head of Foreign News Department of Croatian TV, moderated the event. The author presented an update, "Ten Years After," in which he explained how German reunification and peaceful economic development after the fall of communism were sabotaged by British geopolitical maneuvers, including the destabilization of Europe during the war of Greater Serbian aggression, starting in 1991, against first Slovenia and Croatia, and then Bosnia-Hercegovina. Engdahl stressed that it was American

statesman Lyndon LaRouche, who had, despite all odds, fought for a just new world economic order against geopolitical balance-of-power schemes.

That evening, the main TV magazine broadcast its interview with Engdahl and invited the viewers to read the book, because it represented "another perspective on the century and its underlying geopolitics." *Vecernji List* published a review by Kruselj the following Sunday.

### **Turbulent times**

The book presentation took place at a turbulent time for Croatia. The day before, President Franjo Tudjman had been laid to rest in a state funeral. Despite many criticisms of his policies, the majority of the Croatian population highly valued the fact that, under his Presidency, the sovereignty and territorial integrity of the nation were achieved under most difficult international circumstances. Croatians expressed their sentiment with a strong turnout for the funeral ceremonies.

That this is also a time of reflection on the dramatic events since 1990, when the country embarked on its course toward independence, became obvious in the approach of the presenters of Engdahl's book. Abramovic recounted how he, as an officer in the Croatian army, was impressed by the book, which he read in 1994. In 1995, through military operations "Flash" and "Storm," which contributed to the victory over Serbian forces in Bosnia-Hercegovina, the Croatian territory of Krajina was liberated from its occupation by Greater Serbian forces. Only in 1998, was Eastern Slavonia also finally peacefully reintegrated into Croatia.

"At the time I read this book, I was an active participant in the war of defense and national and social liberation of Croatia. William Engdahl's book came as a sort of enlightenment to me as a human being and as a historian," Abramovic recounted. "At that time, this book was part of my motivation to endure all hardships of war, simply because it showed me who the real enemy was. To me, the real enemy was not the soldier on the opposite side of the front, but the secret group that had pushed him to fulfill that group's selfish interests and goals—the goals of absolute power. That revelation unveiled the background of the entire situation—the war against Croatia had not been engineered in Belgrade, but in London and

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Washington. The tragic thing was that at that time, there was no way out—Croatia was to exist or to perish."

Abramovic said that the war is far from finished, because the oligarchical forces behind the war are continuing the battle in the economic and even spiritual spheres, under the pretense of protecting democratic principles, human rights, and so on. He concluded that the only way to resist is by inner spiritual strength and self-confidence, by ethics and morality, which have to result in true leadership. This means working for creativity, inventiveness, and well-organized economy, based on faith in God and an equal faith in the individual and the people. This, he concluded, is the task of the 21st century, which, according to philosopher N.A. Berdyayev, will be "a century of spirit or a century without existence."

### **British geopolitics**

Kruselj focussed on the geopolitics of the British establishment at the beginning of this century. It was "alarmed by the realization that Germany, as the leading continental power, intended to build a rail line from Berlin to Baghdad, a project which might enable Germany to establish control over the Near and Middle East, where the largest oil deposits were found," he said. For that reason, British intelligence agents endeavored to isolate Germany and block the completion of the project. Their plan included a special role for Serbia, which was written down by R.G.D. Laffan: "A glance at the map of the world will show how the chain of states stretched from Berlin to Baghdad. The German Empire, the Austro-Hungarian Empire, Bulgaria, Turkey. One little strip of territory blocked the way and prevented the two ends of the chain from being linked together. That little strip was Serbia. . . . Serbia was really the first line of defense of our eastern possessions. If she were crushed or enticed into the 'Berlin-Baghdad' system, then our vast but slightly defended empire would soon have felt the shock of Germany's eastward thrust."

Kruselj underlined in his presentation the role in the 1930s of Bank of England Governor Montagu Norman, who had personally authorized credits to Hitler. He also mentioned the role of Henry Kissinger, Zbigniew Brzezinski, and Cyrus Vance in engineering the "oil crises" of 1973 and 1979. Kruselj ended by citing Engdahl's warnings of a victory of the "Bush dynasty" in the upcoming U.S. Presidential elections, and its fatal consequences for the future of countries in transition.

### A new imperialism?

It is crucial that American and European policy in the Balkans take into account the Croatian view of recent history. People from different political currents and opinions wish to determine their own future. Further interference into Croatian internal politics—as had occurred during the recent period, through public support for the opposition parties by the United States and European Union—might backfire, and be seen as a new kind of imperialistic attitude. The absence of U.S. and

western European statesmen at President Tudjman's funeral, which was explained as a protest against Tudjman's "undemocratic" behavior and "Greater Croatian policies" in Bosnia-Hercegovina, left a lot of bad feelings in the country. Even for those who did not like the late President's policies, this behavior was considered an insult to the newly formed nation, which was established under the most difficult of circumstances.

Opposition leaders who wish to replace the governing HDZ party, cannot allow themselves to betray the achievements of Croatia as a sovereign state. A horrible war had to be fought for the establishment of the nation, which now needs economic development above all else. Officially, Croatia has 20% unemployment, many factories have been closed in the process of privatization, banks went bankrupt, and agriculture is in very bad shape. Almost no significant outside help was received for the huge war reconstruction needs. The country has been under constant pressure to liberalize and open its economy, which led to economic disasters and encouraged criminal elements, who grabbed their share in the process of "privatization." Investigations have been started into some of these deals, and the opposition is demanding a thorough investigation. Some government officials have started to question those extreme neo-liberal policies, which were forced on the country by international financial institutions such as the World Bank, and to focus instead on creation of jobs. Some big infrastructure projects have recently been implemented, in the areas of roads and energy.

Thus, the country is in a very delicate situation. Should the opposition parties succeed in replacing the HDZ-led government, which has ruled the country since 1990, the test of reality will have to be passed by their vocal supporters in the West. Many promises have been made for better economic and political conditions, including entry into the European Union and NATO, once Croatia establishes "democracy." So far, however, the disastrous policies of the International Monetary Fund (which were imposed on the whole region), the effects of the NATO war against Yugoslavia, and the lack of economic reconstruction under the umbrella of the "Stability Pact," have been the trademark of those who are loudly calling for democratic changes. Opposite to its claims, this kind of policy is directly facilitating social chaos, destabilization, and the threat of new dictatorships and wars.

Croatians are not politically naive, and they understand very well that the policies of the United States are determining their future. Therefore, the interest in the Presidential campaign of Lyndon LaRouche has been growing tremendously, as could be seen from the many discussions surrounding the presentation of Engdahl's book. LaRouche represents a programmatic reference point for those patriotic forces in all currents in Croatia, who want to finally escape the vicious circle of the geopolitical "century of war," and instead find their place in a community of prosperous and sovereign nations.

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# Big push is on for heroin 'shooting galleries' in Australia

### by Robert Barwick

Australia is locked in a fierce debate over proposals to establish legal heroin injecting rooms, or "shooting galleries," in the cities of Sydney, Melbourne, and the nation's capital, Canberra. The George Soros-funded pro-drug legalization lobby in Australia has captured the drug policy agendas of the state Labor Party governments of Premier Bob Carr in New South Wales (N.S.W.), and newly elected Premier Steve Bracks in Victoria: The Carr government is proposing an 18-month shooting gallery "trial" in the notorious Kings Cross red light district of Sydney, while Bracks is planning to set up five shooting galleries in the most severe drug crisis spots in Melbourne. In Canberra, local Health Minister Mike Moore on Dec. 9 approved a two-year trial shooting gallery.

The impetus for the shooting galleries is what has been described as a heroin "epidemic" sweeping Australia. According to the National Drug and Alcohol Research Centre, deaths from heroin overdoses in 1998 jumped 23%, to 737, the highest number ever; this was up from 600 in 1997, and 347 in 1988. Of the deaths, 77.1% were in the largest states of N.S.W. and Victoria, which are flirting with the shooting galleries proposals; Western Australia, which maintains a hard-line anti-drug policy, recorded the only fall in heroin overdose deaths.

The shooting gallery initiatives are being entirely run by Australia's small, but very vocal, pro-dope lobby and media. In N.S.W., Carr and his Special Minister of State John Della Bosca, who are the main movers behind the push, are both longtime assets of billionaire media mogul Kerry Packer, whose *Bulletin* magazine, Channel 9 television network, and *Sydney Morning Herald* and *Age* newspapers have been beating the drug legalization drum for many years. Packer himself was the subject of a drug-trafficking investigation in the early 1980s, which was shut down by the Labor Party.

In Victoria, Bracks's first initiative upon election in October was to resurrect the Premier's Drug Advisory Council, set up by his predecessor Jeff Kennett, and to ask its chairman, Dr. David Penington, to oversee the shooting galleries. Penington attempted to legalize marijuana in 1996, but was defeated by an anti-drug mobilization led by the Citizens Electoral Council, a national political party allied with American Presidential candidate Lyndon LaRouche.

In Canberra, the dope lobby *is* the government: Health Minister Moore is a longtime front-man for the George Sorosfunded Drug Policy Foundation, and a leading advocate of Soros's other pet project—euthanasia.

### **Fierce opposition**

However, the proposals are meeting fierce opposition: Senior lawyer Peter Faris denounced the shooting galleries in the Dec. 17 *Australian* newspaper on behalf of a lobby group for inner city Melbourne residents: "Why is it that we want to legitimize a heroin industry in the central business district?" he demanded. "I cannot understand what our city fathers are on about." In late October, the Catholic Church's Congregation for the Doctrine of the Faith in Rome expressly forbade the Sisters of Charity order of nuns from accepting Carr's request that they run N.S.W.'s first shooting gallery trial. This followed an intensive letter-writing campaign to the Pope from concerned citizens, and put the time frame for the commencement of the trial back many months; the ultra-liberal Uniting Church, which has stepped forward to conduct the trial, is also split over the issue.

Most significantly, on Nov. 17, the United Nations International Narcotics Control Board wrote to the Australian Ambassador to the UN in Vienna, advising that the proposed heroin injection room trial in N.S.W. was in breach of Australia's international treaty obligations. "The Board maintains its position that permission or tacit consent given by any national, state, or local authority for the establishment and operation of injection rooms or shooting galleries is contrary to the international drug control conventions," INCB President Antonio Martins warned (see *Documentation*). Australian Prime Minister John Howard seized on the letter to express his own reservations about the trials, and directed the states to desist from their plans until the federal and state governments have considered all the implications.

The pro-dopers blasted Howard: N.S.W.'s Della Bosca bluntly told him that his intervention was "unwelcome and ill-informed," and Victoria's Dr. Penington dismissed the INCB as irrelevant, and a bunch of "zealots" in the war on drugs. "My view is that it has nothing to do with them," he said. Unfortunately, Howard's apparent anti-drug stance has

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been undermined by his savage cuts to law enforcement, and by the composition of his own 14-person panel of appointed drug advisers, the Australian National Council on Drugs (ANCD), 11 of whom are known pro-legalization advocates, including Soros operative Tony Trimingham (see interview with Tony Wood which follows). On Dec. 16, the ANCD released a statement, saying that the "ANCD would be supportive of any proven intervention that reduces drug use and related harm" (emphasis added). Although the chairman of the ANCD, Salvation Army Maj. Brian Watters, in the past has been vigorously opposed to any softening of drug laws, sources report that he has come under pressure from other Salvation Army officers who are supportive of shooting galleries, as well as several large financial contributors to the Salvation Army, who have threatened to withhold money unless he changes his hard-line position.

In fact, charities are leading the push to establish the shooting galleries, which is not unrelated to the large, tax-free donations they receive from large banks and foundations—institutions which have long bankrolled the drug-legalization campaign in Australia. For example, the Melbourne charity Open Family earlier this year threatened to open a shooting gallery illegally; an *EIR* investigation revealed that its board was stacked by known pro-drug financial interests, including ANZ Nominees, a slush fund for one of Australia's oldest and dirtiest banks, the ANZ, which was based in London until 1976.

On Dec. 12, yet another pro-doper came out of the political closet, when federal opposition Labor Party leader Kim Beasley announced his personal support for "safe" heroininjecting rooms—the highest level endorsement ever received for the drug legalization agenda in Australia.

Interview: Tony Wood

# The fight for a zero-tolerance drug policy in Australia



Tony Wood and his wife Angela are staunch anti-drug campaigners in Australia, who took up the anti-drug fight when their 15-year-old daughter Anna died from a bad reaction to an Ecstasy tablet four years ago. Anna Wood's death received widespread publicity, and Tony and Angela were courted by the George Soros-funded pro-drug legalization lobby in Australia to become their spokesmen. Because the Woods were vociferously anti-legalization, the recruitment attempt failed, and the Soros lobby turned to Tony Trimingham, a divorced marriage guidance counselor, whose son Damien had died from a heroin overdose in a back alley in Sydney three years ago, to be their "grieving parent" spokesman instead. As the head of Family and Friends for Drug Law Reform, a Soros front, Trimingham is regularly wheeled out to comment to the media about the necessity for softening the drug laws. Trimingham is scheduled to be a featured speaker at a Jan. 13-14 conference in Seattle, Washington, entitled "Preventing Heroin Overdoses: A Pragmatic Approach," which is sponsored by the George Soros-funded Lindesmith Center. Robert Barwick interviewed Tony Wood on Dec. 6 to get the other side of the drug debate in Australia.

**EIR:** What prompted you to become an anti-drug campaigner?

Wood: It happened when our daughter died, actually, just a little over four years ago. We didn't need any prompting—we just fell into it, it wasn't as if anything happened one way or the other. Not long after Anna died from taking a single Ecstasy tablet—it wasn't an overdose, these tablets just kill people at random, we don't know why—Anna was diagnosed with hypotremia, that's what she died of, caused by taking one single Ecstasy tablet. From there, as a family we were contacted by people like Dr. Alex Wodak, who tried to recruit us to his way of thinking, that we needed drastic changes here in Australia, inasmuch as if we legalized all drugs, we wouldn't be having this problem. I believe, and as a family, we believe, that Anna would have died whether the drug was legal, or illegal—it makes no difference, drugs are still dangerous.

From there on, the media picked up on Anna, and it started a whole new life for us. I've still got to work, obviously, to pay the bills at home, but there's a lot of this anti-drug work going on. My wife spends her entire time talking at schools, and has spoken at more than 300 schools Australia-wide—from Tasmania, to Perth, through Western Australia, right up through Queensland (I think the only two places she hasn't been in are South Australia and the Northern Territory). But we're finding that drug use among our children is just escalat-

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ing, and we're handling the situation very poorly in Australia.

**EIR:** Your story received a huge amount of publicity at the time, but the dominant voice in drug issues in Australia is "harm minimization." What are your thoughts on harm minimization?

Wood: Harm minimization is murdering our children. Let me put it to you this way: To start with, as a family, my wife and myself were responsible for letting Anna go out that night when she took that tablet, so we take the full responsibility for that. But when we look at what's been going on in our country since 1985, with this policy of harm minimization, it is the number-one killer of our children, and it is not only killing them, it is maiming them. We're getting young people maimed because of the drug education they're being supplied with in our country, and it is a scandal—it's an absolute scandal. I cannot condemn harm minimization enough. I think that once we take on a zero-tolerance policy in Australia, we've got some chance of combatting what's going on in our country.

Angela was over in Perth just recently, and she came back with some tapes of a conference she was at, and one of the politicians talked about how drug deaths in Western Australia were going down, to the extent of 18-19% a year, whereas over in the eastern states we're going up 60-70% a year. He put this down to their tougher stance on drugs over there—they're not talking about shooting galleries or anything else in Western Australia; they don't want them, and they believe that their strong commitment to more or less zero-tolerance is helping to reduce drug deaths in their state.

**EIR:** There are similar differences between Australia and America on that point, as well, aren't there?

Wood: The difference between Australia and America is that adolescent drug use in Australia is now four times higher than in the States. I've got the figures here in front of me: the 1995 Household Drug Survey for Australia, and the 1995 Household Drug Survey for the States. It's now running at Australian adolescents taking drugs at four times a higher rate than in the U.S.A., and I think that that's a scandal as well. To see Australia doing what we're doing to our children, and not doing anything to stop it, is mind-blowing—we've got to do something to stop our kids from taking these drugs.

EIR: In the United States, the Drug Policy Foundation (DPF) and the Lindesmith Center, the main promoters of harm minimization, are funded by George Soros, and Soros funds counterpart groups in Australia. Is there much awareness in Australia about the Soros agenda in pushing drug legalization?

