

EIR

Executive Intelligence Review

March 10, 2000 Vol. 27 No. 10

\$10.00

LaRouche in dialogue with Peruvian accountants
Drumbeat grows for a U.S.-China confrontation
The Diallo affair, and the epidemic of violence

**U.S.A. v. LaRouche: 'He's
a bad guy but we can't say why'**



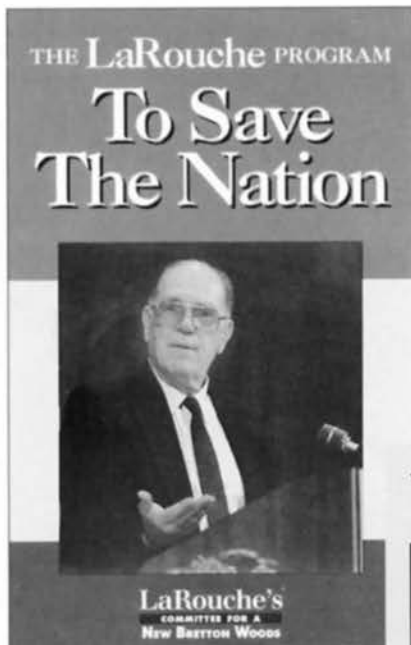
LA ROUCHE *for* President



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.larouche.com>
e-mail: eirns@larouche.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

It never ceases to amaze me, that a man with such good ideas, such manifest qualifications in a world desperately in need of inspired leadership, should be treated so badly. Lyndon H. LaRouche, Jr. conducts statesmanlike dialogues with accountants in Peru (see *Conference Report* in this issue), intellectuals in Russia, physicists in Italy, musicians in Germany, African political leaders, and students on American campuses. His Presidential campaign organization has raised \$2.5 million and qualified for Federal matching funds. It has overcome seemingly insuperable obstacles to achieve primary ballot status in 30 states (so far).

And yet, the very existence of his candidacy is almost 100% blacked out by the so-called major media. Al Gore's Dixiecrat apparatus within the Democratic National Committee is determined to obliterate every principle of democratic government, in order to prevent LaRouche from gaining fair access to the voters. LaRouche was sent to prison for five years, and three of his associates remain imprisoned.

"But the trial was unjust," you say.

"Yes," LaRouche's enemies reply. "But we had to do it."

"Why?"

"He's a really bad guy, but we can't say why."

"Why can't you say?"

"National security."

At that point, you're supposed to stop asking questions.

Well, in this week's *Feature*, LaRouche tells the story that the media cartel and the Gore-Bush establishment don't want you to hear. He explains *why* his enemies hate him so ferociously, and situates the conflict in the broad sweep of history. The LaRouche case, he writes, has the special importance, "of showing what sorts of disoriented persons, even often lunatics, or worse, rule so many of the institutions of power and great influence in our nation today. The naked and persisting travesty of justice in this case, should be taken as an ominous warning to us, of what we must change, if this nation itself is even merely to survive."

In the weeks immediately following the "Super Tuesday" elections, the need for such a change will become daily more apparent. Whether the nation survives, will depend very much on what *EIR's* readers do to ensure that it does.

Susan Welsh

EIR Contents

Book Reviews

- 76 How the media kill!**
Stop Teaching Our Kids to Kill: A Call To Action Against TV, Movie & Video Game Violence, by Lt. Col. David Grossman and Gloria DeGaetano.

Departments

- 80 Editorial**
We are in a new Dark Age.

Conference Report

- 32 LaRouche holds dialogue with Peruvian accountants**
On Feb. 25, Lyndon H. LaRouche, Jr. gave the keynote speech to a conference at the College of Public Accountants, in Lima, Peru, which was broadcast live on the Internet. The lively ensuing discussion ranged from what a New Bretton Woods financial system would look like, to the issue of national sovereignty for small nations like Peru, to questions of educational policy.

- 48 Peru is under fire from the globalists**

Economics

- 4 Greenspan goes from ‘walking on water, to skating on thin ice’**
Federal Reserve Chairman Alan Greenspan, the man who created the speculative financial bubble, and has received the accolades of the speculators for shoring it up, is straining mightily to keep it intact.

- 6 The European Parliament: Resolution submitted for a New Bretton Woods**

- 7 Labor in Focus**
Boeing struck over “shareholder value.”

- 8 Business Briefs**

Photo and graphics credits:
Cover, EIRNS/Philip Ulanowsky. Pages 11-13, 73, EIRNS/Stuart Lewis. Pages 19, 33 (map), EIRNS. Page 30, National Archives/FDR Library. Pages 33 (Lima), 38, Guggenbuhl Archive. Page 41, Office of the Presidency of Peru. Page 47, UNICEF/Ray Witlin. Page 59, Bundesbildstelle.

Feature



Lyndon H. LaRouche, Jr. talks with supporters while campaigning in New Hampshire on Jan. 13.

- 10 U.S.A. vs. Lyndon LaRouche: ‘He’s a bad guy, but we can’t say why’**

“The record shows, that for nearly thirty years, elements of the U.S. Department of Justice have been engaged in world-wide political targetting of me and my associates,” writes Lyndon H. LaRouche, Jr., a “clearly fraudulent, politically motivated targetting. . . .

“The question has been posed repeatedly, ‘What explanation do you have for why anyone would have the motive for doing what you report they are continuing to do?’

“The best short reply to the latter question is: ‘Do you remember Edgar Allan Poe’s “The Purloined Letter”?’ As I shall show here, the answer to such questions lies, so to speak, right under your noses; the evidence is already in plain sight, and it is simple, clear, and conclusive.”

- 20 DOJ, GLLAS caught lying in Wilson case**

International

50 LaRouche's enemies push for Taiwan war

With the Presidential elections in Taiwan only days away, there is a growing danger that outside manipulation of tensions across the Taiwan Strait could detonate a strategic crisis, and even lead to military conflict between the United States and China.

53 Failure to carry out reconstruction raises threat of a fifth Balkan war

55 Is a new Persian Gulf crisis in the making?

The British-American-Commonwealth grouping is planning to provoke a major crisis in the Persian Gulf, targetting Iraq or possibly Iran.

58 Russia's Putin campaigns for 'order' in a Time of Troubles

Excerpts from the campaign statement of Russia's Acting President, Vladimir Putin.

61 Euro-tour gives co-government status to Colombia's FARC narco-terrorists

63 Continental Europe steps into the British trap

Germany, France, and Italy are all being destabilized by "corruption" charges and other scandals directed against national political institutions.

65 'Community of principle' is the basis of multipolar world

A report on French Foreign Minister Hubert Védrine's recent visit to India.

68 International Intelligence

National

70 LaRouche fights for justice, above sewer of U.S. politics

Countering the efforts of George W. Bush and Al Gore to keep all substantive political debate out of the election, LaRouche's campaign is reaching out to the "forgotten men and women" of America, exposing the outrageous rigging of the Presidential primaries, and vowing to fight all the way to the Democratic National Convention in August.

