

EIR

Executive Intelligence Review

May 19, 2000 Vol. 27 No. 20

\$10.00

Financial Crisis Prompts Chiang Mai Initiative
Genocide Policy Behind the Creation of HMOs
LaRouche Continues Drive, as Gore Self-Destructs

**Solving the Water Shortage
Is the Key to Mideast Peace**



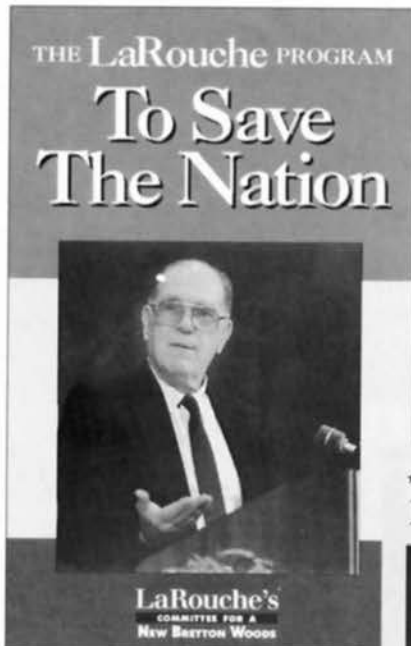
LaROUCHE *for* President



Abraham Lincoln warned you:

“You can fool some of the people all of the time,
and all of the people some of the time;
but you cannot fool all of the people all the time.”

Don't be fooled again;
this time, vote LaRouche.



Suggested contribution \$10.

Read
These Books!

Lyndon H. LaRouche, Jr.

The Road
To Recovery



LaRouche's
COMMITTEE FOR A
NEW BRETTON WOODS

Suggested contribution \$15.

- Become a campaign volunteer!
- Give money!
- On the Web
www.larouchecampaign.org
- Call toll-free 1-800-929-7566
- Write LaRouche's Committee for a New Bretton Woods,
P.O. Box 89,
Leesburg, VA 20178

LaRouche's
COMMITTEE FOR A
NEW BRETTON WOODS

For more information, call:
Toll-free 1-800-929-7566

Leesburg, VA 703-777-9451
Northern Virginia 703-779-2150
Washington, D.C. 202-544-7087

Philadelphia, PA 610-734-7080
Pittsburgh, PA 412-884-3590
Baltimore, MD 410-247-4200
Norfolk, VA 757-531-2295
Houston, TX 713-541-2907
Chicago, IL 312-335-6100

Flint, MI 810-232-2449
Minneapolis, MN 612-591-9329
Lincoln, NE 402-946-3981
Mt. Vernon, SD 605-996-7022
Phoenix AZ 602-992-3276
Los Angeles, CA 323-259-1860

San Leandro, CA 510-352-3970
Seattle, WA 206-362-9091
Ridgefield Park, NJ 201-641-8858
Boston, MA 781-380-4000
Buffalo, NY 716-873-0651
Montreal, Canada 514-855-1699

Paid for by LaRouche's Committee for a New Bretton Woods.

Contributions are not tax deductible.

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editorial Board: *Lyndon H. LaRouche, Jr.,
Muriel Mirak-Weissbach, Antony Papert, Gerald
Rose, Dennis Small, Edward Spannaus, Nancy
Spannaus, Jeffrey Steinberg, William Wertz*

Associate Editors: *Ronald Kokinda, Susan Welsh*

Managing Editor: *John Stigerson*

Science Editor: *Marjorie Mazel Hecht*

Special Projects: *Mark Burdman*

Book Editor: *Katherine Notley*

Photo Editor: *Stuart Lewis*

Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS:

Asia and Africa: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,
Paul Goldstein*

Economics: *Marcia Merry Baker,
William Engdahl*

History: *Anton Chaitkin*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Russia and Eastern Europe:

Rachel Douglas, Konstantin George

United States: *Debra Freeman, Suzanne Rose*

INTERNATIONAL BUREAUS:

Bogotá: *José Restrepo*

Bonn: *George Gregory, Rainer Apel*

Buenos Aires: *Gerardo Terán*

Caracas: *David Ramonet*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Melbourne: *Robert Barwick*

Mexico City: *Hugo López Ochoa*

Milan: *Leonardo Servadio*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Stockholm: *Michael Ericson*

United Nations, N.Y.C.: *Leni Rubinstein*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

EIR (ISSN 0273-6314) is published weekly (51 issues) except for the second week of July and the last week of December, by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451, or toll-free, 888-EIR-3258.

*World Wide Web site: <http://www.larouchepub.com>
e-mail: eirns@larouchepub.com*

European Headquarters: Executive Intelligence Review
Nachrichtenagentur GmbH, Postfach 2308,
D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205,
Wiesbaden, Federal Republic of Germany
Tel: 49-611-73650. Homepage: <http://www.eirna.com>
E-mail: eirna@eirna.com Executive Directors: Anno
Hellenbroich, Michael Liebig

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

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

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

Copyright © 2000 EIR News Service. All rights reserved.
Reproduction in whole or in part without permission strictly
prohibited. Periodicals postage paid at Washington D.C.,
and at an additional mailing offices.
Domestic subscriptions: 3 months—\$125, 6 months—\$225,
1 year—\$396, Single issue—\$10

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

From the Associate Editor

There is truly a mind-boggling disparity between events surrounding the U.S. Presidential election campaign, and reality. I am not generally given to citing the British press as a means to give our readers insight into the political situation, but the cover of the latest London *Economist* sums it up pretty well: Two cartooned babies in diapers, Al Gore and George W. Bush, are bawling and battling one another in the nursery, under a headline that reads, “They’re Fighting over Foreign Policy!”

That is what the rest of the world sees, with amazement, when they look at America. People spending the money that was supposed to pay the rent, in order to buy lottery tickets. Day-traders at the stock market popping Prozac, so as not to get “stressed out” when the lows get too low, or the highs get too high.

When will the insanity stop?

Lyndon LaRouche, in a speech published in this issue, warns that we are entering the “terminal phase” of the financial breakdown crisis. As in the case of an earth dam that is beginning to disintegrate, it is impossible to say on what date the floodwaters will sweep in; but that day will come soon.

Asian leaders, seeing such disaster looming, have set up a joint fund to try to defend themselves against a renewed speculative attack against them (see *Economics*).

All around the globe, there are wars, hunger, and devastation:

In the Mideast, as our *Feature* presents the case, the danger of a renewed outbreak of war can only be prevented by tackling the crucial issue of water, and specifically the program for nuclear desalination that LaRouche has called for.

The entire continent of Africa is going up in flames, while pandemic diseases rage, and nobody in the West does anything.

In Asia, storms are raging. We report on the war in Sri Lanka, and the dismantling of the national institutions of Thailand.

From Ibero-America, we have reports on Brazil and Venezuela, both nations whose sovereignty and national existence is being destroyed by the financier oligarchy—“melting like ice cream in the sun,” as one Brazilian commentator put it.

These, and the related issues of the breakdown of America’s own infrastructure, health care, and education, are the issues which the U.S. Presidential campaign should be addressing.

Susan Welsh

EIR Contents

Books

24 Who Was Charles Babbage?

A review by Lyndon H. LaRouche, Jr. of *The Cogwheel Brain*, by Doron Swade.

Departments

13 Australia Dossier “Pacifying” Rural Unrest.

72 Editorial

Current History as Classical Tragedy.

Photo and graphic credits: Cover, CARE. Pages 9, 56, 57, 63-65, EIRNS/Stuart Lewis. Pages 17, 18, 29, EIRNS. Page 23, Metropolitan Water District of Southern California. Page 32, EIRNS/Linda de Hoyos. Page 35, EIRNS/Muriel Mirak-Weissbach. Page 46, EIRNS/Carlos Wesley. Page 47, EIRNS/Carlos de Hoyos.

Correction: In “U.S. Families’ Exposure to Stock Market at Unprecedented Level,” in the May 12 *EIR*, “transaction accounts” were incorrectly identified as including Certificates of Deposit.

Economics

4 Financial Crisis Prompts Asian Chiang Mai Initiative

As Asia, Europe, and the United States alike face a renewed global financial crisis, East Asian finance ministers reached what Thailand’s *The Nation* called “an historic agreement to redesign Asia’s financial architecture” to protect their currencies from attack.

6 Europeans Are Getting Uncomfortable on the Titanic

With the euro collapsing, the refusal of European governments to enter a serious debate on how to implement a production-based economic system that bans financial speculation and creates millions of jobs, condemns them to stumble from one emergency to the next.

7 Danish Parliamentarian Backs New Bretton Woods

8 The Genocidal Policy behind the Creation of the HMOs

A Wall Street-directed team of budget-cutters in the Nixon administration authored the Health Maintenance Organization Act of 1971, which passed in 1973, inaugurating the murderous system of HMOs, which have imposed Nazi medical standards, destroyed America’s health system, closed hospitals, and led to unnecessary suffering and death.

12 A Call for Action on Russia’s Health Crisis

14 Business Briefs

Feature



Palestinians in Jordan wait in line to get water.

16 Solving the Water Shortage Is the Key to Mideast Peace

When peace talks resume, between the Israeli and Syrian governments, or as the Palestinian-Israeli track is revived, there will be one central issue which must be faced, if progress is to be made. That issue is water. There can be no viable Palestinian state, no future perspectives for hundreds of thousands of returning Palestinian refugees, unless the basis is established for a productive, growing agricultural and industrial economy; and that requires water currently not available. And, the technology is available to provide it.

21 A Nuclear-Powered Desalination Plant for Use in the Mideast

22 Generating Water, Power: Beautiful, and Necessary

International

28 Sri Lanka in Turmoil as Tamil Tigers Gain Ground

The Tamil Tigers' recent victory over the Sri Lankan Army, threatening to re-gain possession of the northern Sri Lankan peninsula of Jaffna, is a threat to the stability of South Asia.

31 Thailand: Transparency International Attacks the Institutions

34 Momentum Builds in Congress To Change U.S. Iraq Policy

Opposition is growing to the UN sanctions which have killed hundreds of thousands of children.

37 'Brazil Is Melting Like Ice Cream in the Sun'

Opposition is growing to President Cardoso's destruction of national institutions.

Documentation: An "Order of the Day" by Army Commander Gen. Gleuber Viera, and statements by Brigadier Ercio Braga, warning that the policies under President Fernando Henrique Cardoso must be reversed or the nation of Brazil will cease to exist.

41 Hugo Chávez's Venezuela: Little Bread, But Many Circuses

45 The Terminal Phase of the Bankrupt System: What Nations Must Do Now

U.S. Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr.'s videotaped address to the founding conference of Australia's new political party, the Curtin Labor Alliance.

52 International Intelligence

National

54 LaRouche Continues Drive, as Gore Self-Destructs

Unless a qualified dark-horse candidate emerges at the 11th hour, to rescue the Democratic Party from nominating Al Gore for President, the party is going to go up in flames in November—as Lyndon LaRouche warned.

56 Al Gore and George W. Bush: Wall Street's Two-Headed Freak

With this article, *EIR* initiates a score-card, showing that Gore's and Bush's policies of genocide and corruption are essentially the same.

60 The Dirty Justice Department Is the Dirtiest of Them All

The DOJ is coming under another round of public attack, this time for its cover-up of false testimony given to the court during the 1983 trial of rogue CIA officer Edwin Wilson.

63 Warfield on Tour, Uplifts Audiences with Classical Art: 'Live It, Baby!'

For those privileged to spend some time with world-renowned baritone William Warfield, it is clear that he is a rare example of what Friedrich Schiller envisioned when he wrote of the "beautiful soul."

66 Sing the Music

Lyndon H. LaRouche, Jr. wrote this essay to honor the 80th birthday of William Warfield, who is one of the great Classical singers and musical pedagogues of our time.

68 Congressional Closeup

70 National News

Financial Crisis Prompts Asian Chiang Mai Initiative

by Kathy Wolfe

As Asia, Europe, and the United States alike face a renewed global financial crisis, East Asian finance ministers on May 6 reached what Thailand's *The Nation* called "an historic agreement to redesign Asia's financial architecture" to protect their currencies from attack. Meeting at Chiang Mai, Thailand, the Association of Southeast Asian Nations (ASEAN) plus Japan, China, and South Korea (ASEAN Plus 3) created a network of currency swaps among all 13 nations, a pool of foreign exchange reserves to fight off currency speculators.

The minimum necessary size of the "Chiang Mai Initiative" fund, agreed to on the sidelines of the May 6-8 Asian Development Bank meeting, would have to be "at least \$20 billion," former Japanese Vice-Finance Minister Eisuke Sakakibara told a Bangkok audience, and could potentially involve the \$700 billion-odd reserves of the 13 nations, as ASEAN Deputy Secretary Suthad Setboonsarng said in Brunei on March 25 (see *EIR*, May 5, p. 16).

"If Japan and China work together, nothing can stop this now," a former Tokyo Ministry of Finance official close to Sakakibara told *EIR* on May 10. "The Chiang Mai initiative is a very important step forward, and marks a significant change in sentiment in Asia. Japan and China have huge amounts of dollar reserves, and now we are ready to use them in joint cooperation. Japan has over \$338 billion, and China almost \$200 billion, I believe."

"The initiative would establish a well-coordinated economic and financial monitoring system in East Asia," the 13 nations said in a statement, the *Korea Times* reported on May 7. Asian members "would lend U.S. dollars to each other to defend their currencies during speculative attacks or liquidity

problems," so that the country under attack could sell the dollars, the statement explained. "The loans would be paid back in local currencies at fixed exchange rates," thus potentially creating a new currency system internal to Asia.

The East Asian move comes as the crash of Wall Street stock markets has blown back around the world. As U.S. investors, frantic to cover cash gaps, pull money out of Asia and Europe, the Tokyo Nikkei has fallen 3,000 points (15%) in the past month, and many East Asian markets have collapsed with it. In April alone, foreign investors dumped a net \$7.7 billion in Japanese stocks, the biggest sale since February 1990. South Korea's Finance Ministry on May 9 announced that Seoul's short-term foreign debt has again risen to 30% of total foreign debt, \$43.4 billion out of \$143.2 billion—levels which allowed George Soros to start the 1997 "Asia Crisis" in Korea.

The European single currency, the euro, during this time has dropped by more than 20%; Soros himself told the British Broadcasting Corp. (BBC) on May 8 that it may soon fall below 80¢ and "disintegrate." The world's next financial crisis "is soon to come," he said, and this time, it "will originate in the relationships among the world's biggest countries," and smash the dollar itself.

New Bretton Woods System Needed

As *EIR* Founder Lyndon LaRouche emphasized in a speech to an audience in the Dominican Republic on May 3, the only way out of this worldwide crisis, is for world leaders to dump the current International Monetary Fund (IMF)-based global system, and create a New Bretton Woods mone-

tary system. This entirely new system, he said, requires fixed exchange rates, as in the 1950s, and must function as Franklin D. Roosevelt intended the original Bretton Woods system to do, by supplying large volumes of low-interest credit for long-term, high-technology development for all nations.

Without this, western Europe faces financial meltdown. This is seen in today's speculative assault against the euro by U.S. financial interests, protected by Treasury Secretary Lawrence Summers, who is frantic to keep the dollar high, in order to keep U.S. markets propped up during Presidential election campaign. The European Monetary Union Finance Ministers, meeting in Brussels on May 8, however, did nothing. They issued a statement expressing "concern" over the euro, but committing themselves to further deregulation of their markets.

This is not a euro crisis, but a global monetary crisis, German economics professor Wolfgang Filz, former Deputy Finance Minister under Oskar Lafontaine, editorialized in the German financial daily *Handelsblatt* on May 9. The reasons for the weakness of the euro lie not within Europe, "but rather in the U.S. [which] daily takes \$1 billion away from the world financial markets in order to finance consumption. The U.S. economy desperately depends on these foreign funds. This can only be sustained as long as the dollar is strong," and therefore the U.S. Administration is pushing an artificially strong dollar.

At the April G-8 Finance Ministers' meeting in Washington, a European banker told *EIR* on May 9, European ministers made an effort "to bring this up, to say that the dollar was overvalued. But Summers absolutely refused to discuss it." Intervention by the European Central Bank on the currency markets without backing by the United States would be very risky, the German daily *Die Welt* added on May 9, because even the European Union's \$350 billion of reserves might not be enough to stop speculation. It is unlikely that the United States would help such intervention, *Die Welt* said, because "expectation of a further rising dollar" is needed to maintain "enormous net capital flows into the U.S."

IMF Discredited in Asia

Since the Chiang Mai currency defense fund was first announced at an ASEAN meeting on March 25 in Brunei, many Asian spokesmen have gone to great lengths to insist that they are not challenging the authority of the IMF, but rather are merely creating a "complement to the international financial institutions," as the May 6 Chiang Mai ASEAN Plus 3 ministers' statement put it.

In 1997, when then-Japanese Vice Finance Minister Sakakibara in 1997 proposed creation of an Asian Monetary Fund (AMF) to replace the IMF in Asia as an independent, Asian-run lender of last resort among Asian nations, the reaction from the IMF, the U.S. Treasury, and Federal Reserve was ferociously negative; they stated bluntly that *no* institu-

tion must be allowed to undercut the IMF.

Many Asian officials, not anxious to be subjected to such pressure tactics again, have been carefully repeating: "This is *not* the AMF."

It is no secret, however, that the IMF is totally discredited in Asia, and that the new Asian currency defense system is conceived by some, especially Sakakibara, as a step toward some kind of Asian Monetary Fund. Sakakibara himself made several statements at Chiang Mai that he still would favor an AMF.

"This Chiang Mai deal is seen as the first step toward building a regional mechanism to sort out Asian problems by Asian nations," as the *Korea Times* put it on May 7. "The U.S. earlier turned down a Japanese proposal of creating an Asian Monetary Fund. Still, with the growing views on the IMF's inappropriate prescription to some of the crisis-hit Asian nations, countries in the region have been supportive of creating another lending organization with Asian origins. Malaysia, which refused IMF treatment, suffered less during the crisis of 1997-98."

One Japanese colleague of Sakakibara was far more direct. Reached for comment on May 10 on Chiang Mai, he stated simply: "The Chiang Mai initiative . . . will develop into an Asian Monetary Fund. It is a very big change and a major step forward — and very necessary. Mr. Larry Summers and the U.S. Treasury ruined it the last time Mr. Sakakibara proposed the AMF in 1997, but there is nothing Mr. Summers can do now." The former Finance Ministry official added, "Today the situation is completely different. We see the total necessity of it.

"Two years ago, Asian leaders did not realize that a crisis such as the 1997-98 crisis could have such a severe and long-lasting impact on the welfare of their populations, and such a big contagious effect on the whole world economy. . . .

"For example, the fact that China is now in favor and has joined is a very substantial change," he pointed out. "The Chinese are now ready to move. They were very reluctant before, but now they have decided, that if ever a crisis such as 1997 occurs again, and it easily can, that they will be heavily affected unless we do something strong, especially as they will now be joining the WTO [World Trade Organization] and will be more a part of the global market economy. What is new is that Japan and China have huge amounts of dollar reserves, and now we are ready to use them in joint cooperation together for currency support loans. . . . If Japan and China work together, no one can stop this now."

Speaking to reporters on the sidelines of the Asian Development Bank's meeting on May 5, Thailand's Deputy Finance Minister Pisit Leehtam made clear that the new Chiang Mai facility should "work alongside the International Monetary Fund," Japan's *Nikkei* reported. "However," the Tokyo newspaper added, "Pisit's support for a regional fund appears to dust off moves to create an Asian Monetary Fund, which

were abandoned shortly after the outbreak of Asia's 1997 currency crisis due to opposition from the U.S. and other Western governments. 'I think this is a sort of lead-in to the final solution of an AMF,' said Thailand's Deputy Prime Minister and Commerce Minister Supachai Panitchpakdi. Philippine National Treasurer Leonor Briones said she privately supports such a facility. 'As we have learned from experience during the crisis, Asia has to take care of itself,' she said."

Will Asia Challenge the IMF?

The problem is, that Asia's leaders cannot handle a full-blown global crisis with local Asian arrangements. At present, none of them is prepared to directly challenge the authority of the United States and the IMF. Yet, while the dollar is high for now, as Soros himself told the BBC, the unsustainable U.S. current-account deficit and the stock bubble on Wall Street mean that a "reverse leverage" crash of the dollar could also hit at any moment. This would be even worse news for nations in Asia and Europe, which depend on trade with the United States to live, and it could bring down every financial market on the planet.

The real question, therefore, is the courage of national leaders to survive. It is clearly important that ASEAN Plus 3 is taking steps to defend regional currencies. However, as LaRouche stated, to do even that, they will need to bite the bullet and address the true need—for an entirely new monetary system, a New Bretton Woods, and on a *global* level, in which Asian thinkers will have to take *global* leadership.

One way to start to render the IMF obsolete, would be to go beyond currency support operations, to make significant loans in Asia on Asian terms, long-term loans for industrial development projects. Speaking on May 5 on the nationally syndicated, Jeff Rense radio program, LaRouche endorsed the AMF concept in the hope that it would bring to the fore such large-scale development programs, at which the industry ministries of China, Japan, and South Korea have excelled.

What is needed, LaRouche said, is "10-, 20-, 30-year agreements, with Asia, in general. I think we should support the Asia Monetary Fund idea put forward by people like Sakakibara, and others, in Japan, to get cooperation among these nations in East Asia, to have long-term credit going into various areas to build up the productive powers of labor and the infrastructure of these countries, investments which will not actually pay off until 5, 10, 15, 20 years" of development later.

**To reach us on the Web:
www.larouchepub.com**

Europeans Are Getting Uncomfortable on the Titanic

by Rainer Apel

With their stubborn refusal to enter a serious debate on how to implement a sound, production-based economic system that bans financial speculation and creates millions of jobs, the European Union (EU) governments have condemned themselves to stumbling from one emergency to the next. Domestically, EU governments have applied scandal-mongering tactics to contain their opponents, but this approach cannot be successful for very long.

In Germany, the party-funding scandals that had haunted the opposition Christian Democrats starting last November, as of late April had vanished from the news headlines. According to public opinion polls, only 4% of Germans still think they are a priority issue, whereas 74% think that the fight against mass unemployment is the number-one priority.

Worse, the government, which realizes that the disastrous economic situation is back on people's minds, and that all the propaganda about an "upswing" has collapsed, has also come to realize that the recent financial market crashes and the related collapse of the single EU currency, the euro, have destroyed much of the paper-thin support that official propaganda had been able to build for the euro and the European Monetary Union (EMU). At the end of April, 61% of Germans viewed the euro negatively, particularly in terms of the consequences for their own lives, whereas only 24% saw it as positive.

This was bad news for the government, because the euro, and the unrealistic expectations woven around it, since its inauguration in January 1999, are the only thing that the EU governments can point to, to indicate how "European" their policies are—and there is not much of anything else in their policies, anyway. With a euro that, as of early May 2000, was at less than 0.90 to the dollar, not the 1.40 originally forecast, the EU governments are very exposed indeed.

The Boycott of Austria

There has been another component of EU government propaganda, namely, the EU boycott of the Austrian government, on the pretext of taking action against the "right-wing extremist" views of Jörg Haider, whose Free Democrats entered the new Austrian government in February. The haste with which this boycott was forced through by the three biggest EU countries—Germany, France, and Britain—shortly thereafter, left many observers with the impression that some-

thing else was going on in the background, that some economic disaster, or something very close to it, which would have exposed the EU governments, was covered over with the campaign against Austria. The campaign, which was officially advertised as a move to “emphasize EU unity” (in other words, discipline), is crumbling, as 7 of the 15 EU governments no longer back the boycott.

Nominally, the three biggest EU countries are still backing the boycott, but the German position has grown increasingly unstable: More and more Germans are asking, why should they support the EU campaign against Austria, while the EU is not doing much good, as can be seen with the collapse of the euro. The fact that the German government does not want to be the first to call for the end of the boycott, is the only thing so far preventing Germany from joining the seven EU dissident governments on the Austria issue.

France has responded to this change of mood in Germany, by offering a new exclusive partnership scheme to the Germans, under the title of a “new core Europe,” which would, they claim, revitalize the EU generally, through initiatives from the core of its six original founding nations—France, Germany, Italy, and the three smaller states of the Netherlands, Belgium, and Luxembourg.

It is doubtful whether this new propaganda campaign, which is building on nostalgia for the long-buried founding spirit of the original European Economic Community of 1957, will achieve much in Germany. “Europe” is becoming anathema among Germans, because everything they hear about European integration either turns out to be an empty promise, such as the euro, or means more sacrifice to stabilize budgets (which is what the 15 EU finance ministers just agreed to in Brussels on May 8).

Ironically, what European news wires reported on May 4, in commentaries on the volatile EU financial markets, is what at least two-thirds of Germans believe as well: “Unless the European Central Bank performs a miraculous rescue mission, anyone on board the euro may as well be on board the *Titanic*.” This assessment, by a senior official of the Royal Bank of Scotland, reported on BBC on May 4, will, no doubt, remind many of the fact that, long before the introduction of the euro in January, the populations of Germany and other EU countries were warned by the LaRouche movement that the new artificial currency project would end in failure.

Euro Critics Rediscovered

Now, other euro critics, who have been ignored by the establishment media for two years, have all of a sudden been rediscovered in the wake of the most recent EU currency crisis. Now, almost daily, one or more prominent critics of the EMU project are in the news in Germany. For example, on May 5, Prof. Wilhelm Hankel, a former board member of the Kreditanstalt für Wiederaufbau, said in interviews that the “beginning of the end of the European Monetary Union is here.” The next day, Prof. Wilhelm Nölling, a former member

of the German Central Bank Council, as is Hankel, said that the euro is doomed to fail, and that the German government should keep the deutschemark as a fall-back option. Nölling said that despite all the supranational EU structures, the individual member governments are sovereign enough to suspend the euro and the monetary union and decide for something else; they could even restore the former European Monetary System, which preserved much more national sovereignty in financial and economic affairs for member governments than does the EMU, which replaced the EMS at the beginning of 1999.

The EU governments hate this kind of public debate on alternatives to the EMU and the euro, but the debate has begun to run out of their control. And, whereas what some euro critics are presently saying, undoubtedly is a big nuisance for the governments and their propagandists, the bigger nuisance is now just around the corner: Once people start debating alternatives, the more serious among them will start debating the Lyndon LaRouche’s proposal for a New Bretton Woods system.

Danish Parliamentarian Backs New Bretton Woods

Mogens Camre, a Member of the European Parliament from the Danish People’s Party, called for convening a New Bretton Woods conference, to defend nations against monetary speculation, in a letter to the editor in the May 5 Danish newspaper *Berlingske Tidende*.

Under the title “The Euro Does Not Safeguard Us,” he writes: “It is very clear that the . . . euro does not create a safeguard against monetary speculation; on the contrary, the greatest speculation in the world today is precisely against the euro. In the world as a whole, there is great economic imbalance and therefore periodic financial crises, which hurt all, not least the poor countries. Speculation is greater than ever, as a result of there not being international regulation of money markets—freedom has led to casino conditions. The financial flows reach an amount of \$300 trillion a year, while the total GDP is ‘only’ about \$40 trillion. That is totally unsustainable.

“There is need of a ‘New Bretton Woods conference,’ where the international community adopts new regulatory mechanisms, which can both stop a speculative economy without material content, and can spur all countries to make the necessary changes in the structures of their societies, without which globalization will definitely take power away from democracies.”

The Genocidal Policy behind the Creation of the HMOs

by Richard Freeman

A Wall Street-directed team of budget-cutters and genocidalists inside the Nixon administration authored and developed the Health Maintenance Organization Act of 1971, which passed in 1973. This team was led by Daniel Patrick Moynihan, Elliot Richardson, Caspar Weinberger, and Dr. Paul Ellwood. They then worked with Sen. Edward Kennedy (D-Mass.) to get Congress to approve the Act.

The HMO Act inaugurated the murderous system of HMOs, which have imposed Nazi medical standards, destroyed America's health system, closed hospitals, and led to unnecessary suffering and death, as *EIR* has documented in recent issues. A multitude of disease pandemics and resulting deaths will emerge unless HMOs are abolished.

Knowledge of this history is necessary to understand how America moved from a medical system based on the preservation of human life, to one based on "shareholder value." The hijacking of government policy by insurance companies and financiers, was the prerequisite for the HMO movement to grow.

The Act was a critical element that emerged from a common policy matrix, that advanced an ordered set of policies of ferocious austerity. They were all advanced in 1971, in which year the oligarchy imposed a paradigm shift, away from America's tradition of scientific progress in manufacturing and agriculture, and the cognitive development of the labor force. The new paradigm included HMOs; the Family Assistance Acts of 1971-72, which called for slave-labor workfare for welfare recipients, and constituted the policy content of the "Welfare Reform Act," which Al Gore pushed through in 1996; the 1971-72 imposition of draconian austerity-based controls, known as Phases I, II, and III; and the takedown of the Bretton Woods monetary system on Aug. 15, 1971, which set the basis for the destruction of the productive economy and of the world financial system.

We first look at how the HMO Act was developed, and then, at its emergence from this common austerity matrix.

Attack on Medicaid and Medicare

In 1969, Richard M. Nixon hired Daniel Patrick Moynihan as a Presidential counselor. Moynihan was a key leader of the Wall Street team. A right-wing social democrat, who

had worked at the International Rescue Committee under intelligence spook Leo Cherne, Moynihan was then working as an urban planner at Harvard University. His outlook was sharply represented in a 1970 memo to President Nixon recommending a policy of "benign neglect" on "the issue of race."

The overall gameplan was to call health expenditures, especially those of the U.S. government, presumably upon which the government could take action, as "too costly." This would lead to fascist cost-cutting.

Setting the tone, Moynihan attacked the costs of Medicaid, which is the state-run, but Federal- and state-funded program for medical assistance to the poor, and Medicare, which is the Federal-run and -funded program for medical assistance to the elderly and some disabled. Both of these programs were established in 1965, under President Lyndon Johnson. Though Medicaid and Medicare were part of Johnson's otherwise misguided "Great Society" programs, they meet real needs, important for maintaining the level of health care in America. Without them, many tens of millions of people would not have access to health care.

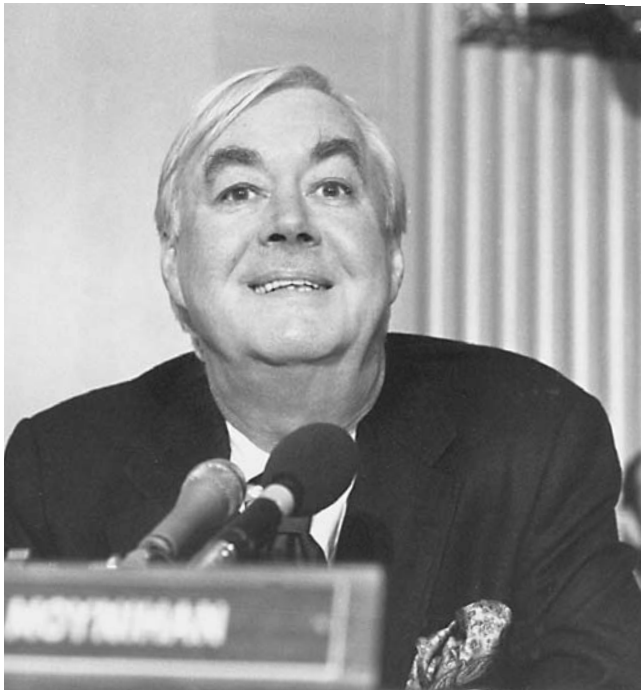
It is true that costs of Medicaid and Medicare were rising, but an important part of that was because, since the programs were established in 1965, the number of people who were enrolling and using the program for the first time, was growing.

In a July 1969 communication to President Nixon, Moynihan wrote:

"I fear that the pressure from [the Democratic-controlled] Congress will be nigh irresistible to use up what extra [budget] resources you have on a sort of 10% across-the-board increase in all the Great Society programs each year [particularly Medicaid and Medicare]. This is the natural instinct of the Congress, and it is hard for the President to resist. If your extra money goes down that drain, I fear in four years' time you really won't have a single distinctive Nixon program to show for it all."

As he was attacking medical spending, Moynihan was also, as we shall see, drawing up plans to put welfare recipients to work in slave-labor jobs (see box).

At the same time, at the offices of the U.S. Department of



The Wall Street team that pushed through the Health Maintenance Organization Act of 1971, left to right: Daniel Patrick Moynihan, Elliot Richardson, and Caspar Weinberger.

Health Education and Welfare (HEW), and of the Office of Management and Budget (OMB), teams of people were working on ways to cut Medicaid and Medicare. As the U.S. government agency responsible for health, HEW took the lead. One alternative was to cut benefits. HMOs would be offered as an “efficient” alternative.

HMO Austerity

A turning point came on Feb. 5, 1970, when top HEW officials, led by Undersecretary John Veneman, held a small, closed-door meeting at Washington, D.C.’s Dupont Plaza Hotel. The featured speaker was Dr. Paul Ellwood of Minneapolis, Minnesota, the father of the HMO movement, who coined the term “health maintenance organization.” An HMO is an institution or organization that offers medical service, at a fixed prepaid fee; often insurance companies own and run HMOs. HMOs have a few distinctive features, which lead to fascist cost-cutting. Though not all HMOs have the features that are here cited, most have many or similar features. These include:

1. Many HMOs pay a capitation fee to the doctor, which is a fixed amount for each patient (per capita) for the year. The doctor is told that if he can keep the yearly cost of seeing a patient below the capitation fee that the HMO pays, then the doctor can pocket the difference. If the yearly cost of seeing a patient is above the capitation fee, the doctor must absorb that as a loss to his practice. The HMO intends the capitation fee, especially if it is set low enough, as an incentive to get

the doctor to keep costs down.

2. Several HMOs attempt to reduce what they call “unnecessary resources utilization.” They put aside some money in a “pool.” If the doctor can keep the patient’s hospital stay below a certain number of days, or limit the patient’s use of specialists or costly technological procedures, the doctor “wins” the money in the pool. But, if the doctor lets a patient go above the specified number of hospital days, or fails to limit the use of specialists, the doctor forfeits the money in the pool.

3. HMOs often limit a patient’s access to medicine, and deny services in other ways, such as by setting a limit on inpatient days of hospital care. HMO chiselling can lead to permanent injury or death.

While talking about extending medical service to more people, Ellwood was fanatical about cost-cutting. He also opposed government regulation. Instead, he said that “market forces” could drive down health costs. He attacked the traditional doctor-patient relationship, in which a doctor provides whatever services he deems the patient needs. Whatever he claimed, he was against the General Welfare clause of the U.S. Constitution. An historian who interviewed Ellwood, about what Ellwood said at the Feb. 5, 1970 meeting with HEW officials, summarized his presentation in this way: “The [HMOs’] innate economic logic would keep them cost-conscious. . . . Moreover, the economies realized by these [HMOs] would put competitive pressure on indemnity plans and revitalize market processes throughout the health

service industry.” That means, that if HMOs took over a sufficient portion of U.S. health care, they would be able to dictate terms to health providers. Should other plans, like the traditional indemnity plans such as Blue Cross/Blue Shield not adopt these methods, they would be driven out of business.

In order to sell this to Nixon, the Wall Street insiders at HEW told him that, in terms of new U.S. government budget expense, HMOs would cost practically nothing.

To direct the drive to implement these policies, in June 1970, the banker forces made Elliot Richardson Secretary of HEW. Richardson had been a member and then partner in the Boston law firm of Roper, Gray, Coolidge, and Rugg, which represented the interests of the Boston “Vault” and the “Boston Brahmin” families, especially the Coolidge family, which owned United Fruit and the Bank of Boston; Richardson also had held political positions in Massachusetts, on behalf of these interests. Richardson coordinated the push for HMOs inside the administration. As an example, in December 1970, when Richardson saw that legislation to get HMOs started on a mass scale was not going fast enough, he set up a special grant project, which he shielded and ran from his own office, whose purpose, in the words of one historian, was “to identify provisions of existing law that might be used to promote the development of HMOs.”

The building of the HMO project required working closely with the Office of Management and Budget. In this case, Richardson coordinated with Caspar Weinberger (now, “Sir” Caspar Weinberger). During 1970-72, Weinberger was the deputy director of OMB, then in 1972, he became full director, and then in winter 1973, he took over as HEW Secretary. Weinberger earned the nickname “Cap the Knife,” because he fiercely cut budgets, especially those affecting the poor and sick.

Richardson and Weinberger’s next move was to get Nixon to deliver a Presidential address on Feb. 18, 1971 endorsing HMOs, which was billed as the administration’s most important speech of the year on health policy. Richardson and a few associates wrote the main points of the speech. In it, Nixon attacked “runaway health costs.” He added, “We *cannot* simply buy our way to better medicine, we have already been trying that too long” (emphasis in original). “The most important advantage” of HMOs, Nixon argued, is that “they increase the value of services a consumer receives for each health dollar.” Reading from his script, Nixon then attacked the fee-for-service system, in which a doctor provided such medical service, including technology, that a patient may need, as “subsidizing inefficiency.”

Richardson’s administration plan was to create, on a crash basis, 1,700 HMO systems around the country within five years. This required financing. The Richardson-Nixon plan called for the U.S. government to extend \$45 million in grants and loans, and an additional \$300 million in the equivalent amount of loan guarantees, to make HMOs grow and become

the dominant system. *Richardson and Wall Street had provided a government subsidy for HMOs.*

The Nixon plan was then pushed to the Congress. Sen. Edward Kennedy, chairman of the Labor and Health Committee, had developed his own health-care proposal, seeking to expand the number of people covered by health systems; he also spoke of improving the quality of health care. However, Kennedy now made HMOs the centerpiece of his plan, and, whatever he may have said his objectives were, with HMOs as the method, it was inevitable that fascist cost-cutting and health rationing, including denial of service, would result. It took two years for the differences between the two plans to be worked out.