Wood: No, not at all, and it's pretty well covered up. There is [a Soros] organization down in Victoria, down in Melbourne, called the Australian Drug Foundation, which is run by a man named Bill Stronach. I've got film of Stronach addressing a conference in Washington in 1992, where he actually stood

up and bragged openly about how they manipulate the media in Australia. He said, and his exact words were, "we employ journalists"—and he's talking about the Australian Drug Foundation—"we employ journalists, not to churn out press releases, but to get in the mainstream media and act as subversives." To get their point across, they've got people—he went on to say, "We've got 24-hour availability." So, if somebody comes up with a theory that marijuana could be bad for you, they've got people on tap 24 hours a day to turn that around. And he actually says that "we can turn things around and get our point of view put across the way we want to"-and he uses that expression, "the way we want to"—in the newspapers. These people are the biggest harm minimizers we've got in this country, and, between him and Alex Wodak, they are probably the two biggest killers of our adolescents in this country.

**EIR:** What has been your experience with the proponents of harm minimization?

Wood: The "Witness" program on Channel 7 invited us to go to Hobart to a harm minimization conference there. I think it was the 19th minimization conference. We went there for only a day. Angela and I were shocked when we arrived, to find that these people had so much money. There were 600 delegates from all over the world, some of them actual heroin users, who were put up in the Hobart Casino for three nights. This conference went on for three days, and the whole thing was an absolute farce. I mean, how can you have educators down there being taught how to talk to kids, telling them how to use drugs safely? There is no safe way to use drugs. That conference was exhausting for the pair of us; we were probably the only two people—the TV crew were obviously neutral, but we were the only two people out of 600 who were actually anti-drug. All the rest thought that the best way to sort out our drug problem in Australia is to let our kids have availability of anything.

There was a man there from Liverpool, England, whose name was Pat O'Hare. I got him to say in front of the TV camera that he would not be happy until all drugs are legalized worldwide. Now, this was what he said; he was brought over here to address this conference, and these people were actually pressing for the legalization of drugs, worldwide.

**EIR:** Was it your sense that they were trying to recruit you to their cause?

Wood: Look, by this stage—it was probably six months after Anna's death, and by then we had looked at the folly that was going on in our country, and the people who were ringing us and looking for assistance because their kids were out of control, or had died, were looking for some help, and there was no help for them. The ones who were on drugs, the Drug Council in this country will tell them—you could have a 15-year-old on marijuana here who's gone almost psychotic and the councillors will say to you, "Leave him alone, he's 15

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I support a military-style campaign on drugs 100%. That's the only way we're going to win this battle—we've got to cut it off at the source. And if we don't do that, we going to lose more young people.

years old, he's allowed to do what he wants to." So, it's your problem, it's not his. Now, you just leave him alone, and just let him get on with his drug use. And this is what our Drug Council, paid for by governments in this country, are telling parents in our country.

EIR: What was your reaction to this Hobart conference? Wood: The reaction was one of sadness, anger. We went home after this conference (we were probably exhausted for days afterwards) and we were scratching our heads that someone could finance a conference like this, to teach kids how to use drugs safely, to talk about harm minimization. I think that our kids are owed more that. They should be taught that drugs are unsafe, and they should be told exactly what drugs can do to them.

**EIR:** Of course, today the Wood case receives next to no publicity, and media attention is instead focussed on Tony Trimingham, who is pro-drug legalization. Why does he get publicity, and you don't?

**Wood:** The media love people like Tony Trimingham because he is a pro-legalizer. He's got himself onto the Prime Minister's committee—which to me is another shame, that the Prime Minister has put this Tough on Drugs committee together with 14 people on it, and 11 of them are pro-legalization. The committee just doesn't work when you've got people like that on board, and Tony Trimingham will take any available chance to get himself into the media.

We have a friend, a rather well-known man, whose 15year-old daughter had started on heroin. He rang Angela and wanted some assistance. He also stormed into our Premier Bob Carr's office, and demanded to know why needles are so readily available in this country and why our kids can pick them up and just go onto using heroin. I mean heroin freely available at school gates—you'll buy it anywhere you want to. But this very well-known media personality wanted to know from Bob Carr, why this was happening. The Premier's office contacted Tony Trimingham and advised him of what was going on, and Trimingham contacted "A Current Affair" to tell them that this well-known identity's child was on heroin. I challenged Trimingham about this at a meeting several months later, and he said, "Well, you know how hard it is to get publicity, Tony." So, these people will prostitute themselves for any sort of publicity.

**EIR:** The "grieving parent" image is something the pro-de-

criminalization lobby plays to the hilt. As grieving parents yourselves, what do you think about the way they are being used to leverage softer drug laws?

**Wood:** I get sick in the stomach, the way they use that. Look, as a family, we're survivors—Anna was a victim in this, but we're survivors. Now, these parents are carrying on like they're victims. Until they get themselves above that and come back as survivors, we're not going to go anywhere. Always play the part of a victim—it's looking for public sympathy, and I think that the public in this country are starting to get sick of it. I don't think they want a country full of victims. We want survivors, we want to get out there and change things.

I cannot understand the parents. Tony Trimingham has this magazine out called *Heroin Site*. It's a terrible little paper that he puts out every month, and the whole theme right through this magazine is the legalization of drugs; it's just there. "If my child had free heroin, maybe he wouldn't have died," and so on. But the worst one of all, was just in the magazine we saw last month, where they said, two different lots of parents (and we feel very sorry they've lost their children), but they talk about how they couldn't call the ambulance because the police would get involved. Now, I don't understand that mentality. If your child is ill, it doesn't matter whether it's drugs or whatever, you immediately get medical assistance for them. Now, if you don't call an ambulance, and your child dies because of a heroin overdose, I think you're the one responsible for their death, to be quite honest with you.

EIR: Tony Trimingham is addressing a Soros conference in the United States in January. What do you think about that? Wood: Well, it makes you wonder doesn't it? Why would you take someone over to the States—and I suppose it would be people like Wodak and the rest of them going over there—why would you be taking someone to address a country where they're winning the war, and we're actually losing it here? When we talk about our kids—adolescent drug use in this country is four times that of America—we're failing here. What's going on here is a scandal, and they're going to take those people over to address a conference in America. Why would you want losers to go and address a conference? You want winners, not losers. And these people are dead-set losers. And the victims are our children.

**EIR:** What are your thoughts on the churches that are leading the charge to set up heroin shooting galleries and the like?

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Wood: Yes, that's very sad. I don't believe that is all the churches, I believe it's just several people who have been seduced by the Triminghams and the Wodaks. The Catholic Church, of course, St. Vincents Hospital here—Wodak has his Drug and Alcohol Service in there, and I truly believe that those Sisters [of Charity], the nuns, probably thought they were doing the right thing. But with a lot of prayer and a lot of letters to the Pope, that was changed. The other church up here at Kings Cross, the Wayside Chapel [which has taken over the shooting gallery project], I see now where there's hierarchy in that organization that are trying to stop that as well. So, I can't see the churches taking this over. I think that there's too many good Christian people out there who don't want to see this happen.

EIR: Are you saying that the Pope's intervention, stopping the Sisters of Charity from running the original shooting gallery, came after a campaign of letter-writing to the Pope?

Wood: Yes, a lot of letter-writing, from Catholics Australiawide. And not only to the Pope, but to the Bishop here in Sydney as well—they wrote to everybody to try to have this stopped. The Catholics don't want to be seen to be keeping people ill. What we've got to do is make them better. If those sisters had said, "We're going to put them into rehabilitation and get them well," there wouldn't have been a problem. But when they're talking about giving them heroin, and actually have people trade in the drugs quite openly outside the hospital, no Catholic person would want that to happen.

**EIR:** American Presidential candidate Lyndon LaRouche has advocated a military-style war on drugs, one that targets the sources of production, as well as the banks that launder the money, without which the trade couldn't function. As a parent-turned-anti-drug campaigner, do you support this approach? And could you give us a picture of the status of the anti-drug campaign in Australia at the moment?

Wood: I support a military-style campaign on drugs 100%. That's the only way we're going to win this battle—we've got to cut it off at the source. And if we don't do that, we going to lose more young people. I'm not concerned about the ones who have died; I'm concerned about the parents who are going through this living hell, of having their kids on cocaine, or marijuana, or whatever. I've been with mothers whose sons beat them up to steal their pension money for drugs. Now this is unacceptable behavior; it's got to be stopped, worldwide. And I think that if we get out there and stop it at the source, that's the way to go. We're losing more young people every year to drugs than we ever did in the whole ten years we were in the Vietnam War. So, I think we've got to get out there and fight it that way.

But that's only one way. We've also got to get out there and educate our kids, to let them know what these drugs are doing to them, and tell them the truth at schools—that marijuana not only affects your brain, but it affects your reproduc-

tive organs, and it's probably mutating your body; it's going to affect the next generations, after what's going on today.

The state of the anti-drug fight in Australia is almost zero. I mean, we've got no say at all. I believe that what has happened in Australia—we watched a political party form here not too many years ago, Pauline Hanson's One Nation. Now, what happened with her, was, the Prime Minister here—and it was very clever—never acknowledged it. And this is what is happening with anti-drug campaigners in this country—you don't get any acknowledgment. They don't argue with you, they just pat you on your head and leave you go. If we could really get out there and argue, we'd have some chance of balancing it. But there is no balance in the argument here, because [the media] treat us like we're not even here. We're treated like we're invisible.

We need to make ourselves more visible, and I think the way we do that is to get more people on board, and more angry people. We need to get out there with a lot of anger and a lot of guts, and start tearing at the Wodaks, and Stronachs, and the rest of the people who are niggling away, behind the scenes, day in and day out. They've got the money, they've got the time, they've got everything we haven't. We have no money, no funding—it's not funding we need, as much as we need more people out there being strong and pressuring our governments, and telling them that what's happening is unacceptable.

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### Documentation

His Excellency Mr. L.L. Joseph Ambassador Extraordinary and Plenipotentiary Permanent Mission of Australia to the United Nations Mattiellistrasse 2-4/III A-1040 Vienna, Austria Nov. 17, 1999

Sir,

I refer to the attached letter of Oct. 15, 1999 from the Honorable John Della Bosca MLC, Special Minister of State for the Government of New South Wales. At its 67th session (Nov. 1-18, 1999), the International Narcotics Control Board considered carefully the question of whether "medically supervised injection rooms" or so-called "shooting galleries," including the explanation of the proposed facility in the state of New South Wales as explained by Mr. Della Bosca, are consistent with the international drug control convention. This letter contains the conclusions of the Board....

The Board maintains its position that permission or tacit consent given by any national, state, or local authority for the establishment and operation of injection rooms or shooting galleries is contrary to the international drug control conventions.

It is noted that the government of New South Wales wishes to permit the establishment of a medically supervised injection room for heroin addicts as a "clinical" trial, limited in duration for a period of 18 months at one location. The Board is unable to agree with this justification. The state's sanctioning of a facility where drugs may be abused "safely" cannot be considered as a medical or scientific trial under the drug control conventions and should be distinguished from the case where the Board approved a country's annual estimates for heroin to be used in a scientific study of medically prescribed narcotics to drug addicts. The INCB has no information that any prescriptions will be issued and administered at the injection rooms in response to any proper medical diagnosis by qualified and licensed physicians who practice in the substance abuse field, or that prescriptions will be issued in full compliance with Australian law. No details have been provided about how scientific controls can and will be exercised in this project.

The Board recognizes that the spread of drug abuse, HIV, and hepatitis are serious concerns, and encourages your government to provide instead the largest variety possible of treatment facilities including the medically supervised administration of prescription drugs in line with sound medical practice and the international drug control conventions.

Serious legal problems exist with such injection rooms as well. Mr. Della Bosca states that injection rooms should be permitted where prevailing conditions in the relevant country make it the most appropriate means of protecting the public health and welfare. To the knowledge of the Board, the Gov-

ernment of Australia has not made such a determination. It would be grateful nonetheless for clarification on this matter. While it is recognized that there is some flexibility in the application of the penal provisions in article 36 of the Single Convention on Narcotic Drugs, 1961, as amended, the treaty limits the range of possible alternatives to conviction and punishment: treatment, education, after-care, rehabilitation and social reintegration. The aim of allowing this flexibility is to balance the deterrent effect of the penal sanctions with the proper medical treatment of drug addiction. By permitting the existence of an injection facility where the goal would appear to be harm reduction without fear of arrest, little is done to advance the medical treatment of drug addiction (it would appear that only those under the age of 18 who are barred from using the facility would be required to undergo any treatment or counseling) and the deterrent effect of criminal law is undermined. In this repect, such facilities are in contravention not only of the Single Convention, but also of various human rights instruments which confer an obligation on governments to recognize everyone's right to attain the highest standards of physical and mental health (see, for example, article 12 of the International Covenant on Economic, Social and Cultural Rights). Those under 18 for whom treatment is required have no incentive to approach these facilities, and therefore cannot be said to meet the State's obligation under article 33 of the Convention on the Rights of the Child to protect children from drug abuse.

The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988, requires Parties, subject to their constitutional principles and basic concepts of their legal system, to establish possession and purchase of drugs for personal (non-medical) consumption as a criminal offense. By permitting injection rooms, the government could be considered to be facilitating in the commission of possession and use crimes, as well as other criminal offenses including drug trafficking.

Last, but not least, the Board is concerned at the message that would be sent by the countenancing of these injection facilities by public authorities. As I am sure you are aware, drug issues receive wide publicity in the Australian media and the existence of legally countenanced injection rooms could send the wrong message that Australia is a place where illicit substances can be abused with impunity. As the host of the year 2000 summer Olympics, Australia should instead be promoting healthy lifestyles, free from any substance abuse.

I would be grateful if you could transmit this letter to Australia's Commonwealth Department of Health and Family Services, to the Honorable John Della Bosca MLC. Special Minister of State for the Government of New South Wales and to (Rev.) Honorable Fred Nile MLC of the New South Wales Parliament. . . .

Accept, Sir, the assurances of my highest consideration.
A.L. Mandris, President, International Narcotics Control Board

### Australia Dossier by Allen Douglas

### 'The Queen is coming!'

The Queen will soon visit Australia, where her company, Rio Tinto, is waging war against the trade unions.

One of the world's largest mining companies, BHP, has launched a campaign to destroy trade unionism "downunder," by offering "individual contracts" to its workers in the Pilbara iron ore region, in Western Australia. BHP's tactic shocked many union leaders, because the company, known as the "Big Australian," has had a reputation, dating back to BHP chief Essington Lewis's collaboration as Director General of Munitions with Labor Prime Minister John Curtin during World War II, for treating its unionized workforce fairly. Labor leaders expect the new practice to be spread to other BHP locations, nationwide. Many Australian unions have protested with work stoppages, coordinated by the Australian Council of Trade Unions (ACTU).

The reason for BHP's about-face lies not merely in the firm's bottom line, but is part of a deeper political/economic assault on the nation, coordinated by the British Crown, using Rio Tinto, the world's largest mining company, which has come to exert enormous influence over BHP, its one-time rival. Behind Rio Tinto stands the company's dominant shareholder, Queen Elizabeth II, whose private fortune is estimated at \$25-50 billion.

Using Rio Tinto, and now BHP, the Crown intends to crush what is left of the trade union movement, which, since even before Australia's establishment as a nation with Federation in 1901, has been the major force in fights over tariff protection, national banking, and other means to establish Australia's sovereignty against the Crown and its City of London financiers.

Prime Minister John Howard told the Canberra Times on Nov. 14, 1999. "The Queen has an intense interest in Australia." The Queen and her Privy Council, the ruling body of the British Commonwealth, place a high value on Australia for two reasons: It is one of the world's richest repositories of raw materials, and the British seek to dominate the raw materials business, as paper becomes worthless in the coming financial crash; and, Australia is the British "stepping stone" to Asia, as outlined in a 1995 report of the Royal Institute of International Affairs—an institution heavily funded, since its inception in 1919, by Rio Tinto. Australia, for example, took the point for the British last year in hiving off East Timor (with its huge offshore oil and gas deposits) from Indonesia, to the advantage of British or British-allied firms.

The current assault on the trade unions began in December 1996, when Howard's ruling Liberal/National Coalition government passed the most anti-union legislation of the century. The "Workplace Relations Act" was written by Rio Tinto executive Mike Angwin and two associates. As the deepening global depression weakened BHP, historically known more for high-tech steel manufacturing than for mining, Rio Tinto moved in.