72 The Diallo affair, and the new violence in the United States

Now that a verdict has been rendered in the Amadou Diallo shooting case, resulting in an explosive effect on at least part of the nation, it has become urgent, that direction be given as to *how* to think about this tragic event, and the culture of death that spawned it.

78 Congressional Closeup

Greenspan goes from 'walking on water, to skating on thin ice'

by William Engdahl

The Internet-heavy Nasdaq stock index has bounded past the historic record high of 4,700, with no immediate end to the rally in sight, to hear Wall Street stock brokers tell it. Since November 1999, the Nasdaq stocks, which include Microsoft, Intel, Sun Systems, Cisco Systems, Yahoo, and America Online, have risen 56%. That represents an annualized paper gain of 168%, something which the Cali cocaine cartel would find mouth-watering. This ranks the Nasdaq bubble, as many observers have noted, alongside the South Sea Bubble and the 17th-century Dutch Tulip Bubble for rapidity of rise.

In recent days, volatility in the world's major stock, bond, and currency markets has increased dramatically, often swinging up or down 2% or more within a given trading day, a classic sign of impending market panic. Warnings are coming almost daily from leading central bankers, private fund managers, and financial commentators and economists, that a crash of the Nasdaq bubble is imminent.

The Federal Reserve, under Chairman Alan Greenspan, apparently intends to try to curb the stock-tied consumer-spending boom, in order to prevent a looming U.S. dollar crisis, which would rapidly get out of control. Taking Greenspan's Feb. 17 "Humphrey-Hawkins" testimony before the House Banking Committee, his argument seems to be that, although there is no sign of inflation in the Consumer Price Index, there are alarming productivity gains. Productivity gains, Greenspan continues, lead to higher corporate profits and higher stock prices. The higher stock prices feed the insidious "wealth effect," where families indulge in a spending binge, on the assumption that their wealth is growing, at least in their mutual funds. That consumer binge, he says, is leading to "unsustainable" levels of imports, and near-capacity domestic economic output.

All this can "potentially" lead to inflation, so, the Fed intends to smash productivity growth to contain "potential inflation." Got it? No one else does either. That is because the

real target of the Greenspan interest-rate tightening is to rein in the recent stock index rises of 20% and more per annum, especially in the Nasdaq high-stock index. The Fed is trying to stop an out-of-control stock asset bubble, without triggering a crash, or a panic exit from the overvalued dollar.

However, Greenspan's only weapon to do all this, raising short-term Fed funds, or rates of overnight money to the banking system, is affecting everything but the Nasdaq itself. And Greenspan, whose policies fostered the growth of the speculative bubble in the first place, is doing nothing to change those axiomatic policies.

'Old Economy,' 'New Economy'

Continental European bank strategist George Andersen recently remarked to *EIR*, "So far this year, the Fed's interest rate rises and threats of more have hit the Dow Industrials, the place where most of the stocks of the so-called 'Old Economy' are listed. But these companies are not the problem. The Nasdaq is." Yet, the Nasdaq seems immune to Fed rate hikes. A flood of speculative cash is chasing ever riskier and more marginal ".com" companies listed on the over-the-counter Nasdaq.

"The four Fed rate hikes so far have hit the housing sector and home mortgage refinancings," Andersen said. "It has raised the cost of government debt service. It has caused the Dow Industrials index to lose 13% since the New Year. But if it is the case, which many now believe, that the 'wealth effect' Greenspan is trying to kill, is tied to the Nasdaq, and not to the Dow, then Greenspan and the world economy are in deep trouble."

One Wall Street bond analyst summed up Greenspan's impossible dilemma. The Fed chief, who only months ago was seen to have superhuman powers by many in the Congress and the world of finance, has gone "from walking on water, to skating on thin ice," with his interest rate strategy,

the analyst said. The risk is overwhelming now, that the much-desired “soft landing” of the U.S. economy will turn into a nasty “hard landing.”

That would mean not only a crash of the U.S. and global stock markets. But also, it would mean soaring U.S. interest rates, as an emergency measure to protect the dollar from panic capital flight by the record number of foreigners who have piled into the U.S. stock bubble in recent years.

That “Volcker-style” high-interest-rate reaction by the Fed, in turn, would induce a severe U.S. economic depression, in turn triggering a domino-style collapse of the emerging economies in Asia and other countries to the status of “submerging” economies. Europe would lose its largest export market, and itself be plunged into the maelstrom. At that point, most likely an uncontrollable financial, monetary, and economic contraction would be in full swing.

The inevitable correction to years of exponentially rising financial and monetary values at the expense of the physical economy, as depicted by Lyndon LaRouche’s “Triple Curve,” or typical collapse function, will—barring a global financial reorganization along the lines of LaRouche’s proposal for a New Bretton Woods system—cause hundreds of millions more human beings to be thrown onto a waste heap of joblessness and worse.

A ‘red-Dye’ trail

One of the more clinical signals of impending market collapse, came with the report that one of the most prominent City of London fund managers, Tony Dye, has been forced to resign.

Dye has been one of the most outspoken critics in the City of London in recent years against the Internet speculation mania. He abruptly resigned as Chief Investment Officer of PDFM, a major fund manager arm owned by the Swiss UBS bank. Dye’s resignation, ironically, comes on the eve of the very global stock market crash which Dye has warned of for the past five years.

Dye has repeatedly publicly attacked the absurd practice popular among fund managers, who simply track the large stock indices, such as the S&P-500, the Dow Industrials, or the London FTSE-100, where only five or six stocks often can manipulate a rise in the entire index. He railed against the stratospheric over-valuation of Internet companies, the stocks of the so-called “New Economy,” which have yet to prove that they are able to even earn a profit, while traditional stocks of blue chip companies, which are healthy and profitable, are being dumped simply because they are deemed “Old Economy” in the eyes of the new generation of fund managers.

Dye was forced to resign, according to sources, for adamantly resisting the rush into the hyperinflated Internet stocks—or stocks at all. He kept a major part of his fund in liquid cash. His refusal reportedly led to mass withdrawals by pension funds and other major clients out of PDFM, as PDFM fell to last place in earnings at the end of 1999. As the

London *Sunday Telegraph* said in its Feb. 27 editorial, “One . . . more harbinger that a catastrophic bust is now a real possibility is the departure of the City’s most famously bearish fund manager, Tony Dye of Phillips & Drew. . . . At the moment when Mr. Dye’s doomsaying may at last be about to come true, his message is least acceptable to his clients.”

The editorial cited the alarming trend in Britain where homeowners take out mortgages against their dwellings in order to reap the whirlwind in Internet stocks. “If both the housing market turns down and the dot.com bubble bursts—as it surely will—borrowers who have taken the equity out of their houses and blown it in the stock market will be in a penurious state,” it said.