In February 1973, Weinberger took over as Secretary of HEW, replacing Richardson. A compromise bill with Kennedy was reached: the Health Maintenance Organization Act. It passed, and was signed into law in December 1973. It authorized, in the period 1974-78, a total of \$355 million in grants, loans, and guarantees for studies, planning, and initial development of HMOs. In 1970, there were 33 HMOs operating in the United States; as a result of the law, by 1975, that number swelled to 166, with nearly 6 million people enrolled.

The Broader Policy Matrix

The oligarchy did not implement the HMO policy as a stand-alone measure. Instead, the HMO policy became the front-end of an entire set of integrated policies, a new policy matrix driven by entirely new axioms. During periods of great U.S. advances in the 18th and 19th centuries, and during the Franklin D. Roosevelt administration, and in a more diluted, but still effective form, in the post-World War II period, the United States was guided by the paradigm of scientific advances in manufacturing, agriculture, and infrastructure, and the cognitive development of the labor force. But the British financier oligarchy had begun a shift in the opposite direction during the 1960s: a radical break toward a “post-industrial society” policy, which took down manufacturing and agriculture, and built a gigantic speculative bubble. This shift intensified in 1971, under circumstances of intense domestic and international economic crisis, which required deeper levels of looting-austerity, from the standpoint of the financier faction. This culminated in the Aug. 15, 1971 City of London-Wall Street policy to take apart the Bretton Woods monetary system.

Thus, the February 1971 health-policy address by President Nixon, pushing HMO fascist austerity, and making HMOs official U.S. policy, is best conceptualized from the standpoint of this larger historical process.

During the time that he was attacking the costs of Medicaid and Medicare, Moynihan was finalizing a plan to put welfare recipients to work. Nixon, in his January 1971 State of the Union address, after calling the existing welfare system a “demoralizing disgrace,” set the highest priority on “welfare

reform.” This was the Moynihan-drafted “Family Assistance Plan,” which was incorporated in a House bill, unveiled in May 1971. H. 1 had two parts. The first was a plan for those poor families with an income of \$1,600 or less per year. According to a summary of the bill, the second part was labelled the Opportunities for Families Program, which specified, “All persons whose families received benefits under the program would be required to register for work or training”—a plan called “workfare.” In a word: slave labor for welfare recipients. The bill encountered difficulty in Congress, but the real difficulty was outside Congress. During 1973-75, the political movement of Lyndon H. LaRouche, Jr. mobilized throughout America to destroy the workfare scheme. After that defeat, it would be another 20 years before there would be another attempt to seriously promote the Moynihan plan: this was the content of the “Welfare Reform Act of 1996,” which Al Gore pushed, and which President Clinton signed into law.

Then, the Nixon administration delivered another blow. The international financial system was on the edge of a blow-out in 1971, and the U.S. economy was undergoing growing difficulties, including a balance-of-payments deficit for the second quarter of 1971, that if annualized, would hit \$23 billion a year. On Aug. 15, 1971, Nixon announced a destructive package that was the handiwork of the City of London-Wall Street officials in the Nixon White House: Treasury Secretary John Connally; Treasury Assistant Secretary for International Affairs Paul Volcker; Caspar Weinberger, Elliot Richardson, and others.

The so-called New Economic Policy had both a domestic and an international aspect. The domestic policy intensified the austerity already embodied in the expansion of HMOs and the welfare recipient slave-labor program. Nixon ordered a 90-day freeze on wages and prices. He also announced a \$4.7 billion cut in the Federal budget, including a 10% cut in foreign aid and a 5% reduction in Federal employment. This became known as Phase I.

On Oct. 7, 1971, Nixon put into effect Phase II, which set up a Cost-of-Living Council, first headed by Treasury Secretary Connally (who was one of the originators of the idea of the Council), and then by Donald Rumsfeld. Beneath this were two other councils, the Pay Board and the Price Commission, whose purpose was supposedly to fight inflation. The Pay Board began rolling back wage increases and/or holding down new ones. Phase II’s authority was extended until April 30, 1973.

On the international side, the Wall Street-City of London forces directed Nixon to sever the dollar from the gold reserve system on Aug. 15, thus ending the Bretton Woods system and introducing floating exchange rates. On Dec. 14, this policy took a complementary decisive step: After President Nixon met with French President Georges Pompidou, he announced that the dollar had been devalued by 8.7%, which changed the price of gold from \$35 to \$38 per ounce. Soon, the dollar would float.

Who Is Moynihan?

Daniel Patrick Moynihan, who played a pivotal role in both the medical and welfare slave-labor policy of the Nixon Administration, made his mark, by writing a 1970 memorandum calling for a policy toward minorities of “benign neglect.” While U.S. Ambassador to India from 1973-75, Moynihan lorded it over citizens of India, sporting a bowler hat and carrying an umbrella, in imitation of his British imperial mentors.

Moynihan is a notorious enemy of Lyndon LaRouche. After leaving the Nixon Administration, Moynihan ran for U.S. Senate from New York. In 1982, he faced a tough primary challenge from LaRouche Democrat Mel Klenetsky, who beat him in many Jewish precincts, despite Moynihan’s slander that LaRouche was anti-Semitic.

On April 1, 1986, Moynihan wrote in the *New York Times* that LaRouche Democrats campaigning for office are “fascists” and must be kept out of the party. On June 11, 1986, Moynihan held a press conference in Albany, New York, with Democratic Party head Charles Manatt and state Gov. Mario Cuomo, vowing to keep LaRouche candidates off primary ballots by any means necessary. They distributed a scurrilous report on LaRouche, produced by the Anti-Defamation League, entitled, “The Politics of Extremism.”

Severing the dollar from the gold-reserve standard and fixed exchange rates set up the basis for a surge in international speculation, as financial flows were separated from production. The growth in speculative financial assets would be undergirded by increased austerity/looting. The domestic and international aspects of the Aug. 15, 1971 package expressed the same postulates, and derived from precisely the same City of London-Wall Street policy axiom-matrix that created the HMOs.

This was a complete shift in U.S. policymaking, from which the nation has never recovered.

In an article, “Nixon Pulls the Plug: Why It Happened,” which was the lead story in the Aug. 30-Sept. 3, 1971 issue of *New Solidarity*, the newspaper of the LaRouche movement, Lyndon LaRouche put his finger on why the crisis happened. Uniquely among economists or heads of state, LaRouche had forecast what would happen, starting in autumn 1956. During 1971, LaRouche identified Nixon’s path as that of *Schachtian* fascism—the financiers’ looting of a nation’s productive capacity, including especially its labor power, that Nazi Economics Minister Hjalmar Schacht implemented, ending in the death camps.

A Call for Action on Russia's Health Crisis

by Suzanne Rose

On May 2, the founders of a new U.S.-Russia Foundation held a press conference at the National Press Club in Washington, D.C., to inaugurate their efforts. Their press release announced the creation of a tax-exempt organization "to cooperate on the most urgent national security issues facing both nations." The leading issue will be Russia's health crisis. The foundation advocates a reassessment of U.S. policy toward Russia, to recognize this crisis, and a reallocation of resources to alleviate the worsening situation.

The speakers included Prof. Murray Feshbach, Research Professor from Georgetown University; Fritz Ermarth, former chairman of the National Intelligence Council under President George Bush; Bob Swan, president of the new foundation; and Charlotte Baker, its director.

Professor Feshbach first described the horrific health conditions in Russia today, and the demographic consequences, focussing in particular on the AIDS epidemic affecting Russian youth, and the spread of tuberculosis. (For more on Feshbach's work, see "Demographer Warns of Health Catastrophe in Russia," *EIR*, Jan. 2, 1998.)

Feshbach projected a 40 million (one-third) decline of the Russian population by the year 2050, due to disease and drug abuse. The yearly loss of 800,000 or more people has enormous implications for the labor force, including family stability, he said.

The incidence of tuberculosis in Russia has skyrocketed, Feshbach said. He questioned whether the official figures reflect the actual incidence for prisoners, the homeless, forced migrants, and refugees. He thinks that the number of new cases each year is close to 150,000. If current projections hold, the number of Russian deaths attributable to tuberculosis will be greater than the total reported for heart disease and cancer. He estimates that there will be 14 million HIV-AIDS patients in Russia by 2005. The current official number of 25,000 is a vast underestimate; it is more like 200,000, he said. There has been an exponential increase in Moscow of infection rates among 15- to 29-year-olds. Hard drug abuse, prostitution, and diseases such as syphilis are also increasing rapidly; there were 450,000 new cases of syphilis reported last year.

Only 10% of newborn children have no health problems at birth, he reported. Fertility rates are declining to an incredibly low level of only 1.24 children per woman, 40% below the replacement level of 2.1. During the question period, he emphasized that the spread of tuberculosis in Russia could affect the United States. He said that he hoped the next Na-

tional Security Strategy Statement put out by the White House would include recognition of the health crisis in Russia.

Invest in Russian Public Health

Ermarth, former chairman of the National Intelligence Council, stressed that the public health situation in Russia is a strategic concern for the United States. "An investment in Russian public health is an investment in their political and economic development," he said. He warned that Russians believe that the West has been undermining their economy, and opined that the United States could correct that perception with an investment in Russia's public health. Unfortunately, he mislocated the cause of the crisis, as being unbridled spending and corruption, rather than the rabid free-market economic policy which has been imposed on Russia and has led to its deindustrialization.

Bob Swan, the moderator and founder of the new organization, and a Kansas businessman, said that many of his peers view what is happening in Russia today as smashing the hopes that they had during the Cold War, of the promise of Russian development once freed from communism. He called for a "Healthy Russia Initiative" (as opposed to a Strategic Defense Initiative), which he described as a Marshall Plan-like commitment to solve the health crisis. This is impossible under current axioms governing Russia policy, however. "I'm not sure we have someone of the stature of Marshall today," he admitted.

Worse, his analogy to the Marshall Plan was undercut when he proposed that the first initiative be an educational campaign on public health issues, to distribute health education materials, starting with a brochure on heart disease—as if the problem were an ignorant population, rather than lack of economic infrastructure under conditions of economic collapse. This will not change until the straitjacket on Russian economic recovery, imposed by Western insistence on continuing the insane free-trade policies, is lifted.

A member of the audience from Russia pointed out that health problems derive from an economic policy, but the panelists pleaded ignorance on economics. Ermarth proposed that the Russian oil company Lukoil make an investment in public health. However, when the United States had a successful health policy after the war, the initiative came from the government, not the private sector.

According to Feshbach, in some of the Central Asian republics today, life expectancy at birth is higher than in Russia. He said that health problems are even worse in Ukraine than in Russia, in terms of the HIV and TB infection rates per thousand people.

Unfortunately, such initiatives as the formation of this new group, no matter how well-meaning, offer little hope for serious change, because they do not challenge the underlying economic policy assumptions. Only by reorganizing the global financial system—for example, in a New Bretton Woods system—could Russia recover.

'Pacifying' Rural Unrest

The bluebloods and their government puppets are running a counterinsurgency program to head off opposition to austerity.

In March 1998, the just-founded economic nationalist One Nation party terrified the ruling Liberal Party/National Coalition, and the blueblood oligarchy behind it, by winning 11 seats in the Queensland state elections. Much of the nation, and in particular the country areas where One Nation ran the strongest, were enraged at the Coalition's globalist policies of deregulation, privatization, and slashes in social services. That rage has not abated. With the Coalition hanging onto the federal government by a mere seven seats, and with eight of its ten most marginally held seats in country areas, it is obsessed with pacifying the unrest in "the bush."

For the Coalition, as for the bluebloods behind it, much is at stake. Since it took power in March 1996, the Coalition has poured at least \$50 billion from the sale of state assets into the banks and financial associations, under the guise of "retiring the debt." It has announced its intent to privatize the second half of Telstra, the national telecommunications company, for \$30 billion, to also be turned over to the financial oligarchy.

Therefore, in order to stay in government, and to continue to sell off the nation's assets, the government and its blueblood controllers have set several schemes in motion, to neutralize rural unrest. First, the federal Minister for Employment, the globalist fanatic Tony Abbott, secretly financed a court case against One Nation, which has largely destroyed that party. Second, the government set up a new organization, the "Regional Australia Summit," in October 1999. Shortly thereafter, Prime Minister John Howard took

a week-long, widely advertised (and widely ridiculed) "listening tour" of country areas, to shed crocodile tears for the hundreds of towns which are simply disappearing.

The Regional Australia Summit is a farce; its steering committee is composed of touchy-feely one-worldists, and Aboriginal land-rights organizers, whose "indigenist" claims have put the future of many farms completely up in the air. Steering Committee Chairman Prof. John Chudleigh revealed the Summit's real aims, when he proclaimed, "We want a regional, rural, and remote Australia which can compete in a globalized economy."

But perhaps the best indicator of the enormous cynicism behind the government's new-found compassion for the rural sector, is the Foundation for Regional and Rural Renewal (FRRR), into which it is pumping some \$13 million, which it has just established in partnership with the Sidney Myer fund, representing some of the wealthiest families in the country, notably the Baillieu and Myer families. On its website, the FRRR states that it is based on the model of the Rural Development and Community Foundation schemes established by the U.S.-based Ford Foundation, in partnership with the Colorado-based Aspen Institute, and similar schemes in Britain. These were set up to co-opt and eliminate rural unrest, as documented in investigations by *EIR* over the last 15 years. Dr. Charles Knapp, then the head of the Aspen Institute, even visited Australia in October 1998, when the One Nation phenomenon was white-hot, to offer his services.

The FRRR points to the state of Nebraska (where one-third to one-half of all farmers were driven off their land in 1999 alone), as a model for what it would like to do. The FRRR's blather about "partnerships for growth," reveals its real "free market" intentions: "This concept is based on a reduced direct role of national government in community affairs, partly because of monetary policy which allows market forces to determine the fate of rural economic growth and partly because of a growing understanding that prolonged government intervention can dampen initiative. . . . The expectation that government will fund both community services and rural development agencies tends to let other stakeholders in rural Australia 'off the hook.'" In plain English, "The bush will get little or no money for infrastructure, health, or other vital services from the government."

The nature of FRRR's leading personnel also bespeaks its motives: One of its directors is the chairman of the Sidney Myer Fund, Sidney Baillieu Myer, who is a longtime director of N.M. Rothschild, and the founding chairman of the Tasman Institute, one of the main fronts in Australia of the Mont Pelerin Society, the chief economic warfare unit of the British Crown. The FRRR's chairman is the ranking Privy Councillor in Australia, Ian Sinclair, while its Patron is John Anderson, the leader of the National Party, the federal Minister for Transport and Regional Services, and a landed oligarch. Joining these bluebloods on the FRRR board are Bill Kelty, the recently retired head of the Australian Council of Trade Unions, who, during his 13-year reign, did more than any single individual to destroy Australia's trade unions, and Ken Cowley, who for many years was the CEO of multi-billionaire Rupert Murdoch's News Ltd.

Business Briefs

Free Trade

Philippines Minister Does About-Face

Philippines Secretary of Agriculture Edgardo Angara, who was one of the most aggressive proponents of free trade during his term in the Senate, has called for an urgent "shift in policy focus" away from free trade, the May 2 Manila *Daily Inquirer* reported. "Free trade has been wreaking havoc on the agricultural sector due to unfair trade practices. . . . Our agricultural trade deficit is now \$700 million a year." The ministry oversees the economic sector that employs the overwhelming majority of Filipinos.

The United States, Australia, and other major economic powers, he said, have been "manipulating free trade" in three ways: granting domestic support to their agricultural producers; giving export subsidies to local agricultural producers, and massive dumping, such as chicken leg quarters from the United States; and imposing tariff barriers to prevent entry of world-class products from developing countries. Australia, he said, refuses to open its markets to Filipino mangoes, bananas, and pineapple, despite "repeated and sustained efforts . . . to comply with phyto-sanitary and quarantine standards issued by Canberra."

"The country should right now fight for the national interest and the survival of local farmers and the agricultural sector," Angara said.

Telecommunications

Third Generation Mobile Phone Technology Nears

European telecommunications firms are about to dramatically increase their debt exposure to participate in the next big "new economy" bonanza: the third-generation mobile phone technology Universal Mobile Telecommunication Service (UMTS), which will allow users to surf the Internet or watch videos on their tiny cell-phone displays at data rates 200 times faster than to-

day. While the infrastructure for the UMTS technology will not be available before 2002, European governments are already selling licenses to private telecom firms.

In April, the British government sold its UMTS licenses at auction, raising about \$50 billion from five companies, including Vodafone and Deutsche Telekom. In August, the German government will finish its auction of six UMTS licenses, with expected revenue of DM 120 billion. According to an estimate by Salomon Smith Barney, the overall sale of UMTS licenses in Europe will amount to about \$270 billion.

The telecom firms are supposed to pay half now, and the rest over the next few years. They also will have to invest almost \$20 billion into building up the UMTS infrastructure. They are betting that soon after the year 2002, at least every third person in Europe will buy such a UMTS cell phone—which will be much bigger and much more expensive than today's cell phones.

As the Swiss daily *Neue Zürcher Zeitung* noted on May 2, the UMTS revenues will have a severe impact on international bond markets. Governments, because of the revenues, will issue lesser amounts of bonds. At the same time, there will be an explosive growth of bond issues from the private sector, in particular the big telecom companies, to finance the UMTS venture.

Debt

Obasanjo Seeks Relief To Boost Education

Nigerian President Olusegun Obasanjo, speaking at the World Education Forum in Dakar, Senegal on April 27, "clamored and harped on the need for the international community to constructively address the problem of the debt burden," according to the Nigerian daily, the *Guardian*. Obasanjo insisted that Africa will remain stagnant as long as ignorance, poverty, and disease persist, and that the continent needs intensive human capital formation to overcome these predicaments.

Obasanjo described the challenges of the new millennium for Africa, as daunting.

"The international community should focus attention on giving assistance in the areas of information technology, facilitating intra-Africa exchanges, and getting Africans out from the debt trap," he said. "The principle of international solidarity demands no less than such assistance, if only to make meaningful to Africa, the concept of globalism."

Obasanjo stressed that the scourges of AIDS, tuberculosis, and malaria have assumed alarming proportions, and are capable of scuttling all growth possibilities for the continent. African education, he said, should produce well-bred culture- and science-oriented people.

Obasanjo's campaign for debt relief received the support on May 1 of Jordanian King Abdullah II, "who passionately pleaded for debt forgiveness as a major palliative to poverty in Sub-Saharan Africa," in his speech opening the 103rd session of the Inter-Parliamentary Union conference in Amman, the *Guardian* reported.

Abdullah emphasized that the troubles of the world revolve around jaundiced political values, the widening gap between the haves and the have-nots, and huge debts owed to the developed world by developing nations. Parliamentarians, as people asked to fulfill the dreams of the populace worldwide, he said, must "call on the international community to offer forgiveness for debt. . . . There should be a collective action to make the world a better place in this millennium."

Transportation

New Rail Lines Discussed for Central, South Asia

The April 28-May 2 conference on trade and communication of the Economic Cooperation Organization (ECO, which includes Pakistan, Turkey, Iran, and the Central Asian republics), in Islamabad, Pakistan, discussed expanding trade and transport infrastructure, including road and rail networks. Participants urged completion of the Bafq-Mashhad, Kerman-Zahedan, Chamman-Herat-Kushka, and Bosphorus tunnel crossing projects and other rail links. Turkey and Iran were asked to consider construction of

THAILAND and China have agreed to speed up plans for Thai investors to tap hydroelectric resources in Yunnan province, southwest China. This is the first such deal, allowing foreign investors to invest in and tap hydroelectric power in China. Thailand can buy the first 1.5 million kilowatts from the Jinghong hydroelectric plant, and another 1.5 million kw by 2014.

PAKISTAN'S Chashma Nuclear Power Plant (Pakistan's second), a 300 megawatt plant built under a turn-key project contract with the China National Nuclear Corp., has gone critical. "This is the first major step toward nuclear power plant start-up for producing electricity," a Pakistani spokesman said.

RICHARD GRASSO, president of the New York Stock Exchange, who has embraced the narco-terrorist leaders of the FARC, warned that the stock market is a "Disney-esque" fantasy, at a New York United Jewish Appeal banquet on May 4, the *New York Post* reported. The market "rate of return was twice that of the 20th century" in recent years, he said. "It can't continue. . . . A lot of the dot-com world will soon be dot-gone. I'm a dinosaur, but trust me, revenue and earnings do count."

GHANA President Jerry John Rawlings expressed anger at what he called rampant discrimination against Africa by the Western world, when it comes to helping the continent consolidate peace for the development of its people. "But when it comes to sapping our resources, they are experts," he said on May 5, in a meeting with Singapore High Commissioner to Ghana Foo Kok Swee.

INDIA'S Commerce and Industry Minister Murasoli Maran, following a meeting with Lu Ruihua, Governor of Guangdong Province, China and leader of a business delegation, said that it is possible in the short term to raise bilateral annual trade with China to \$5 billion, up from the current \$2 billion.

the Astara-Rasht-Qazvin rail line, and the junction of Nakhichevan-Sadarak rail link with the Turkish rail network via the Lake Van bypass rail line.

Pakistan's Minister of Transportation Eftekhar Hussein Shah said on April 28 that once Iran's Kerman-Zahedan rail network were completed, "Pakistan would be connected to Europe through Iran and Tajikistan."

According to diplomatic sources, Pakistan Railways' network will be extended to Kandahar and Herat from the Chaman rail terminal on the Pakistan-Afghanistan border. A feasibility study for extending the rail link from Pakistan to Afghanistan and the Central Asian states is ready. Its immediate objective is to link Pakistan and Iran to Turkey and Europe through Baluchistan.

The report is expected to remain dormant until a political arrangement is worked out, because the drug- and gun-running that have proliferated under the Taliban regime in Afghanistan are viewed with great concern in Central Asia.

Central Asia

Kazak President Focusses on Regional Cooperation

Kazakstan President Nursultan Nazarbayev spoke of the need for the former Soviet republics to strengthen national independence and national economies, without impeding the prosperity of others, in his opening speech to the World Economic Forum, or Davos Forum, in Almaty, Kazakstan, on April 26-28. He said that the states want to "strengthen our own political institutions [while] simultaneously developing mechanisms of regional cooperation."

The forum showed that the British-American-Commonwealth financial oligarchy is putting a priority on Central Asia and the Caucasus.

Identifying the region as a geographic crossroads, Nazarbayev said: "We must turn the Great Silk Road that connected us in ancient time, into a road of more active contacts with all regions of the world." He mentioned as "one of the variants of the Great Silk

Road," the Traseca project, which is backed by the European Union (EU).

"We can not rely only on natural resources," but must develop labor power as the foundation of production, he said. He spoke of the need to "develop manufacturing of competitive high-technology production."

The Caspian region is becoming a major oil and gas exporter worldwide, he said, hinting at foreign intrigues. "We must make every effort to elaborate a coordinated program of Caspian development in order to resist turning the region into a knot of contradictions that neither our countries nor the world community will gain from. To the contrary, we must become the region of friendship and cooperation," he said. "We want to develop regional integration having common economic space that embraces the countries of Central Asia, the Caucasus, and the Russian Federation."

Economic Policy

Don't Privatize, South African Warns

The head of information and technology of the Congress of South African Trade Unions (Cosatu), Charley Lewis, told a technology privatization conference that the planned sale of state enterprises would result in massive job losses. "Don't privatize," he said. "Privatization leads to monopolies, domination by multinational corporations, and is expensive, as contracting out tends to result in short-term savings only."

In a May 2 news wire, Reuters news agency complained: "Cosatu, which is in a tripartite alliance with the ANC [African National Congress] government and the SACP [South African Communist Party], has been blamed for delays in the privatization program which critics argue is trailing by at least one year."

Cosatu has repeatedly rejected the concept of privatization, saying that it is largely ideologically motivated, budget driven, and based on unproven assumptions that the private sector is more efficient.

Solving the Water Shortage Is the Key to Mideast Peace

by Muriel Mirak-Weissbach

When peace talks resume, between the Israeli and Syrian governments, there will be one central issue which must be faced, if progress is to be made. That issue is water. Similarly, as the Palestinian-Israeli track is revived, the same issue will be decisive. There can be no viable Palestinian state, no future perspectives for hundreds of thousands of returning Palestinian refugees, unless the basis is established for a productive, growing agricultural and industrial economy; and that requires water currently not available.

President Bill Clinton has taken up the cause of peace among Arabs and Israelis, as a personal crusade, of sorts. All well and fine. But, the tragic irony in his well-meaning effort is, that his own State Department is just as committed to sabotaging the most viable approach to solving the water crisis, which is the massive application of nuclear-powered desalination plants throughout the region. To the extent that Clinton accepts the State Department's policy of technological apartheid— forbidding nuclear technology to the Arabs— and accepts the insane, free-market alternative, which is privatization of water, there will be no peace in the region. Instead, there will be war.

Lyndon LaRouche, who has been campaigning for peace through development in the Middle East over decades, was the first to articulate a regional proposal pivoted on nuclear desalination, initially applied to the Palestinian-Israeli talks, now extended to talks between Tel Aviv and Damascus. On April 25, LaRouche commented, "There will be no Middle East peace unless, and until, the water issue, as I have defined this repeatedly since 1975, is finally adopted by the U.S. and relevant other parties involved in the negotiations." LaRouche said that he hoped President Clinton "would develop a clear understanding of this point and its implications; in the visible aspects of the negotiations so far, there is no evidence that he has yet come to an understanding of this problem." As a result, "The entire, otherwise feasible Middle East peace is going down the toilet—a waterless toilet," he said.

FIGURE 1

The Focal Point of Peace Negotiations



LaRouche characterized this matter as of “next to the utmost urgency, inferior only to the urgency of moving toward a New Bretton Woods as I have defined it.” Whether these policies would prevail, or not, he said, was a matter of sheer political will: “Sometimes, in history, the only obstacle to certain measures, lies within the stubborn refusal to accept a road to survival which happens to be contrary to one’s previously established prejudices. The role of massive desalination programs is so obvious, respecting the feasibility of Middle East peace, that there could be no rational excuse for failing to situate the entire peace effort within the framework of a mass-desalination agreement and its prompt implementation.”

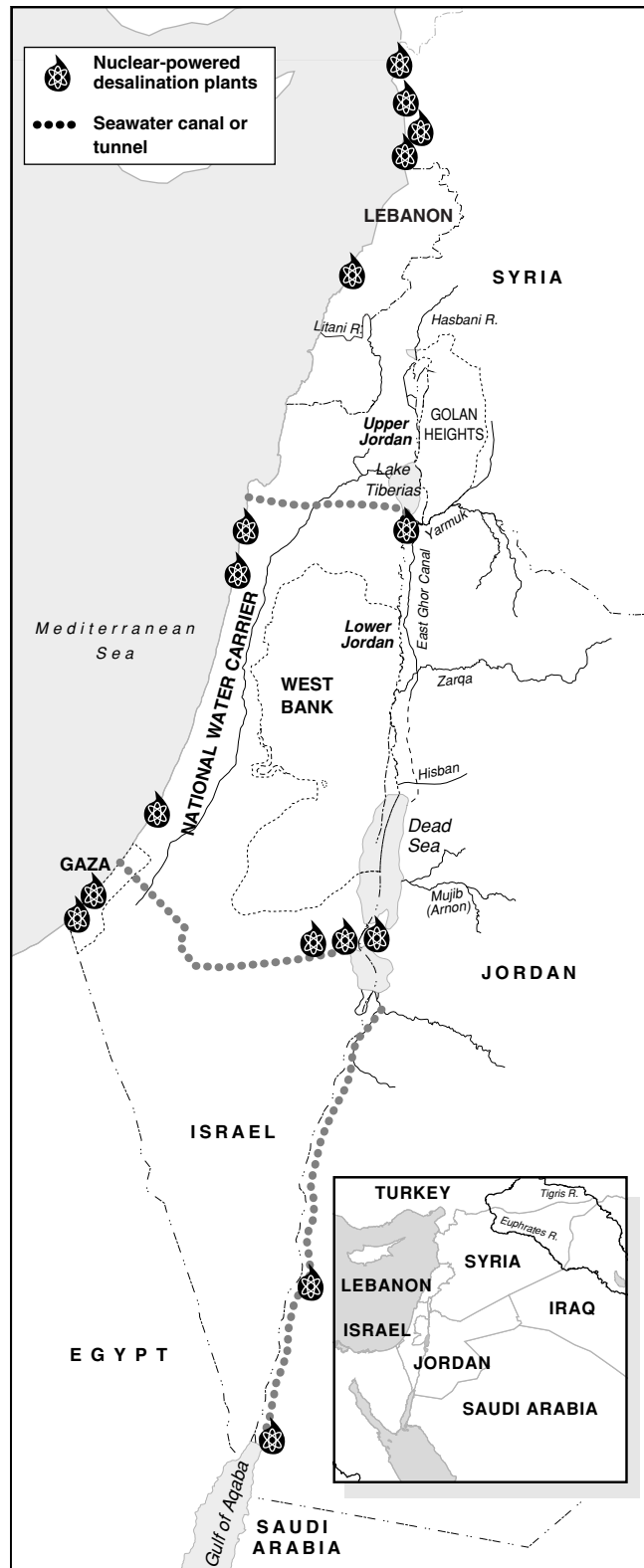
Figure 1 shows the extended area of the greater Middle East and Egypt, identifying national borders, and the few rivers of the region — one of the most arid in the world. **Figure 2** gives more geographic detail for the five inner-core nations, as well as illustrating the concept of locating nuclear-powered desalination in the trans-Jordan and surrounding areas.

Land, and Water, for Peace

When Syrian Foreign Minister Farouk Shara’a met with Israeli Prime Minister Ehud Barak, for talks in Shepherdstown, West Virginia beginning on Jan. 3, negotiations broke off, ostensibly around the definition of the borders between the two states. While Barak demanded that the 1947 United Nations mandate map be used as a basis, Shara’a demanded that it be the cease-fire line, existing prior to the outbreak of the June 1967 war. The difference between the two, is a thin strip of land, along the shoreline of Lake Tiberias. In Israel’s version, that strip would be under its control, whereas Syria’s map shows its territory extending up to and including the eastern shoreline of the lake. Later, when President Clinton met Syrian President Hafez al-Assad in Geneva, and tried to sell him the same map as Barak’s, Assad refused, and the talks ended abruptly.

Clearly, Syria’s demands for Israeli withdrawal from the Golan Heights, and restoration of its entire territory, are a

FIGURE 2
Proposed Nuclear Desalination—Make Water Resources to Make Peace



matter of national sovereignty, not to be disputed. The reason why Israel insists on maintaining the shoreline, is, obviously, that it thereby gains access to the waters of the lake.

The simple truth of the matter is, that virtually every war fought in the region since 1947, has been over water, directly or indirectly; and anyone who denies this, is a liar or a fool. Certainly the British have played geopolitical games, exploiting religious and ethnic fault-lines, but water access has always been *the* economic fulcrum for all such London stratagems.

Following the 1948 Arab-Israeli War, Israel held land, including on the western shore of Lake Tiberias, as well as parts of the West Bank and Gaza. Israel started to establish a national water distribution system, taking water from Lake Tiberias, despite Arab and international protests. In 1964, Syria started a canal project, which would have rerouted water from the Hasbani and Baniyas Rivers (both of which feed the Jordan River in the north) around the Golan Heights, and into the Yarmuk River, where a dam was to be built by Syria and Jordan. This was a *casus belli* for clashes on the Israeli-Syrian border in spring of 1965, and, in 1966 and 1967, before the outbreak of the “Six Day War,” Israeli Air Force planes bombed the construction site of the dam, as well as construction vehicles and roadways.

It was in the June 1967 war, that Israel secured its “strategic reserves” of water: It occupied the Golan Heights, Gaza, and the West Bank. This meant annexing the source of the Baniyas, and controlling the flow of the Yarmuk. In the closing hours of the war, Israel bombed the dam to smithereens. Israel also controlled the north bank of the Yarmuk, at Hammat Gandar, thus controlling the flow of water into Jordan’s East Ghor Canal. (Israel destroyed large parts of this canal two years later, by military means.)

The lands seized in the 1967 war, corresponded to water sources, which Israel exploited. The water distribution system of Israel, known as the National Water Carrier (see Figure 2), which services its coastal cities and as well as its settlements in the Occupied Territories, took 20% of its supply from ground water from the western part of the Occupied Territories, another 20% from Israeli coastal groundwater, and the rest from Lake Tiberias, as well as water from the eastern side of the Occupied Territories, which is from the Jordan River. The water for Lake Tiberias, Israel pumped out of the Yarmuk River. Prior to the 1967 war, Israel had taken 80% of its water through drilling and wells. After the war, it accessed the new sources, and issued laws preventing Arabs from drilling wells.

Finally, in 1982, Israeli invaded Lebanon and occupied the southern part, with its proxy force, the South Lebanese Army. Again, although the rationale was security, the reason for the move, was to be in a position to gain access to the waters of the Litani River, at the northern edge of the “security zone.”

As a result of the wars in the region, and the takeover of water sources, there has been a continuing deterioration of

water supplies. At the same time, population growth, the influx of 300,000 refugees into Jordan from the Gulf War, and severe drought over the past years, have literally dried up the rivers — and the wells. The Israeli, Jordanian, and Palestinian populations have grown from 9 million to 12 million in the last decade. Syria's population, of 17.2 million, is growing at a rate of 3.15%. In Damascus, it is reported, tap water is available only 4-6 hours per day. Syria's freshwater supplies are being depleted, and the construction by Turkey, of a huge dam project in southeast Anatolia, is diverting massive amounts of Euphrates River water away from Syria.

As **Table 1** shows, there has been a drastic decline in the per-capita supply of renewable water, in all the countries currently involved in the prospective peace process.

Nuclear-Powered Desalination

The most efficient, technologically advanced, and equitable way of solving the water crisis, is to build and install nuclear-powered water desalination plants throughout the area, to provide access to fresh water to every urban and agricultural area (see Figure 2). Along canals, between the Mediterranean and the Dead Seas, and from the Dead Sea to the Red Sea, as well as along the Mediterranean coast from Syria to Gaza, nuclear plants would be placed. There have been designs for over 40 years, for “floating” nuclear plants, that can be built, assembly-line fashion, and brought by barge to the location, and installed on-site.

In recent years, there have been proposals for an especially appropriate power technology: the high-temperature gas-cooled reactors (HTRs), to produce the highest energy yield. The modular high-temperature gas-cooled reactor (MHTGR), and similar HTR plants, are prosed by California-based General Atomics, and by the European firm, Siemens/Asea Brown Boveri.

Recently, South Africa has made known its plans to produce and export small, standardized high-temperature gas-cooled reactors, which would be ideally suited to the Middle East, as nuclear modules. With four nuclear modules, of 350 megawatts each, a dual-purpose desalination electricity plant would be installed, to provide power for a multi-effect distillation system. (See artist's depiction of a modern seawater distillation tower.) This could provide a volume of fresh water of 401,500 cubic meters per day, and 466 MW net electrical power output.

Just one such “island” of four nuclear modules, would provide 145.6 million cubic meters of fresh water per year — which exceeds the flow of water from the Lower Jordan River into the Dead Sea, and exceeds the volume of water used by the more than 1 million Arabs on the West Bank. Four of these islands, would provide 650 million cubic meters a year. With 20 plants, half of them located at points along the new seawater canals, there could be a supply of 2.92 billion cubic meters (bcm) of “new” water made available per year.

Table 2 shows the amount of “new” water resources that could be made available, relative to the needs of the 34 million

TABLE 1

Drastic Decline in Renewable Water Resources of Mideast Countries, Per Capita, 1950-90

(cubic meters per capita)

Country	Renewable water ¹			Annual Water Withdrawals mid-1990s
	1950	1990	2025 (trend)	
Lebanon	2,736	1,438	879	271
Syria	1,571	445	156	435
Jordan	1,145	354	131	173
Israel	—	382 (1995)*	—	408
Gaza & West Bank	—	*	—	160

1. The hydrologic term “renewable water” is used only as an indicator of the limited resource base. The measurements for water resources in the region (surface and groundwater both) are imprecise, but the paucity is certain.

*The water resource base is here given as the same for Israel, Gaza, and the West Bank, though the use of water (withdrawals per capita) is highly inequitable, favoring Israelis.

Sources: Compiled from The Inter-Islamic Network on Water Resources Development and Management, Amman, Jordan; *World Resources 1996-1997*.

people in the countries of the immediate region, based on guidelines for nuclear-powered desalination from the head of the International Atomic Energy Agency.

This approach makes possible the otherwise unthinkable: ample fresh water, for household, agricultural, and industrial use, in quantities required for new urban centers, or “nuplexes.” By producing new water, available as required, equitably, the *casus belli* for future conflicts is removed. But more than any other consideration, nuclear energy is necessary, as a revolutionary technology, to revolutionize the entire economic process, leapfrogging the region into a new era. Integral to this is the crucial factor of education, ultimately the source of all wealth in an economy, which will be greatly enhanced by the introduction of these new technologies. To epitomize the point: One research nuclear reactor, located in a new research facility to be established in Gaza, for example, would become a magnet for young children, sparking in them the enthusiasm and optimism that scientific advances generate.

There are already several projects for desalination plants in the region, which could be implemented, using nuclear energy to power them. Israel has plans of its own for introducing this technology. On March 7, 1999, the government issued a resolution, instructing the ministries of national infrastructure, finance, and the interior, to advance the planning of desalination plants into the national water supply system, and to prepare specification for bids, to be constructed and owned by private investors. The plant proposed, was 50-55 million cubic meters (mcm) per year (13.2-14.5 billion gallons per year). This would serve Israel's needs only, as currently conceptualized.