Former Rio Tinto head John Ralph, Australia's most influential businessman, joined BHP's board in 1997. Soon afterwards, the two firms began to discuss merging their iron ore operations in Western Australia. The deal reportedly fell apart because Rio Tinto was unhappy with BHP's mining costs, compared to Rio Tinto's

lower ones, the latter achieved by a ruthless assault on Rio Tinto's workforce. Though that deal essentially fell through, mining insiders report that Ralph's presence on the board, together with the proposed merger and its emphasis on "cost-cutting," helped effect BHP's anti-union shift.

The Queen and Royal Consort Prince Philip will visit Australia for two weeks starting March 17. They have been very active in Australia, at least since their Royal Tour in 1963. In 1975, acting through her vainglorious governor, Sir John Kerr, Elizabeth sacked Prime Minister Gough Whitlam because he and his Minister for Mines and Energy, the tough old Labor patriot R.F.X. "Rex" Connor, had announced that they would "buy back the farm," i.e., buy out Rio Tinto and other multinationals that were looting Australia's mineral resources for what Whitlam called "pennies to the dollar." Prince Philip founded the Australian Conservation Foundation (ACF) shortly after the 1963 tour, as a branch of his World Wildlife Fund. The ACF, whose primary funder has always been Rio Tinto, established the greenie and Aboriginal land rights movements to lock away Australia's mineral deposits from anyone except themselves. Aboriginal land rights claims have tied up more than 40% of Australia.

The Queen held an unprecedented one-hour audience for radical Aboriginal leaders at Buckingham Palace on Oct. 13, 1999. Former Aboriginal and Torres Strait Islander Commission chairman Gatjil Djerkurra, asked if the Queen supported the "indigenous reconciliation process" (i.e., land rights), told the *Canberra Times*, "Absolutely. There's no question about that. She's gone through a lot of countries where reconciliation has been possible between indigenous people and so-called colonized nations. It was a process she supported."

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## **International Intelligence**

## Pope opposes 'clash of civilizations' thesis

Pope John Paul II opposes the "clash of civilizations" thesis of Harvard geopolitician Samuel Huntington, asserted Lucio Caracciolo, in an interview with the Jan 11 issue of the Italian Catholic daily *Avvenire*. Caracciolo is editor-in-chief of *Limes* magazine, and was referring to the Holy Father's Jan. 10 speech to the diplomatic corps. "The Pope also insists on the risks of globalization, which 'made sure that many countries were left by the wayside.'" "We should also not forget," Caracciolo continued, "more generally, his implied criticism of the 'clash of civilizations.'"

Caracciolo's comment came one day after Bishop Karl Lehmann of Mainz, Germany had called on the Pope to resign. In John Paul's remarks to the diplomatic corps, he responded to Lehmann's attack, saying, "God never demands anything which is beyond our strength. He Himself gives us the strength to accomplish what he expects from us," indicating clearly that he has no intention of resigning.

On Jan. 10, Lehmann, who heads the German Council of Bishops, told a German radio interviewer, "I think the Pontiff, who will turn 80 in May, should have the courage to say, 'I cannot lead this office any longer, in the way it would be necessary."

Lehmann's is an existentialist theology, called "the church from below." As a student, he wrote a thesis praising Martin Heidegger, the Nazi ideologue who has become an existentialist icon.

# Putin shakes up top of Russian government

Russian Acting President and Premier Vladimir Putin made some major changes in the upper echelons of his government on Jan. 10. There will be only one First Deputy Premier, Mikhail Kasyanov, who most recently has been the Finance Minister. Putin stated that it is quite natural for a Finance Minister to be operationally in charge of the government, adding that Kasyanov will now leave his

"shadow" role and will legally be the coordinator when the Premier is absent.

As for the departing First Deputy Premiers, V. Khristenko will remain a Deputy Premier, with the same responsibilities in the domestic economy as before. Nikolai Aksyonenko returns to his old post as Railways Minister. Sergei Shoigu, the Emergencies Minister and head of Medved (the Yedinstvo, or Unity, movement which won a plurality in the Dec. 19 elections for the State Duma), is now a Deputy Premier, with special responsibility for the Russian North.

Lastly, Putin removed Pavel Borodin as head of the Kremlin finances, Borodin being the key person on ex-President Boris Yeltsin's staff, implicated in the Mabetex and other scandals. Putin said that he would propose Borodin as Secretary of the Russia-Belarus Union.

# Venezuelan bishop argues for urgent debt relief

On Jan. 7, Msgr. Baltazar Porras, president of the Venezuelan Bishops Council, announced that the Catholic Church will launch a campaign asking foreign creditors for debt relief—effectively a moratorium—so that financial resources can be allocated to deal with the enormous destruction wrought by December's torrential rains, floods, and mudslides.

During the December referendum campaign to obtain approval of the new radical jacobin Constitution, President Hugo Chávez had viciously attacked Monsignor Porras and other clergymen, for opposing him. Monsignor Porras, known in the 1980s for his attacks on the corruption of then-President Carlos Andrés Pérez, responded that "no one, much less a politician, can become a sort of ayatollah, a Grand Inquisitor, who has the last word in all things, human and divine."

According to the newspaper 2001, debt contracts do include a contingency clause allowing Venezuela to appeal to creditors to reschedule payment, in the event of natural disasters or a drop in oil prices, which would affect the ability to pay on time. But the revolutionary Chávez has proclaimed, "the debt

is sacred," and must be paid, no matter what. Responding to Monsignor Porras's announcement, Finance Minister José Rojas declared that "the catastrophe will absolutely not affect debt payments... the debt will be honored, just as it is, just as the President said." Rojas insisted that Venezuela has "other ways" (unspecified) of obtaining the billions of dollars needed to rebuild the ravaged parts of the country, saying, "We are perfectly prepared for this contingency." Venezuela must pay \$4 billion in debt service this year.

### São Paulo Forum opposes Fujimori third-term bid

Peruvian opposition figure and mouthpiece for the pro-terrorist São Paulo Forum, Javier Diez Canseco, has announced that his organization, Fuerza Peru, will take legal action against the four members of the National Electoral Council for "abuse of authority," for their refusal to hear legal challenges against Peruvian President Alberto Fujimori's plans to run for a third term this year. Canseco insists that the challenges will now be taken to international forums, such as the Organization of American States' Inter-American Human Rights Commission.

Anti-Fujimori forces both within and outside Peru are increasingly desperate to stop his candidacy before the spring Presidential elections, knowing that he would likely win on the first round of voting. Their efforts to come up with a single opposition candidate before the Jan. 10 deadline, were fruitless. Joining the São Paulo Forum, in December 1999, there were deployments from the more "respectable" British Crown, U.S. National Endowment for Democracy. Andean Commission of Jurists, and Prince Philip's Transparency International; all have failed to derail Fujimori's popularity, which is based on his anti-terrorism stance-despite his foolish adherence to neo-liberal economic policies.

Various leftist labor, peasant, and student organizations linked to the Forum came out in Lima on Jan. 4 to hold a protest in front of the Presidential palace against Fujimori's "reelectionism" and the civil-military alli-

ance behind his government. Escalating protests are now planned, leading to a "national civic strike," tentatively scheduled for March 9, one month before the elections.

## Communal conflicts rage in Indonesia's Malukus

In the first week of January there was a chorus of demands for the government of Indonesian President Abdurrahman Wahid and Vice President Megawati Sukarnoputri to cool out the Muslim-Christian conflict in the provinces of Maluku and North Maluku. Following a leadership meeting Jan. 5, the House of Representatives sent a letter to Wahid requesting urgent action to end the violence. Official estimates suggest that up to 700 have been killed since Dec. 26; of those, 450-502 alone were in North Maluku. mostly Muslims killed by Christians. However, Muslim organizations from the provinces have testified that 1.400-2.000 have been massacred.

In Jakarta, Muslims, many of them veiled women, staged a protest outside the residence of Vice President Megawati on Jan. 5, demanding her resignation for failing to exercise the mandate she had from President Wahid in October to take responsibility for handling the conflicts in the Malukus and Irian Jaya (since renamed Papua). The demonstrators threatened holy war against Christians, including in Jakarta, if the situation is not brought under control.

Indonesian Ambassador to the Vatican Irawan Abidin issued a release on Jan. 7, urging his countrymen to heed Pope John Paul II's message of Jan. 5 calling for peace. Irawan said that the Pope "has unhesitatingly repeated his messages simply because of his closeness to the Indonesian people. It is regrettable that we cannot maintain our favorable image in the international community, simply because we place individual and group interests above national interests. As a nation for whom violence is not a tradition, the Indonesian people should really pay attention to the call of the Pope, otherwise we will be confronted with more serious problems in our nationhood and statehood."

# Times author: Soros funding 'drug culture'

"Britain Is Quietly Turning into a Drug Culture," headlines the Sunday Times commentary by Melanie Phillips. She excoriates the growing trends toward drug legalization in Britain, and singles out the role of George Soros in bankrolling the worldwide drug legalization movement. She writes: "It's no accident that there's growing acceptance of drugs legalization. There's a vast amount of money behind it. George Soros, the billionaire financier, has invested millions of dollars in influential charities that are pushing legalization. Soros wants to make most drugs legally available; he says he would first destroy the drug trade by keeping prices low and then would keep raising prices, like taxes on cigarettes, making an exception for registered addicts, 'to discourage crime.' This is utter nonsense. Lower prices would attract new customers. Governments would be turned into drug traffickers. Addiction would be institutionalized."

Phillips warns that "these insanely dangerous arguments are gaining critical mass." She writes that the various Soros-type attacks on the "global war on drugs" all "completely ignore the death, destruction and social danger produced by the drugs." She singles out the growing belief in Britain that "there is such a thing as responsible and safe drug-taking. . . . There's no such thing as a harm-free drug." Cannabis undermines the immune system, can induce psychosis, and aggravates multiple sclerosis, although prodope propagandists claim it helps MS sufferers.

She concludes, that with all the talk from Prime Minister Tony Blair and his advisers about fighting drugs, "if this country really wants to wage war on the drug culture, the most effective strategy would be to attack its huge profits, by cutting off the money-laundering routes established through secret banking and offshore shell companies. Would any government, though, have the bottle to take on those City financiers who, after a hard day making a fortune out of laundering drug profits, go home to snort a line or two of cocaine with their fashionable friends?"

## Briefly

BURUNDI'S TUTSI military killed at least 43 people, including children, in a massacre on a village south of the capital of Bujumbura, reported Amnesty International, according to Jan. 7 wires. According to other reports, at least 30,000 refugees crossed into Tanzania in December due to fighting in eastern Burundi. Inside Burundi, displaced persons camps, into which more than half a million Burundian Hutus have been herded, experienced an epidemic of cholera, with 200 deaths in December, alone.

RUSSIAN COMMUNIST Party leader Gennadi Zyuganov will run for President, as the candidate of his and allied parties, he announced on Jan. 6. There is still no announcement from former Premier Yevgeni Primakov on his political plans, since the resignation of President Boris Yeltsin.

IRANIAN Foreign Minister Kamal Kharazzi arrived in London on Jan. 10 for the first official visit by an Iranian Foreign Minister since 1979. Kharazzi was to spend two days in Britain, meeting with Foreign Secretary Robin Cook and Prime Minister Tony Blair. It is expected that Cook will make a visit to Iran. Arriving in London the same week was Libya's new Ambassador. British-Libyan relations had been cut since 1984.

**BERLIN'S POLICE** union is proposing to open the force up to corporate or other private sponsorship in order to paper over chronic financial shortfalls, according to the Jan. 8 *Berliner Zeitung*.

**ISRAELI** police have arrested Avi Flexer, an accountant who formerly worked for Attorney Hanina Brandes, the attorney to President Ezer Weizman, *Ha'aretz* reported on Jan. 13. Flexer is accused of stealing the financial records relating to Weizman's trust fund, which was managed by Brandes. The scandal against Weizman, who is playing an important role for peace, is being pushed by corrupt intelligence networks.

# **E**IRInvestigation

# Put Britain on the list of states sponsoring terrorism

The following memorandum, dated Jan. 11, 2000, was prepared for delivery to U.S. Secretary of State Madeleine Albright. It is a request to launch an investigation, pursuant to placing Great Britain on the list of states sponsoring terrorism.

To: Hon. Madeleine Albright, Secretary of State From: The Editors, Executive Intelligence Review

C.C.: Hon. William Cohen, Secretary of Defense

Hon. Janet Reno, Attorney General

Hon. George Tenet, Director of Central Intelligence

Hon. Louis Freeh, Director, Federal Bureau of Investigation

Hon. Jesse Helms, Chairman, Senate Foreign Relations Committee

Hon. Joseph Biden, Ranking Democrat, Senate Foreign Relations Committee

Hon. Benjamin Gilman, Chairman, House International Relations Committee

Hon. Sam Gejdenson, Ranking Democrat, House International Relations Committee

This is a formal request for you to initiate a review of the role of the government of Great Britain in supporting international terrorism, to determine whether Britain should be added to the list of nations sanctioned by the United States government for lending support to international terrorist organizations.

This issue has been recently highlighted, as the result of the December 1999 Indian Airlines hijacking, and the response of the British government to the request of one of the freed Kashmiri terrorists, Ahmed Omar Sheikh, to be given safe passage to England. Mr. Sheikh, a British national, was tried and convicted in India, for his role in the kidnapping of four British nationals and an American in 1995. He was sentenced to five years in prison in November 1998. Initially, the British government announced that it would provide Mr. Sheikh with safe passage to Britain, and would not prosecute him or make any effort to extradite him back to India.

However, long before the Sheikh case, *Executive Intelligence Review* has documented a pattern of British involvement in harboring international terrorists, dating back to 1995. As of this writing, no fewer than a dozen governments—many of them leading allies of the United States—have filed formal diplomatic protests with the British Foreign Office, over specific instances of British official support for terrorist groups, targetting those nations.

### Criteria for evaluating whether Britain should be sanctioned

U.S. Government policy on sanctions against states sponsoring terrorism has been set by a series of Congressional acts, including, but not limited to: the Export Administration Act of 1979 (EAAA), the Anti-Terrorism and Arms Export Amendments Act of 1989 (ATAEAA), the Arms Export Control Act (22 U.S.C. 2780), the Foreign Assistance Act of 1961, the Omnibus Appropriations Act of 1996, and the Antiterrorism and Effective Death Penalty Act (AEDPA) of 1996.

It is our understanding that, while the Congress has given the Secretary of State broad discretion in designating a country as a state sponsor of terrorism, the legislative history of the House Foreign Affairs Committee and the Senate Foreign Relations Committee has specified seven criteria which should guide the Secretary's action.

These criteria are:

- 1. Does the state provide terrorists sanctuary from extradition or prosecution?
- 2. Does the state provide terrorists with weapons and other means of conducting violence?
  - 3. Does the state provide logistical support to terrorists?



The U.S. military barracks, Khobar Towers, in Dharan, Saudi Arabia, was bombed on June 25, 1996. Mohammed al-Massari, head of the London-based Committee for the Defense of Legitimate Rights and an associate of terrorist kingpin Osama bin Laden, described the attack as "intellectually justified," and said there would be more to come. The British government granted him "exceptional leave" to remain in the U.K.

- 4. Does the state permit terrorists to maintain safehouses and headquarters on its territory?
- 5. Does the state provide training and other material assistance to terrorists?
- 6. Does the state provide financial backing to terrorist organizations?
- 7. Does the state provide diplomatic services, including travel documents, that could aid in the commission of terrorist acts?

As of this writing, the State Department currently designates seven countries as state sponsors of terrorism: Iraq, Iran, Libya, Syria, Sudan, Cuba, and North Korea. In the case of Syria, which is presently engaged in peace negotiations with Israel, the primary reason the regime remains on the list is that several designated Foreign Terrorist Organizations (FTOs) are headquartered in Damascus.

In the State Department Authorization Act of October 1991, specific procedures were spelled out for the President to remove a country from the list of state sponsors of terrorism. Congress has a 45-day period to pass a joint resolution overriding such a Presidential decision to remove a state from the list, which carries with it a number of significant sanctions.

### The case against Great Britain

The following documentary time line is intended to provide an outline of the evidence that we wish the appropriate officials at the U.S. State Department to review, to make a determination whether Great Britain should be added to the list of states sponsoring terrorism, according to the criteria outlined above.