More warnings

The Bundesbank’s (Germany’s central bank) February *Monthly Report* gave an unusually blunt warning of world trouble ahead. “While looking at the fairly positive dynamic globally,” it said, “at the same time there exist a number of risks. Among them, within primarily the OECD [Organization for Economic Cooperation and Development] countries, the risk in the extremely high stock markets should be cited, especially in the United States. Were there to be a significant fall in the stock market in the United States, the effect it would have, in the context of the dependency of the level of U.S. consumer demand on [stock market] investments, would be especially negative. . . . As well, in the list of risks, there is the continuing danger of a worsening of the American balance of payments. This could lead to a weakening of the dollar, which can lead to a growing price inflation there.”

On Feb. 28, Bundesbank President Ernst Welteke warned that “stock prices, particularly of technology stocks, have risen dramatically.” He expressed “worries that a dangerous speculative bubble has emerged,” and urged banks to restrict lending to avoid feeding stock speculation.

That same day, Hans Meyer, president of the Swiss central bank, similarly warned of coming dramatic developments on global markets. It will be “something between a crash and a correction,” he forecast. “Above all in the U.S.A and in high-tech stocks, the high stock prices no longer correspond to realistic expectations. That a correction is coming, I am convinced. The question is only when.”

The London *Guardian* joined in the alarm on Feb. 28. City Editor Larry Elliott, in a feature titled “History Points to Another Crash Landing,” said that the “gravity-defying performance of stocks in London and New York is eerily redolent of 1929.” Greenspan is desperately trying to push stock prices down smoothly, Elliott said, because “he knows that the alternative could be a full-scale panic.”

Some British and continental European commentators are finally waking up to what LaRouche and *EIR* have been saying. But they have yet to draw the necessary conclusion: That the current financial system is hopelessly bankrupt, and needs to be replaced with one that values the physical economy of nations—not the profits of shareholders.

Resolution submitted for a New Bretton Woods

by Claudio Celani

On Feb. 16, a written interrogatory was filed before the European Parliament, calling on the European Commission to discuss issues relating to the international financial crisis and the need for a new financial and monetary system, modelled on the successful Bretton Woods System, which was abandoned in 1971. The interrogatory was filed by Rep. Cristiana Muscardini, an Italian conservative Member of the European Parliament, and is expected to be supported by signers from other EU member countries. Muscardini's initiative derives from a campaign launched internationally by the LaRouche movement, which met with a particularly strong response in the Italian Parliament.

'Real economy'

Muscardini's interrogatory, entitled "Real Economy and Financial Economy," characterizes the international financial crisis as systemic, and condemns the devastating economic and social effects of the speculative financial bubble, as well as the potential hyperinflationary effects of a financial bailout policy. It asks the European Commission whether it has ever considered "the possibility of reintroducing in the financial system": a) pegging of currency values to some element of real economic substance; and b) more exchange controls. The European Commission is also asked to assess the possibility of creating new credit lines for large infrastructure projects, and to organize an international conference, "similar to the Bretton Woods one in 1944, with the aim of creating a new international monetary system capable of eliminating, gradually, the mechanisms which have led to the creation of the 'speculative bubble,' and of initiating starting programs to relaunch the real economy."

Muscardini's statement is a condensed version of a longer motion, which had earlier been presented to the Italian Senate. That motion has so far been signed by 23 senators from the conservative bloc, belonging to the three parties Forza Italia (FI), Alleanza Nazionale (AN), and Centro Cristiano Democratico (CCD). The first signer of the motion is Sen. Riccardo Pedrizzi, deputy chairman of the AN group and a party colleague of Muscardini. Pedrizzi is also a member of the International Parliamentarians for the Jubilee initiative, which is connected to the Catholic Church, and calls for the cancella-

tion of debt for Third World countries, in support of an initiative by the Pope.

The motion will be discussed and voted on by the Italian Senate. If approved, it will bind the government to launch an international initiative for a New Bretton Woods. In order to be approved, the motion needs votes from the "progressive bloc" of leftist parties as well. Therefore, a diplomatic initiative has been begun by the signers, to gain such broader support. A similar interrogatory has also been presented in the lower house of Parliament, the Chamber of Deputies.

The city council in Milan will also discuss the proposal for a New Bretton Woods, as a result of an initiative by Aldo Brandirali, a prominent member of the Forza Italia party, which is part of the city's ruling coalition.

A bipartisan issue

The fact that the current initiative comes from conservative quarters, has nothing to do with ideology. In fact, the process began at the beginning of last year, when the Italian Solidarity Movement, associated with Lyndon LaRouche, called on all political forces to carry out a public debate on the international financial crisis and the need for a New Bretton Woods. The campaign struck a chord immediately among Catholic layers, on the basis of the Pope's criticism of neo-liberal capitalism. However, the first members of Parliament to respond positively were members of the progressive bloc, who drafted a motion that was filed in the Chamber of Deputies and in the Senate (with 68 signers) by representatives of the center-left alignment: communists, socialists, Social Democrats, and Christian Democrats. The motion, although exposing the destabilizing reality of financial globalization, fell short of calling for a New Bretton Woods, and limited itself to propose an international "Tobin Tax" on speculative financial transactions. The motion calls on the government "to promote international agreements, in particular with EU members, in order to extend such taxation."

The Tobin Tax motion found a broad resonance—so much so that Prime Minister Massimo D'Alema, during a visit to Greece on Jan. 10, picked it up, and called for an international agreement to control speculative transactions.

Now, the motion in the Italian Senate and the interrogatory in the European Parliament go a step further, and lay out a comprehensive reconstruction program for the world economy, modelled on the historical Bretton Woods and Marshall Plan experiences. It is therefore to be hoped that other members of the European Parliament, and of the national parliaments of EU member-nations, will follow the example of their Italian colleagues and file similar initiatives calling for a New Bretton Woods conference. Elected representatives from every faction should rise above the petty squabbles of party politics and join in a bipartisan effort, reflecting the universal underlying issue of national sovereignty and the general welfare.

Boeing struck over 'shareholder value'

Engineers and technicians warn that "shareholder value" is threatening Boeing's long-term survival.

The strike by 19,000 engineers and technical workers, which began on Feb. 9 against the Boeing Company, has called into question the supremacy of the "shareholder values" outlook which has taken over American corporate culture in the post-industrial era. This is the largest white-collar strike against an individual company in American history, and the first-ever strike against Boeing (aside from a one-day action in 1992), the world's number-one commercial aircraft-maker and the United States's largest exporter. Its importance, therefore, should not be underestimated.

Charles Boffering, the executive director of the Society of Professional Engineering Employees in Aerospace (SPEEA), told his strikers on Feb. 20, "This is about the future of the Boeing Company. We are not fighting *against* Boeing; we are fighting *for* Boeing. We want to see employees and customers respected as much as shareholders. In fact, we think that the current obsession with shareholder value threatens Boeing's long-term survival."