On the level of regional cooperation, a workshop in Amman, Jordan last September discussed a white paper published in the magazine *Desalination and Water Reuse* Vol. 9/4, on "Solving the Problem of Fresh Water Scarcity in Israel, Jordan, Gaza and the West Bank." The study, issued by the Center for Middle East Peace and Economic Cooperation, argues that "only seawater desalination offers a secure, long-term solution." Noting the plan of the Israeli government to build a 50 mcm/year plant, the study also reveals that the Palestinians are considering a 50 mcm desalination plant for Gaza, and that Jordan plans to desalinate the same amount per year of brackish water, in the Hisban River (see Figure 2). The study notes that technological advances have reduced the price of desalinated water, to about \$0.55 per cubic meter, which, it says, is "roughly half the the retail cost of tap water paid by an Israeli household in Tel Aviv."

The locations proposed by the study, for desalination plants, are not far from those illustrated by *EIR*: along the Mediterranean coast (specifically, off Haifa, Hadera, Tel Aviv-Ashdod-Ashkelon, and Gaza) as well as along the Mediterranean-Dead Sea and Red Sea-Dead Sea canals, to be built; and, at Hisban in Jordan. The study focusses only on Israel, the Palestinian Authority, and Jordan, and does not deal with Lebanon or Syria; but the proposal, as *EIR* has presented it, for locating plants on the coast of Lebanon and Syria, would dovetail with the study's general approach. The obvious thing to do, would be to take the three projects, already identified by the three political authorities as priority projects, and plan to make them nuclear desalination units.

Technology and Technological Apartheid

The obvious question that arises in this context, is: Why not? Indeed, why have such nuclear desalination plants not already populating the region? The technologies have existed for decades. Desalination is the major means for producing fresh water in desert countries, like Saudi Arabia. In fact, the Saudis are the world's biggest producer of desalinated water, producing 520 million gallons per day (1.97 million cubic meters), from 25 stations, which covers 70% of the potable water in the kingdom.

Last November, the governor of the Saline Water Conversion Corp., Dr. Fahad Balghunem, announced that three new desalination plants were under construction, in al-Khobar, Jubail, and al-Shoaia, and five delivery systems, which will bring the total length of water pipelines up to 4,155 kilometers, serviced by 29 pumping stations. His corporation is

TABLE 2

Sixteen Nuclear Desalination Plants Can Provide Water Security to 34 Million People in Five Mideast Countries, as Phase I for Economic Development and Peace

Country	Population (millions)	Net Annual Renewable water ¹ (bcm) ²	First Nuclear Desalting Plants	'New' Water Provided (bcm) ²
Lebanon	3.940	3.94	1	0.365
Syria	17.214	5.50	4	1.46
Jordan	4.562	1.42	4	1.46
Israel	5.750	2.7*	4	1.46
Gaza & West Bank	2.670	*	3	1.06
Totals	33.766	13.56	16	5.805

1. The hydrologic term, "renewable water" is used only as an indicator of the limited resource base. The measurements for water resources in the region (surface and groundwater both) are imprecise, but the paucity is certain.

2. Billion cubic meters

*The water resource base is here given as the same for Israel, Gaza, and the West Bank, though the use of water (withdrawals per capita) is highly inequitable, favoring Israelis.

Sources: *The World Almanac 2000: World Resources 1996-1997*; The Inter-Islamic Network on Water resources Development and Management, Amman, Jordan.

studying the possibility of installing "20 more plants, with a daily production capacity of 2.6 million cubic meters of water, in addition to 12 water delivery station projects, with a total length of 2,640 km," according to official releases.

The Saudi example demonstrates that massive application of desalination does function to sustain an industrializing economy — albeit with conventional energy sources. But nuclear desalination also exists: In the former Soviet Union, a liquid-metal-cooled fast reactor was commissioned in 1973, in Shevchanko (now Aktau) on the eastern shores of the Caspian Sea, in Kazakstan. It became operational in 1977, and provides both electricity for urban use and heat for desalination. This reactor proves that nuclear desalination can function on an industrial scale. There are, in addition, 16 small desalination plants which the Russians have attached to nuclear ice-breakers and other nuclear-powered ships.

In 1999, it was announced that China and Morocco had signed an agreement, whereby China would supply a nuclear reactor to Morocco, for purposes of powering a desalination plant. The 10 MW reactor is to provide drinking water for 70,000 people, near the city of Tan-Tan, in the south. And, according to reports in 1995, Russia and Iran started discussing the possibility of building a nuclear desalination plant at the port of Bushehr on the Persian Gulf. The plant would be part of the agreement for Russia to help complete the 1,200 MW power station at Bushehr, build an 880 MW station there, and provide research reactors to universities in Iran.

Massive Opposition from Anti-Peace Factions

The opposition to these plans has been massive. The radical environmentalist gang, Greenpeace, widely identified as

A Nuclear-Powered Desalination Plant for Use in the Mideast

For rough and ready calculations on nuclear-powered seawater desalination plants, the specifications made use of in **Table 2** are based on an article by Jürgen Kupitz, head of the Section on Nuclear Power Technology Development, of the International Atomic Energy Agency. The following excerpt is from Kupitz's article, "Nuclear Energy for Seawater Desalination: Updating the Record," which appeared in the *IAEA Bulletin*:

"A desalination plant with a capacity of 1 million cubic meters per day could supply an urban concentration of 3 to 4 million people with sufficient potable water for domestic use. Such a desalination plant, using the RO [reverse osmosis] process, would require a nuclear plant having an installed capacity of about 300 MW-electric (MWe). The same urban concentration of people also would require between 4,000 to 6,000 MWe of installed capacity to provide their corresponding electricity needs. Hence, nuclear power plants in the upper end of the small and medium-size power range, and certainly the large-size nuclear power plants, would only constitute suitable choices when they are intended to supply electricity to consumers in addition to energy for seawater desalination. Thus, there is no reason why nuclear reactors could not supply both requirements simultaneously, and take advantage of the economic benefits accruing to large-size nuclear plants."

As Kupitz notes, "practically any type of nuclear reactor could provide the energy needed for desalination." The IAEA conducted a series of feasibility studies, including one in response to a request for assistance submitted by five North African states—Algeria, Egypt, Libya, Morocco, and Tunisia. This 1996 study identified a series of locations that required seawater desalination in the range of 20,000 to 720,000 cubic meters per day, by the year 2005. At present, there is a regional capacity of 1 million cubic meters per day, and in Saudi Arabia, the currently installed capacity for seawater desalination is about 4 million cubic meters per day.

The IAEA estimates that it would take \$200-300 million for a multi-effect distillation system to be built, including the cost of the reactor.

Nuclear Desalination Today

The only industrial-scale nuclear reactor that supplies electricity as well as heat for desalination was built by the former Soviet Union, a BN-350 liquid-metal-cooled fast reactor, which went into operation in 1973. It is located in Aktau, Kazakstan (formerly Shevchanko, U.S.S.R.). Aktau has been operated since 1989 at a reduced thermal power level of 520 MW(th) with a maximum electric power production capability of 80 MWe, plus heat for the production of about 80,000 cubic meters per day of potable water.

There are several small nuclear-powered desalting plants that serve the in-plant needs of nuclear power stations in Japan, and Russia has about 16 small plants installed on nuclear ice-breakers and other nuclear-powered ships.—*Marcia Merry Baker*

a branch of British intelligence, immediately raised a hue and cry about the Moroccan project, alleging that the nuclear reactor cooling water would be contaminated with radioactive tritium. Instead, it proposed solar energy. The opposition to the Bushehr plant has been more blatantly political, and broadcast loudly from Washington. Immense pressure has been put on Russia, not to collaborate at all with Iran, on nuclear technology, on grounds that Iran is considered a "rogue state," capable of developing nuclear weapons, for use against Europe, and so forth.

The "rogue state" argument is palpably absurd, and is used as a cover for denying advanced technologies to countries in the developing sector. The fraud of the rogue state thesis is easily dismantled, when one considers what happened to the project for nuclear desalination, in the countries of the Middle East, following the 1993 Oslo Accords. The idea of nuclear desalination was introduced into the negotiating process, by LaRouche associates and *EIR*. In late 1993, Palestinian Finance Minister Mohammad Nashashibi, an engineer, went on

record in an interview with *EIR*, enthusiastically supporting the concept. In early 1994, then-Crown Prince Hassan of Jordan, who was responsible for matters concerning technological development, also endorsed the idea in an interview with *EIR*. At the same time, independently, Shimon Peres, then Israeli Foreign Minister, elaborated the idea of "nuclear islands," in an article in an Italian publication, "islands," in the sense that they should, in his view, be put under international control.

Regardless of the significant differences in detail, all three agreed in fact to the appropriateness of the nuclear desalination concept to solving the region's underlying problem. But it was never to progress any further.

By December 1993, the World Bank had already issued its definitive report on what could and what could not be allowed, in the economic agreements attached to the Oslo peace treaty. Nuclear energy was not even mentioned as an option, and desalination was at the bottom of the list, if at all. This became public knowledge, in 1995, during the Middle

East-North Africa economic summit, hosted by the Jordanian government in Amman. Jordan had in 1994 signed its own peace treaty with Israel, in which water projects were included. But when the issue of nuclear desalination was raised, in the relevant workshops and press conferences, it was denounced as ludicrous, outrageous, and so forth, not only by the World Bank types, but also by Jordanian water experts.

Although no one at the U.S. State Department would argue that the Hashemite Kingdom of Jordan is a “rogue state,” the policy here, too, is denial of nuclear technology. The widely advertised fact that Israel possesses nuclear technology, does not perturb anyone. The fact is, the liberal free-market fanatics, who have politically pushed through the World Bank’s hijacking of the economic policymaking in the regional peace process, are committed to denying advanced technologies, including nuclear, which could render nations truly independent and sovereign. As for water policy in particular, the name of the game is “privatization,” and this comes from the very top.

None other than Secretary of State Madeleine Albright outlined the policy on April 10 in remarks regarding this year’s Earth Day. Identifying the water shortage problem as an international phenomenon, Albright proposed three ways to handle it: through technical means (to improve water-use efficiency), through eliminating waste, and through diplomacy. On the matter of waste, Albright said, “In many societies, water is wasted because it is underpriced.” She explained, “Direct and indirect subsidies are common in both developed and developing countries.” Paying lip service to the need to consider social considerations, as well, in pricing policymaking, she went on to assert, “But a system that reflects the full cost of treating and delivering water—and that enforces the collection of bills and requires polluters to pay—will get far more value from the resources than a system riddled with subsidies.”

Albright continued to elaborate how the third means, diplomacy, should be used to achieve this shift away from subsidies, i.e., state control over policy. The United States, she said, should intervene diplomatically, to solve water problems regionally. Not coincidentally, Albright chose the Middle East as the area where the United States, which “chairs a working group on water resources,” can establish a precedent, for cooperation. Specifically, she proposed a “global alliance for water security in the twenty-first century,” in the “spirit of last month’s World Water Forum” held in The Hague, a forum which also promoted the privatization of water. The goals of the alliance, she said, “must be to dramatically improve the management of transboundary water resources.” Finally, Albright announced that the United States would be hosting a conference of donor countries in early summer to “help others deal cooperatively with water issues,” and reiterated, in the same breath, that the government “strongly supports efforts by the World Bank and private foundations to see that investments in water-related projects reflect and encourage sound management practices.”

Thus, anyone seeking an explanation for why the concept of nuclear desalination has not been promoted by the United States in Clinton’s peacemaking efforts, need look no further. Unless this problem at the State Department is eliminated, there will be continuing sabotage of the only technologically and economically viable solution to the water crisis.

Generating Water, Power: Beautiful, and Necessary

by Marcia Merry Baker

The accompanying artist’s depiction of a modern seawater desalination tower, is proposed for location on the Pacific Coast of Southern California, a region very similar to the eastern Mediterranean littoral. The structure houses a multi-effect distillation process (vertically stacked evaporators), for large-scale output (284,000 cubic meters daily). The artwork was done for the frontispiece of “Seawater Desalination Plant For Southern California” (Preliminary Design Report No. 1084), of the Metropolitan Water District of Southern California, Los Angeles, October 1993.

The tower, and Figure 2 and Table 2, illustrate the idea of locating a number of large-scale nuclear-powered desalination installations on advantageous sites—mostly the sea-coasts in the Mideast, as part of a “Phase I” program to create new water resources and, at the same time, inexpensive, plentiful energy supplies for economic development throughout the region.

Where should plants be located? The symbol of the atom/drop of water, is located at 16 points on the map, to identify some favorable locations. Ten are shown on the Mediterranean coast (Syria, Lebanon, Israel, and Gaza); one on the Gulf of Aqaba (Jordan); one on a proposed Red-Dead Sea Canal (Jordan); and three on a proposed Med-Dead Canal, whose Mediterranean starting point might be in Gaza. The three plants on the canal are shown inland, illustrating that one facility might produce water for Gaza and the West Bank, and the other facility along the canal, for Israel. The third plant is shown at the terminus of this Med-Dead Canal route, representing an installation to provide water for Jordan.

In the north, a proposed seawater conveyance route is shown, to signify a potential tunnel from the Mediterranean to the Jordan Valley, where the conduit could supply seawater feedstock to a desalination facility for Jordan. (The route was shown in the October 1994 Government of Israel report, “Development Options for Regional Cooperation,” submitted to the Economic Summit for the Middle East and North Africa. The report proposed such a seawater tunnel, running south of Haifa and north of Mt. Carmel, to feed a desalination facility

near Bet She-an, using the potential of the pressure of falling water at the steep drop into the Jordan ravine, to desalt water by using advanced membrane technology.)

How much water? How big should the plants be? These questions, including location, are for the engineers and hydrologists to answer, and governments to decide. There is the additional consideration involved of how best to guarantee security of operation, through regional cooperation and international institutional participation. (See the discussion of this in the feature article.)

Apart from political questions, the physical geography of the Mideast presents especially challenging conveyance and materials questions posed by the prospect of undertaking large-scale water generation and management projects. For example, there is a 400 meter difference between the Mediterranean and Red Seas and the Dead Sea. A particular challenge is the question of underground hydrostatic pressure, among other conditions. The Jordan Rift Valley region is very complicated.

Table 2 presents what seems to be a fabulous prospect of “new” water volumes to be added to the region. But the calculations are in line with technology, population needs, and the fact that the existing water resource base right now is being depleted.

Using the International Atomic Energy Agency (IAEA) proposal (see box) of a per-plant output level of 1 million cubic meters a day, 16 facilities could provide 5.8 billion cubic meters a year to the region, where 34 millions of people reside. It is a seemingly fabulous amount, but it represents the range needed to guarantee meeting all domestic needs for 34 million people, *plus* plentiful supplies over and above that for select agricultural and manufacturing priorities, and potential for future water security.

A smaller number of these large-scale nuclear desalination plants, e.g., ten IAEA-guideline facilities, could produce 3.65 billion cubic meters—enough for the residential needs of the area with little overage.

If the 16 facilities shown on the map make use of a smaller-scale design than the IAEA implies, then the water production is accordingly smaller. Consider the modular high-temperature gas-cooled reactor design (MHTGR), coupled with an advanced desalination technology. The combined output of 16 such plants would add up to around 2.35 billion cubic meters a year. There are safety and “manageability” features of the MHTGR design proposals that are especially desirable for the Mideast.

The point is that, whatever the specific dimensions and designs, *technology can provide a whole new resource base.*

Think about this in comparison to Saudi Arabia, the large desert country where more than 21 million people live. There, desalinated seawater provides 70% of the country’s water consumption. Another way to say this, is that the annual Saudi “withdrawal” (use of water for all purposes in the country) of 497 cubic meters per capita a year, is *165% of its water resource base!* In other words, the nation is manufacturing its



An artist's rendition of a modern seawater desalination tower. The structure houses a multi-effect distillation process (vertically stacked evaporators), for large-scale output (284,000 cubic meters daily).

own water resource base! (See Table 1, for per capita “withdrawal” water use comparisons.)

It is urgent that “water-manufacturing” be undertaken elsewhere in the Mideast, and in other parts of the world. Except for Lebanon and parts of Syria, where precipitation rates, run-off, and underground sources make water available in localized areas, at present, the water supplies for the region can and must be manufactured.

What’s the cost? The electricity from nuclear-generated power is the most economical way to desalinate salt water on a large scale. The key cost element of all of the various types of modern desalination methods (distillation, reverse osmosis, membrane, etc.) is the expense of electricity. The point is made by looking at Saudi Arabia, home to the largest output of desalinated seawater in the world. Some of the most advanced desalination technology is in use in Saudi Arabia, but all powered, of course, by conventional fossil-fuel-generating plants—a circumstance limited to the Persian Gulf states, where such fuels are plentiful and cheaper.

In Saudi Arabia, to make the current annual desalinated water output of 1.97 billion cubic meters, 25 desalination plants are in operation. There are three new plants under construction; long-term plans are under study to build 20 more plants, that would add close to another 1 billion cubic meters a year water production capacity.

Thus, if the total desalinated water output of Saudi Arabia were to increase to the projected 2.97 billions of cubic meters a year, it would be done by 45 to 50 conventional-powered desalination plants. Saudi Arabia at present has the fossil fuel riches to do it.

The same amount of annual water output can be produced by nuclear-powered desalination—anywhere in the world there is saltwater feedstock, with only eight large-scale facilities. Why not do it?

Who Was Charles Babbage?

by Lyndon H. LaRouche, Jr.

The Cogwheel Brain

by Doron Swade

London: Little, Brown, 2000

342 pages, hardbound, £14.99

May 11, 2000

The specific merit in Doron Swade's new assessment of Charles Babbage's role in the development of modern mathematical computing machines, lies in Swade's notable part in the actual construction of a machine according to Babbage's own designs. Swade describes the circumstances leading into the first public demonstration, which was made in London, on Friday, November 29, 1991, three days after inventor Babbage's 200th birthday.

On background, Swade reports: "Charles Babbage came into my life in May 1985 when I was appointed curator of computing at the Science Museum in London." He describes his own role, in that capacity, leading to the launching of the project culminating in both the 1991 public demonstration, and the writing of his biographical account of Babbage's role in this particular matter. He describes the collection of calculating machines which that appointment placed into his custody. So, he encountered Charles Babbage:

"... there was an incomparable prize which stood apart from everything else. This was the largest collection of physical relics of Babbage's efforts to construct his vast and intricate machines. This collection of trophies, all on public display, includes the experimental assembly

of the Analytical Engine that was under construction at the time of Babbage's death, all he ever built of that revolutionary machine. Its modest size gives little clue to the monumental intellectual accomplishment of its conception and its much publicized role as the symbolic antecedent of the modern computer."

That part of Swade's account, covering the period from the launching of the Science Museum's Babbage project, from May 20, 1985 through the public demonstration of November 29, 1991, occupies the concluding, third section of his book, which is subtitled: "A Modern Sequel." For qualified specialists familiar with earlier standard sources on Babbage's life and work, the useful contribution of Swade's book, lies almost entirely in the content of that third section.

The misleading elements in the earlier part of Swade's book as a whole, lie in his fallacy of composition. Instead of proceeding from what Babbage represented in science, from his days at Cambridge, on, Swade pushes those issues to the side. He attempts to explain Babbage as a whole, from a narrower standpoint of the computing-machine projects as such, rather than defining the computing-machine projects from the standpoint of the issues of the collaboration with Herschel, the issues which made Babbage the target of an enraged English academic establishment at that time.

Swade pushes aside the matters which he declines to examine; as a result, Swade presents a systemic misrepresentation of Babbage's significance as among the central figures of the early Nineteenth-Century internal history of science in England. Babbage was not the principal hero of British science as a whole, during the period of the adult life of astronomer John Herschel, but is among the leading such figures.

Babbage, for a time, played a leading political role in

shaping the history of British science. This began during his student days at Cambridge, and continued for a few decades after that. Notable, on this account, is Swade's misreading of the related political issues of British science and economic policy during the period from the Congress of Vienna to the early days of the British Association for the Advancement of Science (BAAS). It is in the last section of the book, after Swade has dropped further attempt to interpret the issues reflecting that early Nineteenth-Century controversy and its aftermath, that he is able to attack the more narrowly specialized area of his account in a clear-headed and relatively faultless way.

Who Was Charles Babbage?

The issues posed by that, Swade's fallacy of composition, are by no means merely academic ones; but, are, again, today, a life and death issue for the economy of the United Kingdom. The implications of the peril to one of the U.K.'s last remaining keystone industries, Rover, is one which Charles Babbage, in his time would have taken up most heartily. Would the threatened death of imperilled Rover mean, today, the end of technological competence in the U.K.? That same kind of strategic issue was posed in a somewhat different, but not dissimilar historical setting, during the first years of John Herschel's and Babbage's youthful collaboration on related issues of science.

To be fair, in the Preface to the book, Swade did forewarn the reader of the crucial element of risk in his undertaking an appreciation of a subject-matter as historically and scientifically sophisticated as Babbage's life and work actually represents.

"At that time [May 1985] I was an electronics engineer on the [Science] Museum's staff, designing interactive computer-based displays for the galleries which occupy some seven acres of public exhibition space. Engineers and scientists are trained largely without the civilising influences of history or philosophy, and I was no exception. The two years I spent at Cambridge in the early 1970s was a rewarding counterbalance, though it brought me no closer to the nineteenth century, to Babbage or to his work."

Although I see no specific harm done, within Swade's, somewhat oversimplified, concluding appreciation of Babbage's contributions to the development of modern computing machine, he does miss the key point about the history of computing machinery considered as a whole. The tulip-bubble-style catastrophe now in progress within the financially bloated speculation in "information economy" stockholdings, should provide Swade the opportunity to devote his next book on computing machinery, to such relevant matters which he overlooked in the present one.

I now summarize that case, for those readers who, like

Swade, might benefit from my summary reminders on these matters of the history of science and economy.

Swade should have taken the first development of a modern computing machine, by Johannes Kepler, as his point of departure for locating the significance of the collaboration of Babbage and fellow-student John Herschel. As Kepler emphasizes, in his *The New Astronomy*, in his attack on the lack of competence of the theoretical side of the work of Claudius Ptolemy, Copernicus, and Tycho Brahe, it was the practical problems posed by the study of the implications of the elliptical orbit of Mars, which continued to supply the impetus for the development of computing machinery, from Kepler, through Pascal, Leibniz, and the circles of such collaborators of Gauss as England's William and John Herschel.

There is nothing in Swade's book which reflects the titanic quarrel over both scientific method in general, and mathematics in particular, which enveloped, and was expressed by young Herschel's and Babbage's devastating, pro-Leibniz attack on the mind-dulling methods of Isaac Newton, during their attendance at Cambridge.

To understand with even minimal competence, the problems and related controversies surrounding the development and applications of modern computing machinery, it is indispensable to start from the most essential controversy within modern physical science. That issue is: whether physical science should be appreciated from the standpoint of the "ivory tower" outlook typified by such empiricist followers of neo-Ockhamite Paolo Sarpi, as both Bertrand Russell and such among Russell's devotees as Norbert Wiener and John von Neumann, or from the contrary standpoint, of viewing mathematics as rooted in, and to be understood from the standpoint of experimental physics?

From the beginning of the development of modern computing machines, this was the crucially underlying issue to be addressed. This begins with the Kepler machine reconstructed by Pascal, and the revolutionary advances contributed by Leibniz, the last respecting both the principles of construction and application of computing machines, and the nature and function of binary numbers.

There are some secondary features of the history of computing machines, which admittedly do not involve that issue of scientific method. Nonetheless, the point may be fairly put, that, in the broad sweep of the matter, a modern secondary and university instruction, both in law and economics, as in mathematics and physical science, seems to prefer to promote the obsession, that the function of mathematics is to degrade physical science to a mere describing of nature, that according to the modern positivist's ivory-tower geometries, or digital-keyboard algebras, rather than the contrary view, of learning the universal principles we have yet to discover at the present boundaries of experimental physical science. It is only from the contrary standpoint of such opponents of ivory-tower formalism as Kepler, Leibniz, Kästner, Gauss, and Riemann, that the crucial issues for the continuing development of com-

puting machines can be properly appreciated.

The latter standpoint, was that of modern science, from Nicholas of Cusa's seminal *De docta ignorantia*, through Cusa's self-proclaimed followers Luca Pacioli, Leonardo da Vinci, and Kepler, and, after Kepler, of Pascal, Huyghens, Leibniz, Gauss's teacher Abraham Kästner, Gauss, Wilhelm Weber, and Riemann. It is the bottomless font of formal anomalies, which experimental physics repeatedly forces upon the attention of pre-existing mathematical assumptions, which is the key to the modern history of computing machines since Kepler. This was the point of view of Kepler's founding of modern astronomy, the point of view emphasized by the crucial work of Fermat, of Pascal, Huyghens, Leibniz, and, most emphatically the Herschels' contemporary Gauss.

Gauss's solution for the orbit of the asteroid Ceres, Gauss's related development of geodesy, and Gauss's famous essay on the principles of curved surfaces, typify the kinds of issues which occupied the attention of Babbage and John Herschel. As Gauss's Ceres project typifies the case: *How, from measuring relatively tiny samples of action within a regular system, can we adduce the measurably characteristic action which defines the curvature of that system as a whole?* Riemann's 1954 habilitation dissertation summarizes and typifies the work of Gauss and Gauss's predecessors to this effect.

From that standpoint, modern mathematical physical science, has but begun to scratch the surface, both in discovery of new physical principles, and in the revolutionary changes which those discoveries will impose upon the continued revolutionary transformations in the proper, current definition of the principles of mathematics itself. From this, flows the endless task of freshly redefining mathematics: not only with increasing precision in experimental measurements, but also in entirely new kinds of non-linear methods. There, we meet the crucial function which the continued, revolutionary development of computing machinery must contribute to the progress of civilization.

Babbage, especially in his collaboration with John Herschel, reflected their shared, accurate, and openly expressed concern, that, at that time, the United Kingdom was being left strategically behind both continental Europe and the United States, by the progress of science and mathematics in those latter nations, which was ongoing during the early Nineteenth Century. This is where Swade's book has missed the point. Two paragraphs from early pages of his book, brought together, demonstrate that point.

Science in Post-Vienna-Congress England

It is most notable, that, nowhere does Swade take up the content of the way in which the Cambridge "manifesto" of Herschel's and Babbage's Cambridge book, on the subject of "D-ism and Dot-age," shook up the academic life of England at that time. Instead, Swade makes an oblique, tendentious, and extremely misleading reference to the interest of Babbage and Herschel in the developments within France's Ecole Po-

lytechnique at that time. I begin with quoting two successive paragraphs, from Swade's opening chapter in full, and then juxtapose that to most of a paragraph from earlier in the same chapter. Both must be cited in full to present the issue fairly.

"Babbage's interest in mathematics was evident early on. He entered Trinity College, Cambridge, in April 1810, aged eighteen, already a precociously accomplished mathematician, and as a new undergraduate he looked forward to having his curiosity and mathematical puzzlement illuminated by his tutors. To his disappointment he found his teachers a staid lot, stuck in an unchanging curriculum and uninterested in the new Continental theories which excited him. Disaffected, independent-minded and even rebellious, he pursued a programme of study of his own which favoured the work of French mathematicians. Babbage was a radical: he admired Napoleonic France (with which Britain was at war), decried the unquestioned acceptance of religious doctrine reflected in the inflexible regulation of university life by the Church [of England], and lamented the stagnant state of mathematics in England. Active and spirited, he became one of the instigators of the Analytical Society, which was dedicated to reform of English mathematics.

"At Cambridge he enjoyed student life to the full. He formed an enduring friendship with John Herschel [the son of the leading scientist of England], who had entered St. John's College in 1809, and relished the company of wide circle of friends. He played chess, took part in all-night sixpenny whist sessions, and bunked lectures and chapel to sailing on the river with his chums."

Before commenting on this excerpt, turn to the second.

". . . The heroes of the age laid much of the foundation for modern scientific and industrial life — Michael Faraday, Charles Wheatstone, Humphrey Davy, John Dalton, Isambard Kingdom Brunel, Joseph Whitworth and Charles Darwin. It was also an age of quantification in which science and engineering set about reducing the world to number. With the rise of science and the burgeoning Industrial Revolution, the need for accurate and convenient numerical calculations mushroomed."

All but the concluding sentence of that latter excerpt, is pretty much standard empiricist's mythological fustian, with no better than a few, almost accidental connections to the comparative developments in North American, Continental Europe, and England during the first quarter of the Nineteenth Century. The fact of the matter is, that, during that period, but for the work of John's father, William Herschel, the state of science and technology in England and its universities, represented a stagnant backwater in the development

of science and technology.

Indeed, that was the point which William's son, John Herschel, Babbage, and their friends made, in translating a modern French calculus text into English, in their efforts to introduce competence into the moribund mathematics training in England at that time. Moreover, within the ebullient wit of their student-years publication, "D-ism and Dot-age," they presented shocking proof that this was the state of science and mathematics in England at that time.

Moreover, the historical significance of the work of Herschel, Babbage, et al., from the beginning of their collaboration in this matter, was that they succeeded in provoking relevant English reformers to bring about the revival of science and technological progress in England during the second quarter of that century. The establishment of the British Association for the Advancement of Science (BAAS), whose colonial branch became the American Association for the Advancement of Science (AAAS), was an outgrowth of the success of Herschel, Babbage, et al., to expose, and remedy somewhat the virtually bankrupt condition of English science during the period of, and immediately following the Napoleonic wars.

The relevant fact is, that from the accession to power in France, by the networks of Cardinal Mazarin and his protégé Jean-Baptiste Colbert, until the increasing decadence of France's Ecole Polytechnique under the Restoration monarchy, France was, beyond reasonable objections, the center of the progress of science and technology for the world as a whole. The work of Desargues, Fermat, Pascal, Huyghens, Leibniz, and the Swiss Jean Bernouilli, typified this Paris-centered network, which came, by the close of the Seventeenth Century, to be a world-wide leadership in science, centered around Leibniz's *Acta Eruditorum*. The role of England's Royal Society merely sat at the table of continental science in this respect.

Later, during the middle of the Eighteenth Century, all of the leading currents in European culture, including science, were embroiled in a virtual war, a contest between two opposing currents. On the one side, there was the Classical faction, gathered around such figures as the scientist Abraham Kästner at Göttingen University, Kästner's Gotthold Lessing, and Moses Mendelssohn. On the opposing side, was the anti-Classical, Romantic school, typified by the empiricists and the Cartesians, of the Eighteenth-Century British and French Enlightenment. The former, typified by Kästner, Lessing, and Mendelssohn, were openly avowed defenders of the legacy of Leibniz and J.S. Bach. Thus, until the emergence of the leading influence of Kästner's former student Gauss, with the success of Gauss's Ceres project, the center of development of physical science and mathematics, was in the Leibniz tradition of France's Gaspard Monge and his associates Lazare Carnot and A.M. Legendre, while leadership in Classical artistic culture was centered in the Germany of poets and thinkers, that of Kästner, Lessing, Mendelssohn, Haydn, Goethe, Mozart, Schiller, and Beethoven.

During the period from 1789 through 1827, history witnessed the transfer of leadership in science from the France of Monge, Legendre, and Lazare Carnot, into the Germany of Gauss and Alexander von Humboldt. Ecole Polytechnique member Alexander von Humboldt served as the key figure in moving scientific leadership from under the decadent influence of the Restoration monarchy and its Augustin Cauchy, into Germany. Gauss served, together with Ecole Polytechnique veteran Lejeune Dirichlet, as Humboldt's key figures in the emerging supremacy of German science. Charles Babbage, not accidentally, was a participant in the extended circles of Humboldt.

It was during the pre-Vienna Congress period, while the Napoleonic wars were still ongoing, that Gauss's work in astronomy electrified all Europe's scientific circles. Astronomer William Herschel, the father of astronomer John, was part of the circles of Gauss at that time.

Thus, the material from the three paragraphs quoted above, shows that Swade's studies had made him aware of the setting and significance of Herschel's and Babbage's attacks on the bankruptcy of English science at the time of Babbage's Cambridge years; it shows, that, for whatever reason, Swade elected to attempt to divert the reader's attention from such matters, by the relevant sort of what today's American vernacular terms euphemistically, "spin."

Otherwise, we should be pleased that Swade and his institution have done the sort of work which is described in the concluding section of that book. The account is useful as well as pleasant reading. However, if the economy of the United Kingdom is to be rescued from the disaster so aptly summarized in recent statements by Michael Heseltine and Anthony Wedgwood Benn, much thought and effort will be needed, to develop the young scientific and industrial cadres needed to effect a viable sort of modern reindustrialization of England's economy.

In that connection, two points which I have stressed here, ought to be leading concerns of those, of author Swade's generation, who are either coming into senior positions of responsibility at this time, or have already arrived there.

First, the aspect of the Babbage case which I have stressed here, should be studied in comparing the ruined situation of British science and technology, during the period of the Napoleonic wars and immediately following, to the ruinous situation to which Wedgwood Benn, Heseltine, and Ken Livingstone, among many others, have made reference recently.

Second, relevant parties in the U.K. must recognize, that the new leading issues of science and technology, under the emerging "post-information society" epoch now erupting, requires a ridding of science and economic policy of the curse of "ivory tower" mathematics. The frontiers of science and technology today, lie in the domain of the non-linear properly defined, in respect of living processes, microphysics generally, and elsewhere. To master those frontiers, requires both the scientific cadres and skilled industrial labor and farmers, qualified for that sort of job.

Sri Lanka in Turmoil as Tamil Tigers Gain Ground

by Ramtanu Maitra

On April 23, the Liberation Tigers of Tamil Eelam (LTTE), better known as the Tamil Tigers, scored a decisive victory over the Sri Lankan Army and gained control over the strategic Elephant Pass Army base. The victory paved the way for the Tigers to once more threaten to gain possession of the northern Sri Lankan peninsula of Jaffna, an area under control of the Tigers until 1996.

Subsequent to the April 23 routing of the Sri Lankan Army, which left about 300 soldiers dead and a huge arsenal in possession of the Tigers, LTTE cadre have notched a few more victories, moving inside the peninsula, and virtually trapping 20-25,000 Sri Lankan soldiers there. With 5,000 well-armed Tigers advancing toward Air Force, Army, and Navy bases, the government in Colombo is looking desperate. The Sri Lankan Army's morale is at its lowest ever, and the danger that control of the peninsula could slip back into the hands of the Tigers, who have been engaged for almost two decades in attempting to set up a Tamil nation (Eelam) within Sri Lanka by force, is very real.

Colombo's Concerns

The government of President Chandrika Kumaratunga is under attack from both within and without. Having won a decisive battle, the Tigers are cock-a-hoop, and have offered a temporary truce to Colombo, to allow it to get its troops out of Jaffna. The Sri Lankan Army, humiliated and in total disarray, has rejected the offer, but reports of large-scale desertions from the Army point to the seriousness of the situation. President Kumaratunga, who is up for re-election this summer, has been blamed for the debacle, and she has sent distress signals to a number of countries, seeking military help. She has also hastily established full diplomatic relations

with Israel, and it is almost certain that it will be providing Colombo with arms, if not counterinsurgency training as well.

If Jaffna falls, that will be a telling blow to Colombo. Jaffna has a large Tamil population, who will be coerced to support the Tigers. The Jaffna coast is also the off-loading point for the Tigers' arms and narcotics smuggling. Narcotics from Myanmar, Afghanistan, and Pakistan fetch the Tigers huge amounts of cash, which is used to buy sophisticated arms. Latest reports indicate that the LTTE is now in possession of heavy artillery pieces and multi-barrel rocket launchers. The Tigers have also procured SAM-7s from underground channels in Cambodia, posing a threat to the tiny Sri Lankan Air Force.

The fall of Jaffna would not only provide the Tigers with logistical advantages, it would strengthen them politically as well. Last year, Norway—where a large number of Tamils live, and where the political leadership has developed ties to the LTTE—proposed negotiations between the Tigers and the Sri Lankan government. With the advent of a new government in Oslo, talks, which were ready to begin, did not take off. It is certain that if the Sri Lankan Army loses the Jaffna peninsula to the Tigers, the LTTE will up the ante, and the situation will get even more complicated for Colombo.

The Background

In a sense, the genesis of the ethnic strife in Sri Lanka can be traced to British colonial rule. Sri Lanka had undergone colonial conquest by the Portuguese (1580-1658), the Dutch (1658-1796), and the British (1796-1948). It was the British, using their traditional "divide and rule" policy, who instituted the formal separation of two ethnic groups—Hindu Tamils and Buddhist Sinhals. Tamils constitute only 15% of the

FIGURE 1

Tamil Tigers Theater of Operations



at effectively ending Tamil dominance in the bureaucracy; sanctions were imposed on Tamil candidates seeking school admissions, and Tamil was removed from its status as one of the official languages of the state.

On June 5, 1956, the first riot took place when hundreds of organized Sinhala musclemen were unleashed to beat up Tamil demonstrators protesting peacefully against the Act. Since then, the Sinhala leadership in Colombo has implemented half-hearted measures to assuage Tamil sentiment, but Sinhala chauvinism, orchestrated by the Buddhist Sangha, continued to alienate the Tamil population. A large number of Tamils left for India during the years that followed.

These betrayals, tinged with the overt racism of the Sinhals, slowly killed off the moderate Tamil

population, and yet in the British days they had a disproportionate share of government jobs. Unlike the majority Sinhals and minority Muslims in the island-state, the Tamils widely adopted English education.