• In July 1998, a former British MI5 officer, David Shayler, revealed that, in February 1996, British security services financed and supported a London-based Islamic terrorist group, in an attempted assassination against Libyan leader Muammar Oaddafi. The action, Shayler charged, in an interview with the British Daily Mail, was sanctioned by then-Foreign Secretary Malcolm Rifkind. The incident described by Shayler did, in fact, occur. Although Qaddafi escaped without injury, the bomb, planted along a road where the Libyan leader was travelling, killed several innocent bystanders. In an Aug. 5, 1998 interview with BBC, Shayler charged, "We paid £100,000 to carry out the murder of a foreign head of state. That is apart from the fact that the money was used to kill innocent people, because the bomb exploded at the wrong time. In fact, this is hideous funding of international terrorism." According to Shayler's BBC interview, MI6 provided the funds to an Arab agent inside Libya, with instructions to carry out the attack.

In fact, in 1996, a previously unknown Libyan "Islamist" group appeared in London to claim responsibility for the attempted assassination of Qaddafi.

• On June 25, 1996, a bomb blew up the U.S. military barracks in Dharan, Saudi Arabia, killing 19 American soldiers. The next day, Saudi expatriate Mohammed al-Massari, the head of the London-based Committee for the Defense of Legitimate Rights, was interviewed on BBC. He warned the United States to expect more terror attacks, which he described as "intellectually justified." The U.S. military presence in Saudi Arabia "is obviously not welcomed by a substantial fraction of the population there," he warned, "and

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they are ready to go to the execution stand for it." He concluded, "There are so many underground parties—so many splinter groups, many of them made up of people who fought in Afghanistan. . . . I expect more of the same."

Despite the fact that al-Massari has repeatedly called for the overthrow of the House of Saud and the creation of an Islamic revolutionary state, he has been given "exceptional leave" to remain in Britain. In April 1996, the British Home Office granted al-Massari a four-year refugee permit to remain on British soil.

Al-Massari is allied with the well-known Saudi expatriate Osama bin Laden, who, to this day, maintains a residence in the wealthy London suburb of Wembly. And London is the headquarters of bin Laden's Advise and Reform Commission, run by the London-based Khalid al-Fawwaz.

Bin Laden has been given regular access to BBC and a variety of major British newspapers, to spread his calls for *jihad* against the United States. Thus, in July 1996, bin Laden told the London *Independent*, "What happened in Khobar [the U.S. Army barracks that was bombed on June 25] is a clear proof of the enormous rage of the Saudi population against them. Resistance against America will spread in many places through Muslim lands."

• On Jan. 25, 1997, Tory Member of Parliament Nigel Waterson introduced legislation to ban foreign terrorists from operating on British soil. His "Conspiracy and Incitement Bill," according to his press release, would have for the first time banned British residents from plotting and conducting terrorist operations overseas. Waterson proposed the bill in the aftermath of a scandal over Britain providing safe haven for Saudi terrorist Mohammed al-Massari, who claimed credit for the bombing of U.S. military sites in Saudi Arabia in June 1996.

On Feb. 14, 1997, Labour MP George Galloway succeeded in blocking Waterson's bill from getting out of committee. Galloway, in a speech before the committee that was printed in the House of Commons official proceedings, stated, "The Bill will change political asylum in this country in a profound and dangerous way. It will change a state of affairs that has existed since Napoleon's time. . . . We are all in favor of controlling terrorism in Britain. Surely not a single honorable Member has any truck with terrorism here, but we are talking about terrorism in other countries. . . . The legislation is rushed in response to a specific, and, for the government, highly embarrassing refugee case — that of Professor al-Massari, who was a thorn in the side of the government of Saudi Arabia...By definition, a tyranny can be removed only by extraordinary measures. Inevitably, in conditions of extreme repression, the leadership of such movements will gravitate to countries such as ours where freedom and liberty prevail. The bill will criminalize such people, even though they have not broken any law in Britain or caused any harm to the Queen's peace in her realm. They will fall open to prosecution in this country under the Bill because they are inciting, supporting, or organizing events in distant tyrannies, which are clearly offenses under the laws of such tyrants."

• On Nov. 17, 1997, the Gamaa al-Islamiya (Islamic Group) carried out a massacre of tourists in Luxor, Egypt, in which 62 people were killed. Since 1992, terrorist attacks by the Islamic Group have claimed at least 92 lives. Yet, the leaders of the organization have been provided with political asylum in Britain, and repeated efforts by the Egyptian government to have them extradited back to Egypt have met with stern rebuffs by Tory and Labour governments alike.

On Dec. 14, 1997, British Ambassador to Egypt David Baltherwick was summoned by Egypt's Foreign Minister Amr Moussa and handed an official note, demanding that Britain "stop providing a safe haven to terrorists, and cooperate with Egypt to counter terrorism." In an interview with the London *Times* the same day, the Foreign Minister "called on Britain to stop the flow of money from Islamic radicals in London to terrorist groups in Egypt, and to ban preachers in British mosques calling for the assassination of foreign leaders." The *Times* added that Moussa "was outraged by reports that £2.5 million had come from exiles in Britain to the outlawed Gamaa al-Islamiya," and noted that the Egyptian government "has blamed the Luxor massacre on terrorists funded and encouraged from abroad, and identified Britain as the main center for radicals plotting assassinations."

To substantiate the charges against Britain, the Egyptian State Information Service posted a "Call to Combat Terrorism" on its official web site. The document read, in part, "Hereunder, is a list of some of the wanted masterminds of terrorism, who are currently enjoying secure and convenient asylum in some world capitals." The "wanted list" consisted of photographs and biographical data on 14 men, linked to the Luxor massacre and other earlier incidents of terrorism. The first seven individuals listed were all, at the time, residing in London. They are:

Yasser al Sirri: "Sentenced to death in the assassination attempt on the life of former Prime Minister Dr. Atef Sidqi; founded the Media Observatory in London as mouthpiece for the New Vanguards of Conquest."

Adel Abdel Bari: "At present, heads Egyptian Human Rights Defense Office, affiliated to Media Observatory in London, the mouthpiece for the outlawed Jihad Organization."

Mustafa Hamzah: "Commander of the military branch of the outlawed 'Islamic Group.'"

Tharwat Shehata: "Sentenced to death in the assassination attempt on Dr. Atef Sidqi, former Prime Minister; associated with, and in charge of financing extremist elements abroad; involved in reactivating the outlawed 'Jihad Organization' abroad."

Osama Khalifa: "Accused no. 1 in the case involving domestic and foreign activities of the outlawed Islamic Group."

Refa Mousa.

Mohamed el Islambouli: "One of the principal leaders of the Islamic Group; sentenced to death in the case of the outlawed organization of 'Returnees from Afghanistan.'"

### Groups banned by United States are headquartered in London

Shortly before the Luxor massacre, on Oct. 8, 1997, the U.S. State Department, in compliance with the Anti-Terrorism Act of 1996, released a list of 30 Foreign Terrorist Organizations (FTOs), banned from operating on U.S. soil.

Of the 30 groups named, six maintain headquarters in Britain. They are: the Islamic Group (Egypt), Al-Jihad (Egypt), Hamas (Israel, Palestinian Authority), Armed Islamic Group (Algeria, France), Kurdish Workers Party (Turkey), and the Liberation Tigers of Tamil Eelam (Sri Lanka).

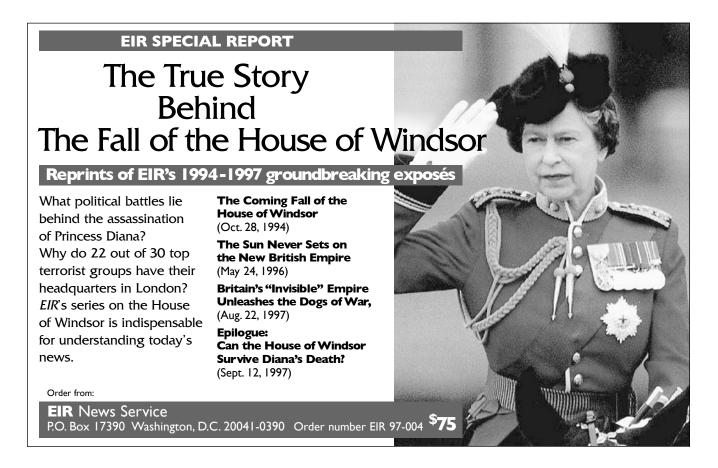
The Islamic Group, and its subsidiary arm, Islamic Jihad, are headquartered in London. In February 1997, the British government formally granted permission to Abel Abdel Majid and Adel Tawfiq al Sirri to establish Islamic Group fundraising and media offices in London, under the names International Bureau for the Defense of the Egyptian People and the Islamic Observatory. Abdel Majid was implicated in the October 1981 assassination of Egyptian President Anwar

Sadat, and he subsequently masterminded the escape of two prisoners jailed for the assassination. In 1991, he fled to Britain and immediately was granted political asylum. He has coordinated the Islamic Group's overseas operations ever since. In fact, he was sentenced to death *in absentia* for the bombing of the Egyptian Embassy in Islamabad, Pakistan in November 1995, in which 15 diplomats were killed.

Abdel Tawfiq al Sirri, the co-director of the movement, has also been granted political asylum in Britain, despite the fact that he was also sentenced to death *in absentia* for his part in the 1993 attempted assassination of Egyptian Prime Minister Atif Sidqi.

In September 1997, Sheikh Omar Abdel Rahman, who is in jail in the United States for his role in the Feb. 28, 1993 bombing of the World Trade Center in New York, issued an order, as the spiritual leader of the Islamic Group, calling for an immediate cease-fire. The six members of the ruling council of Islamic Group residing in Egypt endorsed the Sheikh's order, but the remaining six council member, living in London, rejected the order. Two months later, the massacre at Luxor took place.

Similarly, the Algerian Armed Islamic Group (GIA), which was responsible for the assassination of Algerian President Mohamed Boudiaf on June 29, 1992, has its international



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headquarters in London. Sheikh Abu Qatabda and Abu Musab communicate military orders to GIA terrorists operating in Algeria and France via the London-based party organ, *Al Ansar*. Sheikh Abu Qatabda was granted political asylum in Britain in 1992, after spending years working in Peshawar, Pakistan with various Afghani mujahideen groups. A third London-based GIA leader, Abou Farres, oversees operations targetted against France. He was granted asylum in Britain in 1992, after he was condemned to death in Algeria for acknowledging responsibility for a bombing at Algiers airport, which killed nine people and wounded 125. Farres was believed responsible, from his base in London, for the July-September 1995 string of blind terrorist acts in France, including bombings of three Paris train and subway stations and an open-air market.

The Liberation Tigers of Tamil Eelam (LTTE), known as the "Tamil Tigers," have carried out a decade-long terror campaign against the government of Sri Lanka, in which they have killed an estimated 130,000 people. In addition, LTTE was responsible for the suicide-bomber murder of former Indian Prime Minister Rajiv Gandhi on May 21, 1991, and the similar assassination of Sri Lankan President Ranasinghe Premadasa on May 1, 1993.

Since 1984, the LTTE International Secretariat has been located in London. The official spokesman for the Secretariat is Anton Balsingham, an Oxford University graduate and former British Foreign Office employee. The group's suicide-bomber division, the Black Tigers, which killed Rajiv Gandhi, is run by Pampan Ajith, out of LTTE London headquarters; another elite suicide-bomber cell, the Sky Tigers, which employs light aircraft, is coordinated by Dr. Maheswaran, also based in London.

Most of the marching orders for terrorist operations in the Indian subcontinent are delivered from London, via a string of LTTE publications, including *Tamil Nation* and *Hot Spring*, published in London, and *Network* and *Kalathil*, published in Surrey. The organization's chief fundraiser and banker, Lawrence Tilagar, is also based in London.

Similarly, the Islamic Resistance Movement, Hamas, maintains its publishing operations in London, including its monthly organ, *Filisteen al-Muslima*. In 1996, this publication issued a *fatwa* (religious ruling), calling for terrorist attacks against Israel. On Feb. 25 and March 3, shortly after the *fatwa* was published, Hamas suicide bombers blew up two Jerusalem buses and a Tel Aviv market, killing 55 people. Funding of these terrorists, who are part of the military wing, Izeddin al Kassam, comes from London, where Interpal is the chief money arm of the group.

In the case of the Kurdish Workers Party (PKK), the British government played an even more direct role in supporting the 17-year war against the Turkish government by the Kurdish separatists. An estimated 19,000 people have been killed in Southeast Turkey since the PKK launched its terror war in

1983. In May 1995, after the PKK was expelled from Germany, for seizing control of Turkish diplomatic buildings in 18 European cities, the British government licensed MED-TV in London, through which the PKK broadcasts four hours a day into its enclaves inside Turkey, and all over Europe. In a March 1996 broadcast, PKK leader Apo Ocalan called for the execution of German Chancellor Helmut Kohl and his Foreign Minister Klaus Kinkel. And when the PKK held its founding "parliament in exile" in Belgium in 1995, three members of the British House of Lords either attended or sent personal telegrams of endorsement. The three were Lord Hylton, Lord Avebury, and Baroness Gould.

The same Lord Avebury has been an active backer of the Peru Support Group in London, which has served as a major international fundraising front for the Peruvian narco-terrorist group Shining Path (Sendero Luminoso). When Adolfo Héctor Olaechea was dispatched by Shining Path to London in July 1992, to establish the "foreign affairs bureau," he received a letter of recognition from Buckingham Palace, which he circulated widely. The letter read in part, "The private secretary is commanded by Her Majesty Queen Elizabeth to acknowledge receipt of the letter from Mr. Olaechea, and to say that it has been passed on to the Home Office."

In addition to the six FTOs who have their headquarters in Britain, an additional 16 groups on the State Department's 1997 list either receive funding from groups based in Britain, or receive military training and logistical support from groups operating freely from British soil. Those groups are: the Abu Nidal Organization (Palestinian Authority), Harkat ul-Ansar (India), Mujahideen e Khalq (Iran), Kach (Israel, Palestinian Authority), Kahane Chai (Israel, Palestinian Authority), Abu Sayyaf (Philippines), Hezbollah (Israel, Lebanon), Khmer Rouge (Cambodia), ELN (Colombia), FARC (Colombia), Shining Path (Peru), MRTA (Peru), Democratic Front for the Liberation of Palestine (Israel, Palestinian Authority), Islamic Jihad-Shaqaqi (Israel, Palestinian Authority), Popular Front for the Liberation of Palestine (Israel, Palestinian Authority), PFLP-General Command (Israel, Palestinian Authority).

### The 'fatwa' against American targets

On Feb. 10, 1998, a group of well-known London-based "Islamists" and Islamic organizations issued a *fatwa*, calling for terrorist attacks against American targets. It was signed by Saudi terrorist supporter Mohammed Al-Massari and Omar Bakri, head of the Al-Muhajiroon, and was endorsed by 60 organizations that are based in the United Kingdom. It instructed Muslims living in the United States: "You have first to renounce the residency or acquire citizenship, then start military activities if physically capable. You are then at liberty to fight them everywhere in the world or re-enter the realm clandestinely and wreak havoc, obviously facing charges as spy, terrorist, etc."

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On Feb. 23, 1998, a second fatwa was issued, entitled "World Islamic Front's Statement Urging Jihad Against Jews and Crusaders." It called for killing Americans because of their "occupation of the holy Arab Peninsula and Jerusalem" and their "oppressing the Muslim nations," and concluded, "in compliance with God's order, we issue the following fatwa to all Muslims: The ruling to kill the Americans and their allies — civilian and military — is an individual duty for every Muslim who can do it in any country in which it is possible to do it, in order to liberate the al-Aqsa Mosque and the holy Mosque [Mecca] from their grip, and in order for their armies to move out of the lands of Islam, defeated, and unable to threaten any Muslims. We-with God's help—call on every Muslim who believes in God and wishes to be rewarded to comply with God's order to kill the Americans."

The *fatwa*, which was widely reported in the Londonbased Arabic daily *Al Quds al Arabi*, was signed by Sheikh Osama bin Laden, who, despite his current residence in Afghanistan, continues to maintain a lavish mansion in London; Ayman al Zawahiri, head of the Islamic Group behind the November 1997 massacre at Luxor, Egypt; Abu Yasser Rifai Ahmad Taha, another leader of the Islamic Group, residing in London; and Sheikh Mir Hamza, secretary of the Jamiat ul Ulema e, of Pakistan.