As both sides in this conflict now admit, the strike has the potential to end Boeing's market supremacy. "These kind of things are the kinds of things that could kill this company," Jerry Calhoun, Boeing's vice president of employee and union relations, told the media.

The union is hoping that Boeing management, controlled, after last year's merger with McDonnell Douglas, by Chief Executive Officer Harry "Chainsaw" Stonecipher (as he is known on the picket lines), will come to its senses, and change the way it has been treating its valuable employees,

before those employees take some of the numerous job offers waiting just beyond the picket lines.

SPEEA spokesman Bill Dugavich told *EIR* on Feb. 29 that engineers are already leaving. "Before the strike, there were letters printed in our newspaper about people leaving, because of the atmosphere at the Boeing Company. Currently, we know that many of our workers—they're high-tech people, they can go out and get a different job somewhere else. Many of them, the first day of the strike, sent out their resumés," he said.

Talks between the company and the union broke down on Feb. 26, when SPEEA refused to put to a vote the company's third offer, which included medical benefit take-aways that, SPEEA said, would result in a net loss to members, even with proposed pay increases.

Federal mediators, who have failed in two attempts to settle the strike, have declared an impasse and will not initiate new talks.

Boeing was one of the last holdouts in America's corporate world, against the notion that only "the bottom line" counts. Because the company employs some of the most skilled workers in the world, they recognized, at least until the last few years, the importance of maintaining working conditions, including wage and benefit packages, that are conducive to keeping their employees productive.

SPEEA spokesman Dugavich said that the company shifted emphasis after the 1998-99 merger with McDonnell Douglas. "Traditionally, Boeing has prided itself in developing cutting-edge products, new airplanes, developing technologies, the kinds of things

that you can sell because they're great products. Because they're great products, people buy them and the company makes money," he said. But, "since the merger, and since the outsiders have come into the Boeing Company, there's been a shift in emphasis."

Instead of production, the company has focussed on cutting costs and "shareholder value," Dugavich said. "The shift is, research and development money has been funnelled to areas where they can develop new ways to cut costs, in production and in engineering. You can look up several of the executive statements, Harry Stonecipher said it, that Boeing is primarily interested in stock value, shareholder value. The bottom line of that is, you sacrifice employees, you sacrifice the product for the sake of the stock price. If you've watched Boeing's stock recently, it just isn't working. The stock is going down, the morale is going down, sales are going down."

Dugavich continued, "That's a large part of what these people are striking over. These are engineers and technical workers, who pride themselves in building planes that fly higher, faster, and farther. In order to let them do that, you need to have an environment that treats employees fairly."

Allan Rathbun, a 22-year veteran Boeing engineer, underscored this in an interview with *EIR* (to be published in a future issue). Rathbun said that, especially since the merger, engineers and technicians have taken to calling their daily work the "Management Plan du Jour," so disorganized is the management.

Rathbun said he thinks that Boeing forced the strike, in order to destroy the union and impose a contract to save money. But, he said, "I think they misjudged it, because there's a lot of support" for the strike.

Business Briefs

South America

Highway, rail, gas links move forward

A 460 kilometer highway between the Peruvian port of Ilo and the Bolivian capital of La Paz has been completed. Bolivian Ambassador to Peru Jorge Gumucio announced in Lima on Feb. 17. It will be officially inaugurated by Peruvian President Alberto Fujimori and Bolivian President Banzer Suárez after April's general elections in Peru, and is a key part of the inter-oceanic corridor envisioned by Fujimori, involving Brazil, Paraguay, Bolivia, and Peru.

The two heads of state have also signed agreements for construction of a rail line between Ilo and La Paz, and a pipeline between Ilo and Cochabamba, Bolivia, for the transport of Bolivian natural gas. Gumucio said that within three years, Bolivia will divert more than half the natural gas that it now exports through the Chilean port of Arica, to the Peruvian port of Ilo.

Bolivia lost its outlet to the Pacific Ocean to Chile in the British-orchestrated 1879-81 War of the Pacific, and tensions between the two countries still run high over access to Pacific ports. In 1992, Fujimori ceded to Bolivia a free-trade zone and use of all port facilities in Ilo. Via agreements signed since 1992 with the Presidents of Bolivia and Paraguay, Fujimori has taken steps to ensure construction of a large inter-oceanic corridor, which would connect the Paraná-Paraguay Waterway to the Peruvian ports of Ilo and Matarani, through a network of highways and railroads.

Finance

Australians lead world in stock ownership

A flood of new investors into the Australian stock market in 1999 has seen Australia overtake Canada, the U.K., and the United States to become the nation with the highest level of share ownership per capita in the world. An Australian Stock Exchange sur-

vey shows that the number of Australians who own shares of stock jumped last year by 1.3 million people, to 7.6 million, or 53.7% of the adult population. This overtakes Canada at 52%, and the U.K. and United States, which are both in the high 40s.

The massive influx of investors has come from two sources: first, the demutualization of very large insurance companies, including AMP, Australia's largest, which have turned life insurance policyholders, without any action on their part, into stockholders, via a company share float; second, the partial privatization of Telstra, the national telecommunications company, which was promoted as an investment opportunity for "mum and dad" investors. Since 1997, some 2.9 million people, or one-fifth of the adult population, have entered the market for the first time.

Economic Policy

Free trade is losing friends, says columnist

There are mounting signs that free trade will be replaced by a new system of tariffs and other protectionist measures in the next few years, columnist Irwin Steltzer warned in the Feb. 27 London *Sunday Times*, in a commentary entitled "Free Trade Is Starting To Run Out of Friends." The warning indicates the oligarchy's nervousness over the trend, but, without a New Bretton Woods system, would not in itself necessarily represent something positive.

Steltzer cited Al Gore's recent behind-closed-doors promises to the AFL-CIO leadership, that he would renege on the World Trade Organization deal with China, and peg any future multilateral trade pacts with the developing countries to their accepting the same environmental and labor standards now applied to the G-7. This, Steltzer wrote, virtually guarantees that Clinton's effort to get normal trade relations status with China passed by Congress, will fail.

Steltzer cited the massive growth in the U.S. balance of trade deficit last year as further evidence that the so-called free-trade

system is doomed, at least as far as America is concerned. The four countries that make up the bulk of the U.S. trade deficit are China, Japan, Canada, and Mexico.

Further, "The Fed chairman thinks the imbalances in the economy, of which the trade deficit is one, cannot be sustained. At some point foreigners will want something more for their goods than pieces of paper with pictures of American Presidents on them. They will want higher interest rates if they are not to unload their dollars on world markets, driving the dollar down and inflation in America up." Thus, Federal Reserve Chairman Alan Greenspan is likely to keep raising interest rates for the foreseeable future, and "were Greenspan to carry out his threat, the cries of the protectionists would surely be heard in the land, arguing that it would be far better to stem the flood of imports with tariffs and other protectionist measures than to risk a recession, drive down share prices, and increase unemployment by raising interest rates."