As soon the British colonialists left the island on Feb. 4, 1948, the Sinhala majority began to redress the imbalance. In 1951, the first stone was cast when the government of S.W.R.D. Bandaranaike, father of President Chandrika Kumaratunga, took an unequivocal stand on the issues of language and the status of Buddhism as the official religion. Despite negotiated opposition from the Tamil elite, the resolution of "Sinhala Only" was adopted in 1956 with the passing of the Official Language Act No. 33. The Act was aimed

organizations, and gave rise to various militant Tamil groups. In 1972, the LTTE was formed, and its objective from its inception was to establish a Tamil Eelam. The LTTE set about to eliminate all Tamil political groups which were willing to negotiate with Colombo for a more acceptable social situation for the Tamils. The process of elimination, which primarily involved assassinations, became the hallmark of the LTTE, which were called the "Tigers," and also the "boys." The process had a serious effect on the Tamil population as a whole. Except for those Tamils who were brought in by the British from India to work in the Central Sri Lankan tea plantations, the Tamils began to identify with the LTTE.

July 1983: The Turning Point

The July 1983 Colombo riot, organized by the Sinhala chauvinists, with the tacit approval of the late President Junius Jayewardene, saw systematic destruction of Tamil properties in the Sri Lankan capital. This riot hardened the situation quickly, and began what is now labelled as the “17-year-long civil war.” During this period, many battles have been fought, thousands have been killed, negotiations have been started and halted, and many Tamils have moved out of Sri Lanka. They went to India, Europe, and North America, particularly Canada. A large number of them also went to Jaffna, where they feel less insecure.

With the cause of “Eelam” up front, the LTTE set about becoming an international terrorist organization by raising money from abroad. One London *Times* report showed that the LTTE raises close to \$3 million annually worldwide from self-exiled Tamils. Some of this money goes to humanitarian causes, but most of it gets plowed into maiming and killing people.

Since 1987, the LTTE has committed about 200 assassinations, all within the country, except in 1991, when a suicide squad killed former Indian Prime Minister Rajiv Gandhi in the Indian state of Tamil Nadu. They have also attacked government institutions, Buddhist temples, the Central Bank, and the World Trade Center, among others. The killings and attacks were carried out using suicide squads carrying cyanide capsules.

Equally significant is the Tigers’ encroachment and taking over of the narcotics trade in a big way. Today, the LTTE is the single largest narcotics-trafficking organization. It picks up narcotics from Myanmar, Afghanistan, and Pakistan. It shares its booty with secessionist groups elsewhere, and buys and sells arms. Foreign intelligence reports have documented the LTTE’s acquisition of a large shipping fleet, owned by expatriate Tamils and registered in Ibero-American countries, bringing into Sri Lanka’s east and northern coast narcotics and arms from Myanmar, southern Thailand, and Pakistan. They have allegedly bought SAM-7 missiles, which cost almost \$1 million apiece, on the black market, from renegade Cambodian generals. They also ship in large amounts of small arms from Singapore, although the Singapore government denies such allegations.

The Geopolitics of Eelam

Located between the Pacific Rim and the Middle East, Sri Lanka remains, even after the Cold War, important for geostrategic reasons. During the 1991 Persian Gulf War, Sri Lanka provided U.S. warplanes with refuelling facilities, and right now, according to intelligence sources, approximately 20 U.S. Army troops are engaged in a Joint Combined Exercise and Training program in Sri Lanka. According to military spokesmen, they are training local troops in reconnaissance and maritime operations. The United States has sent troops to Sri Lanka since 1994 under Operation Balanced Style. Forces

have included SEAL Team One, the Sixth Special Operations Squadron of the U.S. Air Force, and the Army’s Psychological Operations Group, according to *Jane’s Intelligence Review*.

Washington, however, is not the only one with interest in Sri Lanka. India and China are both building up their navies, and Sri Lanka is located right next to them. In 1987, when Indian Prime Minister Rajiv Gandhi signed an accord with President Jayewardene to place the Indian Peace Keeping Force (IPKF) in Sri Lanka to disarm the Tigers, there was a tacit agreement between New Delhi and Colombo that the Indian Navy would control the coastal waters east of Sri Lanka. The plan did not work, and Gandhi was assassinated, in part, because of the attempt.

This time around, when Foreign Minister Kadirgamar requested that India help the Army militarily, India was haunted by “Banquo’s ghost.” What happened in 1987 is a sordid affair: Indian soldiers, who were sent in to restore peace between the Tigers and the Sri Lankan Army, were pitted against the Tigers, and had to stay there for three years. Besides criticism within India and from abroad, the Indian Army came back virtually defeated, with nothing to show for the effort except about 1,200 dead soldiers. There were reliable reports that Colombo was sending trucks full of arms to the Tigers to kill Indian soldiers.

So, when Colombo sent its most recent distress signal, New Delhi balked. To begin with, India does have an interest in controlling the waters around Sri Lanka, and sympathizes with the Tamil cause. There is also a large Tamil population in southern India, a stone’s throw away from Jaffna (see map). India does not want to project itself as the annihilator of Tamils on behalf of the Sinhals. Commander A.S. Kalkat, who led the IPKF, said in early May that India very much values the importance of the port of Trincomalee, on Sri Lanka’s east coast.

India, however, has made it clear that it will not let Sri Lanka be divided, and will do everything to protect its unity and integrity. Indian military experts consider that the situation in Jaffna is not hopeless, and believe that the Sri Lankan Army, enjoying the advantage of numbers, can extricate itself from trouble. New Delhi has made it plain that it believes the civil war is based on political problems, and that it cannot be resolved through force of arms. New Delhi also does not believe that the Tamil-Sinhala negotiation can be mediated

Background to the News

**See “Terrorism in South Asia:
London’s Assault on the Nation-State,”**

EIR, Oct. 13, 1995.

Back issues \$12, postpaid.

by Norway or any other country, except India. All these views have been conveyed to Colombo by New Delhi, officially and through unofficial channels as well. In fact, a Norwegian delegation has landed in New Delhi to discuss these issues with India.

Britain and Israel

Besides India, there are two other countries with distinct interests in the civil war. Britain had built up the Tamil community and pitted it against the Sinhala, and continues to do so. The foreign headquarters of the LTTE is in London, where it raises money by openly promoting Tamil terrorism. Whitehall, the Foreign Office, wrings its hands and says it can do nothing about it. But, there is more.

The Tigers' master planner, Anton Balasingham, is based in London and is fully aware of the developments on the ground. When the Elephant Pass battle was over, BBC picked up the Tamil version of the battle and said that more than 1,000 Sri Lankan soldiers had been slaughtered. This was done obviously to further boost the Tigers' morale.

Canada, a British outpost in North America, is also extremely active in pushing the Tigers' way of conducting the civil war. Recently, two Cabinet ministers, Finance Minister Paul Martin and International Cooperation Minister Maria Mina, were attending a function hosted by the Federation of Associations of Canadian Tamils (FACT), a front organization of the Tigers. In its latest report, the Canadian Security Intelligence Service has identified the World Tamil Movement, FACT, and the Tamil Eelam Society of Canada as leading LTTE organizations raising money within Canada and hobnobbing with political figures.

The fourth interested party is Israel. Israel was kicked out of Sri Lanka twice: once in 1971, when it was suspected of involvement in an uprising by the right-wing JVP, a Sinhala group, against the left-leaning government of Sirimavo Bandaranaike, mother of President Kumaratunga. It was kicked out again in 1989, when it was discovered that the Mossad intelligence agency, besides training the Sri Lankan Army in counterinsurgency, had hosted a number of Tigers in Israel for training with grenades and belt-bombs for suicide bombers. At this time of crisis, President Kumaratunga has again called upon Israel, and Israel, no doubt, will respond. The Israeli interest section, which used to operate from within the U.S. Embassy, may have designs which do not coincide with those of the United States.

By bringing in outsiders, Colombo is getting mired in geopolitics. There is no question that Colombo must bring the situation back on an even keel, and then start negotiations immediately. For years, Colombo has ignored the danger posed by the British involvement with the Tigers. The Sinhala nobility, or the powerful families, are essentially Anglophiles who look up to London for justice and even-handedness. It is time that they look at the other Britain, whose colonial instincts are very much alive.

Thailand: Transparency International Attacks the Institutions

by Michael O. Billington

The economy of Thailand has never recovered from the speculative attack of 1997, the first round of the global financial breakdown which is now reaching its terminal stage. Under International Monetary Fund (IMF) dictates, Thailand's government bailed out the foreign debt held by corporations and banks, using taxpayers' money, while the real economy and the standard of living plummeted. Now, while the British-American-Commonwealth (BAC) banking oligarchy is picking over the bones of the collapsed banks and industries, the institutions of state are disintegrating, helped on by the same BAC operatives.

With national elections coming up at year's end, both the government party (the Democrats) and the main opposition party (New Aspiration Party, NAP), as well as the smaller traditional parties, have, over the past two months, been wracked by scandals, arrests, or indictments of leading members (including even a politically motivated sting by the U.S. Department of Justice!), and defections of various leaders and their factions.

These events are not coincidental. The dead giveaway that these actions are being orchestrated by the international financial oligarchy, was the establishment in March of a Thai branch of Transparency International (TI), headed by the BAC's leading operative in Thailand, Anand Panyarachun, who has played a leading role in the destruction of Thailand's economy and institutions over the past decade. Each of the scandals and internal conflicts (some of which are described below), can be traced to Anand and his international allies, who have formalized their presence with the founding of TI-Thailand.

TI is a project of the World Bank, established in the early 1990s under the direction of a World Bank official, Peter Eigen. It later went private, but Eigen remained, and is still today, its director. TI's assignment was to masquerade as an "independent, impartial" non-governmental organization (NGO), passing judgment on both government and corporate sectors, which resisted the free trade, privatization, deregulation dictates of the IMF-World Bank globalization predators. This has been applied not only to the Third World "recolonization" effort, but was also at the center of the "Clean Hands" apparatus which destroyed the national institutions in Italy,



Children in Bangkok. The international financier oligarchy is picking over the bones of Thailand's banks and industries, while the nation's traditional parties are being destabilized.

and has played a central role in the looting and destruction of Russia and the former Soviet republics.

TI-Thailand chief Anand's career demonstrates the character of TI. In 1992, a "popular uprising" against the legitimate government of Gen. Suchinda Kraprayoon, an uprising openly promoted and directed by the AFL-CIO and various Anglo-American NGOs (see "U.S. AID Runs Overthrow of Thailand's Government," *EIR*, June 12, 1992), resulted in the *un*-constitutional appointment of Anand as Prime Minister. Anand proceeded to dismantle the military's role in key strategic industries, began the privatization of the state sector, and, most damaging, initiated the Bangkok International Banking Facility, the offshore, unregulated banking center, which became the headquarters for the creation of the hot-money bubble of the 1990s, and for the subsequent speculative assault on the Thai economy in 1996-97 by George Soros and similar ilk.

Then, with the Thai economy in free fall, Anand took on the job of drafting a new Constitution, which was rammed through the Parliament despite strenuous opposition. The new Constitution, under the name of "democracy," directly and indirectly established a phalanx of "Clean Hands"-style oversight bodies to seek out corruption in government, business, elections, and so on. The stage was set to dismantle any resistance to the effective financial colonization of Thailand.

The Process

The current government of Prime Minister Chuan Leekpai and Finance Minister Tarrin Nimmanahaeminda, has, generally, imposed every dictate demanded of it by the IMF, although stiff opposition (even within the government) has slowed the process somewhat. However, with industry

still operating at less than 60% of capacity, with 38% of outstanding debt still considered non-performing, with the agricultural sector so depressed that peasant revolts are spreading across the country, and with bank lending *falling* by more than 10% in the first quarter of 2000, the glow of the Chuan government has rapidly faded within Thailand.

The first sign that the BAC had decided that the Democrats' usefulness had reached an end was the emergence of an open conflict between Finance Minister Tarrin and the head of the Bank of Thailand (BOT, the Thai central bank), Chatumongol Sonakul, over who should carry out the IMF order to bail out the banks — the BOT or the Treasury. When a sizable sum of funds became available to the BOT due to certain foreign-exchange changes, Finance Minister Tarrin wanted to use the funds to reduce the government debt from the bailout. Chatumongol, who represents the most extreme free-market ideology promoted by his friends in London (reportedly his "second home"), insisted on the "independence of the BOT," and told the government to further indebt the taxpayer, through issuance of new government bonds, to meet the bailout costs. Chatumongol skipped the April IMF meeting in Washington to address a Merrill Lynch Investor Conference in London, where he publicly attacked his own government on this issue, to the cheers of his London backers. Then, in a move which revealed his TI credentials, Chatumongol used the powers of the BOT to initiate an indictment against Finance Minister Tarrin's brother, Sirin Nimmanahaeminda, the former CEO at the state-owned Krung Thai Bank.

The indictment, supposedly over a failure to properly collateralize an emergency loan to a leading corporation during the financial crisis, has been widely condemned as a political

hatchet job aimed as much at Tarrin as at his brother. As of early May, Chatumongol has partially relented on the issue of the BOT funds, but he may soon lose his position nonetheless. In any case, the damage to the government's credibility has been accomplished.

The Democrats, and Prime Minister Chuan, in particular, are also reeling from another attack, this one against Chuan's oldest and closest political ally and adviser, Deputy Prime Minister Sanan Kachornprasart. The National Counter Corruption Commission, one of the many new "Clean Hands"-style bodies, indicted Sanan over an improper accounting of a personal loan, deemed to have been "designed to mislead the commission." While Sanan may win his case in court, he was forced to resign his office, further discrediting and weakening the ruling party.

It is not only the ruling Democrats who are under attack, however. The opposition party, former Prime Minister Gen. Chavalit Yongchaiyudh's NAP, was hit with a similar operation, only in this case the U.S. Department of Justice itself was in charge.

Chavalit's chief adviser, Surasak Nananukul, was the target of a sting by U.S. Customs, which arranged a phony deal to sell (non-existent) Iraqi oil outside of the UN quota on Iraqi oil sales. The sting, targeting Asian leaders who are facing both internal economic decay and exploding market prices for oil, lured Surasak and two business associates from Thailand and Singapore to San Diego to close a deal. According to Surasak's lawyer, they believed they were dealing with a legitimate representative of the U.S. government. Surasak is now sitting in jail in San Diego.

General Chavalit, meanwhile, is learning a lesson about his long-standing friends in the United States. He somewhat naively complained that the sting itself was clearly illegal, outside of U.S. Constitutional law, and would certainly be thrown out. Had the General been reading his *EIR* more closely, he'd have known that the U.S. Department of Justice no longer believes itself to be restrained by the U.S. Constitution.

More realistically, another NAP leader, Chalerm Yorbamrung, insinuated that the U.S. government was trying to get back at Surasak for strongly criticizing the U.S. role in the IMF destruction of the Thai economy.

Election Watchdogs

One aspect of the Transparency International operations in Thailand approaches the absurd: the multiple election watchdog committees, both government and private, which now oversee Thai elections. Under Anand's new Constitution, the Thai Senate will no longer be appointed, but is chosen by election, with the first such election held in March.

An Election Commission (EC) was established to approve or disapprove elected candidates, based on their adherence to new stringent election laws. Although the new laws were aimed at curbing the notorious vote-buying which has tradi-

tionally characterized Thai elections, they virtually outlawed any campaigning whatsoever. When the results came in for the 200 Senate seats, the EC ruled, on the basis of reports of illegal campaign activities, that 78 of the elected candidates were disqualified, and set up new elections, for the same candidates! The disqualified candidates, including prominent members from all leading parties, were given no hearing to defend themselves against the charges. The EC has even admitted that, with three exceptions, no civil charges will be brought against the rejected winners, because there was insufficient evidence.

In the April repeat elections, with only 30% voter turnout (compared to 71% in the first election), 45 of the 78 winning candidates who had been rejected by the EC in the first election were re-elected, although the EC is now proposing a *third* election to deal with illegalities in the re-election. The Senate, in the meantime, cannot meet until all seats are filled.

Thaksin Untouched

Numerous other scandals and factional crises are destabilizing these and the other traditional parties in Thailand, with a large number of defections in the run-up to parliamentary elections, expected in November or soon thereafter. What is most interesting about this process, is that nearly all the defections are gravitating to a new party, the Thai Rak Thai (Thais Love Thailand), formed just last year by the billionaire telecommunications tycoon, Thaksin Shinawatra. Thaksin emerged as a political gadfly in the early 1990s, in the aftermath of the 1992 destabilization. He jumped about from one party to another, using his enormous wealth and equally enormous support from the Western press and his many friends in New York and London, to establish his name in politics.

By offering lucrative positions to those who would defect from the established parties to join Thai Rak Thai, Thaksin's party has, perhaps not coincidentally, been totally free of the TI-style corruption scandals plaguing all the others. Already, 92 Members of Parliament have deserted their former parties to join Thaksin, and the media are now predicting that Thai Rak Thai will win the upcoming elections, in its first year in existence.

Thaksin has released a populist program, promising a three-year debt moratorium for farmers, tax cuts, and eradication of unemployment — but all supposedly within the restructuring dictates of the IMF, a contradiction in terms. At an American-style Thai Rak Thai convention in March, Thaksin announced the party's executive board — nearly all veteran politicians from other parties, many with far from "Mr. Clean" records.

There are also reports that Central Bank chief Chatumongol, fresh from his wrecking operation against the government, will be offered the position of Minister of Finance in a Thaksin government. It appears likely that the BAC, the IMF, and Transparency International are consolidating control over yet another once-sovereign nation.

Momentum Builds in Congress To Change U.S. Iraq Policy

by Carl Osgood

White House National Security Adviser Sandy Berger, in an article in the May 4 London *Financial Times*, reiterated the tired assertion that all of Iraq's problems can be laid at the feet of Saddam Hussein. He listed the usual stories about how Hussein and other top leaders of the country are living it up in luxury while the population starves. He asserted that the oil-for-food program is allowing Iraq to export oil and import food at "pre-war levels." "With oil prices rising," he claimed, "revenues are surging, and Iraq has record resources for the purchase of food and medicine" — which is a strange thing to say, given that the oil-for-food program is based on dollar amounts of exports every six months, not barrels of oil. He claimed that if the sanctions were lifted, "there would be no improvement in Iraq's ability to export oil," because it can now export all it wants. "There would be no improvement in Iraq's ability to import food and medicine; it can now import all it needs." Berger concluded that the best way to help Iraqis, "is to encourage change within Iraq." In other words, as the subtitle to the article says, "A Change of Government, Not the Ending of Sanctions, Is the Only Way To Alleviate the Suffering of the Nation."

Berger's article appeared only a day after a forum on Capitol Hill, sponsored by Rep. Dennis Kucinich (D-Ohio), exposed the outright falsehoods of Berger's argument. The panel assembled by Kucinich included former UN officials Denis Halliday, Hans von Sponek, and former senior UN weapons inspector Scott Ritter. All three resigned from their UN posts to protest ongoing policies, and all three are more than qualified to speak on the effects of the sanctions, the impact of the oil-for-food program, and the actual nature of the threat represented by Saddam Hussein. Rounding out the panel were Kucinich's colleagues, Reps. John Conyers (D-Mich.) and Cynthia McKinney (D-Ga.).

Kucinich's forum was only the latest development in a growing movement in the U.S. Congress against the sanctions. Last January, Reps. Tom Campbell (R-Calif.) and Conyers circulated a letter to President Bill Clinton, that was signed by 70 members of the House, calling on the President to "de-link" the economic sanctions from the military sanctions in place against Iraq. The letter notes that, after more

than nine years, the embargo has failed to remove Saddam from power, nor "even ensured his compliance with his international obligations, while the economy and people of Iraq continue to suffer."

While the Clinton Administration continues to argue that the sanctions are necessary to prevent Iraq from threatening its neighbors, the letter says, "The goal of these sanctions seems to have changed. The original UN resolutions imposed sanctions to pressure Iraq to eliminate its weapons of mass destruction programs. Statements by U.S. officials, including Secretary [of State Madeleine] Albright and Sandy Berger, rather, suggest that sanctions will remain in place until Saddam Hussein is removed, or even beyond. This policy clearly undermines the original intention of the sanctions, around which the international consensus against Iraq was originally based, and makes the children and families of Iraq into virtual hostages in the political deadlock between the U.S. and the government of Iraq. Morally, it is wrong to hold the Iraqi people responsible for the actions of a brutal and reckless government. Politically, this policy deprives the Iraqi regime of any incentive to comply with UN resolutions and international norms."

Hall Visits Iraq

In April, Rep. Tony Hall (D-Ohio) became the first member of Congress to visit Iraq since long before the 1991 Gulf War. He was the first member of the U.S. Congress to see for himself the devastation that exists there, today. While Hall didn't go so far as to call for the lifting of sanctions, and while he included the obligatory language against Saddam as being largely responsible for the suffering in his country, he did call on the UN sanctions committee, in an April 24 statement, to "use much better judgment" in its work. He reported that American officials told him that only a small number of items raise security concerns, yet, entire shipments are held up by the sanctions committee because of these concerns. He called on the UN to use a "line-item veto" approach to evaluating humanitarian shipments, so that needed goods could be shipped to Iraq much more quickly.

Hall said, "I fear that no matter how quickly sanctions are

lifted, the future of most of the people I met in Iraq will be bleak. That is because its children are in bad shape, with a quarter of them underweight and one in ten wasting away because of hunger and disease.” Diarrhea is the leading cause of childhood death, and polio, which has been wiped out in most of the Middle East, “has returned to plague Iraq’s people.” He called for an end to the “stalemate” between Iraq and the United States so that a way can be found out of the impasse.

The Kucinich forum focussed, in part, on refuting the claims made by the Administration, in a letter by President Clinton in response to the Campbell letter, and repeated by Berger in his *Financial Times* piece.

In his opening remarks, Kucinich noted that the humanitarian situation in Iraq has been worsening since the oil-for-food program began in 1996, and, according to various UN reports, several thousand children die every month due to disease and malnutrition. Kucinich added that access to fresh water in urban areas is 50% of 1990 levels, and 35% in rural areas. He called this “clearly unacceptable.” He said that “legitimate concern about Iraq’s military capacity does not allow us to punish 22 million Iraqi civilians. The sanctions have brought devastation and death to a country that used to be the center of knowledge, prosperity, medical progress, and most importantly, a normal way of life.”

A Bipartisan Delegation Proposed

Conyers proposed that a bipartisan Congressional delegation travel to Iraq to see for itself the devastation that has been wrought there. He then addressed the Clinton Administration’s response to the Campbell letter, especially refuting the notion that the oil-for-food program has had any substantial effect on the population. “The food and medicine is one incredibly important step toward helping, but until we deal with the infrastructure,” that is, the physical economic infrastructure, very little progress can be made in bringing the Iraqi population back up to an acceptable level of health, he said.

Conyers noted that a delegation of about 15 of his constituents, led by Archbishop Thomas Gumbleton of the Roman Catholic Archdiocese of Detroit, were present in the audience. Conyers reported that Gumbleton and leaders of the Muslim community of Detroit have been waging a tireless campaign to lift the economic sanctions so that the suffering of the Iraqi population can be brought to an end.

McKinney called on more people to become involved in U.S. foreign policy. Foreign policy has been “the preserve of the rich of this country, and ordinary folks like us were not supposed to play in that playground. That was a ball we couldn’t have, and that’s why the foreign policy of this country has been so bad, particularly for people of color,” she said. She expressed particular outrage at a statement Secretary of State Albright made on CBS’s “60 Minutes” in 1996, that the deaths of thousands of children in Iraq because of the sanctions “is a price worth paying.”



A sick baby at Saddam’s Children’s Hospital in Baghdad. The sanctions against Iraq are punishing the civilian population, including hundreds of thousands of children who have died from lack of adequate nutrition, clean water, and health care and medical supplies.

Von Sponek, who resigned as head of the UN humanitarian program in Iraq last February, documented the destructive effects of the sanctions on the population of Iraq, from both a physical health and an intellectual standpoint. He took particular issue with the assertion in Clinton’s reply to the Campbell letter, that the oil-for-food program “has made a major difference in the lives of ordinary Iraqis.” In 1996, when it began, the amount of oil Iraq was allowed to sell every six months amounted to an annual average of \$113 per year per person, hardly enough to make a difference. In 1999, the program was up to \$252 per year per person. That money, von Sponek pointed out, has to finance everything. “Don’t tell me,” he said, “that \$252 guarantees a nice, dignified life.”

Von Sponek documented the increased susceptibility of the population to diseases that were once on the verge of being wiped out, and the collapse in literacy, from the 90% that

prevailed in 1990, to perhaps 60% today. He especially decried what he termed the “intellectual embargo,” which prevents scholarly materials, even sheet music, from being mailed into Iraq.

“Economic sanctions,” von Sponek said, “have led to nothing except suffering. They have failed. They’ve kept the regime in place. . . . They’ve led to a social transformation because, gradually, the middle class, an educated, strong appreciative middle class in the Middle East, has been forced out . . . has emigrated, has been deprofessionalized.” Replacing the destroyed middle class are black marketeers and similar types of operators who prefer to see the sanctions remain in place, because the embargo serves their own interests.

In calling for a new policy, von Sponek said, “We must look at America as a country that has the magnanimity and the statesmanship to turn around and say we have tried. We have failed with this policy. We must adopt a new policy in order to give people that dignity and the right, under the Universal Declaration of Human Rights, under the UN Charter, and under your own Constitution, the right to live a life as fully as possible.”

A New Policy

Halliday, who had also resigned from his UN post in protest against sanctions policy in November 1998, called for a new kind of policy. The sanctions policy was ostensibly put in place in an attempt to force cooperation from the Iraqi government in the destruction of its weapons of mass destruction, and then became an instrument to force the overthrow of the Saddam Hussein regime. “Sanctions are not likely to bring down a government,” he said, “and they’re even less likely to generate cooperation.” Instead, Halliday proposed an entirely different policy approach, made up of a number of steps. These include reestablishing the weapons inspection regime, with selective sanctions that only target weapons development, and re-opening a dialogue with Baghdad, because only a dialogue can lead to influence and positive change. Other steps include lifting the economic sanctions and allowing U.S. industry to participate in the rebuilding of the infrastructure of the country. He admitted that such an approach entails risks, but “it is difficult to make progress without risks.”

The ‘Mythology’ of the Iraqi Threat

The participant who made the most surprising comments, however, was Scott Ritter. Ritter became a lightning rod for criticism during his tenure on the UN weapons inspection team, because of the cozy relationship he had with U.S. and Israeli intelligence agencies. He was at the center of provocations that led to the December 1998 Desert Fox bombing campaign of Iraq (see *EIR*, Nov. 27, 1998), after resigning from the UN Special Commission (UNSCOM) in August 1998. In his remarks, he exonerated himself in this process, but otherwise introduced rarely heard realities into

the discussion.

After expressing awe and admiration for the moral integrity of both von Sponek and Halliday, Ritter admitted that he was “an unlikely ally” in their cause. However, he said that the issue of Iraq policy and the effects of the sanctions was not a partisan issue, but rather “an American issue,” and that he was sitting before the audience, not as a Republican and a former Marine, “but as an American with a unique perspective.”

Ritter centered his remarks around the “mythology” of the threat that Iraq represents. “We have to overcome the concern about what will happen if the sanctions are lifted,” he argued, criticizing in particular the demonization of Saddam. Saddam is very easy to demonize, but “he’s not the Middle East equivalent of Hitler,” nor is he capable of “dominating the region,” Ritter said.

Ritter defended his role in the demonization of Saddam in 1998 by saying that he was speaking as a weapons inspector, mandated to uphold international law. “It was not my business,” he said, when he spoke before committees of the U.S. Congress, “to put forward a solution on how to solve the Iraqi problem.” He added that he resigned from UNSCOM because the U.S. government was manipulating the process of weapons inspections “as mandated by the Security Council.” He claimed that this manipulation threatened the inspection regime, and that this is what he was warning the Congress about in the late summer and fall of 1998. The culmination of this process was operation Desert Fox and the total collapse of the inspection regime, as he had warned would happen.

Ritter said that the question today, is what kind of a threat Iraq actually represents. He said that Iraq has no weapons of mass destruction, no missiles with a range greater than 150 kilometers, and no missile or chemical weapons production capabilities. He said that if the UN Security Council were to re-evaluate Iraq’s compliance “qualitatively, it would be easy to find Iraq in compliance.” He added, “If sanctions were lifted, with effective monitoring, Iraq would not be able to re-constitute its weapons of mass destruction programs.” Ritter concluded that Halliday’s proposals “must be looked at seriously.”

In summing up the formal presentations, Kucinich said that because of what had been presented, “you can come to understand how wrong the direction of our current policy is, and unless we change directions, there is no way that we can ever hope to see Iraq brought back to the community of nations, and there is no way we can ever hope to see other nations which we might have some difficulties with, be ready to talk to us, if they feel they’re facing total annihilation and destruction. They may take whatever is the most aggressive action they can. So, that’s why the sanctions are inevitably self-defeating.” He said that the “combined testimony” of von Sponek, Halliday, and Ritter “casts a new light on this weapon of foreign policy,” and raises the question, “Where do we go from here?”

'Brazil Is Melting Like Ice Cream in the Sun'

by Silvia Palacios and Lorenzo Carrasco

It's time "to dump" Brazilian President Fernando Henrique Cardoso. "The process has to be interrupted immediately, if possible by convincing those in power that they are taking the wrong path. But since this is about as likely as seeing an elephant fly, one must think in other directions. It's now necessary to go from 'We've had enough!' to 'Get out!' Not all situations demand orthodox solutions. . . . Brazil is melting like ice cream in the sun. . . . Either the nation rises up, or soon there will be no nation."

Are these the words of an isolated dissident? Not at all. This is the published commentary of the respected and influential journalist Carlos Chagas, in his regular column in the daily *Tribuna da Imprensa*, of April 19.

Chagas's red alert reflects the growing awareness among various sectors of Brazil's institutions, including its Armed Forces, that the national crisis has reached alarming proportions, and that if the current direction is not altered, the nation-state will soon disintegrate. A drastic change is required, both in the economic and political arena, before Brazil disappears.

The crisis has led some to think—and even say—what was previously unthinkable.

- Antônio Delfim Netto, the once all-powerful Finance Minister in several military governments during the 1980s, upon which he impressed his strongly monetarist orientation, published a surprising article in the March 29 edition of the magazine *Carta Capital*. In it, he stressed the importance of the protectionist policies of first U.S. Treasury Secretary Alexander Hamilton, policies feared by both Wall Street and the International Monetary Fund (IMF). Delfim Netto stated that "most perverse of all is how we were kept away from a convergence with the United States, precisely by the economic policy implemented by our neo-colonized bureaucrats (educated by them), who keep selling as 'good science' the ideologically deformed concept that history has no importance. For them, Alexander Hamilton and his (1791) *Report on Manufactures* never existed."

Hamilton's *Report of Manufactures* has been the subject of heated controversy in Brazil, since the Ibero-American Solidarity Movement (MSIA), associated with Lyndon H. LaRouche, Jr., issued the only extant Portuguese translation of the work in 1995, with a preface by LaRouche.

- Army Commander Gen. Gleuber Viera used the 36th anniversary of the 1964 revolution in Brazil, to issue an Order of the Day, read in barracks across the nation. Although he

was speaking of the March 1964 developments, the general's words were in fact interpreted by all as a commentary on the present situation. He declared:

"The streets turned to the Brazilian families. They appealed to their children, their armed representatives, to put an end to the somber perspective of a combination of political instability, of economic crisis, and deterioration of cultural and religious values. To put an end to exacerbated social tensions, to the environment of disorder and insecurity in the cities. To put an end to the danger of armed struggle in the countryside."

The Order of the Day stressed the role of the Armed Forces in the country's economic development: "Extinguishing irrationality and establishing conditions favorable to Brazil's development motivated the Democratic Revolution of March 31, 1964. . . . Despite the environment of conflict, the governments of the Revolution broadened and modernized Brazil's industrial infrastructure, perfecting systems of energy, communications, and transportation. The nation's interior experienced prosperity, and regions outside the major centers were developed. Education and teaching was expanded and democratized. Illiteracy was efficiently reduced. Brazil joined the respectable group of the world's largest economies, by obtaining high rates of economic growth" (see below for the full text).

- Another prominent military official stressed the direct connection between the economy (unemployment, in particular) and national security. Air Force Club president Brigadier Ercio Braga issued a powerful statement against the policy of globalization, before a conference of young Air Force officials. He detailed what he called the "Capitalist Assault," which seeks the disintegration of the country, of its families, of its religious traditions, and of its hope of remaining a sovereign nation (see excerpts below).

Confrontation in Sight

The Establishment's hysterical counterattack was not long in coming. U.S. Secretary of State Madeleine Albright said at a May 1 meeting of David Rockefeller's Council of the Americas, that "the democratic tide in the Americas may begin to recede. Countries may begin to be lured again down the dead-end roads of protectionist policies and authoritarian rule. And, in fact, it is already starting to happen."

Brazilian President Cardoso has also warned that "democracy" is in danger in Brazil. In comments to journalist Dora Kramer, published as the lead news item of the April 30 *Jornal do Brasil*, Cardoso acknowledged the imminence of an institutional crisis, and announced that there would be firm action by the state, "since there is a danger of the weakening of the political system, with the discrediting of the institutions and the opening of space for non-democratic solutions."

What Cardoso did not say, but what everyone in Brazil is asking, is: Where will the President find the means to exercise his authority, when his policy has been the deliberate weaken-

Brazilian Army: 'We Remain Dedicated to the Defense of the Fatherland'

The following is the "Order of the Day," issued by Brazilian Army Commander Gen. Glauber Viera on March 31, and read in every military institution in the country on the occasion of the 36th anniversary of the 1964 revolution.

We had the moral courage to restore democracy, despite having been subjected to the erosion of a prolonged and unwanted internal conflict. Nor was it always possible to prevent the opening of inevitable wounds. In truth, the duration and intensity of the measures taken were intended as a response to the unreasonableness of those who rejected dialogue, opted for radicalism, and took up arms. They wanted, at any price, a regime contrary to the Christian and peaceful nature of our people.

Despite the conflict, the governments of the revolution expanded and modernized Brazil's industrial infrastructure. They perfected the energy, communications, and transportation systems. The nation's interior experienced

prosperity, and regions outside the major centers were developed. Education and teaching was expanded and democratized. Illiteracy was efficiently reduced. Brazil joined the respectable group of the world's largest economies, by obtaining high rates of economic growth. Democratic normalcy was restored through a rational policy of political engineering, that ended with the promulgation of the Amnesty Law — irrefutable proof of reconciliation and disarming of the spirit.

We remain today united as always, military and civilian — Brazilian society. Together, we shall learn from both the truths and mistakes of the past. We are prepared to face the scenarios of the next century. Patient, persevering, and in solidarity, we dedicate ourselves today, to the building of a future that we can leave to coming generations.

Time and history, wise and exempt from the passions, say that nothing was in vain. We did our part with the same pacifying spirit of Caxias who, in the last century, prevented the fragmentation of our land and promoted the unity of Brazilians separated by profound political differences. In the same way, we pacified the nation. Once more, we brought about reconciliation and reflection. Mission accomplished!

We remain dedicated to preparing our cadre to carry out their primary mission well, which shall always be the defense of the Fatherland!

ing of the state, especially the Armed Forces and military police? And how far will these humiliated forces go to defend a government which is rapidly sinking in the polls, as a result of generalized discontent with the government's cruel economic policy?

The roots of the imminent institutional rupture lie with Cardoso's own policies. For example, the Presidential couple, from the very first day of Cardoso's administration, encouraged the leaders of the Landless Movement (MST) to use their violent tactics to push for so-called "agrarian reform," while at the same time, the usurious banking sector was allowed to punish agricultural production with exorbitant interest rates and below-parity prices for their products, which bankrupted thousands of farmers throughout the country.

In the area of public security, the Cardoso government premises its policies on the idea, concocted by the Washington-based anglophile bankers' think-tank, the Inter-American Dialogue, that the country should replace its traditional doctrine of security through development (i.e., that national security should be sustained by the prosperity of the citizenry), with a doctrine dubbed "citizen security," based on a defense of human rights as Madeleine Albright understands them: the "human rights" of those living in a concentration camp. At

the same time, the government's economic policy not only loots the public patrimony, but it is also devastating millions of families through unemployment, something which the government views as a necessary evil of globalization and "modernization."

The breaking point was reached when President Cardoso, with the support of the Anglo-American oligarchy, decided that the time had come for the final dismantling of the Armed Forces. Thus, he not only created a docile, single civilian Defense Ministry (which undermines the role of the military), but tried to fatally wound the military command hierarchy, with the summary firing of Air Force Commander Brig. Walter Brauer, late last year.

It was at this point that much of the military finally saw that President Cardoso is personally committed to the destruction of the Armed Forces, with no concern for the evident threat of uncontrollable social explosions that could lead to the nation's disintegration.

The clearest expression of this sudden realization was the Order of the Day, which had immediate repercussions, both domestic and foreign. For example, the Argentine daily *Clarín* published alarming headlines in its edition the following day: "Brazil: Army's Defiant Message."

The military manifesto also had immediate repercussions within the Brazilian government, leading to the ouster of Justice Minister Jose Carlos Días—a veteran ally of President Cardoso and his wife—using as a pretext the fact that he opposed the anti-narcotics strategy led by Gen. Alberto Cardoso, the ministerial-level head of the Presidency’s Cabinet of Institutional Security, and by his protégé, Judge Walter Maierovitch. The latter had earlier played a crucial role in defeating a Presidential plan, backed by a faction in Itamaraty (the Foreign Ministry), to grant “belligerent status” to the narco-terrorist Revolutionary Armed Forces of Colombia (FARC), a policy agreed upon—under U.S. State Department guidance—with Colombian President Andrés Pastrana at the 1998 Rio Summit.

It was Días himself who revealed the origin of the crisis that led to his ouster: a power showdown with the military. In a fit of rage, he told the press, “It would be truly mind-boggling for the President, who had the courage to create a Defense Ministry and put a civilian in charge of the military, to now come along and put a military officer in control of the country’s internal security.”