The two fatwas were the subject of testimony by an official of the Central Intelligence Agency on Feb. 23, 1998, before the Senate Subcommittee on Terrorism, chaired by Sen. John Kyl (R-Ariz.). At Senator Kyl's request, the CIA Counterterrorism Center provided the subcommittee with a declassified memorandum, titled "Fatwas or Religious Rulings by Militant Islamic Groups Against the United States." The memorandum stated that "a coalition of Islamic groups in London, and terrorist financier Osama bin Laden, have issued separate fatwas, or religious rulings, calling for attacks on U.S. persons and interests worldwide, and on those of U.S. allies.... Both fatwas call for attacks to continue until U.S. forces retreat from Saudi Arabia and Jerusalem. The fatwa from the groups in london also calls for attacks until sanctions on Iraq are lifted. These fatwas are the first from these groups that explicitly justify attacks on American civilians anywhere in the world. Both groups have hinted in the past that civilians are legitimate targets, but this is the first religious ruling sanctifying such attacks."

Two days before the Aug. 7, 1998 bombings of the U.S. embassies in Dar es Salaam, Tanzania and Nairobi, Kenya, the Islamic Jihad issued a declaration, targetting American interests all over the world. The communiqué accused the CIA of cooperating with Egyptian officials to capture three members of the group in Albania, and extradite them to Egypt where they faced prosecution on capital offenses.

Within hours of the two bombings, a number of Londonbased groups issued endorsements of the bombings. Supporters of Sharia, headed by Abu Hamza Al-Misri, an Egyptian who was convicted of a capital offense in Egypt, but who enjoys political asylum in London, issued one of the most virulent "endorsements." Omar Bakri, the head of Al-Muhajiroon, as well as the Islamic Observation Center, the Islamic Jihad organization's official propaganda and fundraising organization in London, also endorsed the bombings. The Islamic Observation Center was officially licensed by the British government in 1996 to carry out activities in Britain.

#### Attacks on Yemen

In the third week of December 1998, a London-based terrorist group was planning to launch operations to destabilize the Republic of Yemen. Members of the Ansar Al-Sharia, directed from London by Mustafa Kamel (a.k.a. Abu Hamza Al-Masri, a British citizen and former Afghansi "mujahid," who trains groups of young people for terrorist activities at his Finsbury Mosque in north London, were arrested on Dec. 23, 1998 in Yemen, as they were planning armed terrorist operations. These terrorists were in contact with the Islamic Army of Abeen-Aden (affiliated with the London-based Egyptian Islamic Jihad), which had kidnapped 16 British and Australian tourists a few days earlier.

A rescue operation on Dec. 29 by the Yemeni security forces resulted in the kidnappers killing three British hostages and one Australian; 12 tourists were freed. British press and, later, government officials, accused the Yemeni security forces of "provoking the murders," because they refused to negotiate with the terrorists.

In response, the Yemeni authorities did not mince words. In one day, Yemen kicked out the British Scotland Yard officers who had been invited to observe the investigations, withdrew its application to join the British Commonwealth, and announced that a group of British citizens had been arrested while attempting a massive terror-bombing campaign in Aden.

On Jan. 25, Yemen President Ali Abdullah Saleh demanded from British Prime Minister Tony Blair that Abu Hamza Al-Masri be handed over for trial in Yemen on charges of carrying out terrorist acts in Yemen and several other Arab states. This was expressed in an official message Saleh sent to Blair, conveyed by the British Ambassador to Yemen, Victor Henderson. The London-based daily *Al-Hayat* reported that, according to government sources in Sanaa, Yemen's capital, the message from President Saleh stressed that the Yemeni government has the right to demand that the British government hand over Abu Hamza, and evidence and documents which prove its description of Abu Hamza as a "terrorist" and "extremist."

However, British law does not consider it a crime for individuals and groups based in Britain to plan, incite, or conduct terrorist operations outside Her Majesty's domains.

Abu Hamza's case is even more complicated, because he

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is not only an asylum seeker, but has British citizenship. The Yemeni request came in the context of investigations conducted by the Yemeni security authorities into the group whose members were arrested on Dec. 23, including five British citizens (one of them the son of Abu Hamza) and one French citizen, who were in possession of weapons and explosives and were said to be involved in carrying out "terrorist and destructive plans which undermine Yemen's security and stability."

The Yemeni investigations found that Abu Hamza has relations with this group, in addition to his "firm links to the Islamic Army of Aden," led by Abu Hassan al-Muhdar, who is in custody. Al-Muhdar's group carried out the kidnapping of the tourists in December 1998. The Yemeni government sources added that the message of the Yemeni President to the British Prime Minister expressed Yemen's great regret over the "terrorist activities carried out by Abu Hamza al-Masri" and others from the British territories, acts which it said undermine Yemen's security and stability, as well as similar terrorist acts in several Arab states.

Eight days earlier, Abu Hamza called for killing Yemeni officials if the Yemeni authorities sentenced the kidnappers to death. Replying to a question from the Qatari al-Jazira satellite TV network on Jan. 14, he said: "If Zein al-Abidin al-Muhdar were to be executed, there will be revenge acts and massacres."

Abu Hamza stated in a televised debate on Jan. 18 that he had been contacted by the leader of the group that carried out the kidnapping before the rescue operation, "and asked me for advice." Abu Hamza accordingly issued a communiqué and threatened the Yemeni authorities.

The target of these operations has been the government of the Republic of Yemen itself. Abu Hamza made this clear in the televised debate, in which he said that the ultimate goal is to overthrow the secular regime in Sanaa, and that there are supporters in Yemen who are ready to fight for establishing an Islamic state. Al-Muhdar, during his trial in Yemen, confirmed that the objective of his group is to overthrow every secular government in the region.

### Formal diplomatic protests to London

This British harboring of international terrorist groups has not gone unnoticed by the nations that have been the targets of this brutality. To date, the British Foreign Office has received formal diplomatic protests from at least ten victimized countries. These include:

**Egypt:** British asylum for the Islamic Group and Islamic Jihad has been a persistent reason for Egyptian complaints to the British government. In April 1996, Egyptian Interior Minister Hasan al-Alfi told the British Arabic weekly *Al-Wasat*, "All terrorists come from London. They exist in other European countries, but they start from London." On Aug. 29, the government daily *Al-Ahram* reported that the British

chargé d'affaires in Cairo was summoned by the Deputy Foreign Minister, and given a letter for Foreign Minister Malcolm Rifkind, protesting Britain's "double standard policy" and "support for international terrorism." An official of the Egyptian Foreign Ministry was quoted in the paper, saying, "The asylum law in Britain has provided a safe-haven for terrorists."

Egypt has been particularly incensed that the British have allowed the Islamic Group/Islamic Jihad to use London as their home-base. Continual demands that Britain extradite Islamic Group leaders Adel Abdul Majid and Adel Tawfiq al Sirri back to Cairo, where they have been sentenced to death in absentia for terrorist crimes, have been rejected.

On Feb. 13, 1997, Egyptian officials told *Al-Hayat*, that the Egyptian government remains "troubled" and "astonished" by Britain's decision to allow Abdul Majid to establish officially recognized centers in London, especially after the Egyptian Supreme Court released admissions from several members of the group, at the beginning of 1997, that they had received money and marching orders from Abdul Majid, to carry out bombings and assassinations throughout 1996.

These same officials told the paper that "this only further supports Egypt's belief that London has become the most prominent center for anti-Egypt Islamic extremist groups," and that there will continue to be talks on the highest levels "to know the reasons that made the British government allow the establishment of that [Islamic Group] office."

Following the Luxor massacre, Egyptian President Hosni Mubarak launched a personal international crusade to spotlight the role of the British government in harboring and sponsoring the terrorists who have targetted Egypt.

Israel: On March 3, 1996, after a Hamas bomb exploded in a Jerusalem market, killing a dozen people, and a second bomb exploded in Tel Aviv, Israel's ambassador to London met with Foreign Minister Rifkind to demand that Britain stop protecting the group. In an account of that confrontation, the London *Express* reported the next day, "Israeli security sources say the fanatics behind the bombings are funded and controlled through secret cells operating here. Only days before the latest terror campaign began, military chiefs in Jerusalem detailed how Islamic groups raised £7 million in donations from British organizations. The ambassador, Moshe Raviv, yesterday shared Israel's latest information about the Hamas operations. A source at the Israeli embassy said last night, 'It is not the first time we have pointed out that Islamic terrorists are in Britain.'

The British Foreign Office officially responded to the Israeli ambassador: "We have seen no proof to support allegations that funds raised by the Hamas in the U.K. are used directly in support of terrorist acts elsewhere."

In early September 1997, Shin Bet chief Ami Ayalon travelled to Britain, according to the *Sunday Telegraph*, after investigations determined that the two Hamas suicide bomb-

ers who killed 15 people in a Jerusalem market on July 30, arrived in Israel on British passports: "Israeli officials are said to have become increasingly frustrated by what they see as British foot-dragging in curbing the activities of Palestinian hard-liners. The Israeli government has made repeated calls for action to be taken against militants, said to be operating freely in the British capital."

**France:** In late 1995, the GIA's London headquarters ordered a terror war against France, leading France to loudly protest to the British government, according to the Nov. 6, 1995 London *Daily Telegraph*, in an article entitled "Britain Harbours Paris Bomber." On Nov. 3, 1995, the French daily *Le Figaro* wrote, under the headline "The Providential Fog of London," of the GIA's bombing spree: "The trail of Boualem Bensaid, GIA leader in Paris, leads to Great Britain. The British capital has served as logistical and financial base for the terrorists."

The next day, *Le Parisien* reported that the author of the GIA terror attack inside France was former Afghan mujahideen leader Abou Farres, who was given a residence visa in London, despite the fact that he was already wanted in connection with the bombing of the Algiers Airport. Farres's London-based organization, according to *Le Parisien*, recruits Islamic youth from the poor suburbs of Paris, and

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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sends them to Afghanistan, where they are trained as terrorists.

**Algeria** also filed strong protests to the British Foreign Office over the harboring of the GIA in London.

**Peru:** The Peruvian government has made repeated requests to the British government, since 1992, demanding the extradition of Adolfo Héctor Olaechea, the London-based head of overseas operations for Shining Path, as well as the shutdown of its fundraising and support operations there. Both requests have been refused to this day. Moreover, in 1992, during the worst of the Shining Path offensive in Peru, Channel 4, of the Independent Broadcasting Authority, a dependency of the British Home Office, coordinated with Olaechea to send two journalists to Peru, where they contacted Shining Path units, and filmed a highly favorable report. The film was broadcast throughout Britain by Channel 4 on July 10, 1992, despite an official protest from the Peruvian government.

**Turkey:** On Aug. 20, 1996, the Turkish government formally protested to the British government for allowing the Kurdish Workers Party to continue its London-based MED TV broadcasts into Turkey, despite documentation that the broadcasts were being used to convey marching orders to PKK terrorists there.

Germany: The Bonn government issued a diplomatic note to London, too, following a March 1996 MED TV broadcast in which PKK leader Apo Ocalan called for murdering German Chancellor Kohl and Foreign Minister Kinkel. According to the German press, the Interior Ministry stated concerning the London station: "We have requested our colleagues in neighboring countries in Europe to put measures into effect in order to not compromise internal security in our own country."

Libya: On Feb. 7, 1997, the Libyan Foreign Ministry submitted an official protest to the British government, over Britain's permitting of the Militant Islamic Group to operate on British soil. The letter cited the recent assassination attempt against Colonel Qaddafi by members of the Londonheadquartered group, and read, in part, "The decision by Britain, which is a permanent member state of the [UN] Security Council, to shelter elements of that terrorist group who are wanted to stand trial in Libya and to enable them to openly announce their destructive intentions against a UN member state, namely Libya, . . . contravenes international charges and treaties."

**Nigeria:** On Feb. 28, 1997, the British government issued a denial that it had refused to extradite three Nigerians suspected of a series of bombings in the major city of Lagos in January 1997. The three men were leaders of the National Democratic Coalition (Nadeco).

**Yemen:** In January 1999, the government of Yemen filed formal diplomatic protests with Britain for the harboring of the terrorists who carried out bombings and kidnappings.

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**Russia:** On Nov. 14, 1999, the Russian Foreign Ministry filed a formal protest to Andrew Wood, Britain's Ambassador in Moscow, after two Russian television journalists were brutally beaten as they attempted to film a London conference, where bin Laden's International Islamic Front, Ansar as-Shariah, Al-Muhajiroon, and other Islamist groups called for a *jihad* against Russia, in retaliation for the Russian military actions in Chechnya.

One of the victims of the beating, ORT cameraman Alexandr Panov, told *Kommersant* daily that he was "very surprised at the indifference of the British government. Some of

the participants at the 'charity' event were people wanted by Interpol, but Scotland Yard, although evidently aware of their residence [in Britain], does not react."

On Nov. 10, 1999, the Russian government had already filed a formal diplomatic démarche via the Russian Embassy in London, protesting the attacks on the Russian journalists, and also the admissions by Sheikh Omar Bakri Mohammed, the head of the "political wing" of the bin Laden organization, Al Muhajiroon, that the group was recruiting Muslims in England to go to Chechnya to fight the Russian Army. Bakri's organization operates freely from offices in the London sub-

# A century of British state-sponsored terror

In 1996, EIR's coverage of the genocide in Africa, orchestrated and manipulated by the British Empire, with assistance from its modern-day pirates of raw materials cartels, included an excerpt from Heart of Darkness, the most famous work by Polish-British novelist Joseph Conrad (1857-1924) (see "'Heart of Darkness': A Glimpse at Colonialism in Action," EIR, Jan. 3, 1997). Conrad's first-hand view of colonialism in Africa was based on his 1889 journey along the Congo River as master of the ship Otago, and is one of the most chilling indictments of colonialism that this author has ever read. It was this excerpt of Heart of Darkness that prompted me to look afresh at another of Conrad's books, The Secret Agent (New York: The Penguin Group, 1983 reprint), written in 1907 about terrorism, police agents, and imperial powers.

Conrad's powerfully written novel about political terrorism exposes the fact that for more than 100 years, the British have provided their territory as a haven for terrorists to plan attacks against other countries. As the accompanying dossier, delivered to U.S. Secretary of State Madeleine Albright, indicates, in the past several years, the British Crown, the Parliament, and the government have shunned requests for cooperation from 11 countries where brutal terrorist actions and mass murder have proven to have been planned in London. International pressure on Britain has led to attempts to change the laws in the British Parliament, but these efforts have been shot down in longwinded aristocratic rhetoric about Britain's tradition of providing a haven for victims of human rights violations. In Conrad's book, the central incident revolves around an international conference where the British were refusing

to crack down against "political crimes." Such a conference did take place in 1898, in Milan.

The Secret Agent reminds us that terrorism is surrogate warfare, and a part of British imperial policy, which intelligence operatives call the "Great Game." Conrad focusses his plot, however, not so much on the British use of terrorism against other imperial powers, as on the attempt by the aristocratic "First Secretary" of another country's embassy to stage a spectacular terrorist act in order to give the British a taste of their own medicine, and shake them into signing an international convention against providing a haven for "political" criminals.

### The bombing of the Royal Observatory

Conrad's story, though a work of fiction, is rooted in a real incident, the bungled bombing of the Royal Observatory in Greenwich Park, London in 1894, according to Martin Seymour-Smith, who wrote an Introduction in 1984 to one Penguin edition of *The Secret Agent*. According to Seymour-Smith, the facts behind the real incident, known as the "Greenwich Bomb Outrage," were these:

"A young man called Martial Bourdin was found in Greenwich Park, on a hill near the Royal Observatory 'in a kneeling posture, terribly mutilated' on the evening of 15 February 1894. There had been an explosion; Bourdin had set it off, and in so doing had killed himself. He had blown off one of his hands, and his guts were spilling from his body; he died in hospital very soon afterwards. ... Bourdin had a brother-in-law called H.B. Samuels, who edited an anarchist paper. Samuels was in fact, like Verloc [the main character in Conrad's book], a police agent and, again like Verloc, he accompanied his not very intelligent dupe to the park. Bourdin ... in some way set off the explosive he was carrying, which was supplied by Samuels, acting as agent provocateur. . . . Anarchists were not responsible for the Greenwich Bomb incident; they were as frightened about it as they are in The Secret Agent."

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urb of Lee Valley, where they occupy two rooms at a local computer center, and maintain their own Internet company. Bakri has admitted that "retired" British military officers are training new recruits in Lee Valley, before they are sent off to camps in Afghanistan or Pakistan, or are smuggled directly into Chechnya.

On Nov. 20, 1999, the *Daily Telegraph* admitted, following the release of the U.S. State Department's updated list of Foreign Terrorist Organizations, that "Britain is now an international center for Islamic militancy on a huge scale . . . and the capital is the home to a bewildering variety of radical

Islamic fundamentalist movements, many of which make no secret of their commitment to violence and terrorism to achieve their goals."