Asia

Iran and China upgrade economic, strategic ties

Iran and China signed a letter of understanding on expansion of economic and strategic ties on Feb. 21, as Chinese Foreign Minister Tang Jiaxuan arrived in Tehran. Iranian Foreign Minister Kamal Kharazmi described China's role in Iran's foreign policy as very important, and said that there are favorable conditions for economic cooperation. "Iran is willing to promote economic and industrial ties with China in line with the policy of south-south cooperation," he said.

Siavosh Zargar-Ya'qubi, director general for the South and East Asia Department at the Iranian Foreign Ministry, said that China is providing financing of more than \$900 million to Iran for its development projects, and that China is currently active in more than 18 large Iranian national projects. On the basis of recent agreements, China will provide Iran with more financial facilities. Zargar-Ya'qubi also said that the two nations are negotiating important energy proj-

ISRAELI National Infrastructure Minister Eliahu Suissa said that Israel is doing the planning work for a nuclear power station. "Today we use coal and are beginning to use natural gas, and we are speaking of solar energy and hydroelectric energy. . . . There is absolutely no reason not to speak about this [nuclear] energy," he said, the Feb. 23 *Jerusalem Post* reported.

BUENOS AIRES, Argentina's slum population has grown 15% over the past two years, from 86,600 to 100,000, and this is probably an underestimate. The "misery villages," as they are called, are increasingly populated by people from surrounding countries, Bolivia and Paraguay in particular.

INDONESIA'S new budget, dictated by the International Monetary Fund, allots 50% of tax revenues to pay interest on the government debt assumed in bailing out the banks. The \$5.7 billion for interest on the bonds is one-third of total state revenues. To help pay the debt, the education budget was cut 20%.

KUWAITI Oil Minister Sheikh Saud Nasser al-Sabah said on Feb. 24 that his government will shift its support for OPEC quotas, and increase production, in order to lower the price of oil.

UNILEVER, the Anglo-Dutch firm which is the world's largest consumer goods group, announced on Feb. 22 that it will eliminate 25,000 jobs (10% of its workforce) over the next five years, as part of a restructuring in which some of its underperforming businesses will be either reorganized or divested.

THE TRAPPIST monks of the 151-year-old New Melleray Abbey in Iowa, finding that they can no longer support themselves from farming, have begun to make hand-crafted wooden caskets. They said they will soon set up a website to advertise their product.

ects, and that Iran is trying to gain a share in China's liquid natural gas market.

On Feb. 21, Iranian President Seyyed Mohammad Khatami and Tang Jiaxuan inaugurated the first part of the Tehran subway. A consortium of three Chinese firms provided all technical and material requirements, while Iranian firms carried out construction. The \$550 million contract was financed by Chinese export banks, in return for Iranian crude oil.

The subway solves a major transport and pollution problem for the city of more than 10 million. The project was planned in the 1970s, but construction was not gotten under way until the mid-1990s, due to the Islamic revolution in 1979 and the Iran-Iraq War (1980-88). The project includes a rail link to the city of Karaj, west of Tehran.

Germany

Public banks to lose state guarantees

A far-reaching agreement between the European Commission (EC) and the German government on withdrawing state guarantees for German public banks, is expected to be reached before the end of the year, stated Alexander Schaub, head of the European Union (EU) "competitiveness office," in an interview with the German economic daily *Handelsblatt* on Feb. 22. According to Schaub, the progress in negotiations is a consequence of a new generation of politicians taking over leading positions in Germany. While the previous Christian Democratic government of Helmut Kohl government had insisted on maintaining a strong public banking sector, the new chairman of the Christian Democratic Union parliamentary group, Friedrich Merz, has called for dismantling state guarantees for the Landesbanken, the public state banks.

A working group of the German government, headed by Deputy Finance Minister Caio Koch-Weser, has signalled its readiness to compromise with the EC on state guarantees for public German banks. But, as Schaub emphasized, the EC will not stop at

the Landesbanken, but will go after the saving and loan institutions as well.

There had been an understanding that the S&Ls would not be touched, because of their role in regional development, Schaub said. However, in December 1999, the European Banking Association, representing the large private banks, filed an official complaint against the German public banks at the EU competitiveness office, and, for the first time, it included the S&Ls in its complaint. This has changed the situation, said Schaub, because this is ground on which the EC can act. He concluded that, in the age of globalization, the public banking sector in Germany has to be put through a big overhaul. The only resistance in Germany to this suicidal policy is coming from the state governments.

Corporate

Vodafone takeovers leave huge debt

The British communications giant Vodafone, under a 1999 British revision of corporate laws, will have to write off losses of about \$200 billion over 20 years, the Feb. 21 German daily *Die Welt* reported, based on estimates by German banking experts.

As a consequence of its recent takeovers, it has accumulated new debt roughly equivalent to the market capitalization of its victims. However, the book value of the two recently acquired companies, Airtouch in the United States and Mannesmann in Germany (which depends on the value of real estate, machines, and other assets owned by the companies, rather than their stock price), is only a small fraction of their market capitalization. That is, the takeover of Mannesmann has created a net loss of \$200 billion, when combined with the Airtouch takeover.

This doesn't mean that Vodafone is bankrupt, said *Die Welt*, but it will "completely devastate" its balance sheet for years to come. Even if Vodafone is making profits from its ordinary operations, it will by law be unable to pay out a dividend to its stockholders as long as the huge write-offs continue.

U.S.A. VS. LYNDON LAROCHE

'He's a bad guy, but we can't say why'

by Lyndon H. LaRouche, Jr.

February 15, 2000

The record shows, that for nearly thirty years, elements of the U.S. Department of Justice have been engaged in world-wide political targeting of me and my associates. This includes early 1970s operations run in conjunction with Secretary of State Henry A. Kissinger's U.S. State Department.¹ During the last ten years or so of that period, some U.S. officials, and others, have challenged the relevant agencies with some of the evidence which shows, that those prosecutions and correlated harassment of me and my associates, had been clearly fraudulent, politically motivated targeting.

The Justice Department has responded to that evidence, repeatedly, in judicial proceedings and elsewhere, with statements to the effect: "You have to understand why we had to do it that way. We couldn't use our secret files in court; so,

1. During the 1974-76, the State Department circulated internationally, the January 1974 *New York Times* attack on LaRouche, and other vilifications drawn from both the FBI and private sources. For example, on March 18, 1976, a cable was sent "To All American Diplomatic and Consular Posts," describing the National Caucus of Labor Committees (the philosophical association founded by Lyndon LaRouche) as "a small, fanatical . . . violence-oriented" organization, and repeating other derogatory characterizations taken from the FBI. After a Bangladesh government newspaper published an article by an *EIR* correspondent, a March 24, 1976 cable was sent to the U.S. Embassy in Dacca, over Kissinger's signature, also quoting from the *New York Times*. Declassified State Department documents also point to the involvement of Kissinger's State Department in the expulsion of *EIR* correspondents from the Foreign Press Association in Germany in 1975, and in the arrest and detention of an *EIR* correspondent in Lima, Peru in 1976.

we had to get him in other ways. Believe us; we can't tell you why, but, he is a very bad guy." What is the evidence that I am that alleged "bad guy"? The answer has been, repeatedly, to the effect: "We can't tell you. The evidence is secret." The Department refuses to submit the putative evidence to scrutiny. It is usually withheld, either on the pretext of national security, or simply that of protecting the authorship of what both known circumstances and other evidence have often shown to have been false reports.