Días had been forging a Jacobin insurgency from within the government. It was Días who began to put non-governmental organizations in charge of public security and Indian and environmental policy. His final act as minister was to conclude a pact with the NGO Transparency International, through which he granted TI power to oversee the deployment of public resources, in a total affront to the country’s duly constituted legislative and judicial powers.

Beyond the government’s plans and illusions, in reality what is in the works is a Jacobin insurrection inspired by the Zapatista movement in Mexico, and scheduled to explode during celebrations of the 500th anniversary of the discovery of Brazil. The government turned this grand celebration of the advance of civilization in the Americas, into an “indigenist” event. In this context, the government sought to ratify the demarcation of vast Indian reserves, in which a huge chunk of the national territory is handed over to indigenist groups controlled from London. As *EIR* has documented, this demarcation is part of President Cardoso’s long-standing pact with the British Crown, which uses “environmentalist” and “indigenist rights” pretexts to destroy Brazil’s national sovereignty.

This scenario for national disintegration was neutralized by an enormous political mobilization in the Amazon state of Roraima, whose population in its entirety—including an enormous number of Brazilian Indians—rose up against the government’s policy. Among other things, they demanded the ouster of Justice Minister Días and his counterpart in the National Indian Foundation, Federico Mariesida, who was fired after he had marched alongside hot-headed Indians in a confrontation with the military policy in the state of Bahia on April 21, the day of the official ceremony celebrating the

500th anniversary of the discovery of Brazil.

This picture explains the singular importance of journalist Chagas’s dramatic words, which we cited at the opening of this article. In another article on April 29, Chagas demanded that, given the national calamity threatening Brazil, “it were better to call in the firemen,” a reference to the need for the Armed Forces to put an end to the crisis. “There is no way to hide. The Fernando Henrique Cardoso government is responsible for the worst catastrophe of our history, since in very little time, it has demolished what it took our predecessors more than six decades to erect. It has given away our national sovereignty, suffocated the pride we had in hard-won accomplishments. Strategic sectors like energy and telecommunications were swallowed up by the multinationals. . . . They only want profit, coming from ever greater profit remittances to their home offices, from the abusive increase in tariffs, loans, and interest rates subsidized by our financial institutions, of mass unemployment, and the squandering of our public patrimony.”

Documentation

Braga: Unemployment Is a National Security Problem

The following are excerpts from a speech given by Brigadier Ercio Braga (ret.), president of the Brazilian Air Force Club, before young Air Force officials in São Paulo. The presentation was published by Tribuna da Imprensa, in the form of a series of columns by Carlos Chagas, on April 20-22. The speech’s title, “Capitalist Assault,” draws an ironic parallel to the Communist Third International’s assault and attempted coup against Brazil, in 1935.

To weaken or destroy a nation without a war, the most efficient strategy in the short term is to destroy its families, radicalize religious positions, and eliminate its defenses, acting upon its Armed Forces, weakening and demoralizing them.

And how do you destroy a family? First of all, by taking away the authority of its head, placing him in the humiliating situation of being unemployed. Work is the link of respect that exists between the father and his family. There may be humility in the social behavior of the individual, but never in work. Work generates pride. Work justifies the place of the citizen in society.

Employment gives peace and stability to families. Unemployment is a national security problem, and should be dealt with as such. To allege that the worker is unemployed because of technological evolution and because he was not properly

trained for the new times, thereby transferring the blame for unemployment to the worker, is a cowardly and unjust act for which neither the worker nor the union have arguments to defend themselves.

Nothing is more humiliating than for a parent who wants to work, who looks where he feels he will be useful, and to be rejected. Add to this the fact that unemployment directly affects the youth, because it leads to desperation about their future. A youth without hope is a citizen without direction, an individual incapable of taking responsibility. Insecurity in youth only finds solace in drugs. Nothing is more conducive to the dismantling of a family and of a nation than unemployment. . . .

Undermining the Armed Forces

The budget of our Armed Forces has been shrinking for some time, and causing a restriction in their training and in their use.

These difficulties are not enough to change the posture and stubbornness with which our soldiers judge and fulfill their mission. [Those who would destroy the nation] will have to do more, and so the salaries of the Armed Forces have been badly cut back. . . . The explanation for the creation of the Defense Ministry formalizes and clarifies a line of action defined abroad and carried out without reaction. With its creation, the military is withdrawn from playing a major role in government. . . .

Agriculture Is Devastated

The capitalist assault also acts on agriculture. Without a strong agricultural sector, the country is vulnerable, a nation under threat. We already know that agriculture is linked to the structure of the family and to its survival. The strategy of the capitalist assault is to destroy agriculture, and that is why violence is being deliberately fomented in the countryside, and why there is no security provided for the sale of products.

The rural landholder, in many cases an old farmer, feels threatened and fears for his loved ones, since his property can be invaded, and an unclear justice system also calls his rights into question. As the landholder gives up, land values fall, and the land can be bought up, and kept unproductive. They won't be invaded any more, for will not the new owners be those financing the invasions?

With agriculture destroyed, they will control, through hunger, a legion of miserable people, willing to do anything for a plate of food. In the end, they will control genetics, chemical supplies, and seed production, so that those who continue to farm will do so on their knees, not praying to God, but to those with money. . . .

Also, trade, which makes the functioning of a city viable, as well as that section of the nation which is most sensitive to the suffering of the families, suffers from this. To witness the desperation of a father who sees his child hungry, and feels incapable of helping, is devastating. . . .

Industry Is Also Devastated

What is the capitalist assault doing with regard to Brazilian industry? The industrialists, from so much obeisance to lucre, have become slaves of those who possess it. By undervaluing the currency, they devalue labor and their primary mission is seriously compromised.

The most important mission of the businessman is to provide work, and dignity for the families. The simple existence of lucre, which is the main objective of the owner of the company, but not of the businessman, does not transform that lucre or profit into a social benefit. Its application is what defines its social value. If it is applied to expanding the company, or remains as a reserve to cover unforeseen costs toward maintaining operations during a crisis of consumption, then profit is the most important social product. But to replace a worker with imported equipment shows insensitivity and social cowardice.

What's happening today? If a product is made in Brazil, they don't know where to sell it. The decision is made outside the country. Whether the maker of a product is Brazilian, Korean, or Chinese, Brazilians do not participate in that decision. Brazilian industry and businessmen are totally surrounded with uncertainty. How to generate jobs? The huge mergers create threatening and destructive giants.

What is the strategy of the capitalist assault with regard to the media? They become their owners, or envelop the owners in a packet of debts. With easy and available money to spend on publicity, the press and public opinion are carried in a convenient direction. A strong press directed against the nation, intimidates trade, immobilizes industry, and silences the National Congress. . . .

With its campaign debts, the National Congress has become an organization that is economically mute, which is fighting to keep some credibility with the nation. The globalization of the markets is a farce that is widely circulated and conveniently accepted by the fellow travellers of the capitalist assault. . . .

A Difficult Path To Tolerate

Why is it, that all the foreign authorities that visit Rio de Janeiro, have to know and praise our slums? Why is it, that all the state companies were incompetent, and had to be privatized, to generate work for foreigners and unemployment for Brazilians? Why is it that research funds in the country are reduced each year? Why are there so many non-governmental organizations? Who finances them? What are their true objectives, and how do they gain such easy access to the media?

Time Has Run Out

At this stage, many are upset and convinced that the only way to change the path of things and to save the nation is the immediate departure of all members of the current government; either by fair means or by violence. I can assure you

that this will not be necessary, and that the government's strategy will change. In the first place, we are all going to agree that from now on, we will act like Brazilian citizens. . . . As citizens, we must inform the government that we demand an immediate halt to the liquidation of our national patrimony. As Brazilian citizens, we must demand that the media free itself from the economic censorship so ostentatiously imposed by the government. The other sectors should

clearly make their demands known. To be silent is to approve, and to approve is to destroy the Brazilian nation. All these demands should be addressed, but without violence. This would end up hurting our brother patriots.

The deadline for the government to respond will be May 1, when we must then shout in a single voice, so that everyone can hear our final warning: "I am proud of being a Brazilian citizen, and I will not permit my nation to be destroyed!"

Hugo Chávez's Venezuela: Little Bread, But Many Circuses

by David Ramonet

In the fourteen months of Venezuelan President Hugo Chávez Frías's government, poverty levels have reached 86% of the total population, such that the only real buying power that exists today is concentrated in the top 14% of Venezuelans. The draconian austerity program dictated by the International Monetary Fund (IMF) and enforced by the Chávez government, has drastically restricted public investment, and the constant threats against Venezuela's business class have led to a virtual freeze on private investment and the flight of some \$5 billion out of the country.

According to the polling firm Cifras Encuestadora, C.A. (CECA), only 14% of the population—a little more than 3 million people—have an income of more than \$750 a month, enough to cover the cost of the basic market basket of food and services. The rest, some 20 million Venezuelans, are forced month to month to do without some basic service (electricity, telephone, rent, transportation) in order to guarantee food for their families. Nine million Venezuelans, some 38% of the population, have a monthly income of between \$300 (the cost of a monthly food basket for a family of four) and \$750. The other 11 million Venezuelans, 48% of the population, lack the income to fully cover their food needs.

Unemployment affects one-fifth of the workforce, and of the rest, 51% survive through the so-called "informal economy," without any social security protection. Of the 49% who are regularly employed, those in the public sector suffer the worst, because President Chávez refuses to negotiate with the unions, and to date, has not signed a single one of the various collective bargaining contracts that have expired.

With this disastrous picture of the national economy, it should come as no surprise that the crime rate has risen dra-

matically, to the point that the daily newspapers say that more people die from some kind of crime each weekend in Venezuela, than in Kosovo.

A Man of the Mob

In the face of all this, how, then, does Chávez manage to retain some support among the population? Polls are still giving Chávez a 20-point advantage over his opponent, Francisco Arias Cárdenas, in the next Presidential elections.

In his speeches, and in his long televised harangues, Chávez mercilessly abuses, insults, and humiliates all the traditional institutions, and the individuals who represent them, in order to give the mob a concrete "image of the enemy," so that they will know, without the shadow of a doubt, who are to be the targets of attack: the unions, the bishops of the Catholic Church, the business class, the media which criticize him, the journalists who do not praise him. All of these are "guilty" of creating misery for the ragged ones; they are all "accomplices, or guilty of having remained silent," according to Chávez.

According to Chávez, the measures of the IMF, of the institutionalized usury which has been taking over the world for the past quarter-century, have nothing to do with Venezuelans' growing misery. To be sure, he periodically launches verbal attacks on "savage neo-liberalism" or "savage globalization," to distinguish these from "neo-liberalism" and "globalization," which latter, according to Chávez, are not "savage." He never mentions the globalist financial oligarchy which, under the leadership of George Soros, offers "foreign investment" to those governments drooling

after the predatory speculative capital to which Chávez so often refers.

Rather, Chávez instills in Venezuela's *lumpenproletariat* (German for "proletariat in rags")—the real audience to whom he directs all of his speeches—a sense of moral impunity regarding the daily abuses they suffer, and he leads them to believe with a zealots' rage, that their anti-social actions have the merit of heroism. From the first day of his inauguration, in February 1999, Chávez has told the mob that anyone is permitted to steal in order to satiate their hunger. Later, Chávez justified invasions on the part of those who don't have their own homes. Then, Chávez also justified the peasants who invaded cultivated lands and threatened to expropriate the landowners.

Chávez bases his political power on the lumpenized poor, on the sense of impunity which he provides the petty criminals who have come to dominate the giant slums which make up Venezuela's cities, whose ranks have been swollen by ten years of IMF policies. This identity is what Chávez now wants to transform into the national culture. The lives of the majority of the people in the slums are shaped by these criminals: circuses without bread, but not the modern circus of clowns and tightrope walkers; rather, the infamous Circus Maximus, to which the pagan Roman proletariat flocked to see the lions eat the Christians. This is Chávez's "culture."

Chávez's 'Church'

It is in this pagan Roman sense, that Chávez is a total Romantic, perhaps without knowing, in the same way that he follows Hobbes's *Leviathan*, perhaps without having ever read it. He constantly repeats the slogan of the Roman imperial looters: *Vox populi, Vox Dei*—i.e., "the voice of the people is the voice of God: The people are with the Bolivarian revolution, so therefore God is with the revolution." This reflects a completely pagan notion of God, and a completely bestial notion of man.

Chávez has no comprehension, either theological or secular, of what the Catholic Church represents as an institution that spans the millennium. Chávez has a syncretic understanding of religion, as the president of the Venezuelan Bishops Conference (CEV), Msgr. Baltazar Porras, has pointed out. Porras's incisive and penetrating criticisms have, in fact, made him a special target of Chávez's personal animosity.

Monsignor Porras has been described as a Church "progressive," which lends his criticisms of Chávez even more authority. Porras recently stated that "there is among us a great concern over the deterioration of the economic situation, and we see how citizens' insecurity, unemployment, social conflict, are part of everyday life," and, also that "we are concerned over the juridical deterioration in the country; there is a questioning of constitutional legality." Chávez answered from Havana, Cuba, that Porras's statements were "very irre-

sponsible," and were the simple result of the fact that Bishop Porras "belongs to the past regime," and is therefore an "accomplice" of the theft and corruption of previous governments.

Chávez's outburst prompted the leadership of the CEV to issue an Open Letter, in which they simply reiterated what everyone in Venezuela knows, and what the press summarizes daily. Above all, the Open Letter tried to explain to Chávez that if he wishes to maintain an institutional relationship with the Church, then as head of state, he must do so through his representatives, and with mutual respect.

In his first response to that letter, Chávez made it clear that, for him, his church is "the people"—which as we see, means for Chávez a lumpenized mob, which rebels against the society which marginalizes it, under the impunity granted it by the Chávez regime. His religious conception is sociological and pagan, inspired by the "ideas" of the Nazi-Communist Argentine ideologue and anti-Semite Norberto Ceresole, Chávez's mentor in many "intellectual disciplines."

According to Chávez, "Jesus thought and believed, like all revolutionaries, that the assembly of men was a great power. What we are talking about here, is unity, the collective force, that is the force of Jesus. He came for men, for everyone; He was not important, He was the least, so much so, that I remember from my high school studies that religion means assembly, the gathering of we who believe in Jesús, in Christ.

"So, I have no doubt that the Venezuelan Catholic Church is with the revolution, because the Church is the people, the *ecclesia*, which is the gathering of everyone," he insisted.

At a May 1 meeting where he launched his electoral campaign, Chávez reiterated, "Christ was resurrected from the dead, to become the People, and rose to sit at the right hand of the Father to help the People." And if Monsignor Porras doesn't believe this, it is because "he is an *adeco*—that is, a partisan of the old discredited Democratic Action party."

In other words, the lumpenized mob, elevated by Chávez into a "Church," with Chávez as its head priest, is preparing to trample down the majority of Venezuelans, under the pretext that "Christ is with the revolution."

The Clamor Against Chávez

On May 28, general elections will be held to elect new national and local officials, in accordance with the new Bolivarian constitution drafted and rubber-stamped by Chávez loyalists in 1999. Chávez's re-election depends on whether he can impose upon the electorate his concept of *vox populi*, which he identifies as "the sovereignty," with the assistance of a National Electoral Council completely dominated and controlled by the Chávez government.

Chávez is being challenged for the post of President by one of his former companions from the Feb. 4, 1992 coup attempt led by Chávez, the former Governor of the state of

Zulia and supposed ideologue of the Revolutionary Bolivarian Movement 200 (MBR-200), ex-Commander Francisco Arias Cárdenas.

Chávez broke with his old MBR-200 comrades after ex-Commander Jesús Urdaneta Hernández, the former head of the political police, the Disip, accused Luis Miquilena, one of Chávez's mentors and the strongman of his government, of corruption and influence-trafficking. Miquilena, a veteran ex-Communist, was also leader of the Fifth Republic Movement, Chávez's electoral movement. Chávez defended his mentor, and forced Urdaneta's resignation. In that context, Arias Cárdenas launched his Presidential candidacy, backed by the majority of the military officers who had been involved in the 1992 rebellion.

Arias's candidacy was immediately accepted by the political opposition, which views Arias as the best option for "getting that madman out of Miraflores," the Presidential palace. Until then, the only other contender against Chávez was former Presidential candidate of the Democratic Action party in 1993, Claudio Fermin. However, Fermin is closely identified with the hated ex-President Carlos Andrés Pérez, and has zero chance of winning. Thus, the great majority of the population have embraced Arias's candidacy as providential, with a sense of relief, and the hope that "now we will be able to defeat Chávez."

By repeating the criticisms of Chávez from all the different social sectors, Arias has pulled together a wide variety of political currents, ranging from Social Democratic and Social Christian trade unions, to the independent trade unions of the Causa R party; from the groups who put forward Henrique Salas Romer's candidacy in 1998, to the leftists of Bandera Roja; and above all, to all the groups which have abandoned Chávez's "Patriotic Pole" coalition, charging that it has become a "clearly fascist" government.

It is estimated that this sector of disillusioned former Chávez supporters represents some 25-30% of the hardcore vote that Chávez won in 1998. Furthermore, Arias's candidacy has awakened the spirit of many youth, who are coming out in droves to register to vote for the first time. This phenomenon has begun to worry Chávez's people on the National Electoral Council, who have contrived to sabotage the registration process, forcing new voters to wait on lines for up to eight hours—something they have thus far stoically tolerated.

Members of the Venezuelan military will also be voting for the first time. Although the military vote is not decisive quantitatively (some 70,000 votes, out of an electorate of 11 million), the institution has important political influence. The only poll that has been taken of this sector, yielded a result of 70% in Arias's favor, and 30% for Chávez. After that, polls of the military have been prohibited. According to some newspaper reports, some of the cadets who were polled have been disciplined, because their opinions are considered "po-

litical proselytizing." In any case, Defense Minister Gen. Ismael Hurtado has already stated, in the company of the entire military command, that the National Armed Force (as the new Bolivarian constitution calls it), will adhere to whatever results the upcoming vote produces.

However, the broad-based opposition coalition has little chance of standing up to Chávez's mobs, and to the Chávez-dominated electoral apparatus. Further, an Arias government is no guarantee of change, from a strategic and economic perspective. It is a pragmatic coalition, formed around the urgent necessity of "getting that madman out of Miraflores, and later we will see what to do," as one coordinator of the Arias campaign stated. All of the backing that Arias has received has, in effect, been given him by Chávez himself, who has drawn all of this ill-will upon himself because of his inability to govern, his arrogance, and the generalized perception that his government "is as, or more corrupt, than any other."

'Public Virtue, Private Vice'

Using the pretext of the need for a "provisional regime" to rule between the time of the proclamation of the novel Bolivarian Constitution and the election of new authorities under that Constitution, Chávez and Miquilena constructed a carefully selected bureaucracy out of what had been the National Constituent Assembly (ANC), which carries out the functions of the legislative, judicial, and electoral branches. Every one of its members were handpicked by the divine prophet of lumpenism from among the hard core of the Chávez movement. Miquilena, who had presided over the ANC, became the head of its replacement, the so-called "Little Congress," the grouplet which functions as the provisional legislative body.

Thus, Urdaneta's corruption charges fell under the province of the Prosecutor General, Javier Elechigerra, elected by Miquilena and Chávez's ANC, who had previously served as Chávez's Attorney General, that is, as the government's lawyer. As a result, it was the accuser, Urdaneta, who ended up being charged with unexplained enrichment, along with the head of the campaign of Chávez's opponent, Arias, Col. (ret.) Jorge Garrido, who was charged with embezzlement of funds when he was the president of the Urban Transport Fund.

As for Miquilena, the Prosecutor's office passed his case on to the Supreme Court of Justice, without a formal charge, instead requesting that the court decide if the case had sufficient merit to be brought to trial. Thus, the Prosecutor's office protected both the regime and its strongman. For his part, Urdaneta's successor in the Disip, Eliezer Otayza Castillo (who was only a lieutenant when he retired from the Army, but was given the rank of captain by Chávez when he began his government and put in charge of security at the Presidential Palace), suspended the investigations begun by his predecessor.

According to *El Universal*, the fact that Otayza “was not very long ago a night-club stripper, is, judging by the reaction, of little concern to the masses.” For his part, the director of the national political police argues that “my personal life is my personal life. What I do in it interests, simply, the author and the protagonist of it. I know how to differentiate my private and my public lives. What is important, is that one does not involve the other. There is a concept, going back to the Greeks: ‘Public virtue and private vices.’ I very much believe in this.”

Perhaps this is a “principle,” but not exactly tracing its heritage to the Greeks, but rather to pure British liberalism, something he should have learned better in his post-graduate studies of sociology and philosophy. But Otayza is not the only one in the Disip who practices this “principle.” Otayza’s director of investigations at the Disip, who should have continued the investigations into Miquilena, is Commissioner Enoé Vasquez, against whom there is a whole other file for sexual harassment of officers of the women’s division of the Municipal Police of Salias when he was deputy director of that institution, from which he was dishonorably discharged.

Another follower of this “principle,” is the new president of the People’s Bank, a former priest who ran a house for poor children, the which he had to leave at the point when his ecclesiastical retirement was requested, after he got a lady

pregnant. Chávez put his former priest on his Sunday radio program, “Hello, President,” to rant against the hierarchy of the Catholic Church on Palm Sunday, in one of Chávez’s many attempts to provoke a split within the Catholic Church, the which today is more united than ever in the face of systematic attacks against it by President Chávez.

The current National Electoral Council (CNE)—supposedly “impartial” because no representative of the opposition parties serves on it, but whose five principal members and their alternates all come from Chávez’s coalition—was also handpicked by the National Assembly. But besides controlling the leadership, Chávez’s Fifth Republic Movement also installed 32 “technical” officials in the central headquarters of electoral board, and 150 in the rest of the country, who constitute the “technical infrastructure” which will run the automated voting system. And as if that were not sufficient, the directors of the National Electoral Board fired the state coordinators in Zulia and Nueva Esparta, two of the states which Chávez’s movement, the MVR, is more likely to lose, and they are about to fire another ten state coordinators, including that of Carabobo, another of the difficult states for the MVR.

All these irregularities, it should be noted, have been ignored by the Carter Center and other “international observers” of the upcoming elections.

The Plot To Annihilate the Armed Forces And the Nations of Ibero-America

INCLUDING:

The Bush Manual to Eliminate the Armed Forces

Limited Sovereignty: Objective of the Inter-American Dialogue

Stop the ‘Africanization’ of Ibero-America!

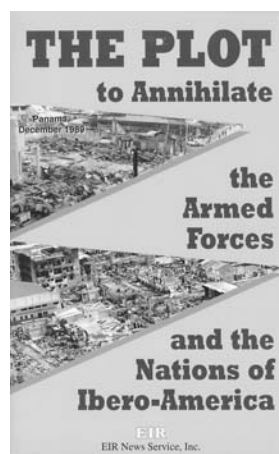
With a **PREFACE** by Col. Mohamed Alí Seineldín, **INTRODUCTION** by Lyndon LaRouche, and **PREFACE** by Michael Billington

\$15 AVAILABLE ALSO IN SPANISH AND PORTUGUESE

Order from:

EIRNews Service

P.O. Box 17390, Washington, D.C. 041-0390



The Plot is “required reading at several regional military academies and staff colleges. Students of Latin America affairs will ignore this book to their own detriment.”

—James Zackrisson, *Defense Force Quarterly*

The Terminal Phase of the Bankrupt System: What Nations Must Do Now

by Lyndon H. LaRouche, Jr.

On April 20, U.S. Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr. addressed the founding conference of Australia's new political party, the Curtin Labor Alliance, by videotape. A half-hour version of the video was aired on public television stations in the U.S. primary states.

Here is the full address.

Well, I'm delighted to be able to be with you, at least in this form, today. I hope in the future we'll be able to do something better. But, I thought what would be useful today, in this circumstance, is to summarize, first of all, what the situation is, and how the world got to the point of disaster we're at now.

What has recently occurred, in terms of the collapse of the Nasdaq stock index, which has cost a great deal, is that uncounted amounts of money have been taken out of the pockets of people who had hoped they were becoming rich, who now find themselves extremely impoverished, and will find themselves more so. For example, we know that about 75%, about three-quarters of these companies which are associated with the Nasdaq index now, will essentially disappear in the course of the short term, actually, ahead.

We've gone through a very dramatic drop, which is comparable to 1987, 1929, in terms of market experiences here in the United States. There's been a temporary rebate. A lot of people lost money, other people came in and made money on the money other people had lost.

This was the biggest bail-out in history, the most hyperinflationary bail-out of markets which has ever occurred in world history, at least in known history.

So we're going to head, very soon, toward more bumps—which will be the final bump, and when the final bump will occur, is not certain. But the bumps will keep coming, and they will get worse, particularly as more and more money is poured into a constantly shrinking world physical economy. Unemployment will increase, the rate of inflation is going to increase, until it suddenly collapses, as in 1929-31; and so on.

So, what I shall address, is to try to give you a lapsed-time picture, in a sense, of what has happened to bring about today, the kind of terminal phase of a world financial and monetary system, which I was already talking about in my lecture series, back between 1966 and 1973. Remember, it was in the middle

of that time, 1971, that the old monetary system disintegrated, the old Bretton Woods System, and a new, foolish, floating-exchange-rate system was installed. And then, shortly after that, from '76, '77 on, we had a disaster called the Carter Administration, which did more to destroy the world economy, to destroy everything; everything that had made the U.S. economy and the European economy successful in the postwar period, was essentially destroyed by the Carter Administration, or shall we say, puppet President Carter, puppet of the Trilateral Commission.

And during that period, up to 1981, more was done to destroy the U.S. and world economy, than at any other time in this period.

Now, back in those days, back in 1966-1973, while I was still giving the lecture series—before someone in the FBI decided to have the Communist Party kill me (it didn't happen, as you will notice, but they planned to do it, and we have the documents to prove they fully intended to bring that about). So, I wasn't able to do that lecturing the same way I had before at various universities. So, that's why I pick that period.

What happened is this. As I said then, in that lecture series, I said, "What is happening to the world economy, is, you have to imagine a building, a factory building, back in the time before 1966, when we still believed in industry and agriculture. And you would have a factory building which might have on the top floor, or a side part of the building, would have some offices. And in the offices, would be a few people from management, the sales office, the clerical department, the payroll department, and so forth.

"But most of the rest of the facility, was occupied by production, industrial floor space, machinery, active with people busy at work, some extremely skilled, some less skilled. That was the way we operated.

"Now imagine that this building, pre-1966 vintage, a building in the days of Franklin Roosevelt or a building in the days of John Kennedy, is now beginning to be transformed. The old building is disappearing, and a new skyscraper is growing, becoming taller and taller and taller.

"Now, why is the skyscraper becoming taller and taller, while it becomes narrower at the base? The big factory space,



A worker washes the grill on the last cars on the assembly line before this Ford plant closed in 1980. Imagine what will happen, says LaRouche, when the last little old man who is still skilled enough to actually produce a product, retires, or dies. Then, "the whole industry is finished."

two or three stories of factory space, with a few offices attached to it back then, it shrunk at its base, and it grew taller.

"Why? Well, because there were more offices. You had at the top floor, you had the executive suite, where those parasites called 'chief executive officers' resided. Then you had below there, the middle management crowd, in great numbers. The accounting department, other clerical functions; the sales functions—all kinds of functions.

"And meanwhile, the factory area of the building, was shrinking, and shrinking, and shrinking, till it finally came down to the point, that there was a little old man—eventually, one little old man—sitting in the basement, working at an anvil with a hammer, plink, plink, plink. And the day that that man retired," I said, "the whole economy would disintegrate."

Now that describes essentially what's happened over the period from 1966-1971 to the present time. Large corporations, especially since 1987, have closed down production in the United States. From 1977, under Carter, they began to loot and destroy the farm system. 1979-1982: Under Carter's appointment of Paul Volcker as Federal Reserve Chairman, the savings and loan industry was bankrupted by Carter's actions, through Federal Reserve Chairman Paul Volcker. This went on.

1982: You had Garn-St Germain [banking deregulation legislation], in which George Bush's friends went in to loot the carcasses of the ruined, bankrupted savings and loan industry. You had Kemp-Roth, which cut the taxes on the para-

sites and effectively increased the national debt, which had really been built and created by Carter; caused it to increase while cutting the taxes on the parasites who were ruining the economy.

And during this period, the industry became smaller, the investment in industry became less, that sort of process, until finally we reached the point, especially after the collapse of the Soviet Union, under George Bush, between 1989 and 1992 into 1993, the Russian economy began to be destroyed, and the world economy as well.

The worst damage to the U.S. and world economy since Carter on a world scale, has been done during the period that, unfortunately, well-meaning Bill Clinton was in charge.

So, what has happened, then, is we've been approaching the point—more and more people who used to be farmers are out of business. We get our food now from slave labor in foreign countries, or virtual slave labor. More and more of our industries are being shut down, the workplaces. We buy our goods from foreign countries, in which the labor is very cheap.

What do we do with our employees? Well, we send them out of the factories, to make a living by taking in each other's laundry, or in other words, to be employed in financial and personal services, which are nothing but make-work. They don't contribute much of anything to the wealth of the economy.

For example, you don't really contribute a thing to the



The dot.com set of aspiring millionaires, sunning themselves at lunchtime, at the foot of George Washington's statue on Wall Street.

economy, when you shut down the family kitchen, and go out and eat hamburgers at McDonald's. Now you have a guy who's being paid to cook a hamburger for you as your meal; you don't cook at home, and your cost of living essentially, effectively, goes up.

So this is trading somebody working at home to prepare their own family meals, for some guy now, or a bunch of guys, working in a joint, a fast-food joint, serving it for you. Some called this "increased employment," but this is just increasing the inefficiency of the economy.

In the meantime, to make matters worse, the average real income, as measured in physical market-basket consumption, the average real income of families per hour, of family life, per capita of family household, and per hour of employed work, is going down.

And thus you have a situation in which, over this period, especially since the Carter Administration, there's been a shift in the composition of income, such that today, the lower 80% of the family-income brackets of the population, now accumulates, in total, less than half the total national family income. And that's the process we've been through.

So we're getting to the point, by eliminating jobs, productive jobs, eliminating farmers, eliminating investment in infrastructure, and these things, we are destroying, systematically, the U.S. economy, the economy of Europe, the economy of Australia, New Zealand, and so forth. This is the process.

There is a variable rate as you go from country to country, different kinds of effects. But the overall trend is the same. In countries which were once the industrialized or agro-industrialized nations of the world, leaders in this area, these countries are being destroyed. And the characteristic is a shift away from employment in technologically advanced or relatively advanced employment in production of goods, physical distribution of goods, and in agriculture, and in improving basic economic infrastructure. The change has been in this direction.

The direction headed toward the office employment gets bigger, as the skyscraper goes up. The percentage of people employed to produce the products sold by these corporations, becomes less and less, until we're reaching the point that all that's left, is the only man who is still skilled to produce a product, a little old man on the verge of retirement, sitting down in a basement underneath this tall skyscraper, plinking away with a hammer on an anvil and making something, which is the total real product produced by that whole edifice. And the day that little old man retires, or dies, the whole industry is finished. That is the direction we're headed in.

We've Survived by Stealing

What has happened recently, is we've entered what I've called the terminal phase of this process of self-disintegration of the world economy. I've addressed this in a number of reports, written reports, which are published in *EIR* or other-

wise represented on my Presidential campaign website, describing this—the kind of new accounting principles which are required to get us out of this mess, and that sort of thing, identifying why a New Bretton Woods is urgently needed as the only remedy for avoiding the kind of catastrophe that that trend I just described represents.

We're now at the point, where one day, soon, you will see on a world scale, perhaps in one country at a time, perhaps in several countries at first, a phenomenon which engineers would recognize as the phenomenon of an earth dam beginning to disintegrate, and then suddenly disintegrating, flooding the entire area. That's what's going to happen to the financial system.

Why? What happened is, that up until 1997-1998, the way the system was functioning, was by stealing—looting Russia, looting developing countries, looting Mexico, looting South America, continuing to loot Africa; these were the ways in which the economies of the United States, Japan, and western Europe were surviving—by stealing, in this form. It was called the “new economy.” It was called free trade. It was called globalization. Really, the simple word for all of these complicated phenomena, is stealing.

We had the power. The United States believed that we were the only superpower left. Britain was our partner. And you had an Anglo-American alliance to loot the world, through financial looting, through control of the monetary and financial system: setting prices on other people's currencies, setting the conditions of their production, dictating their internal economic policies.

All that amounts to, is just good, old, plain, old-fashioned stealing. So the United States has been living by stealing, on the presumption that we are the only superpower, and therefore, we had the power to steal.

Look at, for example, the growth of the current-account deficit of the United States. That's the deficit, in terms of physical product and services, which the United States is importing, as against what it's exporting. The difference, the shortfall, or the loss on trade account, is called the current-account deficit.

Now, the current-account deficit is zooming to rates of over \$400 billion a year. This would be worse, but for the fact that foreigners are investing up to three-quarters of a trillion dollars a year, in money flowing into the U.S. economy. So, in other words, we are operating currently, on a deficit, an annual deficit, substantially in excess of 1 trillion U.S. dollars a year. And this is called the biggest, most prosperous, best economy in world history—complete bunk. No truth to it.

So, what happened then in 1997-1998, was that the United States government was panicked by the emergence of what was called an “Asia crisis.” It wasn't an Asia crisis. It was a crisis of the world financial system. It wasn't a “Japan crisis,” it wasn't an “Indonesia crisis,” it wasn't a “Thailand crisis,” it wasn't a “Malaysia crisis,” it wasn't a “Korea crisis.” It was

predominantly a Japan crisis.

The Japan yen trade area went down, because Japan is bankrupt. And Japan is told to keep getting bankrupt, because the United States says to Japan: “You print new money at zero percent, loan it at close to zero percent to speculators, who will buy the yen, by borrowing money to buy this yen.” They then use the yen they've borrowed, to buy dollars and western European and other currencies. Most of this flow then comes in to the United States, directly or indirectly.

Thus, Japan is driving itself into total financial bankruptcy by a hyperinflationary explosion. And Japan's printing of currency—which it's loaning, at close to zero percent—is this flood of cash from Japan, as from Europe and from elsewhere, is coming into the United States. We're living on it. In other words, *we're living on borrowed money*. The incomes that people think they have, in the upper 20% of income brackets, are *not* profits of a healthy economy. *They're the loot taken by a very sick economy, becoming sicker.*

Now, how did the United States government respond to this phenomenon of 1997 and the following year's breakout of the Russian GKO bonds, in August and September of 1998? The reaction of the U.S. government to what was called the Asian crisis, was just plain insane. The reaction to the GKO bond crisis of August-September 1998, was even worse.

Now for a moment, President Clinton threatened to do the right thing. In a speech he gave in New York City, right in the lion's den—here's a Christian going into the lion's den and making a speech proposing to reorganize the structure of the world financial system, or saying that it has to be reorganized. Well, before the next month began and the Washington conference occurred, President Clinton had abandoned that idea.

What happened between the beginning of October 1998, through February of 1999, was that the Wall Street and London crowd, ran, through the IMF and through the U.S. government, and other central banks, a policy of generating a flood, a wall of money, to overwhelm crises by going to the printing press, looting everything, looting the mortgage system, looting everything else, to generate a vast wall of money, to buy up the financial values, to keep them from collapsing.

Weimar-Style Hyperinflation

In other words, what the United States and other governments did, was unleash a hyperinflationary process, comparable to what the Germans did in 1923 in Germany, which resulted in the Weimar hyperinflation.

Now, what happened, for complicated reasons, is the following. The Weimar hyperinflation was put into place when French troops occupied the Rhineland in Germany, for the purpose of stealing everything in sight, in payment of war-reparations debt imposed upon Germany by Woodrow Wilson and Company at the end of World War I, after the so-called Versailles conditions.

Germany made an agreement, under which the French troops would leave Germany, and stop stealing German food and industry, under which the German government was printing currency, in order to pay, in reichsmarks, the reparations debt, primarily to Britain and France, and indirectly to the chief creditor of Britain and France, the United States: the New York bankers.

What happened in the spring of 1923, as this printing press process continued, under the Social Democratic government, is that this resulted in a bursting-out of inflation, hyperinflation. A slow rate of inflation up to that point, caused by these conditions. But then, in the spring and summer of 1923, this hyperinflation accelerated. It took off like a rocket. And you see it on the logarithmic scale; it's the best way to look at it. By October-November of 1923, the reichsmark printing presses could no longer keep up with the rate of inflation, and you had a virtual collapse of the reichsmark as a currency.

Now the reichsmark was bailed out by an agreement which had been reached in that period, early in the following year. The so-called Dawes Plan came in, and there was U.S. gold backing for a new issue of German currency, under which Germany was somewhat stabilized, for a while, until it began to disintegrate finally again, in 1928-1929.

These were the conditions under which Hitler came to power. This did not *cause* Hitler to come to power. But you see, in the fall of 1923, the moment in which the Hitler movement first became a significant political factor in Germany: the time of the collapse of the reichsmark in 1923.

Why? Because what happened then, is what's going to happen to the people in the Nasdaq area now. What's going to happen to people who are heavily involved in mutual funds, with money-manager accounts, and so forth, in the United States, but especially those who are in this so-called Internet industry, at least 75% of the so-called Internet industries today, of the Nasdaq now. These are going to collapse. They're going to disintegrate.