India: In December 1999, following the conclusion of the Indian Airlines hijacking, the Indian government protested the fact that British officials publicly stated that they would allow one of the freed Kashmiri terrorists, Ahmed Omar Sheikh, to return to London, because there "were no charges filed against him in Britain." The British government, facing growing international pressure, apparently has backed down from this decision.

Conrad's book captures the arrogant disdain that the oligarchy has, to this day, for the "common people." In his story, the retarded brother-in-law of the oligarchy's secret agent, Verloc, is killed in the bungled bomb incident. In grief, the victim's sister apparently dies in a suicide, after killing her police-agent husband.

Conrad wrote in 1920 that he received much criticism for writing such a "gloomy" piece, and came under suspicion as an anarchist sympathizer. No doubt, the secrets revealed in the book, even under the guise of fiction, were troublesome for the British and other countries which were facilitating terrorist acts. The tumultuous times in which the book was written included the assassinations of leaders who supported national sovereignty and republican ideas, including U.S. President William McKinley, gunned down by one of the British network's anarchists in 1901.

### Preparing for the 1898 Conference of Milan

In the following excerpt, at the opening, Verloc is meeting his controller, the mysterious Mr. Vladimir, who lectures him:

"'You give yourself for an "agent provocateur." The proper business of an "agent provocateur" is to provoke. As far as I can judge from your record kept here, you have done nothing to earn your money....'

"'Nothing!' exclaimed Verloc, stirring not a limb....
'I have several times prevented what might have been—'

"'...Don't be absurd. The evil is already here. We don't want prevention—we want cure....Isn't your society capable of anything else but printing this prophetic bosh...? Why don't you do something? Look here.... You will have to earn your money.... No work, no pay.... When you cease to be useful you shall cease to be employed. Yes. Right off. Cut short.... You shall be chucked....

"'What we want is to administer a tonic to the Conference in Milan,' he [Vladimir] said airily. 'Its deliberations upon international action for the suppression of political

crime don't seem to get anywhere. England lags. This country is absurd with its sentimental regard for individual liberty. It's intolerable to think that all your friends have got only to come over to—'

"'In that way I have them all under my eye,' Mr. Verloc interrupted, huskily.

"'It would be much more to the point to have them all under lock and key. England must be brought into line. The imbecile bourgeoisie of this country make themselves the accomplices of the very people whose aim is to drive them out of their houses to starve in ditches. And they have the political power still, if they only had the sense to use it for their preservation. I suppose you agree that the middle classes are stupid? . . . What they want just now is a jolly good scare. This is the psychological moment to set your friends to work. I have had you called here to develop to you my idea.'

"And Mr. Vladimir developed his idea from on high, with scorn and condescension, displaying at the same time an amount of ignorance ... which filled the silent Mr. Verloc with inward consternation....

"'A series of outrages,' Mr. Vladimir continued, calmly, 'executed here in this country; not only *planned* here—that would not do—they would not mind. Your friends could set half the Continent on fire without influencing the public opinion here in favour of a universal repressive legislation. They will not look outside their backyard here.'

The pathetic plot to entrap British public opinion is a miserable failure. The British Home Secretary covers up the entire affair; it seems that more than one of the members of Verloc's anarchist cell are on the payroll of the British.

Seymour-Smith reports that in the real Conference of Milan in 1898, Britain refused to give up its role as "haven for the oppressed," continuing to serve as the planning ground for terrorism for the next 102 years.

-Michele Steinberg

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### **INNAtional**

# LaRouche draws battle lines: nation-state vs. Confederacy

by Marianna Wertz

As Lyndon LaRouche took his Democratic Presidential campaign on the road to New England, beginning in Boston on Jan. 11 with a landmark address on his New Bretton Woods proposal (see *Economics*), a loud, but important flap broke out nationwide over George W. Bush's openly racist endorsement of the Confederacy's "state's right" to fly the Confederate flag over South Carolina. This is the same state where Al Gore and a racist cabal in the Democratic Party leadership have blatantly refused to allow Lyndon LaRouche's name to be placed on the ballot.

LaRouche commented on these developments at the beginning of his press conference in Concord, New Hampshire, on Jan. 13. Speaking to a press corps which included a reporter from the Associated Press and the *Manchester Union Leader*, among others, LaRouche noted that, with these developments, the "real, underlying, axiomatic issue of the campaign has come to the fore."

"Several days ago, as we all know, George W. 'Jefferson Davis' Bush made a statement about the Confederate flag in the state of South Carolina, and invoked states' rights in evading any objection to the flying of the Confederate flag in that state.

"Shortly after that, [John] McCain . . . made a statement attacking the statement of Bush on the issue of the Confederate flag, a statement which he has subsequently retracted under strong pressure from his campaign representative in South Carolina. . . . In the meantime, there is a major protest on the issue, within the state of South Carolina, by the African-American community in the state.

"I've been very strong on this and I'm in the middle of

this, because the Democratic Party National Committee is involved presently in an action to support the nullification of the 1965 Voting Rights Act, which has been declared a racist issue widely in the state of South Carolina as well as elsewhere.

"At the same time now, we've had today a breaking development by former Senator [Bill] Bradley, now a Democratic candidate, who has made his first really important statement of the campaign, in attacking Gore on the Willie Horton issue, on his racist record. Of course, Gore's racist record is well known to those who know him from the time he was a reporter in Tennessee, when he played a key part in a harassment in the Justice Department, an attempted frame-up against a leading politician who was subsequently repeatedly exonerated in that state of those charges.

"So what we have today, which is relevant to the general nature of the campaign on both sides, is that the national campaign is now dominated by an issue between those who believe in the general welfare, as in the FDR tradition, and the corresponding tradition, civil rights tradition, in the Republican Party, and those on the other side, which includes George W. Bush and Gore, who line up with the Wall Street crowd, who are trying to ram Gore's nomination through the Democratic convention, trying to kill all possible opposition as quickly as possible, probably by the March 7th primaries. And then an alliance of the Gore people, in effect, with the Bush people, on this issue, to the effect that you have George W. 'Jefferson Davis' Bush on one side, and you have an Al 'August Belmont' Gore on the other side, as against those of us who represent, in both the Democratic Party and the



LaRouche supporters at the Board of Elections in Albany, New York, file more than 65,000 signatures on Jan. 6, to put LaRouche on the Democratic Party primary ballot.

Republican Party, the Lincoln tradition.

"So, what this has now come down to, in my view, in the recent developments in the campaign in the past days, is that the real, underlying, axiomatic issue of the campaign has come to the fore. Are we going to go in the tradition of the founders of the nation, as renewed by Abraham Lincoln, as renewed by Franklin Roosevelt, as Kennedy tried to renew that tradition in his abortive occupation of the White House before he was assassinated? Or are we going the other way, in which a crowd from Wall Street, typified by Martin Van Buren, August Belmont, and so forth, together with an alliance with the racist tradition, the slaveholder tradition, is going to dominate the politics of this country, which would be the case if either Gore or George W. Bush were elected?

"I think that if Gore were to reach the nomination, it's my best estimate, that would ensure the election of George W. Bush; that the only function of Gore is to ensure the election of George W. Bush, in effect, whether he intends that or not."

### **South Carolina events**

The confluence of events emerging in South Carolina in recent days, makes clear for all to see, the importance of the fight between LaRouche's Presidential campaign, representing the patriotic, nation-state tradition in the Democratic Party, and the Gore-Bush New Confederacy's cross-party linkage.

First, South Carolina is the home state of former Democratic National Committee (DNC) Chairman Don Fowler, whose 1996 racist ruling excluded LaRouche's votes from being counted in the Democratic primaries that year. It is also

Fowler's ruling that is being used explicitly today, in South Carolina, as well as in Utah, Michigan, and Arizona, to prevent LaRouche from gaining ballot status, and which the DNC intends to use to stop LaRouche from participating in the Democratic National Convention in August.

The LaRouche campaign made clear the DNC's racist intent in a prominent, full-page ad run in late December in the *Black News*, South Carolina's most prominent African-American weekly, and in dozens of other black and hispanic papers, titled "Stop Racist Attempt to Overturn Voting Rights Act." The ad is the text of an open letter to the Democratic Party leadership by former Democratic State Sen. Theo Mitchell, who is also a former Democratic Party nominee for Governor of South

Carolina, signed by hundreds of state legislators and civil rights, religious, and trade union leaders.

Then, the flap over the flag occurred, beginning on Jan. 7, with Bush's statement at a debate of Republican candidates in Columbia, South Carolina (see article, p. 66).

On Jan. 12, the South Carolina *Black News* ran a prominent interview by its editor, Bernard Legette, with LaRouche. The same issue carried a second full-page ad by the LaRouche campaign, of the letter by Senator Mitchell, with even more endorsers. This issue of *Black News* has an expanded run of 100,000, as it is a commemorative issue for the Martin Luther King, Jr. birthday celebration, and was widely distributed at a rally on Jan. 17, organized by the National Association for the Advancement of Colored People and other groups, to protest the flying of the Confederate flag over the Statehouse, at which thousands are expected to participate.

LaRouche believes that the South Carolina developments crystallize the Presidential campaign nationally, and put it in clear focus: Gore is on the same racist side as Bush, and this is simply a vivid illustration of it. This now also defines the central focus of the current primary campaigns, in all states, and for all national political candidacies.

### On the road in New England

LaRouche opened his New England campaign tour with the Jan. 11 speech in Boston to about 150 supporters. The speech typifies what LaRouche plans to do throughout the remainder of the month, as he pioneers the use of the Internet to reach millions of listeners with the highest level of ideas in a battle for the minds of American voters. The Boston event

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was simultaneously broadcast on video on the campaign website (www.larouchecampaign.org) and will remain available for viewing there.

On Jan. 12, LaRouche addressed about 150 people at the New England Council of Community Action, in Nashua, New Hampshire. The group was made up of community activists and local government people associated with social services. After LaRouche's 25-minute speech, which stressed the Roosevelt coalition and his own intention to use what worked from that coalition's efforts today, questions continued for another 40 minutes, ranging from the candidate's stand on education, to why LaRouche is described as the world's best economist, to what his impressions were of growing up in Rochester, New Hampshire. LaRouche's jokes about George W. Bush were notably well-received among this crowd. The group holds such an event for Presidential candidates every four years, and also hosted Al Gore and Bill Bradley, who both spoke on Jan. 13.

A second New England town hall meeting, which was also videocast live on Jan. 14 on LaRouche's website, brought the campaign to hundreds more residents of this region, with its key early Presidential primaries (Feb. 1 in New Hampshire, Feb. 5 in Delaware). LaRouche is also holding several private meetings in the region, during this important campaign tour.

### **Fighting for ballot status**

As of Jan. 13, LaRouche's Presidential campaign has either been placed on the ballot, or filed the necessary petitions or fees to qualify for the Democratic primary or caucus ballot, in 21 states. Hundreds of campaign volunteers are currently working feverishly in the remaining states, to meet the requirements to guarantee that the candidate has a ballot line or caucus voice in at least 48 states.

LaRouche is certified as on the ballot in 17 states: California, Colorado, Delaware, Hawaii, Kansas, Maine, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, Ohio, Oklahoma, Rhode Island, Texas, Vermont, and Washington. In two other states (Maryland and New York), and in the Commonwealth of Puerto Rico, his campaign has filed for ballot status and is awaiting notification.

In Al Gore's home state of Tennessee, a fight similar to that in South Carolina, and for the same reasons, has broken out, with state officials refusing to put LaRouche on the ballot, fraudulently claiming that the more than 5,600 signatures of Tennessee citizens that his campaign submitted, do not contain the required 2,500 valid signatures of registered voters in the state.

But the truth here is probably not going to be known until LaRouche's campaign can find an honest judge in the state. On Jan. 11, when legal representatives of LaRouche's campaign attempted to go through the voter registration lists, to verify the validity of the signatures, county officials refused to allow this! Therefore, on Jan. 12, LaRouche's campaign announced that it will go into court to challenge this illegal

and obviously politically motivated sabotage in Gore's home state.

Informed of this, LaRouche noted that, since Gore has a political stranglehold on Tennessee, the fact that the Democratic Party is trying so hard to keep LaRouche off the ballot simply demonstrates the disarray of Gore's mind (see *Feature*, this issue).

### International Endorsements

# Support for LaRouche, the 'philosopher king'

#### Asia

**Republic of China (Taiwan) — Dr. Sun Andi**, chairman of the Board of Directors of the Association of University and College Teachers in the R.O.C. and deputy chairman of the Board of Directors of the Association for Cultural and Academic Exchange Across the Taiwan Strait.

I am very honored to have this opportunity to appeal to American citizens to support statesman Lyndon LaRouche's campaign for the office of the American Presidency.

For more than ten years, LaRouche has been dedicated to promoting a just, international new economic order; and for this reason, he has promoted the establishment of a New Bretton Woods system, as well as promoted the critical importance of the Eurasian Land-Bridge for each and all nations.

At a time when America, serving as the world's most important superpower, now faces the full force of the international crisis, the White House truly needs a very wise statesman and philosopher to enter it. In my heart and mind, Lyndon LaRouche is precisely such a candidate. For the sake of my country and the people of the world, I wholeheartedly support his every endeavor, and hope he is able to win the American Presidential election.

### Europe

**Hungary — George Lajtha,** scientist, worked at the Post Office Research Station since 1952, and as its scientific director since 1986. Honorary professor, author, and editor of a periodical on telecommunications.

Historical experience proves that people in power are seldom able to use wisely their opportunities for governing of their nation, city, or even their family. Rather than acting for the "welfare" of the nation, of the people who elected them, we see today that politicians and other governmental officers are often rather directed by the greed for power and by selfishness. The electoral propaganda in several cases does not coincide with later governmental practice.

Recognizing this customary action, the famous Greek philosopher Plato in his *Republic* established more than 2,000 years ago the idea, that power must be based on "wisdom" and "justice." He did this in response to Thrasymachos, who presented the view that "power is the right of the stronger," i.e., that whoever is powerful enough can do whatever pleases him, because he is all powerful. Plato held against this Hobbesian argument, that power must be based on a "divine natural law" which is in conformity with wisdom and justice and that those who have the political responsibility should act like "philosopher kings."

Looking at today's global situation, it seems that democracy needs a "philosopher king." A wise leader who cannot be bribed, who would take care of his country's development, give justice to all ethnic groups, and prevent hardship and suffering of his people. He can bridge over the political changes and acts as a statesman who exercises political leadership wisely and without narrow partisanship.

I fully agree with the American economist and candidate for the nomination of the Democratic Party Lyndon H. LaRouche, that the world today more than ever needs "philosopher kings." I personally never met him, and have had no debate with him, so my opinion is based on the view of his collaborators. Judging from his pre-election writings, I think that Lyndon H. LaRouche, who himself acts like a philosopher king, can be right when he states that—given the challenges that we are going to face in the 21st century, and in order to overcome underdevelopment and the deep moral crisis the world is in—we need changes, mainly in our behavior, and in the generous, fair character of our leader.

In Hungary, we had a Prime Minister, Paul Teleky, who committed suicide when the German troops were marching through Hungary against Yugoslavia. He knew that without honor, nobody has the right to govern.

**Hungary—Istvan Morvay**, former vice-minister of the Foreign Ministry, in the first post-communist government, under President Antal. His statement is titled "LaRouche and the Hungarian Reality."

It was in the early 1990s that I first met philosopher, economist-politician Lyndon H. LaRouche, Jr. and his activity. This meeting has later turned out to be a dominant one for me. My getting to know his political ideas, political past, and fate had led me, as an active Hungarian politician and statesman at the time, to support the human rights movement aimed at abolishing the negative legal consequences of his political prosecution.

For me, as an active participant in the political changes in Hungary and in Central Europe, LaRouche's political ideas and conviction meant important recognitions, which later proved true and were made credible by the painful experiences gained in the practice of Hungarian internal affairs and in the process of political transformation which was accompanied with conflicts. His political forecasts have fully been proven by the time elapsed since then, as well as by the events

that have taken place in world politics and world economy. Although Hungary's performance has been judged by foreign political circles as outstanding in the Central European region, the position and economic state, as well as the general social status of the Republic of Hungary, would be far more favorable if LaRouche's ideas could have been made a part of daily political activity during the time of the previous governments. There was, however, not the slightest chance of that.

On the one hand, there was a general lack of interest for LaRouche's political views thanks to the manipulated operation of post-communist press, on the other hand, the principles which he represented and his historically credible philosopher, economist, and politician predecessors, i.e., the basic principles and practice of Christian economics, could not prevail because of the hostile attitude of those who participated in the spontaneous privatization and sold out the country's interests and of those who served the interests of neo-liberal lobbyists representing international monetary policy which had so often been attacked by LaRouche. . . .