In brief, these attacks on me and my associates, which have been virtually continuous over nearly thirty years, have been modelled on the government's, and a corrupt mass news media's resort to those fraudulent, Star-Chamber methods, which are notorious from the history of the practice of Seventeenth-Century English law. These are the methods of ruling by aid of the enforcement of official lies. Today, in that practice of tendentious sophistry common to today's U.S. government and its legal practice, lies are not called "lies"; instead, they are called, "matters of policy."

Crucial has been a barrage of *ex parte*, *in camera*, and similar sessions, in which arguments based upon such fraudulently alleged evidence have been used, to induce some Federal judges to ignore the law selectively in cases involving me and my associates as "a matter of policy."² Prosecutions and libels based upon the alleged authority of so-called secret

2. Boston's Federal Judge Keeton is among the notable exceptions. See his review of the abortive trial over which he had presided: See Memorandum and Order, August 10, 1988, *U.S.A. v. The LaRouche Campaign, et al.*, United States District Court District of Massachusetts CR. No. 86-323-K.



Lyndon LaRouche is led off in handcuffs on Jan. 27, 1989, after having been sentenced to 15 years in Federal prison. He was released on parole in 1994.

evidence are intrinsically fraudulent uses of the word “secrecy”; but, these continue to be the principal tactics still used by corrupt U.S. Justice Department officials, and their accomplices, to cover up a massive, decades-long “get LaRouche” hoax, run jointly through the U.S. Department of Justice and the mass media.

Despite that reliance upon so-called secret evidence, out of an approximately thirty-year record of the Justice Department’s wrong-doing against me and my associates, some crucial kinds of public evidence of the nature of those so-called secret files has leaked out through the cracks in process and procedure. What is known from the public record, is more than sufficient to expose those elements of government, and their accomplices, as engaged in the most massive, most long-running, shocking story of known politically motivated corruption, by and in those and other niches of the Justice Department and other agencies.³

Perhaps the most common question posed by those who have walked through some of the crucial features of this decades-long government operation, is, “What do you suggest as a plausible motive for the operation which you describe?” The question has been posed repeatedly to me personally, as it has also been reported to me by others, “What explanation do you have for why anyone would have the motive for doing

what you report they are continuing to do?”

The best short reply to the latter question is: “Do you remember Edgar Allan Poe’s ‘The Purloined Letter’?” As I shall show here, the answer to such questions lies, so to speak, right under your noses; the evidence is already in plain sight, and it is simple, clear, and conclusive.

First, review the highlights of the case itself, and then turn your attention to the evidence of the nature of those high-ranking, government perpetrators’ motives, the crucial political evidence which is sitting there in plain sight.

1. A case of prosecutorial and judicial fraud

Some who remember the richly documented account of the case published under the title of *Railroad!*, in 1989, will recall a significant number of the relevant facts reported there.⁴ Indeed, more than ten years later, *Railroad!* remains a rich lode of relevant documentation, mandatory study for anyone seriously studying the thirty-odd-year history of “the LaRouche case.” This present report, apart from being much more compact than that earlier one, has two notable distinctions in respect to the nature of its content. First, during the

3. A fair, if incomplete view of the reasons why this characterization is required, is to be obtained through study of the documentation supplied in the 1989 publication, *Railroad!* See below.

4. Commission to Investigate Human Rights Violations (Washington, D.C.: 1989).



Henry Kissinger's operations against LaRouche date back to the early 1970s. His motives were always purely political in nature, but were carried out secretly, under the cover of "national security."

recent ten years, much new, crucially relevant information has come to light, dispelling some of those distracting, secondary topics, which had been viewed previously as unresolved, murky, debatable issues of prosecutorial and related conduct, arising around the edges of what had been an otherwise clear array of the preponderance of the evidence in these cases.⁵

The second, and much more important reason for preparing and issuing this new report on the matter, is the need to restate the matter in ways which make clear to the reader why this continuing, fraudulent targeting of me and my associates still continues, after more than thirty years to date. At bottom, as I shall show here, there is but one underlying motive behind it all. As one of the observers of this case closest to it all along, I understand that no one could really understand the motives for the extremely convoluted deviousness of the Justice Department and its accomplices, unless and until the legal side of the case is situated where the truth in all matters lies, within its real-life setting, within the relevant, clear historical and political perspective. The setting of the case within that historical perspective, is the special task of this present report.

For example: among those crucially relevant matters, no one could understand why the son of the Justice Department's John Keeney would have been involved, since the Summer of 1996, in a desperate effort to use the Democratic Party's National Committee (DNC) as a tool for bringing about a nullification of the 1965 Voting Rights Act. That action, unless turned back soon, presently threatens to bring about, chain-reaction fashion, the already visible signs of a threatened, early virtual extinction of the Democratic Party, during and following the coming general election.

5. The belated release, in January 1992, of the official FBI document exposing the FBI's 1973 intent to bring about what the FBI described as the "elimination" of Lyndon LaRouche, is typical of the way in which crucially clarifying elements of evidence have turned up, sometimes decades after the fact of the matter. See references to that "elimination" document, below.

As DNC attorney Keeney argued, in August 1999, in moving for the nullification of the 1965 act before Judge Sentelle, the nullification of that act by the Federal Court was already in progress.⁶ However, that acknowledged, the truth of that particular case, is the way in which former National Chairman Fowler and the DNC's Keeney acted to move for accelerating such a nullification, in the past August 1999 proceedings.

Looking at that matter in that way, shows the political character of those forces in both the Justice Department and Federal Court who have been behind the targeting of me and my associates during a period of approximately thirty years to date.

This is the kind of connection you must examine, if you are to understand the crucial factors shaping U.S. politics and government as a whole during the recent thirty years, especially the most recent quarter-century, since the 1976 national election-campaign. Indeed, to find the root of the thirty-year-long "LaRouche case," the case itself must be situated within the setting of the profound political changes in the direction of national policy-shaping since the assassination of President John F. Kennedy, especially since those changes which began to erupt during the 1968-1972 interval.