The savings, the money in the hands of this class of people, heavily concentrated within the upper 20% of the family-income brackets in the United States, is going to be wiped out. Margin calls, similar kinds of things: They'll be wiped out. People who are living in glorified tarpaper shacks in the outer suburbia of the United States these days, the shacks that price at U.S. dollars of \$300,000 to a million or more in price. And in some areas of the United States, \$2 million for a mortgage on a shack. It's a glorified tarpaper shack, like what we used to call tarpaper shacks. Made with different material, with chipboard, with a new kind of tarpaper substitute. And they stick on the outside a glorified Hollywood exterior, and somewhere they put in, for fancy touches, gold-plated or actual gold faucets in the bathrooms, things like that.

The people who have gone into hock, way over their heads, in this bubble of speculation, are going to be suddenly

wiped out, exactly as what happened to large sections of the German population, which had relied upon cash investments, cash holdings in financial investments, in 1923.

In that period, the rage of this white-collar class, which was wiped out by the Weimar hyperinflation, turned their white shirts into brown. And you began to see the explosion of the Hitler movement, and what became the Hitler movement later on.

This led into conditions where foreign bankers intervened in 1932, and again in 1933, including the Harriman company in New York, intervened, together with the British, to dictate the overthrow of the existing government of Germany, and to put Adolf Hitler in as Chancellor, at the end of January 1933.

So, even though it was not this crisis which caused Hitler to come to power, the crisis created the conditions, the social and political conditions, under which Germany, following the rules imposed upon it by the occupying powers, the Versailles occupying powers, was able, through its bankers, the Harriman firm in New York City, the clearinghouse banks in London, to dictate to Germany the overthrow of the existing government and put Hitler into power.

We are faced with that kind of world situation today. You see it, for example, in the Blair phenomenon in Britain. Tony Blair: If you want to see a Mussolini of England today, there you have Blair, the perfect imitation, or a highly imperfect imitation of Mussolini. He's more stupid than Mussolini, and nastier, perhaps.

But it's typical. Just as you had Ramsey Macdonald in England in 1931. The 1931 crash of the British pound sterling, resulted in Ramsey Macdonald, a Labour minister—or shall we say, became "New Labour," like Blair today; he became the fascistic dictator, as Prime Minister of England, after that event. That kind of process is going on today. That's the world situation.

Now, what's happening right now, comparable now? Remember, there is nobody to bail out the world system. There is no United States with a vast gold reserve, to step in and bail out a bankrupt world system. In the meantime, the system is doing the same thing to itself as a whole, especially from the top, that the German government did to itself, in 1923, under orders from the occupying powers. *We are hyperinflating at a rate which is far more rapid, on a global scale, than occurred in Germany in 1923. That is, the rate of the rate of hyperinflation, is higher, relative to the actual production base, than it was in Germany in 1923.*

Well, the result is inevitable. What happened, for example, in this past period? You had a Nasdaq collapse on the stock market, a really impressive one, 1987-, 1929-scale. What happened? A so-called "Plunge Committee" stepped in. The United States and other governments, banks, central bankers, stepped in, to pour in a new wall of money, to loot a lot of the poorer people, who had invested in the day-trading, or invested in this Nasdaq type of stock speculation. Wipe

'em out. We don't know how much is wiped out—maybe trillions were wiped out in this process. Then to pour in a wall of money, to buy up those foreclosed assets, put 'em back on the market at slightly elevated prices, and to create the illusion of a “dead cat bounce,” that is, of a temporary recovery of the financial system.

Meanwhile, at the bottom, it's rotting away. A trickle of rot going out, like an earth dam in the process of disintegrating. And that's what's happening now.

So, we are faced, very soon, by a skyrocketing rate of fundamental financial inflation—hyperinflationary. This hyperinflationary rate is *absolutely indispensable* to keep the present world system from collapsing. In other words, if they slow down the rate of inflation, the system is finished. If they continue the rate of hyperinflation, then the system blows up, as it did in Germany in October-November of 1923.

Establish a New Bretton Woods

So, therefore, there is a time-scale to this. The more they do to cure the crisis, the worse they make it.

The rule would have been, all along, 1997, 1998, to do exactly what I said had to be done: to establish a New Bretton Woods system, put the whole system into bankruptcy reorganization, wipe off this crazy debt, speculative debt, of junk bonds and so-called derivatives. Just wipe it off the books.

Reorganize the rest of the debt. Keep the economy moving. Take emergency measures, such as those that Franklin Roosevelt took of that same type, in the early to middle 1930s. Keep the communities functioning, keep the businesses functioning, keep the farms functioning, keep the industries producing, keep people employed, keep municipal tax bases alive, so communities don't disintegrate. Keep the schools open, keep the hospitals open. Keep things functioning, and rebuild.

We should have done that when I proposed it earlier, and we wouldn't have gotten into the present mess. Now, the mess is tremendous. By any ordinary standard, it would take us a quarter of a century to build our way out of the mess we're now in. If we keep going, it's going to get worse.

So the sooner the crash comes, the better. The worst thing that could happen to you, or could happen to many people, is if this economy does not crash sooner, than later. Because when it does crash, the catastrophe will be only bigger, maybe impossible.

We have finally reached the point, in the entire history of modern European civilization since the 15th Century, that once again, civilization as a whole, especially the European model of civilization, is at the point that the whole civilization could go into a New Dark Age for a period of decades, a generation or more, as happened in the 14th Century in Europe, the last time a general effort to globalize European civilization had been attempted.

This business of speculation, globalization, these changes

since 1971 in particular, all of these have been wrong. They've been even evil. And that's what the problem is.

'The Pearl Harbor Effect'

Now, thus, we come to what I've described as a period in which the only thing that's likely to save us, is what I've referred to repeatedly as a “Pearl Harbor effect,” as some of you who are old enough may remember this. But up until the beginning of December 1941, the general mood within the U.S. population, was, “There's a terrible war going on in Europe, but we are not going to be directly involved. We don't have to go there. We're not going there again.”

Well, Dec. 7, 1941, and the following day, Dec. 8, when the President of the United States, Franklin Roosevelt, declared war before the Congress and before the cameras of the world, there was a sudden change in the attitude of the U.S. population, which I saw firsthand. I saw it right on the streets. I saw it in the faces of people I knew, who had undergone a fundamental transformation from one day to the next. It's called a “Pearl Harbor Effect.”

We are now headed for a Pearl Harbor Effect, in the terms of this inevitable, onrushing collapse of the present financial system. This will come soon, in one way or the other. It will come either because governments and central bankers decide they're not going to put any more money into the system, as Robert Rubin proposed in 1997, but he was overruled by Larry Summers and company; or, it will simply blow out in a hyperinflationary explosion, which nobody can stop.

So, either way, a near-term collapse of the system, is inevitable. No one can say what day it's going to occur, because they can still make a decision: At any time, central bankers can decide to put the brakes on, in which case the system will collapse. And they'll try to orchestrate the collapse so they survive, but the ordinary little people won't.

Or, they have a sense of fear, that they're not going to let it collapse. The way it's being run now, there's an effort, knowing that if this happens before the election, that the political ambitions of U.S. candidate Al Gore are finished—perhaps they're already finished. But there are powerful influences in the United States, who are trying to postpone this crash until after the November election in the United States.

Well, I don't think they'll make it. The system won't stand the strain of trying to do that. And the political strains are tremendous.

Or somebody, like the Bush side, decides to pull the string on poor idiot Larry Summers, and says, we're not going to do another round of this, that what happened in the recent Washington conference of the IMF, is the last time we're going to do this kind of bail-out. This is the end. If they decide that, the system will collapse then, into a big spiral of deflationary collapse. I mean, 60, 70% of stock market and related financial index values, suddenly collapse in a very short time period—a day, or two weeks. Any time they decide

to do that.

Otherwise, if they don't decide to do that, if they decide to keep trying to bail the system out, the way the Clinton Administration has been trying to do recently, then the system will simply explode in a hyperinflationary explosion, and it's all over.

LaRouche's Economic Forecasts

So, those are generally the guidelines with which to understand what this process is. I think it's useful—it is to me—looking in the minds of many people, trying to understand this process. I say, "Well, look, I was talking about this kind of problem back in 1959 and 1960, when I first made a long-range forecast, in which I laid out some of the alternatives, trends, which seemed to be in conflict at that time. When I forecast then, that if the policies of the Eisenhower period were continued, we'd see the eruption in the second half of the '60s, of a major series of monetary crises, leading toward a breakup of the existing Bretton Woods system."

That break-up happened. The monetary crisis of this type exploded in November of 1967, and the pound sterling crisis, exploded in the dollar crisis of March 1968, and a couple of other crises along the way. In 1970, for example, the Penn Central debacle, here in the United States.

1971: It collapsed. The Bretton Woods system was liquidated, and this newfangled system, the so-called floating-exchange-rate system, which has ruined us all, was put into effect. At that point, I said we're headed for a variety of fascist economy, that is, a Schachtian model, modelled on the same kind of policies that Schacht represented for Germany in the 1920s and through the early days of Hitler. And Schacht, of course, was a Hitler backer.

That is exactly what's happened. It's what's happened throughout the Americas, it's what's happened in Europe, it's what's happened around the world: that the Schachtian model which I prescribed as likely then, as something that had to be stopped, was inevitable, the inevitable consequence of what Nixon had done in August of 1971.

It happened that way. It unfolded. I warned against what would happen if Carter were elected. It happened. I warned about what George Bush represented, in my election campaign for the Democratic nomination in 1979 and 1980. It happened. The measures taken under Bush's friends, under the Reagan Administration, 1982. The Thatcherite measures taken when the Soviet system began to crumble, 1989 through 1992, these were all the things which I warned against.

The 1987 crash of October, which I actually forecast, predicted, at that time as most likely, occurred. The biggest crash up until the present time.

Then the unfolding, which I warned against in 1992 in an election campaign, I warned of the "Great Mudslide," which is precisely what you can see, if you see the shift in composition of total national income—the shrinking of the percentile

of the share of total national income, by the lower 80% of family-income brackets.

It's precisely what I forecast as the end result of this process, as either a deflationary collapse, the worst in modern history, or the worst hyperinflationary explosion in modern history.

That's where we are now. So I think it's very useful for you to try to understand what is happening now, to realize that nothing has happened, which was not forecast. And it was not forecast on the basis of a crystal ball, but on the basis of an analysis of the way economies work.

And this was well known. It was widely circulated in all influential circles in the world. But the policy-makers still kept clinging, to continuing those mistakes. They knew what was wrong. Others could have known what was wrong. But they continued to do it.

And what happened to them, is exactly what I expected would happen to them. The only thing that was uncertain, was the exact time-scale on which these alternatives would be presented. You can not predict an economy, because there's a human factor, in which people will make decisions which it's in their power to make, choices of decisions. And what date they will make those choices, is uncertain.

So therefore, you can not simply, statistically, predict the patterns of an economy in that way, not the breaking points. What you can forecast, are the principal features of a functional process, like a scientific process. You can forecast the functional process, under which the sequence of events will occur.

For example, if you heat ice, you'll get water. If you heat water, you'll get steam. If you continue to heat it, you get a plasma, a highly heated plasma. That process is predictable, in that sense. But the rate at which this occurs, depends upon the conditions under which these breaking points are approached, at certain so-called critical values.

All you can predict in an economy, are the critical choices which will have to be made. And you can predict also, what the consequences, in terms of the next critical choices to be made, will be, as a result of making the right or wrong choice at that point.

So if you understand it in that sense—see, the problem today is not to predict when something is going to happen, even though I can assure you that what I've indicated as the terminal state will unfold very rapidly now. What we can understand, what is comprehensible, what is rational, is to understand why and how such processes unfold, and from understanding how they unfold, and why they unfold the way they do, to intervene with the human will, to change the rules of the game to define a new kind of process, one which works, as the alternative to continuing down this road to doom.

So, I hope that does what I intend it should do: to give you, perhaps, a somewhat better comprehension of what this process is, which is coming to an end now.

International Intelligence

Abalaka To Speak on HIV Vaccine at Conference

Nigerian surgeon Dr. Jeremiah Abalaka will give the first scientific presentation on his new vaccine, which he says can cure human immunodeficiency virus (HIV) infection and can also prevent it, at an international conference in Lagos. Dr. Abalaka has been emphatic that he makes no claim that the vaccine can cure AIDS, which is caused by HIV. The U.S.-based Fund for International AIDS Research and Education has invited him to deliver a scientific paper on his treatment procedure during an international conference on HIV/AIDS and tuberculosis at its Lagos conference. The event, which begins on June 8, is meant to provide a forum for discussions about new prevention strategies and treatment modalities for TB and AIDS, from clinical trials in Africa.

According to the Lagos daily *Vanguard*, Dr. Abalaka's paper, "Effective and Safe Vaccines; Our Approach and Experience," was provided to the Fund's headquarters in San Antonio, Texas. It was unanimously approved for presentation by its 27 board members, made up of Fellows of the American College of Physicians, and researchers at the University of Texas Health Center.

Livingstone Aide Blasts Prince Philip's Racism

The chief adviser on race relations to London's new Mayor Ken Livingstone denounced Prince Philip as an "unreconstructed racist," and called for the British monarchy to be abolished, in an interview with the *Sunday Telegraph*, which ran as its lead article on May 7. Kumar Murshid, described as one of Livingstone's closest friends and a key figure in the new administration, told the paper: "Prince Philip is a waste of time. I have never heard him say anything particularly useful on any subject. And he says things which indicate that he is, frankly, an unreconstructed racist. He gives the image of being very arrogant and also fairly ignorant, which is worrying if you are talking about the father, or perhaps grandfather, of the future king."

The *Sunday Telegraph* recounted some of the racist outpourings from the Duke of Edinburgh, including when he told British youths who were studying in China, in 1986: "If you stay here much longer, you'll all be slitty-eyed."

Murshid told the *Telegraph*: "Nobody has any God-given right, no birthright, to rule. And this is true of the royal family. Just because you happen to be born in a family, is not sufficient qualification by anyone's standards."

Australian Subways Playing Classical Music

The West Australian capital of Perth is fighting gang violence and vandalism in its transit system by playing Classical music over the public address system.

According to the April 30 issue of the *West Australian* daily, "Westrail is planning to pipe [the music of Bach, Beethoven, Mozart, and Brahms] through loudspeakers and soothe troublemakers' minds. The plan is based on a Sydney trial through which vandalism dropped by 75% at stations where Classical music was played. The six-week experiment at five randomly selected stations led to drastically reduced repair bills for vandalism for Sydney's CityRail. Vandalism was eliminated at two stations. . . . Repair bills across the five stations where Classical music was played fell from just over \$8,000 last year to under \$2,000. They were stunned at the success of the plan and now rail authorities in Queensland and South Australia, as well as Western Australia, are looking at copying the idea. [New South Wales] is also considering playing Classical music on trains to cut on-board vandalism and graffiti."

Colombian Police Raid FARC Luxury Prison

One of the imprisoned leaders of the narco-terrorist Revolutionary Armed Forces of Colombia (FARC) maintained a luxury suite inside his prison, Colombian police have discovered. Nearly 2,000 specially trained police raided the La Modelo prison in Bo-

gotá on May 6, after riots the week before between "common criminals" and imprisoned members of paramilitary forces left 32 dead and nearly 20 wounded.

During the police raid, it was discovered that FARC boss Yesid Arteta, who has been in jail for three years on charges of rebellion, had knocked out the interior walls between his cell and two others, and established a "five-star" suite, complete with gym and sauna, library, fine paintings on the walls, computers, large-screen television, VCRs, and cellular phones. His cell door was equipped with a special alarm system, and the surrounding 25 cells were filled with FARC prisoners, who constituted his security guard. Arteta operated a radio communication system linking him with FARC leaders on the outside.

Arteta has since been moved to a military barracks. The police remarked on the similarity to the "five-star prison" that Medellín cocaine cartel boss Pablo Escobar had briefly occupied, before his "escape." That "prison," however, had been built to Escobar's specifications, as part of his agreement to turn himself in, including being staffed by his own guards.

The FARC, despite its "political" patina, has become known as the Third Cartel, replacing the defunct Cali Cartel and Medellín Cartel.

Officer To Testify on Dirty War in Ireland

Former British Army intelligence officer Colin Wallace will be allowed to testify for the defense in the Washington, D.C. libel trial against Irish author Sean McPhilemy, for his book *The Committee: Political Assassination in Northern Ireland*, a judge ruled in early May. Wallace, one of McPhilemy's sources, was framed up and hounded out of the British Army after he had taken part in black operations in Northern Ireland.

Wallace was also a key source for charges made in 1987 by then Member of Parliament Ken Livingstone—now the first elected Mayor of London—that British intelligence had "conspired to wreck the cease-fire" negotiated between Harold Wilson's Labour government and the Irish Re-

THE CANADIAN Security Intelligence Service (CSIS) released a report on May 3, on terrorist groups using Canada as a base of operations: "Over the past 15 years, we have witnessed a disturbing trend as terrorists move from significant support roles, such as fundraising and procurement, to actually planning and preparing terrorist acts." Among the groups named were Algerians, the Tamil Tigers, and Punjabi separatists, who call themselves the Khalistanis.

LEE TENG-HUI, Taiwan's outgoing President, presented awards like candy before leaving office on May 20, including bestowing the "Order of the Brilliant Star with the Grand Cordon" to billionaire Steve Forbes, the wife of George Bush's Ambassador to Beijing Betty Bao Lord, and Ross Munro, author of *The Coming Conflict with China*.

PALESTINIAN Authority President Yasser Arafat sought Indian cooperation in infrastructure and technology when Indian Commerce Minister Raman Singh called on him at Ramallah in early May. Raman Singh met with PA Trade Minister Maher Al Masri, and assured him that New Delhi would deepen economic and commercial ties, and was "supportive of the legitimate right of the Palestinians for a homeland."

IRAN'S Interior Ministry denied claims of widespread vote fraud during the February parliamentary elections that were swept by the reformers tied to President Mohammed Seyed Khatami. The claims are coming from the conservative Council of Guardians.

THE IRISH Republican Army made a breakthrough in the peace process on May 6, stating that it would "initiate a process that will completely and verifiably put IRA arms beyond use." The statement, committing the IRA to "a just and lasting peace," was characterized by Sinn Fein President Gerry Adams as "unprecedented in the history of Irish republicanism."

publican Army in 1975. Livingstone was instantly scored by the press, with *The Sun* blaring: "Red Ken Smears Heroes." The slanderous nickname "Red Ken" has stuck ever since, wrote Livingstone in the May 26, 1999 issue of the *Independent*.

Prime Minister Margaret Thatcher went berserk, he wrote. She denounced him in the House of Commons, and demanded others do likewise. Livingstone continued: "Making such allegations brought down upon my head a wave of condemnation, not just from the Tories and the press, but also from the Labour leadership. In the years that followed, I submitted more than 300 questions about the 'dirty' war in Ireland and after years of denial, the government was forced to admit that the intelligence services had engaged in a covert black propaganda campaign, code-named Clockwork-Orange." Colin Wallace, then a young officer, was among those used to spread the disinformation which blew apart the 1975 peace deal, plunging Northern Ireland into 25 years of bloodshed.

WFP Suspends Emergency Aid in Sierra Leone

The UN's World Food Program (WFP) announced on May 8 that it was suspending emergency humanitarian assistance in most parts of Sierra Leone, after the Revolutionary United Front of Foday Sankoh killed several UN peacekeepers and took several hundred more prisoner.

The WFP said that it has halted food deliveries and distributions to more than 43,000 internally displaced people, orphans, and hospital patients in the capital, Freetown. It has also suspended food deliveries to 26,000 schoolchildren and some 40,000 hungry people in Kambia, Lunsar, Makeni, and Magburake. The agency has also postponed food distributions to farmers in the districts of Bombali, Tokolili, and Kailahun. The food was destined to feed 110,000 people during the rainy season—known as the "hunger season"—which is just about to start.

Meanwhile, the British are deploying five warships and 1,600 troops to evacuate British nationals.

With callous disregard for the British etiology of the genocidal wars in Africa, London *Daily Telegraph* commentator Graham Boynton wrote on May 8, that African elites are too corrupt and incompetent for the West to continue "pouring in aid." Although his racist attack began with Zimbabwe's President Robert Mugabe, Boynton even blasted Ugandan President Yoweri Museveni, a bloody dictator, and the British-created model "new African leader" (see "The Ugandan Hell behind London's Museveni Myth," *EIR*, Aug. 8, 1997).

Boynton recommended: "Perhaps the time has come for the West to call the African leaders' bluff and withdraw. Put a stop to aid and debt relief initiatives. Walk away and wait for the people of Africa to overthrow this generation of corrupt politicians."

Swedes Look at Politics behind Lockerbie Trial

As the trial of two Libyans for the Dec. 20, 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland began, the Swedish daily *Dagens Nyheter* on May 2 wrote that "who is to blame for the Lockerbie drama has been influenced by Anglo-Saxon power interests." Blame was first put on Iran and Syria, writes Per Joansson, but, when London and Washington needed their support for Desert Storm against Iraq, they were scratched off the suspect list.

An accompanying article by Anders Hellberg reflects on Lockerbie victim, former Prime Minister Bernt Carlsson. In 1988, Carlsson was the UN Commissioner to Namibia, preparing for its independence from Britain. Says Hellberg, "Shortly before his violent death, Carlsson ended up having an open dispute" with South African mining giant De Beers, "on how diamond production in Namibia should be run."

Hellberg also reports that Carlsson, was a longtime friend of Prime Minister Olof Palme, who was shot outside a Stockholm theater on Feb. 28, 1986. "Briefly before his death, Carlsson told his American girlfriend: 'I am one among the four or five people who really know what happened to Olof Palme.'"

LaRouche Continues Drive as Gore Self-Destructs

by Debra Hanania Freeman

When John McCain and George W. Bush appeared at a joint press conference to announce that McCain had agreed to endorse Bush, even though there was clearly little warmth between the two, it raised the obvious question: Would there be a similar “rapprochement” on the Democratic side between Gore and Bradley?

Since former New Jersey Senator Bill Bradley suspended his bid for the Democratic Presidential nomination, there have been no joint public appearances, nor has any private meeting between the two occurred. It is no secret that the two men have always disliked each other, but that dislike intensified into hatred when Bradley became the victim of Gore’s well-known thuggery in the early round of Democratic primaries. Even the *Washington Times* reports, “There has been no public purging of the bad blood he [Bradley] has harbored toward the Vice President, whom he characterized throughout the primaries as a lying, craven political opportunist who cannot be trusted with the Presidency.”

In the wake of McCain’s endorsement of his former opponent, Gore’s campaign rushed out a press release saying that no such event was necessary on the Democratic side, since Bradley had made it clear, when he dropped out of the race, that he was supporting the Vice President. Nothing could be further from the truth.

Eric Hauser, Bradley’s national spokesman, confirmed that Bradley has refused to release the 500 delegates he won prior to suspending his campaign, and noted that Bradley has refrained from urging those who voted for him to switch their allegiance to Gore. Another top Bradley strategist, media consultant Mike Murphy, said, “Bradley still has enough national stature to create huge and horrific problems for Gore. Bill Bradley is important and is being ignored by Gore. And, if Bradley wants to, he could make a lot of trouble. I’m personally shocked that there has not been a lot more attention paid to Gore’s snubbing of Bradley. Gore murdered Bradley, with

bloody fingerprints, yet there’s no penalty.”

Bradley’s name continues to appear on many state primary ballots and he continues to amass even more delegates. In fact, in every primary where Bradley’s name has appeared on the ballot, even though he announced the cessation of his campaign in late March, he has garnered 20-27% of the popular vote—no more, no less than his average vote when he was campaigning actively.

Under Gore’s direction, the Democratic Party has orchestrated its own disintegration, in an attempt to squash any opposition to Gore’s nomination. But there is sure to be a brawl at the Democratic Convention in August, and the fight may break out way before then. Unless a “dark horse” candidate emerges as the party’s nominee, the Democratic Party is heading for disaster in November. Various people are making it clear that they would be available to fill a dark horse role, but all of them are seriously compromised, because they have, thus far, publicly succumbed to Gore’s “Third Way” insanity, and aren’t prepared to deal with the crises facing the nation. That leaves Lyndon LaRouche as the only qualified candidate, and he continues to campaign actively, with a commitment to mobilize that 80% of the U.S. population that will otherwise sit out this election.

Thug Tactics

After driving Bradley out of the race, the Gore apparatus moved to cancel primaries in several states, despite the fact that his nomination is still being challenged by LaRouche. In cancelling primaries, the Democratic Party has not only denied Democratic voters the right to cast their votes for LaRouche, it has even ruled out the traditional option offered Democrats of going to the national nominating convention as “uncommitted.”

In Virginia, state party officials happily acquiesced to Gore’s demand, that Democrats seeking to go to the National

Convention pledged to LaRouche, be barred from participating in that state's delegate selection caucuses. When LaRouche's supporters decided to participate in the caucuses, and seek status as "uncommitted" delegates, the Gore campaign went nuts. In several locales, voters were told that caucuses were cancelled, only to find later that caucuses were convened "in secret." This occurred in Virginia Beach, where the uncommitted slate would have won not only delegates to the State Convention, but to the National Convention. In other places, Gore's goons employed a different tactic. In Hampton, the uncommitted slate filed more delegate candidates than the Gore slate, but neither had a full slate. According to state Democratic Party rules, when there are more delegate seats available than candidates filed to fill them, the local chair may, if he wishes, cancel the caucus. But, when the Hampton Democratic Party tried to do this, the state party and the Gore campaign intervened, pushing the local officials aside, and conducting the caucus themselves. Despite these flagrant violations, the uncommitted slates won significant numbers of delegate seats in both Loudoun County in northern Virginia, and in the Tidewater area.

Gore's minions responded by scheduling an "Emergency Credentials" hearing in Richmond. After a very heated exchange, state party officials, with an arrogant disregard for both the Constitution and their own rules, nullified the results, booted out the "uncommitted" delegates, and replaced them with Gore delegates.

Similar tactics have been employed elsewhere. In Kansas, first the state-sponsored primary was cancelled. Then the Democratic Party-run primary was cancelled. By the time the Kansas Democratic Party got around to holding delegate selection caucuses, fewer than 600 people participated! In Washington, D.C., few voters were even aware that there was a primary election, resulting in the lowest voter participation in District history.

In an effort to squelch all opposition to Gore, the Democratic National Committee (DNC) apparatus in Washington has demoralized voters, but it hasn't done much to help the unelectable Gore. While polls show that the idiot son of former President Bush had the support of 91% of all Republicans, and that number has probably increased somewhat since he received McCain's endorsement, only 71% of Democrats say they will vote for Gore.

Gore's obsession with locking LaRouche and his supporters out of the Democratic Convention stems not only from Gore's personal hatred of LaRouche, but from Gore's abandonment of the Democratic Party's traditional base. It is precisely that base—the 80% of American families who make up the nation's lower income brackets—that LaRouche has the unique ability to bring into the electoral process, and without which the Democrats will not only lose the White House, but be dealt a crushing defeat in both houses of the Congress.

Further evidence of the DNC's drive to destroy the party comes with the DNC Chairman Joe Andrew's failure to host

Democratic Platform Hearings prior to the August Convention. Traditionally, in any Presidential election year, the DNC appoints a Temporary Platform Committee that hosts hearings in major cities in June. Those are usually followed by a round of regional hearings just prior to the National Convention. So far, however, Andrew has failed to even appoint a Temporary Platform Committee!

Gore Fears Debate

One Democratic Party operative in the nation's capital spoke on the condition of anonymity. "Traditionally," he said, "the platform hearings don't mean all that much in reality. But, they are a vehicle by which you can mobilize the base, the traditional constituencies, and give them an opportunity to let off some steam. They say what they need to say, and the higher ups sit there and nod sympathetically. Sure, most of the time they don't deliver much, but it serves to rally the troops. But this year, platform hearings aren't in Gore's interest. His view is that these people will vote for him anyway. What choice do they have? Bush? The guy will kill them and they know it. Gore is the lesser evil. But, platform hearings will only serve to accentuate how far away Gore is from representing the interests of those people. Nobody wants to put a spotlight on that. There won't be any hearings, because those kind of hearings are a liability to the Crown Prince."

Perhaps so. But the fact is that the tactic is destroying the ability of state Democratic parties to mobilize voters, and is producing panic among Democrats who are seeking election or re-election themselves.

The phenomenon was starkly evident in Alabama on May 6-7, when the Alabama New South Coalition hosted its Endorsement Convention in Birmingham. The group's endorsement is normally a highly coveted one in Alabama, among the last states to hold primary elections on June 6. But this year, with the sole exception of a hotly contested race in the state's 7th Congressional District, where racist Dixiecrats and the GOP have formed a dirty alliance in an attempt to unseat incumbent Rep. Earl Hilliard, who has a long history in the state's civil rights struggle, and who has been an unflinching ally of President Clinton, as well as an emerging leader of the Congressional Black Caucus, no congressional candidates even put in an appearance.

Although the organization extended an invitation to Presidential candidates in both parties, only LaRouche sent an official representative (a position the author was happy to serve in). And, while Gore did obtain the official endorsement of the group, no one seemed willing to defend him. Instead, conference participants milled around LaRouche's literature table, asking questions, and leaving with large stacks of literature to distribute before the June 6 primary, where LaRouche is Gore's sole opponent. The Alabama State Legislature has already become the first in the nation to pass a LaRouche-initiated resolution calling for the convening of a New Bretton Woods Conference to address the collapse of the global financial and economic system.

Al Gore and George W. Bush: Wall Street's Two-Headed Freak

by Scott Thompson and Michele Steinberg

On Feb. 15, on the eve of the Michigan Democratic Caucuses, Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr. laid out to the American voters how the 2000 elections are rigged. From the very outset of the primary campaign, the Wall Street establishment excluded LaRouche from every major debate, town meeting, and media-sponsored candidates' forum, as a precondition for keeping the rigging firmly in place. LaRouche, the only candidate to challenge the disastrous policies of globalization, the "free market," and the "big lie" of the State Department's "Project Democracy," warned voters:

"The election is not among these figures . . . Gore, Bush, McCain. It's a question of how the politics are being orchestrated to prevent the independent vote, and the American people, from intervening to change the name of the game.

"Who's doing it? Wall Street. The big financial interests that control the mass media, and control both party machines from the top down, with *money!* It's the mass media, it's Wall Street, against the American people, and against the world."

As a result of this rigging, the two most corrupt and inept candidates in U.S. history are the "anointed" front-runners. But Wall Street's choice is George W. Bush. As of May 10,

polls are showing what Democrats with at least half a brain have known all along: Albert Gore, Jr. is so hated that he is unelectable. Wall Street's strategy is to *install* Gore as the Democrats' candidate, so that Bush will get elected! Democratic insiders report that Gore is leading the election polls in only 10 states, against 40 states for Bush; a *Los Angeles Times* article is about to come out showing that Bush is leading Gore by 53% to 41%, and Gore is continuing to fall.

In the face of Gore's Nazi-like tactics of intimidation and threats against LaRouche's campaign, Democrats must stop deluding themselves that if both Gore and Bush have fascist policies, at least Al Gore is "our" fascist. There is still time to build momentum against both Gore and Bush, and open up the election process to the 80% of the population whom Wall Street and the Gore/Bush freaks want to exclude from politics. The Aug. 14-17 convention of the Democratic Party could be the time to dump Gore, and win back the government of the Republic.

With this article, *EIR* initiates a score-card on Wall Street's "two-headed freak," showing that Gore's and Bush's policies of genocide and corruption are essentially the same. In this report, we present schematically, material documented in greater detail in previous issues of *EIR*.

CORRUPTION

Al Gore

Backed by George Soros. Soros, the derivatives trader and banker to the Queen of England, who raided and destroyed the economies of several Southeast Asian countries, is a Gore backer. Soros uses his profits to finance campaigns for drug legalization, as one of Wall Street's top guns, who tapped Gore to try to bail out the bankers and brokers who lost billions in the August 1998 Russia debt default. When Soros was under investigation for financial fraud in Croatia, Gore personally made phone calls to get the pressure off his buddy. When Malaysian Prime Minister Dr. Mahathir

George 'Dubya' Bush



George Soros

George Soros and Harken Energy. Like Gore, Soros has supported the "young prince" George "Dubya" Bush. When Dubya's oil business was in deep trouble in 1985, he was bailed out by Soros, who used his newly acquired Harken Energy company to invest in a foundering oil firm in which Dubya was the managing director. Soros's help was crucial for getting Bush—who had been a total failure in every business venture he undertook—on the road to

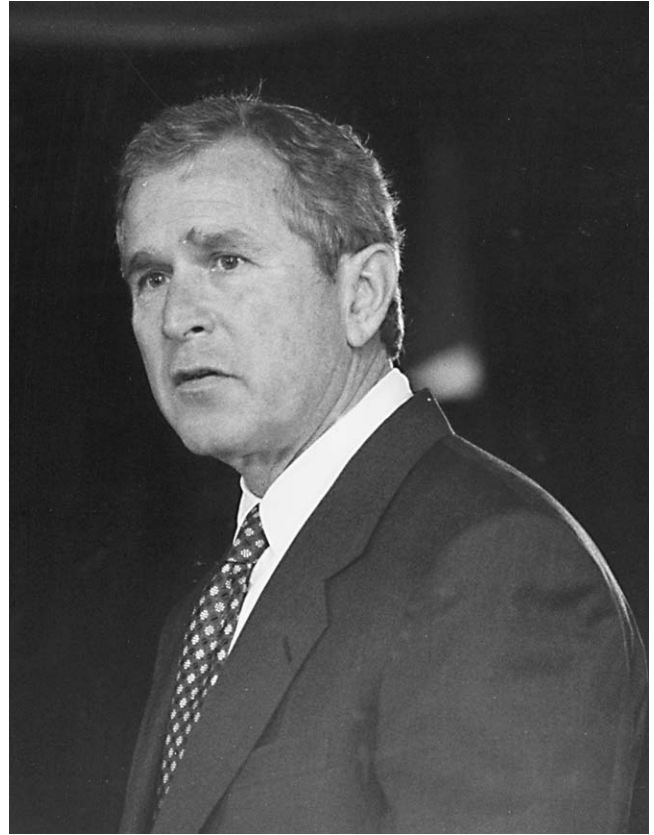


Al Gore *continued*

bin Mohamad defended his country's economy against Soros and the speculator pirates, by imposing currency controls, and by naming Soros as a criminal, Gore rushed to Kuala Lumpur in November 1998, and threatened in a speech to topple Dr. Mahathir from power.

Campaign Chairman Coelho under multiple investigations. On April 8, the *New York Times* corroborated earlier *EIR* reports that there are multiple investigations against Gore's campaign chairman, Tony Coelho. First, the State Department Office of the Inspector General is carrying out a criminal investigation of Coelho's abuse of U.S. government funds, when Coelho managed the U.S. Pavillion at the 1998 World Expo in Lisbon, Portugal.

The *Times* also reported two open Securities Exchange Commission (SEC) probes of Coelho's financial dealings: One involves his activities as a director of the International Thoroughbred Breeders, Inc., and the second involves Auto-Lend Group, Inc. Both companies were associated with legalized gambling. In addition, according to the May 15 issue of *Time* magazine, the General Accounting Office is investigating whether Coelho abused the funds of the Census Monitoring Board, when he was co-chairman, in writing a final report on the Lisbon Expo '98. Coelho's attorney on the Lisbon case, Stanley Brand, claims that all these investigations are



George Bush *continued*

millions, by whatever means necessary.

On June 22, 1990, Dubya unloaded 212,140 shares of his holdings in Harken Energy, immediately prior to a dramatic drop in the value of Persian Gulf oil stock because of the war against Iraq. It was also later revealed that Harken had lost \$20 million exploring for oil off the coast of Bahrain, a deal that involved the dirty money-laundering Bank of Credit and Commerce International (BCCI).

Dubya's fortuitous sale of the Harken stock at its peak value brought about an SEC investigation, but SEC appointees of his father, President George Bush, cleared him, just in time to run for Texas governor in 1994.

Russian corruption and the Bank of New York. Dubya's entire foreign policy team, from Condoleeza Rice to Brent Scowcroft, was deeply involved in the International Monetary Fund's setting up Russia for looting by the "reform" group of Chernomyrdin, Chubais, and other intimate friends of Al Gore. In September 1999, it was revealed that operatives of these reformers were using the Bank of New York to launder billions of Russian government funds, illegally taking them out of the country. One of the key operatives, BONY Vice President Natasha Kagalovsky, had been installed on recommendation from the Texas "prince of thieves," Robert Strauss, the Ambassador to Russia under

Al Gore *continued*

politically motivated to get at Gore through his client.

Dirty Wall Street money. In August 1998, David E. Shaw of D.E. Shaw investment was one of a “Who’s Who of Wall Street” that met with Gore, to get his intervention to bail them out in the wake of the Aug. 17, 1998 Russian default on its GKO bonds. Just weeks before this meeting, Shaw, a big supporter of the “liberal economic reform” thieves in Russia, and seven members of his firm poured \$40,000 into Gore’s campaign war chest, and the figure has now risen to more than \$100,000.

Molten Metal Technology, Inc. One of Gore’s chief campaign fundraisers, Peter Knight, had earlier profited from an apparent insider-trading operation involving Gore and UN ecology guru Maurice Strong, through the New England firm Molten Metal Technology, Inc. (MMT), of which both Knight and Strong were major stockholders and officials. On Earth Day, April 17, 1995, Gore gave a speech praising MMT to the skies. MMT’s only source of funds was some \$33 million from the Department of Energy. After Gore’s speech, Knight and Strong dumped their stock at its all-time high, grossing \$15.3 million; but by October, the stock had plunged from \$30 to \$5 a share, on news that the DOE had cut funding because of the firm’s environmental inefficiencies.

The 1996 Lai Temple fundraising event. Questioned by Justice Department officials for the first time in April 2000 on the \$140,000 Democratic fundraiser at the Buddhist Lai Temple in California, Gore reportedly went into a rage, screaming at DOJ investigators. Maria Hsia, the chief organizer for the event, has been convicted on illegal fundraising charges.