LaRouche as a person becomes more and more important, in proportion to his political forecasts' coming true. No other politician from the New World has had political ideas that were as positive for the Old World as those of LaRouche, and his knowledge is to an unprecedented extent based on a uniquely exhaustive and novel analysis of European historical processes.

With the United States of America acquiring an exceptional role in world politics, the worldwide collapse of communism and with the disappearance of the two-pole world, the United States' responsibility has multiplied....

There is only one Presidential candidate in the United States today who can, without doubt, meet all the above expectations: Lyndon H. LaRouche, Jr. It is obvious that it is of some significance to the Continent, and within that, to Hungary, too, whether a politician who is sensitive towards the vital questions of Europe, whose ideas are based on European Christian ideology, and who is devoted to economic growth and social justice will be the next President of the United States.

**Bosnia-Hercegovina — Dragoljub Stojanov**, Faculty of Economics, Sarajevo.

Dear and Honorable Mr. LaRouche,

In support of your candidacy for the Presidency of the U.S.A., let me, for the beginning of my letter, quote from Keynes. As you know, in his *General Theory*, Keynes said:

"Ancient Egypt was doubly fortunate, and doubtless owed to this its fabled wealth, in that it possessed two activities, namely pyramid building as well as the search for the precious metals, the fruits of which, since they could not serve the needs of man by being consumed, did not become stale with abundance. The Middle Ages built cathedrals and sang dirges. Two pyramids, two masses for the dead, are twice as good as one; but not so railways from London to York. Thus, we

are so sensible, we have schooled ourselves to so close a semblance of prudent financiers, taking careful thought before we add to the 'financial burden' of posterity by building them houses to live in, that we have no such easy escape from the sufferings of unemployment. We have to accept them as an inevitable result of applying to the conduct of the state the maxims which are best calculated to 'enrich' an individual by enabling him to pile up claims to enjoyment which he does not intend to exercise at any definite time" (p. 131).

We here in Bosnia and Hercegovina have a lot to do with the financiers. Therefore, four years since the Dayton peace accord has been signed, the rate of unemployment is dangerously high, people are poorer than ever. On Monday, Dec. 27, there was a talk show on the independent TV station "99." The question put before the audience was, "What and who would you say was the most impressive personality or events in the 20th century?"

More than 90% of the spectators voted for former Yugoslav President Tito. Why I am saying this now? I am saying this, because you are the only one who strongly supports a Marshall Plan for Bosnia and the whole Balkan region. You are the only one who takes care of unemployed persons and the only one of the contemporary politicians who greets both rich and poor. With all of that, you remind me very much of the former Yugoslav President Tito, the most admired personality in Bosnia, even 20 years since he passed away.

#### Ibero-America

**Mexico**—**Julio Zamora Batiz**, former federal deputy, former Mexican ambassador to Peru and Uruguay.

Dear Mr. LaRouche:

For several decades I have followed with interest your writings explaining your interesting proposals for the world economy and the international political realm.

It is obvious that the process of globalization, in its current form, is harmful to the majority of human beings who populate the poorest countries, and who are subjected to an exploitation corresponding to the imperial interests of large corporations. The latter even impose their views on the governments of those nations which are economically and militarily the strongest on the planet. Such abuses are particularly notorious in the financial aspects of international relations.

The proposal to thoroughly reform the international financial system, and seek, with the agreement of all countries, a new and more just approach, therefore cannot be postponed.

The recurring crises, which each day affect more countries, although particular situations in one or two of them may be the detonators, are irrefutable proof of the urgency of this reform.

I think that your participation as a Presidential candidate in the U.S. elections is an excellent opportunity to examine these problems, and discuss the options for a solution such as those you have proposed.

I wish you luck in your endeavor and the best of health in the year which has just begun.

# Racism is the issue in S. Carolina campaign

by Michele Steinberg

On Jan. 9, South Carolina Republican State Sen. Arthur Ravenel, a funder of George W. Bush's Presidential campaign, spoke before 6,000 people in Columbia, the state capital, and issued one of the most racist blasts at African-Americans and the National Association for the Advancement of Colored People (NAACP) heard publicly in recent times. Ravenel rallied the crowd to defend flying the Confederate flag over the state capitol, and told them that the legislature will "not give in" to the "National Association for Retarded People"—meaning the NAACP, which is trying to take down the Confederate flag. The crowd, with some dressed in Confederate Civil War uniforms as part of a three-day rally for the flag and "reenactment," whooped and cheered for Ravenel's brazen Ku Klux Klan rally-type statements.

Ravenel was referring to an NAACP campaign to impose an economic boycott on the state as part of an effort to repeal the law that allows the Confederate flag to be flown over the capitol. When State Sen. Darrell Jackson took the floor at the opening of the General Assembly the next day to demand an apology, Ravenel refused. Instead, he "apologized" to "the retarded folks of the world for equating them with the national NAACP."

### George W. 'Jefferson Davis' Bush

Ravenel is not some redneck extremist; he comes from an old-line establishment family, and he was merely reiterating "the party line." On Jan. 7, at the Republican debate in South Carolina, George W. "Jefferson Davis" Bush had insisted that the right to fly the Confederate flag is a states' rights issue. In fact, every GOP candidate except John McCain endorsed Bush's position. And for the next week, Bush reiterated that position, over and over again. However, Bush's reaction on ABC-TV's "Nightline" on Jan. 12, indicates that the "flag question" is getting on "Dubya's" nerves. When journalists asked him a follow-up to his mindless recitation that "the people of South Carolina can make up their own mind," Bush had a characteristic mini-explosion, saying, "I've answered that question all I'm going to answer it today.... No, no, no."

When a reporter said, "You're trying to be the President, the leader of the party of Lincoln....Don't you see that your position on the Confederate flag" is a problem, Bush had no answer.

McCain's opposition to Bush is important, because, as Democratic Party Presidential pre-candidate Lyndon LaRouche said in his Jan. 13 press conference in New Hampshire (see p. 62), Bush's position reveals a "real, underlying, axiomatic issue" of the campaign.

In the Jan. 7 debate, McCain was the only candidate to stand up against Bush on the Confederate flag issue. On Jan. 9, on the "Face the Nation" TV show, McCain said, "The Confederate flag is offensive in many, many ways, as we all know. . . . It's a symbol of racism and slavery. But I also understand how others do not view it in that fashion. My forbears from Mississippi fought under the Confederate flag. They were not slaveowners, and I'm sure they considered their service—one I believe died in Shiloh—was honorable. So, I obviously understand why many Americans find it offensive."

By Jan. 10, reportedly under massive pressure, McCain released a statement that said: "Some people may have misinterpreted a previous statement by me regarding the Confederate flag. I was merely restating a position I have taken dozens of times in the past. The questions of where the Confederate flag should fly in South Carolina should be left up to the people of South Carolina to decide without outside interference.

"In Arizona, we resented it when outsiders parachuted in to tell us what to do about a Martin Luther King holiday. I am sure the people of South Carolina feel the same way about outsiders trying to impose their views.

"As to how I view the flag, I understand both sides. Some view it as a symbol of slavery; others view it as a symbol of heritage. Personally, I see the battle flag as a symbol of heritage."

Indicative of the pressures buffetting McCain is the fact that his top strategist in South Carolina, Richard M. Quinn, is the editor-in-chief of the *Southern Partisan*, the magazine of the neo-Confederate Nashville Agrarians. Quinn is one of the most prominent members of the "Heritage movement," which is campaigning to keep the Confederate flag flying over the capitol. Quinn is the father of state House of Representatives Majority Leader Rick Quinn, who has vowed to keep the flag flying as long as the NAACP boycott is in effect.

The boycott called by the NAACP began on Jan. 1, the anniversary of President Abraham Lincoln's signing the Emancipation Proclamation in 1863. The law allowing the Confederate flag to be flown over the state capitol was passed in South Carolina in the early 1960s, in the midst of civil rights battles that preceded the historic Federal laws against desegregation and the passing of the 1965 Voting Rights Act.

As the battle over the flag intensifies, the Voting Rights Act itself is being put through a "test of fire," with the state Democratic Party acting in league with the Gore cabal around former Democratic National Committee head Donald Fowler, to keep LaRouche off the Democratic Party ballot. But at the same time that the Fowler/Al Gore forces in the state violate the Voting Rights Act, State Rep. Todd Rutherford, a black Democrat, has filed a complaint with the Justice Department, accusing the state GOP of violating the Voting Rights Act because it will not open polling places in predominantly black precincts.

# AIDS: Don't be fooled by Al 'Adolf' Gore

by Scott Thompson

On Jan. 10, U.S. Vice President Al Gore presided over a special session of the United Nations Security Council, devoted to the catastrophic threat to Africa posed by the unchecked AIDS pandemic. That the Clinton administration chose to devote the month of January, with U.S. Ambassador to the UN Richard Holbrooke chairing the Security Council, to the crisis in Africa, is commendable, as is the administration's commitment to push Congress to put up \$150-350 million for emergency aid to countries in Africa and South Asia that are overwhelmed by the spread of HIV.

But the fact that Vice President and Presidential pre-candidate Al Gore was given the chance to chair the special session on AIDS, is a case of hypocrisy run wild.

Not only was Gore caught red-handed last year *blocking* the delivery of cheaper drugs to fight AIDS to South Africa. But he is also on record, particularly in his 1992 book *Earth in the Balance: Ecology and the Human Spirit*, advocating radical population reduction—even if it means the spreading of pandemic killer diseases such as AIDS to achieve that reduction.

### Al's drug-lobby antics

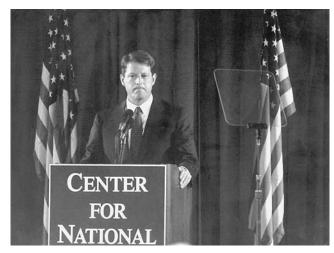
Gore, as head of the Gore-Mbeki Binational Commission, had issued threats and levied economic sanctions against South Africa under then-Vice President Thabo Mbeki, because the latter insisted that in a "national emergency," South Africa had the right to produce affordable, generic HIV-AIDS drugs.

Gore only let up on his threats in September 1999, after South Africa had agreed to pay its pound of flesh for patent rights to the pharmaceutical cartels, which were funding Gore's campaign. So, no one should be fooled into thinking that he has suddenly become a friend of Mbeki—now South Africa's President—or that Gore is really concerned that the number of HIV/AIDS-infected people in Sub-Saharan Africa has reached 20 million—of whom 14 million have died, at a rate of more than 5,000 per day.

In fact, Gore is on record not only as proclaiming that Africa as a whole is "overpopulated," but also as endorsing the view that the AIDS holocaust there—which is occurring on a scale greater than that dreamt of by Adolf Hitler—is a direct result of such "overpopulation."

Sources report that Gore's appearance as Acting President of the UN Security Council to deliver his self-serving speech, was organized in part by Ambassador Holbrooke, who viewed

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Al Gore, Jr.'s ideological commitment to population reduction makes him unfit to hold any office in the United States.

it as a favor that might win him the Secretary of State post in a Gore administration. The Vice President needs all the help he can get in courting African-American voters, given the widespread, and correct, impression that he is a racist.

### The genocidalist club

Also helping to facilitate Gore's grandstanding were UN Deputy Secretary General Maurice Strong and World Bank President Sir James Wolfensohn, who share Gore's genocidalist views on the problem of "global overpopulation."

As the ultimate in cynical hypocrisy, during his speech, Gore announced that the fight against AIDS is at the center of the "security agenda," because "we now know that the number of people who will die of AIDS in the first decade of the 21st century will rival the number that died in all the wars in all the decades of the 20th century." But, as careful readers of such Gore books as *Earth in the Balance* know, the Vice President, like the evil Lord Bertrand Russell in his book *Impact of Science on Society* (New York: Simon & Schuster, 1953), believes that all the wars in all the decades of the 20th century have killed too few people.

Russell wrote, "At present the population of the world is increasing at about 58,000 per diem. War, so far, has had no very great effect on this increase, which continued throughout each of the world wars. War has hitherto been disappointing in this respect . . . but perhaps bacteriological war may prove effective. If a Black Death could spread throughout the world once every generation, survivors could procreate freely without making the world too full. The state of affairs might be unpleasant, but what of it?"

If this sounds outlandish in respect to Gore, consider the assertions of Prince Philip, Duke of Edinburgh (with whom Gore has met and been in correspondence in regard to "deep ecology" issues). Philip has said on more than one occasion: "In the event that I am reincarnated, I would like to return

as a deadly virus, in order to contribute something to solve overpopulation."

Gore has been a leading purveyor of the viewpoint spelled out in Henry Kissinger's genocidal National Security Study Memorandum 200 on the so-called threat to U.S. security from "overpopulation." NSSM 200 targets the darker-skinned populations for early extinction.

Gore wrote the introduction to Paul and Anne Ehrlich's book *The Population Explosion: From Global Warming to Rain Forest Destruction, Famine and Air and Water Pollution—Why Overpopulation Is Our #1 Environmental Problem* (New York: Simon & Schuster, 1990). In it, Gore thoroughly endorsed the Ehrlichs' demand for radical population reduction measures in the world's poorest countries. The Ehrlichs lie that AIDS is merely the latest of numerous pandemic diseases that have resulted from overpopulation, in places such as Africa, where they argue AIDS originated.

In *The Population Explosion*, the Ehrlichs, like Prince Philip, sound almost disappointed that AIDS has not done enough to reduce human population: "Computer projections suggest that, even in Africa, mortality from the disease alone (as opposed to social breakdown or economic effects) is unlikely to bring an end to population growth. While AIDS *could* turn out to be the global epidemic that brutally controls the population explosion by raising death rates, the strains of the virus that have so far been observed seem not to have that capacity. In truth, it is impossible at the moment to predict what will happen."

The Ehrlichs deride as "fringe groups" those who call for the quarantine of AIDS victims, which would ensure that the contagion's spread is contained and that the sick receive the most advanced treatment available.

#### Gore in the Unbalance

That Al Gore truly believes these genocidalist night-mares is demonstrated by his ravings about African "overpopulation" posing a danger to "Mother Earth." In *Earth in the Balance*, he wrote: "Kenya . . . Egypt . . . Nigeria . . . all three countries are already putting great strains on their ecological systems, *so it is truly frightening* to imagine the impact of doubling or tripling their numbers — not to mention the pitiful quality of life these extra scores of millions can expect."

He claimed that "growth rates like these threaten to cause the breakdown of social order in many of the fastest growing countries, which in turn raises the prospect of wars being fought over scarce natural resouces."

This record of statements should make crystal clear just how rank is Al Gore's hypocrisy, in taking the Acting Presidency of the UN Security Council to call for a crash program against HIV/AIDS in Sub-Saharan Africa and elsewhere in the world.

Don't be fooled by the fox offering to guard the hen house, no matter what arguments he makes.

# A case of deafness at the Atlantic Council

### by Edward Spannaus

For the second time in less than a year, the old-line establishment Atlantic Council of the United States has sponsored a visit and speech by Alexei Arbatov, a Deputy in the Russian State Duma (Parliament) of the Yabloko bloc, and the deputy chairman of the Duma Defense Committee. The reaction—or lack of it—to his comments is revealing as to the inability of many in the United States to recognize the heavy responsibility which the United States and the West have for the ominous turn of events within Russia.

Last April, Arbatov, hardly an anti-Western hard-liner, had spoken in quite dramatic terms about the crisis in U.S.-Russian relations which had erupted as a consequence of the NATO bombing of Yugoslavia, and he had described in some detail, how anti-Americanism was sweeping Russia.

Speaking again on Jan. 7 in Washington, Arbatov said that what is going on in Russia today should not come as a surprise. This situation has been building up for several years, he said, citing two factors in particular.

First, is the "failed economic reform." Russia's effort to get out of its economic crisis is aggravated by its dependence on foreign financial aid, which has very stringent conditions which sometimes contradict Russia's attempts to get out of its crisis, Arbatov pointed out.

Second, he said, there are external events which have had a big influence. Some people had been warning their American colleagues, that things that were done by the United States and the West might affect Russian developments in a negative way. "The double shock of NATO extension and NATO's war in the Balkans certainly marked a turning point, in both Russian domestic affairs, and the Russian attitudes toward the United States and the West."

Arbatov said that the shock of the Balkan war is not forgotten in Russia, and that the ongoing war in Chechnya "is directly related to the war in the Balkans." The methods being used by Russia are an attempt to emulate what NATO did in Kosovo, and the lessons that Russia drew from NATO's actions in Kosovo are now being applied in Chechnya.