It is fully consistent with the observation I have just made, that the principal features of a largely secret, and still presently ongoing government targeting of me by the U.S. Department of Justice, date from an operation set into motion on January 12, 1983, at the urging of former Secretary of State Henry A. Kissinger and his cronies. Indeed, the fact that this has been, and still is an operation involving institutions of secret governmental agencies, is unarguable; every attempt to bring the evidence into court is resisted by the government's own, usually successful pleading, that that evidence can not be revealed, because it is officially secret. This is a still-continuing operation, which ultimately sent me, and others, to prison in January 1989, an operation which continues, under cover provided by the permanent bureaucracy of the Criminal Division of the U.S. Department of Justice, to the present day.⁷

This presently continuing operation was set into motion

6. In the August 16, 1999 oral argument before a three-judge panel in D.C.'s Federal District Court, Keeney stated, "... The Dissent is going to put into question the Constitutionality of the Act [the 1965 Voting Rights Act]. And that's a different question than the statutory interpretation of the act itself." The Dissent to which Keeney referred was authored by U.S. Supreme Court Justice Scalia and endorsed by Chief Justice Rehnquist and Justice Thomas in the 1996 case *Morse v. Republican Party of Virginia*, 116 S. CT.1186 (1996).

7. The principal relevant U.S. Justice Department official, back in 1983, and still today, is a top official of the permanent bureaucracy of the Department, Deputy Assistant Attorney General John Keeney, the father of the same John Keeney, Jr., who, as attorney for the Democratic National Committee, moved in Federal Court for the nullification of the Voting Rights Act of 1965. See "John Keeney, John Richard, and the DOJ Permanent Bureaucracy," *EIR*, June 30, 1995; "Justice Department: The Corruption Is in the Permanent Bureaucracy," *EIR*, April 25, 1997; and, Lyndon H. LaRouche, Jr., "Lying and Racism inside the Democratic Party," *EIR*, Dec. 17, 1999.

under Executive Order 12333's provisions pertaining to secret foreign intelligence operations of the U.S. government, run in concert with private, non-governmental agencies.⁸ That fact notwithstanding, to understand competently this 1983-2000 aspect of the ongoing "Get LaRouche" operation, one must go to the root of those operations; one must take into account the political setting of four earlier, pre-1983 phases of the same operation, a series of Justice Department, and related operations, beginning no later than 1973.

The four earlier phases

Typical of the evidence on the public record, is an official Nov. 23, 1973 document, an official record of both the New York City office of the FBI and also the higher authorities in the FBI's Washington, D.C. headquarters, stating, that the FBI was orchestrating its assets in the leadership of the Communist Party U.S.A., to bring about my personal "elimination." That FBI document, first released in full in January 1992, coincides with evidence of an ongoing operation which my associates and I had published in March 1973, and of an "elimination" operation, targetting me personally, which we exposed publicly during January 1974. Although those government-related secret operations of 1973 against me are officially dated by that evidence to November 1973, the admissions contained within the document referencing my prospective "elimination," show the true flavor of the operations conducted by the FBI and others, internationally, during the earlier months that same year,⁹ and for several more years thereafter.¹⁰

8. E.O. 12333 Section 2.7 reads, "Agencies within the Intelligence Community are authorized to enter into contracts or arrangements for the provision of goods or services with private companies or institutions in the United States and need not reveal the sponsorship of such contracts or arrangements for authorized intelligence purposes. . . ."

9. On March 27, 1973, various Philadelphia media, including Channel 3 TV's 6 p.m. news and the *Philadelphia Tribune*, gave wide coverage to an announcement by the FBI's surrogate Communist Party U.S.A.-linked Ed Schwartz, head of the Philadelphia Campaign for Adequate Welfare Reform (CAWRN), which demanded a halt to the holding of the founding conference of the National Unemployed and Welfare Rights Organization (NUWRO), an organization catalyzed by Lyndon LaRouche and the National Caucus of Labor Committees (NCLC). Schwartz's statement also called for the Left to stop the NUWRO conference, and following its airing by the media, Communist Party hooligans deployed to mobilize riotous assembly to prevent the conference from occurring.

10. The release of this document essentially did no more than confirm what we knew and stated at various points during the course of December 1973 and early January 1974. We had conclusive evidence of collaboration between certain U.S. and foreign official agencies, including the United Kingdom and the State Security agencies of East Germany, during the second half of 1973. We also had repeated evidence of activity by known hit-squad capabilities imported into New York City, and directly targetting me during December 1973. The FBI document confirms the facts we reported to the press during early January 1974. The fact that the FBI was orchestrating the affairs within the Communist Party's National Committee in this way, has global strategic implications for the U.S. government at that time. Two facts from the middle 1970s illustrate the point in a crucial way. First, in early 1974, a top official



FBI agents with sledgehammers in Leesburg, Virginia during the 400-agent raid of Oct. 6-7, 1986.

There is another political feature of that same, 1973 FBI targetting of me for "elimination," which is also a very significant part of nearly thirty-year record of corrupt complicity by government and mass-media. The evidence against the mass media includes the role of the *New York Times*, in January and February of 1974, in producing a massive, fraudulent campaign of public defamation of me, in the *Times'* effort to provide a diversionary cover-up for that FBI "elimination" operation.¹¹ During the entirety of the nearly three decades since that lying concoction by the *Times*, virtually the entirety of the U.S. major news media has become a wittingly complicit part of that same, continuing dirty political operation centered in the U.S. Department of Justice. Typical of this, are a celebrated policy-statement which appeared on the

of the Soviet diplomatic service emphasized that CPUSA National Chairman Gus Hall was "a personal friend of Leonid Brezhnev," then Soviet General Secretary. This discussion, in New York City, was initiated by a Soviet diplomat, in the immediate aftermath of the abortive elimination operation conducted with FBI coordination, during December 1973. Second, as corroborated by crucial documentary evidence secured during that same period, the East Germany Ministry of State Security was conducting an operation against me, run, in part, through West Germany, from about February 1974 through no later than June 1974, during part of the same period of operations referenced by the FBI "elimination" document dating from November 1973.

11. *New York Times*, January 20, 1974.

editorial page of the *Washington Post*, on Sept. 24, 1976,¹² and the fact of later expressions of precisely that policy, in operations by both the *Post*, *Times*, and others, up to the present time.

Then, beginning no later than that documented, abortive “elimination” attempt of November-December 1973, the FBI unleashed a second phase of the 1973 COINTELPRO operations against me and my associates. Despite the exposure of the FBI’s role behind its Communist Party assets, the FBI not only continued, but intensified and broadened the same general operation which had been conducted through at least most of 1973. This continued into no later than September 1977.¹³

The third of the four, pre-1983 phases of the *presently documented* operations came to the surface in May 1978.

In later, related developments of 1978-1983, the evidence showed, that behind the Justice Department’s dirty glove in these matters, in addition to complicit actions by a corrupt mass news media, there was another, private hand, the hand of very powerful, but so-called unofficial private intelligence organizations, organizations which have become an integral part of corrupt operations conducted by official agencies.