The Glicken affair. Howard Glicken, a key fundraiser for Gore’s 1988 Presidential campaign, who also raised \$2 million for the 1996 Clinton-Gore campaign, admitted that he had solicited illegal foreign contributions for Gore. Glicken’s Florida-based precious metals company, Metalbanc, was prosecuted as part of the Drug Enforcement Administration’s “Operation Polar Cap” in 1991, for laundering cocaine money from the Medellín Cartel. Glicken avoided being prosecuted, only by testifying against his partner, Harry Falk, who was convicted to 27 years in prison.

The case of Viktor Chernomyrdin. Numerous media sources report that in 1995, when Gore was presented with a report from the CIA demonstrating that Al’s pal, Russian Prime Minister Viktor Chernomyrdin, had lined his pockets with \$5 billion, Gore sent the report back to the CIA with a “barnyard epithet” scrawled upon it. Later reports on Russian corruption were reportedly suppressed by Gore and his top aide, Leon Fuerth.

The Golden ADA story. In August 1998, *U.S. News &*

George Bush *continued*

President Bush. Her husband, Konstantin, was Russia’s first representative to the IMF, a post he got with the enthusiastic backing of Strauss. Strauss’s ties to the Bush family and Dubya’s team continue today, through a Washington think-tank, the Forum for International Policy.

The case of Richard Rainwater. Megaspesulator Richard Rainwater helped Dubya make his first \$14 million through a dubious deal centered around the Texas Rangers baseball team. While Dubya could only afford to buy a 2% stake, the other members of the franchise gave Dubya a 14.8% stake for “services rendered” (i.e., for having the Bush name, which helped with such projects as getting the city of Arlington to pay most of the bill for a new stadium).

With the 1998 sale of the Rangers to billionaire Tom Hicks, Bush’s initial \$500,000 investment in the team turned into a \$14 million profit. Today, Rainwater runs Dubya’s private Lone Star Trust, and it is notable that Rainwater turned Dubya’s initial investment of \$100,000 in Rainwater’s Crescent Real Estate, Inc., into \$1 million.

One of Crescent’s big deals was to loot Charter Behavioral Health Systems, the nation’s largest chain of psychiatric hospitals, closing 33 psychiatric facilities and firing 4,800 employees—some 13% of the U.S. psychiatric hospital capacity. Rainwater also damaged the General Welfare through his asset-stripping operations with the for-profit hospital chain Columbia/HCA. Columbia/HCA is under investigation by numerous U.S. government agencies for Medicaid and Medicare fraud. With Rainwater running his “blind trust,” Dubya has literally been making a killing.

University of Texas Investment Management Company (UTIMCO). One of Governor Bush’s first major pieces of legislation was to create UTIMCO, under which the \$13 billion University of Texas endowment was privatized. This scheme was proposed by Dubya’s “Daddy Warbucks,” Tom Hicks. Dubya signed off on Hicks’s appointment as a Regent of the University of Texas system, and Hicks soon turned UTIMCO into a piggybank for his own and Bush dynasty friends. Numerous of Bush’s “Pioneers,” who have raised \$100,000 or more each for Dubya’s 2000 Presidential race, through “bundling” \$1,000 contributions, have come from firms in which UTIMCO had invested.

Illegal campaign funds. In late 1998, UTIMCO placed \$96 million with the Maverick Capital hedge fund, founded by Sam Wyly, who remains a major investor in the firm. A few weeks before the March 7 Super-Tuesday primaries, Wyly invested \$2.5 million in ads, on behalf of Republicans for Clean Air, which had been created out of thin air, just to put out attacks against Sen. John McCain (R-Ariz.) in the major primary states. As soon as McCain withdrew from

Al Gore *continued*

World Report blew the lid on Gore's ties to Russian mobsters, in an article entitled "Dirty Diamonds." Included in the article was a photo of Gore meeting with three Russian mafia diamond-dealers at a California campaign fundraiser (see *EIR*, March 19, 1999). These were proprietors of Golden ADA, a company through which they stole \$180 million from Russian state treasury holdings and strongboxes, and sold them in the West. Included among the protectors of the Golden ADA theft ring were Chernomyrdin, his sidekick Anatoli Chubais, and other top Russian "reformers," who looted Russia in collusion with the International Monetary Fund and Harvard University's Jeffrey Sachs.

George Bush *continued*

the race, Wyly announced that he was shutting down the operation. The Federal Election Commission failed to punish Bush or Wyly, a Bush "Pioneer," for this operation, although records show that Wyly and his family had been the ninth-largest contributor to Dubya's career, with a total contribution level of \$222,773.

THE DEATH PENALTY

Al Gore

According to the Death Penalty Information Center, Al Gore supports the death penalty and voted in the Senate for the death penalty for Federal prisoners. Since July 1999, he has given dozens of speeches boasting of laws he helped pass, supporting the death penalty, and he pledges to increase this further. Gore is campaigning with the slogan, "I'm the Law Enforcement Candidate," even though there's no question that Texas Governor Bush is way ahead in the number of executions he can claim. Gore, as Vice President, hasn't been in the position to preside over executions.

However, developments in Gore's home state of Tennessee give an idea of "the shape of things to come." On April 19, despite appeals from the NAACP and other civil rights groups, Tennessee executed Robert Glen Coe, a man who has been declared insane, and whose lawyer argued that death is a "cruel and unusual punishment." The political nature of this killing is clear, since *no prisoner* has been executed in Tennessee for 40 years. Tennessee is also trying to execute prisoner Philip Workman, despite new evidence that he probably did not commit the murder for which he has been sentenced. Workman and Coe had both been given a stay of execution in April, but Coe was killed as soon as the court-ordered stay expired.

George 'Dubya' Bush

A vote for George W. Bush is a vote for a man who has executed more people, as governor of Texas, than any other governor since the death penalty was reinstated in 1976—124 since 1994 when he was elected. Among the people whom Bush has ordered executed are individuals who are retarded and/or mentally ill; individuals for which exonerating evidence was provided and *ignored by Governor Bush*; individuals who have had little or no legal representation; individuals who were minors when they committed the crime for which they were convicted; and tragically, two women, who battled the scars of a lifetime of physical abuse, drug addiction, and rape, and who had repented and reformed themselves in prison. These executions were carried out despite international calls for Bush to stop his killings from leading human rights organizations, from Pope John Paul II, and from fellow Republican Governor Ryan of Illinois, who imposed a moratorium on executions in his state, because too many people who were facing execution were found to have been innocent.

But Bush kills with apparent glee. After the execution of Karla Faye Tucker, the first woman to be executed in Texas since the Civil War, Bush mimicked the dead woman in an interview with *Talk* magazine, parodying her plea for clemency in a falsetto voice, "Please, please don't kill me." Bush's second woman victim, a 63-year-old great-grandmother, Betty Lou Beets, was his 120th execution (in February, during the primary elections). She had been diagnosed as suffering from organic brain damage, Post-Traumatic Stress Disorder, and Battered Women's Syndrome.

To be continued.

The Dirty Justice Department Is the Dirtiest of Them All

by Edward Spannaus

The most rotten agency of the United States government, the Department of Justice (DOJ), is coming under another round of public attack, this time for its cover-up of false testimony given to the court during the 1983 trial of rogue CIA officer Edwin Wilson. The Wilson case represents a sort of exposed raw nerve, demonstrating the gross corruption in the DOJ's Criminal Division.

A much bigger case, involving many of the same personnel in a much broader pattern of misconduct, was the targeting of Lyndon LaRouche and associates during the same time period. The Justice Department has yet to fess up in the LaRouche case, although it has begun to do so in the Wilson case.

On April 24, the *Washington Post* ran a full-page article on the Wilson cover-up, which featured a rogues' gallery-type spread across the top of the article, sporting photos of former CIA officials Stanley Sporkin and Charles Briggs, and present or former DOJ officials Ted Greenberg, Mark Richard, Stephen Trott, and D. Lowell Jensen (the latter two are now Federal judges, as is Sporkin), and Wilson himself. Some of those names, especially Richard and Greenberg, are fixtures of the DOJ permanent bureaucracy, oft exposed in the pages of *EIR*.

The article puts the major responsibility for the cover-up on the Justice Department, saying that the CIA lobbied for full disclosure, "only to be overruled by senior Justice Department officials."

Privatized Intelligence Operations

Wilson had been a direct CIA employee from 1955 to 1971, and then he "resigned" from the CIA and joined the Naval Intelligence covert unit Task Force 157. In the mid-1970s, Wilson and his partner Frank Terpil were involved in providing arms, explosives, and training to the Libyan government. In the early 1980s, Wilson was estimated to be worth \$23 million, accumulated from his global arms business.

Wilson's operation was a precursor of the "privatized" intelligence operations which came to prominence during the Iran-Contra investigations of the 1980s; such operations were given legal cover under the provisions of the 1981 Executive Order No. 12333, which gave much wider latitude to the U.S.

intelligence community for use of private contractors. Wilson explained his operation by asserting that he had been advised by Deputy Director of Operations Theodore Shackley in 1976 (in the period prior to Jimmy Carter's inauguration as President, a pending event which had many in the intelligence community worried) to leave the official intelligence service, and to report to the CIA and other agencies as a private businessman.

False Affidavit

Wilson was indicted in Houston in 1982 for illegally shipping explosives to Libya in the 1970s—his third Libya-related indictment. Wilson's only defense against the charges was that his activity was authorized by the CIA, and, more broadly, that he had been asked by a high-ranking CIA official to ingratiate himself with the Libyans by playing the role of a "renegade American" in order to gather intelligence for U.S. agencies. He said that he had provided top-secret intelligence from Libya, to the CIA, the Defense Intelligence Agency, the National Security Agency, and Naval Intelligence.

In his first trial in Federal court in Alexandria, Virginia, he was barred from presenting evidence of his close ties to the CIA and intelligence officials; that particular court is notorious for its routine denial of defense motions and its close ties to U.S. intelligence agencies—as also shown in the late-1980s LaRouche case.

In Houston, Wilson had slightly more latitude, and was permitted to present evidence that he had continued to provide information to the intelligence community. In order to attempt to discredit Wilson's defense, the DOJ asked the CIA for assistance. Over defense objections, and as the trial was concluding, prosecutors were permitted to file an affidavit from CIA Executive Director Briggs, which stated that Wilson had not been requested to provide any services for the CIA after 1971, with the single exception of one instance during 1972, when Wilson was employed by Naval Intelligence. The Briggs affidavit made such an impression on the jury, that they asked to have it re-read to them during their deliberations. Less than an hour after hearing the affidavit re-read, the jurors returned a verdict of "guilty" on all counts.

Within a matter of days, a CIA analyst had provided docu-

mentation showing that the Briggs affidavit was false. And within a couple of days after that, a DOJ attorney sent a memo to Mark Richard, the number-two career officer in the DOJ's Criminal Division, which was entitled, "Duty To Disclose Possibly False Testimony." Richard then communicated with the U.S. Attorney in Houston, telling him that CIA files contained information "inconsistent with the Briggs affidavit." But, nothing was done. CIA officials then proposed that a letter be sent to Wilson's attorneys, identifying some inaccuracies in the Briggs affidavit. But the letter was never sent.

CIA General Counsel Sporkin called Richard to urge that the issue be resolved before Wilson's sentencing; Richard told Sporkin that there was "very little sentiment in DOJ to do anything about the Briggs affidavit."

Two months after Wilson's conviction, a CIA memorandum documented some 80 contacts between the CIA and Wilson after 1971; 36 of these were substantial enough to contradict the Briggs affidavit, and some involved services provided by Wilson at the government's request, including gun sales to a Saudi security agency, and shipments of two desalination plants to Egypt on behalf of the CIA.

The DOJ, which had been investigating Wilson's activities in Libya and elsewhere during the 1970s, had in its own possession a 1977 Criminal Division memorandum which stated: "A reliable source of the FBI reports that Wilson was still a 'contract employee' of the CIA as recently as the summer or early fall of 1976." A 1979 Criminal Division memo said that between 1971 and 1976, Wilson, "with the knowledge and coordination of the Agency"—referring to the CIA—was "an important independent contractor on a secret and sensitive Navy project," and that Wilson had established and operated two Navy "proprietary" (front companies) along with a CIA proprietary which he also operated.

The Briggs affidavit was a knowing lie, both from the standpoint of the CIA, and from the Justice Department's own records and knowledge.

Despite extensive discussions and meetings between CIA and DOJ officials and the prosecutors, full disclosure was never made. The most adamant against any disclosure was the lead prosecutor, Theodore Greenberg, a career DOJ official who had prosecuted Wilson just a few months earlier in Alexandria, Virginia, on similar charges, and who went to Houston for the second round. Finally, it was decided to slip a reference to the problems with the affidavit into an appellate brief, which would have the "benefit"—in the words of a DOJ memo—that the court would likely "treat the issue without much attention." That is exactly what happened, and it took years for Wilson's attorneys to painstakingly pry the information out of the CIA and DOJ through Freedom of Information requests and lawsuits.

Another round of cover-up, in 1986-88, involved misconduct on the part of prosecutor Lawrence Barcella, who was suspected of illegally leaking classified information, FBI reports, and grand jury material to author Peter Maas. Although

there was a recommendation within the DOJ that Barcella be investigated for the leaks, the matter was killed and information withheld from the court, at the instruction of Benjamin Flannagan, a senior official of the General Litigation and Legal Advice Section (GLLAS), which was supervising the Wilson case, and which was also intensively involved in the illegal prosecution of LaRouche at the same time.

GLLAS was an outgrowth of the old Internal Security Division of the Justice Department, and it deployed one of its own staff attorneys, Karen Morrisette, to Houston to work with Greenberg on the Wilson case. Both Morrisette and Greenberg were specialists in national security cases.

In court papers filed just this last Jan. 18, the Department of Justice finally admitted that it had used false testimony in Wilson's trial, 17 years earlier. "They knowingly used false testimony," defense attorney David Adler said after the government's admission. "Briggs's affidavit said Wilson was not working for the CIA, but he was doing everything from giving advice to locating military hardware to recruiting."

On March 17, Wilson's attorney filed a motion to hold 17 present and former DOJ and CIA officials in contempt of court for hiding evidence and using false testimony. That motion is still pending in the Federal court in Houston. Of the ten DOJ officials named in the motion, six were also involved in the LaRouche case around the same time.

The Targetting of LaRouche

Even bigger and dirtier than the Wilson case, is the Justice Department and FBI effort—which dates back to the early 1970s, but which began in earnest in 1982—to bring a fraudulent prosecution against Lyndon LaRouche, for the purpose of railroading LaRouche into Federal prison, or setting up a situation in which he could be killed.

The operation against LaRouche was conducted covertly under the legal "authority" of Executive Order 12333, as a putative "national security" operation using both official agencies of the U.S. government and private organizations.

Beginning in August 1982, Henry Kissinger repeatedly demanded that the FBI and DOJ launch a national-security, foreign counterintelligence investigation of LaRouche. On Jan. 12, 1983, several of Kissinger's cronies raised the LaRouche question at a meeting of the President's Foreign Intelligence Advisory Board (PFIAB). As an indication that this was to be handled under the looser, covert foreign intelligence procedures of E.O. 12333—rather than as a "domestic security" investigation—FBI Director William Webster reported that the PFIAB meeting discussed whether the FBI had a basis for investigating LaRouche "under the guidelines or otherwise."

That same day, Assistant Attorney General D. Lowell Jensen ordered the FBI to open an investigation of LaRouche, and to report the results to the GLLAS section of the DOJ's Criminal Division. Jensen, and his successor from late 1983 through 1986, Stephen Trott, were both involved in the Wil-

son and LaRouche cases at the same time. (Jensen and Trott are both named in Wilson's contempt-of-court motion.)

Under the direction of Trott, and the top Criminal Division career officials Mark Richard and Jack Keeney, a Federal grand jury was convened in Boston at the end of 1983, as the next phase of the targetting of LaRouche. After years of pre-trial wrangling, a trial began in Boston at the end of 1987, but became enmired in issues of classified information and government misconduct. At one point the judge ordered an all-agency search for records of U.S. government or intelligence agency involvement around the LaRouche case, including a search of the offices of then-Vice President George Bush. (That search was supervised by GLLAS's Flannagan, a sidekick of Keeney's from the 1950s when they both worked in the McCarthyite Internal Security Division. In 1984, Flannagan led the effort in the DOJ to deny Secret Service protection to then-Presidential candidate LaRouche.)

The LaRouche trial in Boston was interrupted for five weeks of hearings in the Spring of 1988, which included calling to the witness stand the FBI case agent on the Wilson case, Angus Llewellyn of Alexandria, Virginia, because of his role in sending intelligence operatives into the LaRouche camp.

Government Bankruptcy Fraud

With the DOJ seeing the vulnerabilities of their Boston case, they launched a second operation in April 1987, designed to set up another prosecution of LaRouche, to be held in the infamous and compliant "rocket docket" Federal court in Alexandria, Virginia.

This was a forced bankruptcy and shutdown of three publishing and distribution companies operated by associates of LaRouche. The objective was to *prevent* those entities from paying back loans to political supporters, under color of a bankruptcy seizure, and then to undermine their support for LaRouche, and intimidate a handful of those lenders into becoming prosecution witnesses.

The pre-planning for the bankruptcy was conducted through the very same GLLAS unit of the Criminal Division, with some of the same individuals, such as Flannagan, who were involved in the Wilson case.

Later, after LaRouche and many associates had been railroaded into prison, a Federal bankruptcy judge threw out the government's bankruptcy case, and ruled that the Justice Department prosecutors had conducted a "constructive fraud on the court" with the filing of the bankruptcy action; the court also found that the government prosecutors had acted in "objective bad faith."

According to testimony given during the Boston LaRouche proceedings, Wilson prosecutor Greenberg was also consulted in the planning of the bankruptcy action.

This was at least the second instance of Greenberg's involvement in the operation against LaRouche. During the planning for the 400-officer armed raid against the Leesburg, Vir-

ginia offices of the publishing companies which were later bankrupted, Greenberg had served as a covert channel between the DOJ and the "special operations" section of the Joint Chiefs of Staff (in particular, the special office which provided Defense Department logistical support for intelligence operations), to arrange for two truckloads of documents seized in the Leesburg raid to be secreted away at a military base near Washington.

The key to the second trial of LaRouche in the Eastern District of Virginia, was the action by the trial judge, Albert V. Bryant, Jr., to prevent any evidence about the fraudulent bankruptcy from being presented during the trial. That very same judge had earlier upheld the shutting down of the publishing companies by the DOJ's illegal and unprecedented bankruptcy action, thus barring any continuation of loan repayments; the defendants were then convicted on fraud charges for not repaying those same loans, of which the government had prevented repayment.

As the Alexandria indictment was about to be issued on Oct. 14, 1988, attorneys for LaRouche went into Federal court in Washington seeking an injunction to block the indictment. The judge who heard—and denied—the motion, was none other than Stanley Sporkin, the former CIA General Counsel who had certified the Briggs affidavit in the Wilson case in 1983.

And just as the closed-door injunction hearing was beginning, two attorneys from the DOJ's GLLAS section came running up to the courtroom demanding admission.

One of those two was Benjamin Flannagan, the "senior legal adviser" in the GLLAS unit who, three days later, on Oct. 17, 1988, wrote "DO NOT DISCLOSE, NO ACTION" on the internal DOJ memorandum drafted by Karen Morrisette, urging that the judge in the Wilson case be notified that one of the prosecutors had apparently illegally leaked information to author Peter Maas, and that an FBI investigation of the prosecutor be initiated. Flannagan's directive killed any investigation or disclosure of the prosecutor's illegal action. Incidentally, Morrisette had magically appeared in a meeting earlier on the day of the court hearing, with top DOJ officials on the subject of the pending LaRouche indictment.

There are many more elements of DOJ corruption in the LaRouche case which are thoroughly presented in LaRouche's "He's a Bad Guy, But We Can't Say Why" (*EIR*, March 10, 2000).

Suffice it to say for our purposes here, that what is now being exposed in the Edwin Wilson case, is just the tip of the iceberg of the DOJ malfeasance which was manifest in the LaRouche case, against a defendant who was totally innocent of the charges presented.

In the Libya arms case, Wilson was dirty, and the CIA and particularly certain elements of it, such as those grouped around Thomas Shackley, were very, very dirty, but the Justice Department is the dirtiest of them all.

Warfield on Tour, Uplifts Audiences with Classical Art: ‘Live It, Baby!’

by Harley Schlanger

In his autobiography, *My Music and My Life*, world-renowned baritone William Warfield writes that, as a young man, he concluded that he “wanted to teach music, to bring a new generation the lessons of my life in art. I wanted to play a role in world culture.”

For those privileged to spend some time with him during his visit to Los Angeles the weekend of April 28-30, it is clear that he has not only achieved this dream, but, at 80 years of age, he is still pursuing it, with a zest and enthusiasm that belie his years. With a joy that is contagious, he is a rare example of what Friedrich Schiller envisioned when he wrote of the “beautiful soul.”

Born into a family of sharecroppers in Arkansas on Jan. 20, 1920, William Warfield grew up with a love of music. From singing as a boy soprano in a junior choir, to his first piano lessons at the age of nine, he knew his would be a life in music. After his voice changed, he rejoined his high school chorus in Rochester, New York, discovering that he had developed a beautiful baritone voice.

In the career that followed, he did a little bit of everything in music, from Broadway to Grand Opera, but his real love was the tradition of the German Classical lieder, and its American counterpart, the African-American Spiritual. From his first New York City recital at Town Hall in March 1950, to the present day, he has sung and taught this music around the world. His efforts have earned him the honorary title, “America’s Musical Ambassador.”

Maestro Warfield’s visit to Los Angeles was part of his ongoing collaboration with the Schiller Institute. While the visit was centered around a concert in Arcadia on April 29, he engaged in a dialogue with Schiller Institute members on art and beauty upon his arrival on April 28, and conducted a master class on April 30. What characterized all three events was his generous spirit, combined with the rigor which he insists is essential in presenting a piece of Classical art.

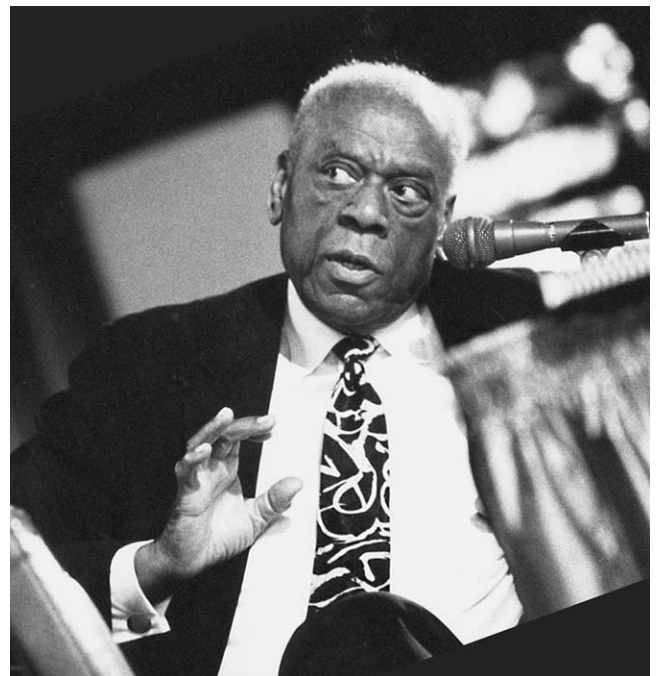
At the discussion on April 28, a young person asked how one knew whether art was art, or just garbage. Warfield responded by elaborating on the *substance* of art. All kinds of expressions come and go, said Warfield, but true art stands the test of time. Art without substance, he said, is like a tinkling cymbal. Another question followed, “Then how do you reach people who can’t define substance?” Warfield responded, “You must *be* it, you must live it, and someone else will find

it. Live it baby!”—and sang the Spiritual “This Little Light of Mine.”

Dialogue on Classical Method

At both the seminar and the master class, Warfield demonstrated what he means when he says, “You must live it,” to communicate the profound ideas of the great artists. Art is not something for “special occasions,” but is part of one’s ongoing process of self-discovery. His journey in life, he said, has been one of discovery of the human soul. It is through music, the performance of great music, that we come closer to God. The performance is an extension of the Creator in man.

When asked if this is true of all music, he responded that true art stands the test of time. Classical music always deals with the question of man in the image of God, the oneness of soul and body, while “lower art” disconnects God from man. This is why, he said, in answer to a question about whether



Baritone William Warfield in Washington, D.C., 1994.



Dr. Warfield with Lyndon LaRouche, at a National Music Conference for a Marian Anderson National Conservatory of Music Movement, Washington, D.C., May 1994.

music can counter the present mass culture of violence, great music provides sustenance, the strength and inspiration needed, to win the long, hard battle over evil.

What about Spirituals, he was asked. Are they always depressing, or are they hopeful?

During the time of slavery, he said, the Negro Spiritual not only enriched and cultivated the soul of the individual, freeing his or her mind, but the lyrics often served as codes, for directions for escape routes and times of departure for runaway slaves, making possible the attainment of actual, physical freedom. Imagine the slovenly, self-defiled slave-master, watching his slaves singing Spirituals, saying to himself, "Eh, dem niggers jes' be singin' agin," as the slaves were actually paving their road to freedom!

Art as Ideas

How does art work? This was the unspoken question which was the topic of the master class, in which Maestro Warfield offered criticisms and comments to Schiller Institute members and collaborators who presented songs and poems. Warfield concentrated in his criticism, on making the song or poem intelligible, so that the performer was able to convey the *idea* of the composer to the audience.

As Lyndon LaRouche has emphasized, the art of poetic recitation has been almost lost today, especially among Baby Boomers, for whom the idea of the poet is of secondary importance to the ego elation the Boomer experiences from his performance.

In working with people on their songs and poems, what

Warfield emphasized over and over again is that the performance must be primarily concerned with presenting the thought of the composer. In several of the poetic recitations, this came up as a kind of paradox between the meter and rhythm of the poetic line, and the idea presented by the poet.

In poetic recitation, Warfield stressed, you cannot just go along with the rhythm. "See where the sentence is going, to the complete thought," he said. The recitation must put that thought ahead of the meter. Too often, poetic recitation is dominated by a rhythm which is not justified by the thought in the poem. This produces the sing-song manner of recitation which obscures the real meaning.

Similarly, he addressed the problem of phrasing within a line, that pauses must never be arbitrary, but must enhance the meaning. When the performers responded to his suggestions, they and the audience were delighted to discover that bringing out the idea as he was suggesting actually enhanced the musicality of the line.

His criticisms were sometimes sharp, at other times were gentle nudges and offerings of encouragement. Underneath it all was a good humor which relaxed the performers, allowing them to be more natural, another prerequisite emphasized by the Maestro.

One example was his response to an older couple who sang a song about "True Love." Warfield asked how you know when you are getting old. "You know you're getting old," he answered, "when you confide in your best friend that you are having an affair, and he says, 'That's wonderful. Who's catering it?'"



Dr. Warfield coaches a young singer at a day of music in commemoration of Marian Anderson, at Turners Memorial AME Church, Washington, D.C. The accompanist is Sylvia Olden Lee.

The Concert

All of the experiences gained from his lifetime of “living it” made the concert on April 29 a delight. The program included, in addition to Warfield, three Chinese musicians, who presented Classical Chinese songs played on traditional instruments. Also performing was Alfredo Mendoza, the Director of the famous Schola Cantorum children’s chorus of Mexico City, who sang a Spanish folk song, and several German lieder, with a transparently powerful tenor voice; and three members of the National Association of Negro Musicians (an organization headed by Warfield from 1985 to 1990), who sang arias from Verdi and Puccini, as well as several American folk songs and Spirituals.

Warfield’s performance was the highlight of the afternoon. He presented four sets of two songs each, through which he demonstrated the principle of artistic beauty in both German lieder and the African-American Spiritual. In each case, there was both a “story” presented and a “mood” which he captured, which captivated the audience.

He opened with two pieces by Robert Schumann, “Du Bist eine Blume,” and a rousing “Die beiden Grenadiere.” These were followed by the profoundly moving Spiritual, “Li’l Boy, How Old Are You?” in which the same question is repeated, over and over, but never the same way, and “Chil-lun Did You Hear When Jesus Rose?” These were written by Roland Hayes, who had been one of the inspirations for Warfield when he was beginning his career.

After the intermission, he sang two pieces by Schubert,

“Wanderers Nachtlied” and “Der Erlkönig.” The latter was particularly haunting, as he demonstrated the poetic principle of presenting different voices within a single piece, as there are four distinct voices which tell the harrowing tale of a fatal ride through a deep, dark forest.

He concluded the concert with two Spirituals that he sings without a break, “Take My Mother Home,” which was arranged by Hall Johnson, and “Ain’t Got Time To Die,” written by Johnson. To present these together properly requires all the artistry of Warfield’s 80 years, as they express the sublime *agapē* of Jesus, dying on the cross, and the overwhelming joy one experiences from “serving my master.” The audience was moved to tears by the first, in which Jesus, while dying a slow, agonizing death, asks that his mother be taken home, to be spared the pain of seeing him die. By combining this with the uplifting message of the second, that the singer is so busy doing good that he “ain’t got time to die,” the tears from the first are transformed to tears of joy.

As an encore, Warfield sang the Paul Robeson version of “Old Man River,” with its message that, like that river, we must roll on, so as to “keep on fightin’.”

In his autobiography, Warfield writes that there is a continuity in great art, that “it’s passed on directly, from elderly master to an eager young novice, from hand to hand, voice to voice, heart to heart.” This is what he is doing with his life today, at 80 years young, to bring light to a civilization plunging headlong into a Dark Age.

This is what he means when he says, “Live it, baby.”

Sing the Music

Lyndon H. LaRouche, Jr. wrote this essay to honor the 80th birthday of William Warfield, who is one of the great Classical singers and pedagogues of our time.

January 18, 2000

All too often, when today's supposedly literate American, or European recites a poem or sings a Classical song, one hears the notes, but not the music. I witnessed a simple but elegant attack on that problem some years back, in William Warfield's coaching of a young singer. The matter addressed in that session was the strophic form of a well-known Negro Spiritual.

The general principle of so-called interpretation involved, was the same repeatedly emphasized by Pablo Casals: "always variation." It is the same principle which distinguishes the conducting of the late Wilhelm Furtwängler, sometimes described as "performing between the notes."

In the instance of any composition by a great Classical composer, the notes provided by the text are the clearly intended selections of carefully considered reflection. Those selections which, generally speaking, the performer must not defy. However, those notes as such remain merely symbols; they are the footprints of a creative process of composition. The finished score provides the footprints; it is that creative process which the performer must replicate within himself or herself. That replicated creative process must then serve as the controlling agency which governs the way in which the performer attacks each note from the standpoint of that creative process. It is that creative connection among not only individual notes, but among the polyphonic voices each uttering the notes, which is what the mind of the audience must hear.

To my present knowledge, the earliest trace of formal reference to such principles comes from a contemporary of Plato's Academy, the Sanskrit philologist Panini, whose work emphasizes the pre-eminence of the verb over the noun, and points out the similar significance of vocalization respecting an understanding of the sung-spoken language. In modern times, we have evidence, in the stone of the Florence Cathedral, of the methods of Florentine *bel canto* voice-training and registration. The principles for Florentine *bel canto* vocalization in Classical Italian were documented by Leonardo da Vinci.

Sometimes, the legacy of Classical singing of poetry can be glimpsed lurking, vestigially, in the background of even

platitudinous utterances of contemporary university graduates, even here in the cultural flatland known as today's U.S. itself. The very idea of composing either Classical poetry, or song, in any language, in today's classroom definitions of pure prose, without hearing a lawful quality of *bel canto* vocalization in the background, is a too-frequently demonstrated contradiction in terms. True poets, by definition, sing when they speak or compose; otherwise, they are not poets. True poets, and singers, vocalize in their mind, even as they appear to walk the streets silently, probably even much of the time they are sleeping.

Albert Einstein, performing on the violin for a 1920s religious service in the famous Jewish temple in Berlin, is typical of the great scientists of all modern times. The notion of a great creative scientist who is not also a practitioner or at least a cultured audience for Classical musical composition, is a contradiction in terms. This is no coincidence. The principle of creativity underlying validatable discoveries of universal physical principle, and that underlying the generation and replication of creative artistic discoveries, are the same faculty, as this is sometimes expressed in one profession, sometimes another, sometimes in both. The point to be made is not of a merely technical-professional nature; there is, as the Negro Spiritual reflects this, a deep moral principle underlying this connection.

It is said, in *Genesis* 1, that man and woman are each made equally in the image of the Creator of the universe, and set apart from and above all other species, by a special power which qualifies mankind to rule over all other things in this Creation. That is no matter of mere blind faith. It is a provable principle of physical science, for example. This is the same principle which is expressed in all those forms of artistic composition and performance known rightly as "Classical." Return to the way in which William Warfield coached that younger singer in the method for presenting the progressive succession of strophes in that Spiritual.

He showed the singer and the others present, how the utterance of the strophes must vary, to lead the mind of the audience (and also the singer) to the idea of that song as a whole, an idea to envelope the mind of both the audience and the singer in the conclusion of the song. Variation? Yes! But, how shall the variation be ordered? What is the principle

which sets the right choice of variation apart from a merely arbitrary one? Recite the concluding line of the strophe, hear the possible variations, and then suggest, and also demonstrate which ordering serves to bring the audience, at the end of the song, to the right idea.

To compare this Spiritual with a typical Classical song, try the “*Ungeduld*” from Franz Schubert’s *Die Schöne Müllerin*. In all the Classical Lied, from Mozart’s *Das Veilchen* on, the same principle of variation pervades the intent of both composer and able performer. There is no infallible formal rule for such variations. The proper variation is determined in a function of the individual human mind which lies above and beyond a merely formal logic. It lies within those natural potentials of the individual human mind which set every person above the beasts, as made in the image of the Creator. It is the power of the mind by means of which an individual person is able to discover a validatable universal physical principle. It is also the power to re-enact an original discovery of such a principle by someone who long preceded us. Thus, just as the great composer discovers an idea reflected in his or her original Classical artistic composition, so the cultivated mind and skills of an accomplished performing artist bring the original composition back to life for both the performer and the audience.

In both creative physical scientific work, and in great art, the principle involved is the same. No great discoveries of universal principles, either in science or art, could ever be conveyed by formal logic, or any other symbolic mechanism. Discoveries of validatable qualities of universal principles, whether in science or art, can be conveyed only in the same way the original discoveries were generated, by cognition, an act of cognition which occurs entirely within the sovereign creative powers of the individual human mind. The audience for that discovery can capture that idea only by re-enacting the original discovery. The sharing of such knowledge, shared in that way, is the characteristic feature of all valid ideas within the domain of social relations, whether the ideas we associate with physical science, or art.

So, in scientific education, the school or university does not tell the student what to believe. It guides the pupils to re-enact the original discovery, and the method of validation of that discovery. It is the same in artistic training. That is the difference between the victim of textbook education, the poor student who says, “I have learned,” and the student whose re-enactment of the discovery and validation of universal principles permits that student to say, “I know.”

That is the proper function of all educational programs, to guide the pupil into those re-enactments of validatable original discoveries of principles, the discoveries which warrant the pupil’s report, “I know.” The students who benefit from that kind of education, rather than the textbook variety, may be described as persons of cultivated minds. By re-experiencing the great discoveries of mankind’s past, the cognitive

potential within them is exercised. The divine spark of reason, which the Creator has given to all persons, is brought to fruition as the cultivated, knowing mind. The brief span of individual mortal life, then becomes a permanent personal identity in the eternity of all valid discoveries of principle, past and future. This is so for art, as it is for knowledge and application of universal physical principles.

So, behold the cultivated art of the great artist.

The validatable universal physical principles mankind acquires through cognition, pertain to man’s mastery over the universe in which we live. Art pertains to those principles of social relations, on which we depend for the spirit of cooperation which allows us to employ discoveries of physical principles for the general good. Classical art, as defined in European civilization by the Classical tradition of ancient Greece, addresses those cognitive principles of the individual mind on which effective cooperation depends, on which the sense of individual human identity depends. Thus Percy Shelley defined poets as the true legislators of mankind. The function of the composition and performance of great Classical art, is to cultivate the creative powers of the minds of both the artists and the audience, alike, to foster the development of those better people who leave the performance of great art better, more optimistic, happier people, than they were before that performance.

In what are called the non-plastic forms of Classical art, the difference between the bare, mechanistic text of deductive logic, and art, lies in those passions which are reflected in the verb-centered features of polyphonic, sung prosody. As we should have recognized from our own personal experience, as individuals, from the sovereign act of cognitive discovery or re-enactment of validatable universal principles, all validatable discoveries occur as an act of passion. We experience the passion of concentration needed to effect the discovery, the passion which impels us to break through barriers to cognitive insight.

Thus, in conveying such a discovery to another, especially an artistic discovery, it is indispensable that that special kind of cognitive passion which Plato identified in the Greek as *agapē* be the medium which permeates and controls the mere dots of words and notes. That expression of *agapē*, as passion, through the polyphonic voices, registrations, and other colorations of prosody, is that accompaniment of what is otherwise bare text, which makes the idea expressed by the composition an intelligible experience for the performing artist, and for the cognitive insight of the audience.

It is the great artists who lead their students and audiences to locate within themselves the cognitive insights necessary to choose the right choice of ordering of variation, who produce in their students and the audiences, the kind of qualitatively better people which the improvement of society demands. So, the singers and others who followed William Warfield’s coaching in that Spiritual, left all more optimistic and happier people than a short time before.