These lessons are: 1) that NATO's actions removed the taboo in Russia, since the end of the first Chechen war, on the use of force in such situations; 2) that the end justifies the means; 3) that military force is an efficient problem-solver, if applied massively and decisively; 4) that negotiations are a too long and controversial means to resolve political issues and ethnic conflict; 5) that the legality of an action is of sec-

ondary importance, when national interests are at stake; and 6) that humanitarian consequences are simply collateral damage which can be tolerated, and that to cut losses among your own troops, you may inflict excessive damage and devastation on the property and peaceful population of the other side.

"The opinion of the West, about what Russia is doing, is as of little importance, as was Russian opinion, about what NATO was doing in the Balkans in Spring and Summer of this year," Arbatov noted. "The slogan which has common support in Russia now, is that if NATO assumes a self-proclaimed right to use force against a sovereign state in such situations, then Russia all the more has the right to use force in its domestic affairs." Arbatov pointed out that the Dec. 19 elections in Russia took place in a situation of war hysteria, and with strong memories of what the West did in Kosovo. The war was the primary issue in the Parliamentary elections, and it certainly will be the primary issue in the forthcoming Presidential elections, he predicted.

### **Rebuttal of Arbatov**

Following Arbatov's presentation, former U.S. Ambassador to Moscow (1981-87) Arthur Hartman, presented a commentary, in which he either disputed or ignored much of what Arbatov had said. "What we see going on in Russia is not caused by Kosovo," Hartman declared. "There's a 100-year history behind what is happening in Chechnya. Unfortunately, Russia is dealing with its Manifest Destiny problems about a hundred years too late—if you think about how we dealt with them in the 19th century."

Regarding NATO expansion, Hartman said that he initially opposed it, but then accepted it, and disagreed with Arbatov that this has had any great effect on Russia.

Hartman further said he does not agree that the reforms were a total failure, for the following reason: "My investment fund is an example that that is not the case. We have backed small and medium-sized entrepreneurs who are very successful—more successful today after the failure of the economic policy last August when the ruble fell, because we have less foreign competition."

It might seem that Hartman represents an extreme case, but the same phenomenon has been noticeable at other think-tank events in Washington since the Duma elections. These discussions are dominated by attempts by Russia specialists to analyze the recent events from the standpoint of internal Russian factors, while ignoring the adverse changes that have taken place in Russia as a consequence of Western policies, such as the free-market economic "reforms" (which opened up Russia for looting by foreigners and Russia's new tycoons), NATO expansion, the bombing of Yugoslavia, and the Caspian Sea pipeline deal. As as a result of such wrongheaded policies and actions, many Russians believe—with good reason—that the West is out to humiliate and break up Russia, and internal Russian policy developments are shifting accordingly.

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### **National News**

### Clinton seeks aid for Colombian war on drugs

President Clinton will seek \$1 billion in added emergency aid to Colombia for the fight against narco-terrorism, the *Washington Post* reported on Jan. 8. The aid plan will be in the form of \$500 million in supplemental funding from the FY 2000 budget, and \$500 million, to be included in the FY 2001 budget, which the President will submit to Congress on Feb. 7.

The *Post* noted that there has been a split between the administration and Congress over the issue of providing aid to the Colombian military. House Republicans say that all the aid should go to the Colombian police, and some House Democrats have also pushed this idea, on the grounds of alleged human rights violations by the Colombian Army. However, the administration insists that the war against the narco-terrorists cannot be won by the police, and that the Colombian Army has made significant progress in ridding itself of abuses.

### Legal troubles hit Cato Institute funder

In a civil suit in Tulsa, Oklahoma on Dec. 23, 1999, a Federal jury found that Koch Industries, funder of the Cato Institute and other Conservative Revolution causes, had cheated the Federal government, underreporting the amount and quality of petroleum it took from Federal and Indian lease-lands between 1985 and 1989. The company could be liable for a penalty ranging from a half-million to a quarter-billion dollars, depending on the judge's final ruling.

Koch Industries, America's secondlargest privately held company, deals in oil, gas, asphalt, and other enterprises. It is one of the leading funders of conservative thinktanks, electoral campaigns, and the training of judges.

Plaintiff William Koch is the brother and former partner of the company's chairman, Charles G. Koch. William Koch was ousted from the company's leadership in 1982, and he told the Associated Press that the organization "has been corrupted to the point where it's organized white-collar crime."

The Cato Institute and Citizens for a Sound Economy are both Koch's projects. Cato was originally known as the Charles G. Koch Foundation; it is a leading lobbyist for drug legalization.

A spokesman for William Koch told *EIR* that Richard Fink, a Koch Industries board member, is the "Rasputin" to company boss Charles Koch. Fink founded Citizens for a Sound Economy and sits in a web of British Intelligence conduits associated with London's Atlas Economic Research Foundation and the Mont Pelerin Society.

# Support grows for fight against DNC racism

Close to 500 dignitaries have signed the open letter by the Hon. Theo Mitchell to Democratic National Committee officials Ed Rendell and Joe Andrew, which is being circulated nationally under the headline "Stop Racist Attempt to Overturn Voting Rights Act."

Mitchell, a founder of the National Black Caucus of State Legislators and a former South Carolina Democratic gubernatorial nominee, decries the call for nullification of the 1965 Voting Rights Act, made by DNC attorney John Keeney, Jr. before a Federal district court in August 1999. The case involves a lawsuit brought in 1996 by Lyndon LaRouche and Democratic voters from Virginia, Louisiana, Texas, and Arizona, charging the DNC with violation of the Act, in its refusal to seat duly elected delegates pledged to LaRouche at the Democratic National Convention.

The list of co-signers includes:

- two former Congressmen;
- 104 current and former state legislators in 31 states, plus Puerto Rico and the Virgin Islands:
- 141 current and former municipal elected officials, of whom 105 are mayors, vice or deputy mayors, and city council members:
  - 113 civil rights and religious leaders,

including many prominent activists from the civil rights era;

- 14 Democratic Party officials;
- 32 trade union and farm leaders;
- 45 other prominent people such as journalists, lawyers, and ethnic constituency leaders;
  - 39 Philadelphia ward leaders.

## Buchanan lashes out at 'new world order'

In a Jan. 6 speech before the Boston World Affairs Council, Reform Party Presidential pre-candidate Patrick J. Buchanan attacked the concept of globalization and "the new world order," naming H.G. Wells and Zbigniew Brzezinski as two of its proponents, and citing the opposition to the World Trade Organization in Seattle in December, as a sign that globalization will not be accepted by the world's nations.

Early in the 1970s, he said, Zbigniew Brzezinski, later Jimmy Carter's National Security Adviser, wrote that "transnational elites" are emerging, whose "interests are more functional than national."

According to Buchanan: "In a lame-duck session of Congress in 1994, both parties voted to ensnare the United States in the World Trade Organization where America gets one vote out of 135 and gives up its right to negotiate trade treaties that serve the national interest....

"Let it be said: Loyalty to the New World Order is disloyalty to the Republic. In nation after nation, the struggle between patriotism and globalism is under way. In England, the Tory Party draws a line in the sand at giving up Britain's pound. In France, farmers riot to preserve a way of life. In Canada, the fight to preserve national culture is gaining recruits. In Germany, Gerhard Schröder makes a political comeback by embracing economic nationalism. . . .

"In 1939, in his work, *The New World Order*, H.G. Wells wrote: 'Countless people ... will hate the New World Order.... We have to bear in mind the distress of a generation of malcontents....'

"Well, Mr. Wells, we are your malcontents. But we're not going to die protesting

your New World Order; we're going to live fighting it. And Seattle may prove to be the Boston Tea Party of that New World Order."

# TRO blocks drug-testing of welfare recipients

A temporary restraining order imposed against Michigan's drug-testing of welfare recipients, issued by Federal Judge Victoria Roberts on Nov. 10, was the subject of Nat Hentoff's column in the *Washington Post* on Jan. 8. Hentoff notes that the drug-testing is in violation of the General Welfare clause of the U.S. Constitution.

The 1996 Federal welfare reform law allowed states to test welfare recipients for drug use. However, the only state that has done so to date is Michigan. In October 1999, welfare recipients began to be required to take a urine test in three parts of the state, including Detroit. There did not even have to be any suspicion that the person was using drugs. Anyone who tested positive had to enroll in a substance abuse treatment plan, and failure to submit to testing, or enter treatment, resulted in families with children under 18 losing all monthly cash payments.

The Michigan American Civil Liberties Union (ACLU) sued on behalf of two Michigan recipients, claiming that mandatory testing of a broad swath of the adult population has never been enacted by a state government, much less approved by a court. (The Supreme Court has approved mandatory testing of narrow sectors of the population, who hold jobs that could endanger the public, such as railroad engineers.)

On Nov. 10, Judge Roberts ruled that requiring such tests, without individualized, reasonable suspicion, is probably unconstitutional. The judge has scheduled additional hearings on whether she will issue a permanent injunction, and whether to grant the ACLU's request that this become a classaction suit, covering all welfare applicants in the state.

Hentoff points to the 1970 *Goldberg v. Kelly* case, in which the late Supreme Court Justice William Brennan, who resigned from the court in 1990, held for the first

time that it was unconstitutional to cut off welfare payments without first giving the recipients notice and a hearing. Hentoff cites the core of the Brennan decision: "From its founding, the Nation's basic commitment has been to foster the dignity and well-being of all persons within its borders. We have come to recognize that forces not within the control of the poor contribute to their poverty." Citing the prologue to the Constitution, Brennan continues, "Public assistance, then, is not mere charity, but a means to 'promote the General Welfare, and secure the Blessings of Liberty to Ourselves and our Posterity.'"

## Disenfranchisement of felons hits blacks hard

Texas and Florida, the states governed by the Bush brothers George W. and Jeb, disenfranchise more than 600,000 former felons each—triple the national average—according to a report by The Sentencing Project, "Losing the Vote: The Impact of Felony Disenfranchisement Laws in the United States" (October 1998).

African-Americans are hit the hardest by felony disenfranchisement: 36% (1.4 million) of the total disenfranchised population in the United States are black men.

While most states have a total disenfranchisement in the range of 100-200,000, Florida has 647,000 disenfranchised voters (of whom 204,600 are black men), and Texas has 610,000 disenfranchised voters (of whom 156,600 are black men). In Florida, 31.2% of blacks are disenfranchised (the highest percentage in the nation), and 20.8% in Texas.

The Sentencing Project report says that "criminal disenfranchisement laws may also be vulnerable under the Voting Rights Act of 1965, which was adopted to remedy persistent racial discrimination in American voting."

Felony disenfranchisement laws were re-drafted by the former Confederate states, following the Civil War, in order to reduce the number of black people who could vote, according to the report.

## Briefly

THE CLINTON administration supports a Russian initiative to host a Middle East peace conference in Moscow, from Jan. 31 to Feb. 1, according to State Department spokesman Jamie Rubin. Countries from the Middle East, Europe, North Africa, and North America will participate. Secretary of State Madeleine Albright will attend, and will take the opportunity to hold bilateral meetings with Russian President Vladimir Putin and other Russian officials.

**THE TEXAS** Democratic Party's former executive director has written a confidential memo, suggesting that Al Gore would lose in a Presidential race with George W. Bush, and that Gore would drag state Democrats down with him. The memorandum was obtained by the *Fort Worth Star-Telegram*.

FLORIDA GOVERNOR Jeb Bush has rammed through legislation to speed up execution dates for death row prisoners. Based on brother George W. Bush's 1995 Texas bill, the Florida law restricts the number of Federal appeals that a death row prisoner can file. The goal, Jeb Bush told the press, was to cut down the time between sentencing and execution from a current average of 14 years to less than 5.

**NEW YORK CITY'S** policy toward the homeless was put on hold for at least one week, in a ruling by three judges on Jan. 7. The policy would allow the city to kick homeless people out of city shelters unless they meet workfare and other requirements. If families fail to meet the guidelines, their children could be put in foster homes.

THE ADMINISTRATION has decided to continue the delay in opening all 50 states to Mexican trucks and buses, which was supposed to have occurred on Jan. 1, 2000, under the North American Free Trade Agreement. A delay has been in effect for several years. Safety reasons were cited, but the issue is also a political hot potato.

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### **Editorial**

## Defeat the 'new Confederacy'

Developments in the U.S. Presidential contest in the first half of January, as detailed in articles in this issue of *EIR*, have made it clear that the battle in U.S. politics, raging in both political parties, is, to quote Lyndon LaRouche, "between those who believe in the general welfare, as in the FDR tradition, and those on the other side, which includes George W. Bush and Gore," who are now openly supporting the treasonous tradition of Jefferson Davis and the Copperheads of the North, led by then-Democratic Party head August Belmont of New York.

Like the traitors of Wall Street today, neither Jefferson Davis nor August Belmont were home-grown American products. They were puppets of the British monarchy in its attempt to Balkanize the United States. Today's "new Confederate" movement in both parties is the same thing, even if under different conditions.

The developments to which LaRouche pointed were, first, the Jan. 7 fight in a Republican candidates' debate, over the flying of the Conferate flag over the state capitol of South Carolina. George W. Bush defended it as a states' rights issue, but was sharply criticized by his Republican rival Sen. John McCain, who opposed it. McCain added two days later that that flag was "a symbol of racism and slavery." But McCain came under pressure, and retracted his statement the next day.

Then, on Jan. 12, Gore's Democratic opponent Bill Bradley opened up for the first time the question of Gore's well-known racist record, by raising Gore's use of the Willie Horton case against Michael Dukakis in 1988. That case was picked up later by George Bush, who used it as an openly racist appeal in numerous television ads. As Democratic Presidential pre-candidate LaRouche said, he himself is in the middle of this fight, because the Democratic National Committee is attempting to nullify the Voting Rights Act of 1965, claiming the right to block seating of LaRouche delegates elected to the 1996 Democratic National Convention in a lawsuit brought by LaRouche.

Lyndon LaRouche warned of precisely this danger exactly one year ago, in the *EIR* of Jan. 15, 1999, whose cover story was entitled, "To Defeat Impeachment, Defeat the New Confederacy." Remember, that in the af-

termath of the so-called Asian financial crisis of 1997-98, the short-lived Russian government of Sergei Kiriyenko was forced in effect into sovereign debt default on Aug. 17, 1998. At that point, the unravelling of the world financial system redoubled its pace.

As a result, on Sept. 23, the Federal Reserve arranged for the bailout of the hyper-bankrupt Long Term Capital Management (LTCM) hedge fund, which had placed \$1 trillion of "derivatives" bets with only \$4.8 billion of core capital, dropping to only \$600 million by the time of the bailout. New York Fed President William McDonough subsequently admitted to a Congressional committee on Oct. 1, that the Fed feared that the failure of LTCM might have led to an immediate global systemic collapse.

In the midst of this chaos, as though taking a page from LaRouche's book, President Clinton called for an emergency meeting of representatives of advanced and developing nations, to discuss a "new architecture" for the world financial system.

At just that point, the years-old "Whitewatergate" drive to undermine the President, which had virtually collapsed because none of the charges against President Clinton had proven true, was revived with a vengeance. Because of the newly aggravated financial crisis, and particularly because President Clinton was threatening to resolve that crisis in a direction which favored people over the banks and speculators, the moribund anti-Clinton drive suddenly mushroomed into a successful impeachment vote against a U.S. President in the House of Representatives—only the second such impeachment in U.S. history.

The impeachment was accompanied by frantic efforts to launch new wars, in Iraq and in the Balkans, by Vice-President Gore and Secretary of State Madeleine Albright.

With the support of patriotic Americans, the President decisively defeated his accusers in the Senate. But he dropped the "new financial architecture," at least until now. But it was then, in the drive for impeachment and war rather than financial reorganization, that Al Gore and the "new Confederate" movement first rallied its forces. This time, they must be defeated for good.

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Lyndon H. LaRouche, Jr.

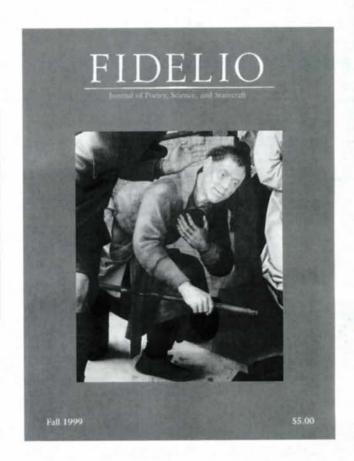
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