China-WTO Vote Not a Sure Thing, Archer Warns

In his opening remarks at a hearing of the House Ways and Means Committee on May 3, committee chairman Bill Archer (R-Tex.) warned against the reported optimism of the White House on the vote on Permanent Normal Trade Relations (PNTR) for China. He pointed out that the top two House Democratic leaders are “devoting enormous amounts of energy working toward its defeat.” For this reason, he said, “I am at least as concerned today as I was four weeks ago about our prospects for winning this historic vote.” He also expressed concern about the content of any potential side agreements that may be negotiated to gain votes for the PNTR bill. “We have to make sure,” he said, “that whatever we do . . . is not trade restrictive and should apply to China only.”

Sander Levin (D-Mich.), a key figure involved in negotiating side agreements, described the outline for the framework that he has been working on, which has three goals: first, “to maximize benefits to U.S. businesses and workers and farmers from China’s accession into WTO [World Trade Organization].” This means providing strong monitoring and enforcement of China’s compliance with the agreement.

The second, is to “minimize potential downsides from growing and more intense competition—and there will be, with a country where free markets and the rule of law are still in early stages of development.” This means legislating the “strong anti-import surge” protection built into the U.S.-China agreement.

Third, is to “keep the heat on China when it comes to human rights and other dimensions of our relationship.” This would be done by establishing a Congressional-Executive commis-

sion, modelled on the U.S. Helsinki Commission, to provide ongoing monitoring of human rights and other issues in China.

Levin’s proposed framework was endorsed by both Archer and Bill Thomas (R-Calif.). Archer called Levin’s efforts “constructive”; Thomas, also a PNTR supporter, said that while there might still be some disagreements on particular language to be used, “there are a number of areas on which we can work.”

West Nile Virus Prompts Calls for More Funding

On May 5, Rep. Nita Lowey (D-N.Y.), Sen. Charles Schumer (D-N.Y.), and Rep. Joe Crowley (R-N.Y.) announced at a press conference that they will ask for an additional \$15 million to combat the West Nile River virus that first made its appearance in New York City last summer. Of this amount, \$5 million would be an emergency appropriation for fiscal year 2000 (in addition to \$5 million already spent), and \$10 million would go into the fiscal 2001 budget.

Motivating the call for more funding is the finding by the Centers for Disease Control and Prevention (CDC) in Atlanta, that the virus, which caused 62 people to fall ill and killed 7 in last summer’s outbreak, survived the winter in hibernating mosquitos and larvae.

Lowey explained that the additional money would go to the CDC, and would be spent for preventing an outbreak, epidemic control measures, and for researching the side-effects of virus control measures, such as mosquito eradication. “If we don’t move quickly,” she said, “we’ll lose the opportunity to cut this virus down in its tracks.”

Schumer noted that the CDC initially misdiagnosed the virus. “We can’t afford that again,” he said. “We can’t afford not to know” how the disease spreads and how to eradicate it. “We need these funds to make sure that this summer does not bring another deadly outbreak. . . . If we want to truly eliminate this virus, we need to do more than kill the infected mosquitos. We need to figure out the cause and work to eradicate the outbreak so that it does not return in future years or spread to other places.”

Trafficant Attacks DOJ-FBI Corruption

Rep. James Traficant (D-Ohio), who is the target of a Department of Justice (DOJ) investigation, attacked FBI corruption on at least two occasions recently. On May 2, during a one-minute speech, Traficant claimed that he has evidence that “certain FBI agents” in his home district in Youngstown, Ohio are violating the Racketeering Influenced and Corrupt Organizations statute, by stealing Federal cash money that is vouchered to pay informants—which the FBI agents also failed to report on their tax returns. Additionally, these agents “suggested” to one of their field operatives, that he should commit a murder.

Traficant called on the House to pass a bill that he introduced on March 28 to establish a “Fair Justice Administration,” an independent Executive agency that would have the authority to “investigate and prosecute any alleged misconduct, criminal activity, corruption, or fraud by an officer or employee of the Department of Justice.”

On May 4, during a hearing of the Oversight, Investigations, and Emergency Management Subcommittee of

the Transportation and Infrastructure Committee, Traficant charged the DOJ and the FBI with interfering in the proceedings of the subcommittee with respect to a bill he and subcommittee chairman Tillie Fowler (R-Fla.) have introduced, to establish a White House office to coordinate training programs for local fire and emergency services agencies, and to develop a national strategy for defending against terrorist attacks. He accused the DOJ of trying to "limit open and honest discussion" on the bill by directly attempting to influence the testimony of witnesses. The bill is widely supported by state and local fire and emergency management officials, who complain of duplication and a lack of coordination among Federal agencies that have responsibilities regarding potential terrorist attacks on U.S. soil, but the DOJ opposes it. Traficant said that if the evidence warrants it, he'll call for a grand jury investigation into the DOJ for interference in the subcommittee's activities.

Traficant later said that, when it comes to cooperating with state and local officials to prevent terrorism, the DOJ doesn't want anyone on its turf. It has never released any of the funds Congress has appropriated for such purposes, and it does not share relevant intelligence information on potential terrorist threats against the United States with local officials.

Africa Trade Conference Report Passes House

On May 4, the House passed, by a vote of 309-110, the conference report on the Africa-Caribbean trade bill, now entitled the Trade and Development Act of 2000. Trade Subcommittee Chairman Phil Crane (R-Ill.) claimed that the conference report "encourages

the development of an African textile and apparel industry and regional integration through the provision of duty-free and quota-free treatment of up to 3.5% of the U.S. apparel imports" over the next eight years. The bill is also supposed to redress the negative economic impact that the North American Free Trade Agreement has had on Caribbean nations, which, said Crane, represent a larger market for U.S. exports than China.

Only Robin Hayes (R-N.C.), who comes from a big textile state, spoke against the bill. "This bill will imperil the livelihood of thousands of U.S. textile workers," he said. He reported that last year alone, the U.S. textile industry lost more than 180,000 jobs. "This agreement represents the willingness to trade away American jobs for cheap goods," he said. "It creates the opportunity for massive fraud, turning Sub-Saharan Africa into a transshipment superhighway," which the Customs Service is ill-equipped to deal with.

International Relations Committee Chairman Benjamin Gilman (R-N.Y.), a supporter of the bill, admitted that it will have an impact on the U.S. textile industry. He said, "Very careful monitoring and oversight will be needed by the Congress to make certain [that] preferential trade treatment for apparel imports . . . does not further displace our American workers."

Senate Begins Debate on Education Bill

For the first time in six years, the Senate has revisited the Elementary and Secondary Education Act, originally passed in the 1960s, for re-authorization. However, the bill that emerged from the Health, Education, Labor, and Pensions Committee will not im-

prove bipartisanship in the Senate. Rather, what started out as a bipartisan bill, has ended up as the centerpiece of the GOP's education agenda, and the process that resulted in that has Democrats fuming.

While there are many programs in the 920-page bill that are supported by Democrats, such as drug-free schools and programs that facilitate bringing Internet connections into schools, what peeved the Democrats so much is the emphasis in the bill on block grant programs, which have only played a small role in Federal education programs until now. During debate on May 3, Patty Murray (D-Wash.) accused the GOP majority of experimenting "with things that have no record of producing results for students." She said that block grants would hurt disadvantaged students, would reduce accountability for student achievement, and would mean less money for the classroom.

Republicans said that their approach is needed because Federal money spent on education since 1965, now about \$15 billion per year, has proven ineffective. Judd Gregg (R-N.H.) asserted, "Generation after generation of children have been put through a system that has not allowed them to achieve." The GOP argued that block grants would allow states and local school districts "flexibility, innovation, and creativity," by allowing them to spend the Federal money as they see fit.

Democrats scoffed at the notion that Federal funding could be the cause of all the problems in education that the Republicans point out, because Federal funding makes up only about 6% of total education spending. However, several amendments sponsored by Democrats to redress what they saw as deficiencies were defeated on party-line votes.

National News

Moynihan, Kerrey Blast Gore and Boost Bush

Sen. Daniel Moynihan (N.Y.) and Robert Kerrey (Neb.), two prominent Democratic outgoing Senators who backed Bill Bradley against Al Gore for the Democratic Presidential nomination, gave a press conference on Capitol Hill on May 5, lambasting Gore for his criticism of George W. Bush's plan to allow workers to take part of their Social Security withholdings and privately invest them in stock market accounts.

Moynihan, who was a Nixon-era architect of the legislation setting up health maintenance organizations (see article in this issue), accused Gore of attacking Bush for a policy that President Clinton had once mooted — stock market investment of part of the Social Security fund. Kerrey met with George W. Bush the week before, to discuss the Texas Governor's Social Security scheme.

While Gore's purported opposition to any privatization of Social Security may be the one issue where he is not totally off the wall, the fact that two senior, retiring Senators are attacking him, and even opening up lines of communication with Bush, may reflect the growing disenchantment with the unelectable Mr. Gore among many Democrats. Moynihan had endorsed Bradley, in part, because he said that Gore was "unelectable."

Simon and Schuster Issue Porno Video-Game

The publishing giant Simon and Schuster has released a pornographic video game called "Panty Raiders: From Here to Immaturity," reports *Holt Uncensored*, a publishing industry newsletter. The game, according to *Holt Uncensored*, "is a CD game for — well, see who you think the intended audience is — boys of many ages, one supposes. Players are told they can save the Earth from 'perverted' aliens with 'hormone-driven anger' who will soon blow up the planet. The key: 'Only the sexy underwear of supermodels' can satisfy these 'testosterone-driven

aliens.' The object of the game is to 'Seek Out Supermodels to Strip Them Down to Their Bra and Panties.'"

Joe Kelly, the head of an organization called Dads & Daughters, told *Holt Uncensored*, "We don't see the humor or fun in glorifying hormone-driven anger in boys, especially in the aftermath of tragedies like the Columbine shootings. We are offended when our sons are repeatedly subjected to the destructive stereotypes of boys objectifying females, placing titillation above all else, and using violence or its threat to get their way. . . . This is a call to Simon and Schuster to regard its audience more highly, to raise its standards of literature (and this is literature), to consider the ways that stereotypes, prejudice, and bigotry get started and are sustained."

British Wax Eloquent at Jamie Rubin's Arrival

Former State Department spokesman James Rubin's moving to London could begin "a new chapter in the much-vaunted 'special relationship' between America and Britain," wrote the *Sunday Times* of London on April 30. Rubin and his wife, CNN chief foreign correspondent Christiane Amanpour, have bought a house in Notting Hill, London, "that may become as effective an emblem of American power as the country's vast embassy," the newspaper commented.

After describing Rubin's "legendary" influence with U.S. Secretary of State Madeleine Albright (for whom he represents "the son she never had," and whose Kosovo policy, especially, Rubin zealously defended), the article details the close links of Prime Minister Tony Blair's Labour Party leaders with America, including the fact that several were trained in U.S. universities. Chancellor Gordon Brown spends his vacation every year on Cape Cod; Jonathan Powell, Blair's foreign policy adviser, "is as much at home in Washington as he is in Whitehall"; David Miliband, who runs the policy unit at Downing Street, was trained at MIT; and Ed Balls studied at Harvard.

Rubin is reported to be a friend of Alastair Campbell, "Blair's spin doctor in chief," with whom he "bonded" during the

Kosovo war.

Rubin and Amanpour's wedding, at an Italian castle, "coincided with the bombing of two American embassies in Africa," a key event that led to Albright's attacks against Sudan, then Iraq, and then Kosovo.

Rubin himself told the *Sunday Times*, "London is becoming a magnet for internationally oriented people like me. . . . England is on an upswing. London is, in many respects, the center of Europe."

Rubin says he wants to make his future lecturing and in television.

The article notes that "until November's Presidential election, Rubin will have almost unparalleled access to America's foreign policy establishment, providing No. 10 [Downing Street] with a useful conduit to Albright and the Clinton clan. This, and Rubin's desire to 'exchange ideas with intelligent people,' raises the prospect of a London salon to rival those of Carla Powell and George Weidenfeld." Lord Weidenfeld is a very close associate of Henry Kissinger. *Saloniste* Mrs. Powell is Jonathan Powell's sister-in-law; her husband, Sir Charles, was himself a former policy adviser to Margaret Thatcher.

Berger Looks to End of Communist Rule in China

U.S. National Security Adviser Sandy Berger claimed that Communist Party rule could be undermined by getting China into the World Trade Organization (WTO), by speeding up the end of China's state-owned industry, according to statements quoted in the *South China Morning Post*. Berger was speaking at the East Asia Institute of Columbia University, New York City, in the first week of May.

On China's state sector, which makes up a third of its economy, Berger said: "That system has been an important source of the Communist Party's power. . . . [Admission to the WTO] will speed the removal of government from vast areas of people's lives. It will take the command and control out of communism."

Berger also warned that rejection by Congress of permanent normal trade relations (PNTR) status for China, "will set

off a downward spiral that could disrupt stability in Asia, diminish the chance of dialogue across the Taiwan Strait, and deflate hopes for a more constructive relationship between the U.S. and China. . . . Rejection . . . would be the worst possible blow to the best possible hope we have had in more than 30 years to encourage positive change in China.”

President Clinton has made similar recent statements, including the remark on May 2 that “the deal we negotiated with [China] does not give them one bit of increased access to our markets, but gives us huge increased access to their markets.”

Schiller Institute leader Helga Zepp-LaRouche, who has spoken on the economy to several major conferences in China, expressed dismay on May 5 that the U.S. officials would make such inflammatory remarks—apparently intended for domestic consumption, and without any consideration of the effect they would have abroad. “I can only say both of these remarks are for sure heating up the situation in China,” she said, “where the opposition to the WTO is already increasing. And a lot of that has to do with the Taiwan issue. This can only fuel the situation.”

Hard Times in Silicon Valley

The *San Jose Mercury News* reported on May 1 that the median price of a private home in Santa Clara County, California (the location of “Silicon Valley”) hit an all-time record of \$540,000 in March. One year ago, the median price for homes was \$398,000, and five years ago it was \$279,000. This compares with the national median price of \$139,000. The article adds that this figure includes the poorer Hispanic and Asian neighborhoods, as well as the cheaper rural areas in the southern part of the county. In the heart of Silicon Valley (Sunnyvale, Palo Alto, Mountain View), prices for even the smallest, shabbiest homes begin at over \$500,000.

On May 3, People Acting in Community Together (PACT), a church-based grassroots organization, released a report stating that more than 30% of the residents of Sil-

icon Valley are completely without health insurance. In some areas, the figure is as high as 45%. PACT states that it is not just low-income families who lack insurance; there is an increasing pattern of high-tech companies hiring workers on a “contract” basis, in order to avoid paying health and other benefits (including sick days and holidays). PACT points, in particular, to the growing use of “temp” firms in hiring practices.

Former CIA Chief May Face Prosecution

Former CIA director John Deutch may face criminal prosecution for violating CIA security procedures and Federal laws, by having thousands of classified intelligence documents on an unsecured home personal computer, while he was Director of Central Intelligence.

According to the *New York Times* on May 6, after the Justice Department was first informed about the Deutch security breach in 1998, there was a brief inquiry, and Attorney General Janet Reno decided not to prosecute Deutch. He did have his security clearance lifted at that time. However, following a CIA Inspector General’s study of the case, and when the security breach gained public notoriety, after Los Alamos Lab scientist Wen Ho Lee was indicted for the same actions, the Deputy Director of the CIA Gen. John A. Gordon asked the President’s Foreign Intelligence Advisory Board (PFIAB) to conduct a study of the case. That classified study, requested in February 2000, was recently completed, and passed on to Attorney General Reno. Reno reopened the criminal probe of Deutch.

The news comes amidst other intelligence scandals, that suggest a behind-the-scenes spook war. The State Department is under the gun for a string of serious security breaches, including at least three missing laptop computers, one with classified data, and the bugging of a conference room down the hall from Secretary Madeleine Albright’s office.

Also, there are renewed allegations that the Israelis were bugging phone and fax lines at the White House, the State Department, and other U.S. government offices.

KENNETH STARR, the former independent counsel, was the featured speaker at a dinner on April 29 to raise money for the Southeastern Legal Foundation, which is leading a drive to have President Clinton disbarred in Arkansas, *WorldNetDaily* reported. Starr would not confirm or deny plans to indict the President, “but there was a smile on his face when he said he couldn’t comment,” the daily reported.

LEON FUERTH, Al Gore’s National Security Adviser, is *not* overseeing the National Security Council’s policies in respect to HIV/AIDS as a national security issue, contrary to a report in the *Washington Post* on April 30. A spokesman for Fuert’h’s office said that Fuert’h’s involvement in the issue is only minor.

OUTGOING NATO Commander Gen. Wesley Clark complained that Washington opposed his ground invasion plan for Kosovo, in an interview published in a Dutch newspaper, *NRC-Handelsblad*, on May 3. In April, Clark, following in the footsteps of Henry Kissinger, George Bush, and Colin Powell, accepted a knighthood from Her Majesty Queen Elizabeth of Britain.

VIRGINIA Gov. James Gilmore, desperate to prevent an NAACP civil-rights tourist boycott of his state, announced a \$2.9 million allocation for black tourist sites, such as an antebellum slave market and some museums. The NAACP was threatening a boycott, protests, demonstrations, and rallies, because Gilmore had declared April to be “Confederate History Month.”

THE REPUBLICAN Governors Association announced its support for permanent normal trade relations (PNTR) with China, in an open letter to House Speaker Dennis Hastert on May 2. The letter says that “Americans are deeply concerned about human rights abuses in China,” but PNTR could ensure that “China continues on its path to a more democratic society.”

Current History as Classical Tragedy

If anyone asks you what the markets will do next week, or what Russia's President Putin will do next week, it's a silly question. Russia, and the rest of the world to an even greater extent, is being maintained as a huge Potemkin village—a phony facade. Putin is delaying and delaying any decisive action, hoping for a more favorable situation to arise as the world crisis deepens.

The same on the markets. Nothing in current history can be interpreted on the basis of so-called objective facts—only on the basis of first understanding where we are in history. Objective explanations are worse than useless. The Group of Eight leading industrialized nations, especially the Anglo-American establishment, all possible ruling combinations within these institutions, have failed. They have lost all control.

We are at the moment of a Classical tragedy, just before the final denouement, when all those who appear to be the leading personalities are about to be killed or overthrown, and lose all influence.

Look at the way in which the Anglo-American establishment has handled the latest phase of the financial breakdown crisis, which began with the 1997 Asia crisis, and then progressed into the danger of immediate global financial meltdown following Russia's default in August 1998. They have institutionalized a spiralling hyperinflationary process, in the attempt to postpone the inevitable day of reckoning. This hyperinflationary reflex spreads a sense of total unreality over all considerations of serious policy-issues today.

The present moment can only be compared to Weimar Germany in March through October of 1923. Look back at that period, to see how quickly the whole situation can go visibly completely out of control. It can only be compared with Riemann's description of the formation of a transsonic shock wave.

Many leading layers in Europe and Japan are aware of this, but so far, none are willing to openly challenge the Anglo-American triumphalist imperial posture. Yet at the same time, continuation of the present course threatens their own survival.

This is the background to the early-May Chiang Mai

agreement of the ASEAN countries, Japan, China, and Korea (see article, p. 4). This defensive alliance, circumventing the IMF, is the heir of the Asian Monetary Fund which Japan and the ASEAN countries proposed in 1997, but which foundered on Treasury Secretary Larry Summers's opposition.

Japan wants cooperation with China, and is forced to find some way to oppose Summers's and Greenspan's insane pressure for ever-greater zero-interest hyperinflation. Japan-U.S. relations are reaching the breaking-point over this. Similarly, Wall Street is telling Europe, keep the euro at 90¢ or lower, or you'll be responsible for the resulting collapse of the Nasdaq, and therefore of the system. Kill yourself, or else, or else you're responsible for the collapse!

This is the meaning of the recent statements in leading German press, that no defense of the euro could succeed without U.S. and Japanese cooperation: that Summers will wage still-more-brutal currency war against Europe, if he doesn't get his way!

For these reasons, there is unbelievable tension among the U.S., Japan, and Europe, as George Soros also pointed out recently in one of his few truthful utterances. Tensions are at the breaking point.

Russia may be mired in a Potemkin village of unreality, but Washington is much more so, thanks to Larry Summers's obsession with papering-over the crisis, to elect the unelectable Al Gore.

There is the stink of eeriness throughout the planet. The establishments refuse to face reality. They cannot even address the near future in their thinking—no further than the next election. And if the world's most powerful nation-state, can produce no better Presidential pre-candidates than Bush and Gore, look for Ozymandias and falling empires.

The only sane approach accepts the fact of the looming collapse, and looks to the post-collapse reconstruction: a New Bretton Woods agreement, debt cancellation, national banking, long-term credit. Reconstructing the world economy based on proven principles. It is our historic mission to pull together the forces to do that.

SEE LA ROUCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted. (*) Call station for times.

- ALABAMA**
- BIRMINGHAM—Ch. 4 Thursdays—11 pm
 - MONTGOMERY—Ch. 3 Mondays—10:30 pm
 - UNIONTOWN—Ch. 2 Mon.-Fri.: Every 4 hrs. Sundays—Afternoons
- ALASKA**
- ANCHORAGE—Ch. 44 Thursdays—10:30 pm
 - JUNEAU—GCI Ch. 2 Wednesdays—10 pm
- ARIZONA**
- PHOENIX—Ch. 98 Fridays—9 pm
 - TUCSON—Access Cox Ch. 62 CableReady Ch. 54 Thu.—12 Midnight
- ARKANSAS**
- CABOT—Ch. 15 Daily—8 pm
- CALIFORNIA**
- BEVERLY HILLS Adelphia Ch. 37 Thursdays—4:30 pm
 - BREA—Ch. 17*
 - CHATSWORTH T/W Ch. 27/34 Wed.—5:30 pm
 - CONCORD—Ch. 25 Thursdays—9:30 pm
 - COSTA MESA—Ch. 61 Mon.—6 pm; Wed.—3 pm Thursdays—2 pm
 - CULVER CITY MediaOne Ch. 43 Wednesdays—7 pm
 - E. LOS ANGELES BuenaVision Ch. 6 Fridays—12 Noon
 - HOLLYWOOD MediaOne Ch. 43 Wednesdays—7 pm
 - LANC./PALM. Jones Ch. 16 Sundays—9 pm
 - LAVERNE—Ch. 3 Mondays—8 pm
 - LONG BEACH Charter Ch. 65 Thursdays—1:30 pm
 - MARINA DEL REY Adelphia Ch. 3 Thursdays—4:30 pm MediaOne Ch. 43 Wednesdays—7 pm
- MID-WILSHIRE**
- MediaOne Ch. 43 Wednesdays—7 pm
 - MODESTO—Ch. 8 Mondays—2:30 pm
 - PALOS VERDES Cox Ch. 33 Saturdays—3 pm
 - SAN DIEGO—Ch. 16 Saturdays—10 pm
 - STA. ANA—Ch. 53 Tuesdays—6:30 pm
 - SANTA CLARITA MediaOne/T-W Ch. 20 Fridays—3 pm
 - SANTA MONICA Adelphia Ch. 77 Thursdays—4:30 pm
 - TUJUNGA—Ch. 19 Fridays—5 pm
 - VENICE—Ch. 43 Wednesdays—7 pm
 - W. HOLLYWOOD Adelphia Ch. 3 Thursdays—4:30 pm
- COLORADO**
- DENVER—Ch. 57 Sat-1 pm; Tue-7 pm
- CONNECTICUT**
- CHESHIRE—Ch. 15 Wednesdays—10:30 pm
 - GROTON—Ch. 12 Mondays—10 pm
 - MANCHESTER—Ch. 15 Mondays—10 pm
 - MIDDLETOWN—Ch. 3 Thursdays—5 pm
 - NEW HAVEN—Ch. 28 Sundays—10 pm
 - NEWTOWN/NEW MIL. Charter Ch. 21 Thursdays—9:30 pm
- DIST. OF COLUMBIA**
- WASHINGTON—Ch. 25 Wednesdays—3:30 pm
- GEORGIA**
- ATLANTA MediaOne Ch. 12/25 Mondays—2:30 pm
- IDAHO**
- MOSCOW—Ch. 11 Mondays—7 pm
- ILLINOIS**
- CHICAGO—Ch. 21 (no shows in May) Fridays—1:30 pm
 - QUAD CITIES—AT&T In Illinois: Ch. 4/6 In Iowa: Ch. 4 Mondays—11 pm
- INDIANA**
- PEORIA COUNTY AT&T Ch. 22 (call station for times)
 - SPRINGFIELD—Ch. 4 Wednesdays—5:30 pm
- DELAWARE COUNTY**
- Adelphia Ch. 42 Mondays—11 pm
 - MICH. CITY—Ch. 99 Mondays—10 pm
- KANSAS**
- SALINA—CATV Ch. 6 *Love, Unity, Saves**
- KENTUCKY**
- LATONIA—Ch. 21 Mon.-8 pm; Sat.-6 pm
 - DULUTH—Ch. 24 Thursdays—10 pm Saturdays—12 Noon
 - MINNEAP.—Ch. 32 Wednesdays—8:30 pm
 - NEW ULM—Ch. 12 Fridays—5 pm
 - PROCTOR/HERMANTOWN—Ch. 12 Tue. btw. 5 pm - 1 am
 - ST. LOUIS PARK—Ch. 33 Friday through Monday 3 pm, 11 pm, 7 am
 - ST. PAUL—Ch. 33 Sundays—10 pm
 - ST. PAUL (NE burbs)* Suburban Community Ch. 15
- LOUISIANA**
- ORLEANS PARISH Cox Ch. 6 Tue., Thu., Sat. 2:30 am & 2:30 pm
- MARYLAND**
- A. ARUNDEL—Ch. 20 Fri. & Sat.—11 pm
 - BALTIMORE—Ch. 5 Wed.: 4 pm, 8 pm
 - MONTGOMERY—Ch. 19/49 Fridays—7 pm
 - P.G. COUNTY—Ch. 15 Mondays—10:30 pm
 - W. HOWARD COUNTY MidAtlantic Ch. 6 Monday thru Sunday—1:30 am, 11:30 am, 4 pm, 8:30 pm
- MASSACHUSETTS**
- AMHERST—Ch. 10*
 - GREAT FALLS MediaOne Ch. 6 Mondays—10 pm
 - WORCESTER—Ch. 13 Wednesdays—6 pm
- MICHIGAN**
- CANTON TOWNSHIP MediaOne Ch. 18 Thursdays—6 pm
 - DEARBORN HEIGHTS MediaOne Ch. 18 Thursdays—6 pm
 - GRAND RAPIDS GRTV Ch. 25 Fridays—1:30 pm
 - LAKE ORION AT&T Ch. 65 Alt. Weeks: 5 pm Mon., Wed., Fri.
- MINNESOTA**
- ANOKA—Ch. 15 Thu.—11 am, 5 pm, 12 Midnight
 - COLUMBIA HTS. MediaOne Ch. 15 Wednesdays—8 pm
 - DULUTH—Ch. 24 Thursdays—10 pm Saturdays—12 Noon
 - MINNEAP.—Ch. 32 Wednesdays—8:30 pm
 - NEW ULM—Ch. 12 Fridays—5 pm
 - PROCTOR/HERMANTOWN—Ch. 12 Tue. btw. 5 pm - 1 am
 - ST. LOUIS PARK—Ch. 33 Friday through Monday 3 pm, 11 pm, 7 am
 - ST. PAUL—Ch. 33 Sundays—10 pm
 - ST. PAUL (NE burbs)* Suburban Community Ch. 15
- MISSISSIPPI**
- JACKSON T/W Ch. 11/18 Mondays—3:30 am
- MISSOURI**
- ST. LOUIS—Ch. 22 Wed.-5 pm; Thu.-Noon
- MONTANA**
- MISSOULA—Ch. 13/8 Sun.-9 pm; Tue.-4:30 pm
- NEBRASKA**
- LINCOLN Time Warner Ch. 80 *Citizen Watchdog* Tuesdays—7 pm Wednesdays—8 pm
- NEVADA**
- CARSON CITY—Ch. 10 Sundays—2:30 pm Wednesdays—7 pm Saturdays—3 pm
- NEW JERSEY**
- MONTVALE/MAHWAH Time Warner Ch. 27 Wednesdays—5:30 pm
- NEW MEXICO**
- ALBUQUER.—Ch. 27 Thursdays—4 pm
- NEW YORK**
- AMSTERDAM—Ch. 16 Mondays—7 pm
- BROOKHAVEN** (E. Suffolk)
- Cablevision Ch. 1/99 Wednesdays—9:30 pm
 - BROOKLYN—BCAT Time Warner Ch. 35 Cablevision Ch. 68 Sundays—9 am
 - CORTLANDT/PEEKES. MediaOne Ch. 32/6 Wednesdays—3 pm
 - HORSEHEADS—Ch. 1 Mon., Fri.—4:30 pm
 - HUDSON VLY.—Ch. 6 2nd, 3rd Sun.-1:30 pm
 - ILION—T/W Ch. 10 Saturdays—12:30 pm
 - IRONDEQUOIT—Ch. 15 Mon., Thu.—7 pm
 - ITHACA—T/W Ch. 78: Mon.—8 pm Ch. 78: Thu.—9:30 pm Ch. 13: Sat.—4 pm
 - JOHNSTOWN—Ch. 7 Tuesdays—4 pm
 - MANHATTAN—MNN T/W Ch. 34; RCN Ch. 109 Alt. Sundays—9 am
 - NASSAU—Ch. 80 Thursdays—5 pm
 - NIAGARA FALLS Adelphia Ch. 24 Tuesdays—4 pm
 - N. CHAUTAUQUA Gateway Access Ch. 12 Fridays—7:30 pm
 - ONEIDA—T/W Ch. 10 Thursdays—10 pm
 - OSSINING—Ch. 19/16 Wednesdays—3 pm
 - PENFIELD—Ch. 12 Penfield Community TV* Poughkeepsie—Ch. 28 1st, 2nd Fridays—4 pm
 - QUEENS—OPTV* QUEENSBURY—Ch. 71 Thursdays—7 pm
 - RIVERHEAD—Ch. 27 Thursdays—12 Midnight
 - ROCHESTER—Ch. 15 Fri.-11 pm; Sun.-11 am
 - ROCKLAND—Ch. 27 Wednesdays—5:30 pm
 - SCHENECTADY—Ch. 16 Tuesdays—10 pm
 - STATEN ISL.—Ch. 57 Thu.-11 pm; Sat.-8 am
 - SUFFOLK—Ch. 25 2nd, 4th Mon.—10 pm
 - SYRACUSE—T/W City: Ch. 3
- Suburbs:** Ch. 13 Fridays—8 pm
- TRI-LAKES**
- Adelphia Ch. 2 Sun.: 7 am, 1 pm, 8 pm
 - UTICA—Ch. 3 Thursdays—6 pm
 - WATERTOWN—Ch. 2 Tue: betwn. Noon-5 pm
 - WEBSTER—Ch. 12 Wednesdays—8:30 pm
 - WESTFIELD—Ch. 21 Mondays—12 Noon Wed., Sat.—10 am Sundays—11 am
 - W. SENECA—Ch. 68 Thu.—10:30 pm
 - YONKERS—Ch. 71 Saturdays—3:30 pm
 - YORKTOWN—Ch. 71 Thursdays—3 pm
- NORTH CAROLINA**
- MECKLENBURG Time Warner Ch. 18 Saturdays—12:30 pm
- NORTH DAKOTA**
- BISMARCK—Ch. 12 Thursdays—6 pm
- OHIO**
- FRANKLIN COUNTY Ch. 21: Sun.—6 pm
 - OSBERLIN—Ch. 9 Tuesdays—7 pm
 - REYNOLDSBURG Ch. 6: Sun.—6 pm
- OREGON**
- CORVALLIS/ALB. AT&T Ch. 99 Tuesdays—1 pm
 - PORTLAND—AT&T Ch. 27: Tue.—6 pm Ch. 33: Thu.—3 pm
 - SALEM—ATT Ch. 28 (starting May 30) Tuesdays—12 Noon Thu.-8 pm; Sat.-10 am
 - WASHINGTON—ATT Ch. 23: Regional Area Ch. 33: Unincorp. Towns Mon.—5 pm; Wed.—10 am; Sundays—10 am
- RHODE ISLAND**
- E. PROVIDENCE—Ch. 18 Tuesdays—6:30 pm
- TEXAS**
- EL PASO—Ch. 15 Wednesdays—5 pm
- UTAH**
- GLENWOOD, Etc. SCAT-TV Ch. 26, 29, 37, 38, 98 Sundays—about 9 pm
- VIRGINIA**
- ARLINGTON ACT Ch. 33 Mondays—4:30 pm Tuesdays—9 am
 - CHESTERFIELD Comcast Ch. 6 Tuesdays—5 pm
 - FAIRFAX—Ch. 10 Tuesdays—12 Noon Thu.-7 pm; Sat.-10 am
 - LOUDOUN—Ch. 59 Thu.-7:30 pm, 10 pm
 - PRINCE WILLIAM Jones Ch. 3 Mondays—6 pm
 - ROANOKE—Ch. 9 Thursdays—2 pm
 - SALEM—Ch. 13 Thursdays—2 pm
 - STUARTS DRAFT WPMG-TV Ch. 17 Adelphia Ch. 13 Saturdays—2 pm
- WASHINGTON**
- KING COUNTY AT&T Ch. 29/77 Thursdays—3 pm
 - SPOKANE—Ch. 25 Wednesdays—6 pm
 - TRI-CITIES Falcon Ch. 13 Mon.-Noon; Wed-6 pm Thursdays—8:30 pm
 - WHATCOM COUNTY AT&T Ch. 10 Wednesdays—11 pm
 - YAKIMA—Ch. 9 Sundays—4 pm
- WISCONSIN**
- KENOSHA—Ch. 21 Mondays—1:30 pm
 - MADISON—Ch. 4 Tue.-2 pm; Wed.-8 am
 - MARATHON COUNTY Charter Ch. 10 Thursdays—9:30 pm; Fridays—12 Noon
 - OSHKOSH—Ch. 10 Fridays—11:00 pm
- WYOMING**
- GILLETTE—Ch. 36 Thursdays—5 pm

If you would like to get The LaRouche Connection on your local cable TV station, please call Charles Notley at 703-777-9451, Ext. 322. For more information, visit our Internet HomePage at <http://www.larouche.com/tv>

Executive Intelligence Review

U.S., Canada and Mexico only

1 year	\$396
6 months	\$225
3 months	\$125

Foreign Rates

1 year	\$490
6 months	\$265
3 months	\$145

I would like to subscribe to *Executive Intelligence Review* for

1 year 6 months 3 months

I enclose \$_____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone (_____) _____

Address _____

City _____ State _____ Zip _____

Make checks payable to EIR News Service Inc., P.O. Box 17390, Washington, D.C. 20041-0390.

FEATURED IN THE SPRING 2000 ISSUE

21st CENTURY SCIENCE & TECHNOLOGY

■ Does Time Really Precede Existence? A Reflection on Prigoginism

Dino De Paoli

The distinguishing characteristic of life can best be seen in man's unique capability to create a culture that fosters the continuing creative breakthroughs necessary for moving civilization forward. It cannot be understood from the lower standpoint of physical processes.

■ A Note on Nonlinearity

Lyndon H. LaRouche, Jr.

■ The Growing Evidence of Planets Beyond Our Solar System

Marsha Freeman

The discovery of 28 probable extrasolar planets, over the past five years, has thrown conventional theories of planet formation into turmoil.

■ Interview with Prof. Vladimir Voeikov: A Russian Biologist Comments on What Distinguishes Living Systems

A leading researcher discusses the breaking frontiers of biophysics presented at the Second International A.G. Gurwitsch Conference, held in Moscow in September 1999.

■ Develop the Amazon! Brazilian Senator Asks: 'Why Should Brazilians Go Hungry to Please the Queen of England?'

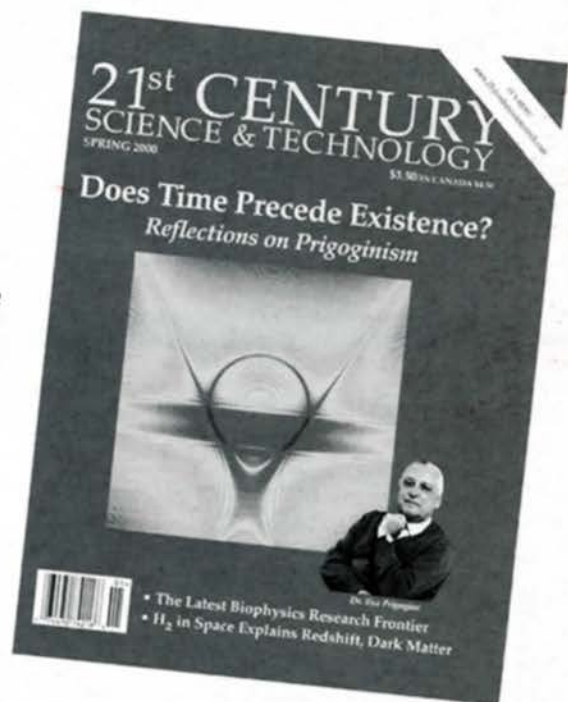
■ South Africa Plans to Mass Produce Pebble-Bed HTR Nuclear Reactors

Jonathan Tennenbaum

■ Discovery of Hydrogen in Space Explains Dark Matter and Redshift

Dr. Paul Marmet

■ Krinsky's Kaos: The Hormonal Bias of a Bioethicist A review by Dr. Stephen Safe of *Hormonal Chaos* by Sheldon Krinsky



SUBSCRIBE TO 21ST CENTURY | \$25 for 6 issues (U.S.) or | \$50 foreign airmail.

Send check or money order (U.S. currency only) to

21st Century, P.O. Box 16285, Washington, D.C. 20041. Single copies \$5 postpaid.