The array of these private intelligence organizations, is typified by the cases of the American Family Foundation (AFF)¹⁴ and

11/23/73

AIRTEL

TO: DIRECTOR, FBI (100-392623)

FROM: SAC, NEW YORK (100-123674) (P)

**SUBJECT: LYNDON HERMYLE LA ROUCHE JR., aka
Lynn Marcus
SM-NCLC
(OO:NY)**

675
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10-28-97 BY 1561 [redacted]

ReBulet, 10/29/73.

In viewing New York case file it is noted that information has been received that the CPUSA is conducting an extensive background investigation on the subject for the purpose of ultimately eliminating him and the threat of the NCLC, on CP operations. Several sources have furnished this information to the New York office, and this information has appeared in the *Daily World* newspaper several times.

NCLC sources have advised that the subject is the controlling force behind the NCLC and all of its activities. A discussion with the New York NCLC case agent indicates that it is felt if the subject was no longer in control of NCLC operations that the NCLC would fall apart with internal strife and conflict.

New York proposes submitting a blind memorandum to the “*Daily World*” CP newspaper, in New York City which has been mailed from outside this area to help facilitate CP investigations on the subject. It is felt that this would be appropriate under the Bureau’s counter intelligence program.

The blind memorandum is attached.

Bureau comments are requested on such a proposal.

2 - Bureau (RM) (Encl. 2)
1 - New York
[redacted] 6x
(3)
1 - Supervisor #3A6

Searched _____
Serialized _____
Indexed _____
Filed _____

100-15-611-573

The FBI Airtel of November 1973 which proposes to use the Communist Party USA “for the purpose of ultimately eliminating” LaRouche.

12. September 24, 1976, Stephen Rosenfeld writes an op-ed in the *Washington Post* titled “NCLC: A Domestic Political Menace,” in which he sets out a media policy for dealing with LaRouche: “We of the press should be chary of offering them print or air time. There is no reason to be too delicate about it: Every day we decide whose voices to relay. A duplicitous violence prone group with fascist proclivities should not be presented to the public unless there is reason to present it in those terms. . . . The government should be encouraged to take all legal steps to keep the NCLC from violating the political rights of other Americans.”

13. Letter from FBI Director Clarence Kelly to Warren Hamerman dated September 13, 1977. This letter ostensibly closed the case then being used as a pretext for continuing the ongoing FBI COINTELPRO and related operations. However, the operations actually continued internationally until about the same time that the Mont Pelerin Society and Anti-Defamation League were launching their 1978 “COINTELPRO”-style operations under nominally private covers.

14. The American Family Foundation (AFF) created the fable that LaRouche was the mastermind of a destructive and dangerous cult. This became attached to most media portrayals of LaRouche, and laid the groundwork for the infamous 1986 raid by a joint Federal-state task-force of 400 armed agents led by the FBI on offices related to LaRouche’s activities in Leesburg, Virginia. An armed task-force also surrounded LaRouche’s Leesburg residence, and according to statements by law enforcement operatives involved, plans

also called for an attack which would have murdered LaRouche.

The wanton killing of innocent children and others at Waco by a similar task-force, had the crucial involvement of AFF-linked “experts” such as Rick Ross of the Cult Awareness Network.

The AFF was established in the early 1980s as a private counterintelligence and special operations group modeled on the “Watson Plan” of IBM’s Thomas Watson, Jr. At the close of World War II, Watson drew up operational plans to “privatize” the function of the Office of Strategic Services on behalf of some of Wall Street’s most powerful families, who normally avoid the spotlight, using a network of private corporations and law firms for operational and financial support.

An operational war chest of more than a million dollars was amassed for AFF’s early projects and its largest donors included the Bodman Foundation and various foundations of Richard Mellon Scaife. Watson’s nephew, John N. Irwin III, was a member of Bodman’s board of directors. Scaife funded John Train’s “Get LaRouche” Salon. Bodman was housed in the law offices of Morris and McVeigh, who provided support to the intelligence operation known as the Process Church, a satanic cult, whose active supporters included John Markham, the lead Federal prosecutor in the Boston trial of LaRouche.

The AFF launched the early 1980s operations in Europe against LaRouche’s associates there. Father Haack, AFF’s International Education director, coordinated operations in Germany and France, exporting the cult

Anti-Defamation League.¹⁵ Such private intelligence capabilities, well connected in official Washington, D.C., and also in Europe, are only typified by the late John J. McCloy's circles, and similar, government-like capabilities, whose home-base inside the U.S.A. is certain powerful circles of "Wall Street" financial houses and the law firms with which those financial houses are associated, as typified by study of the biography of the late McCloy.¹⁶

Following the Congress's mid-1970s exposure of some shocking examples of the Justice Department's other operations operating under "internal security" covers,¹⁷ there was a greater emphasis on running these same kinds of operations under nominally private covers.¹⁸ So, during the period of Zbigniew Brzezinski's official reign inside the Carter Administration, 1978-1980, two private international organizations were key in launching the continuation of former Justice Department operations. These were a private branch of British intelligence, known as Friedrich von Hayek's and Professor Milton Friedman's Mont Pelerin Society, and such operations of the London-created New York Council of Foreign Relations (CFR), as the Zbigniew Brzezinski-led Trilateral Commission.¹⁹

The Mont Pelerin Society was deployed for this purpose under the cover of the Washington, D.C.-based Heritage Foundation, which Mont Pelerin had recently taken over. It deployed in this action in tandem with a private auxiliary of the Justice Department's permanent bureaucracy, the Anti-Defamation League (ADL). In May 1978, both the Heritage Foundation and ADL issued defamatory, widely circulated, lying reports.²⁰ This defamatory campaign laid the political

slander with a 1980 article in the German publication *PDI*. *PDI* was later documented to have been funded by the East German intelligence service, the STASI.

15. The ADL has always maintained a close relationship with the DOJ's permanent bureaucracy. For example, a February 4, 1985 FBI memo to all field offices in the United States, contains a list of ADL regional telephone numbers and the FBI's speed dial codes for these numbers.

16. Lyndon H. LaRouche, Jr., "How Our World Was Nearly Destroyed," and Stuart Rosenblatt, "How Mr. Fixit Nearly Wrecked the World," a book review of Kai Bird's biography of John J. McCloy, *The Chairman*, in *EIR*, Oct. 23, 1998.

17. United States Senate, Hearings before the Select Committee to Study Governmental Operations with Respect to Intelligence Activities; Vol. 6, Federal Bureau of Investigation. 94th Congress, Second Session, 1975.

18. The Freedom of Information Act (FOIA) was adopted by Congress in November 21, 1974 as a by-product of the Church Committee and related proceedings. This is a crucial development, as bearing upon the post-September 1977 shift to the attack launched jointly by Heritage, ADL, et al.

19. Founding of CFR during 1920s under direction of British intelligence's John Wheeler-Bennet, the sponsor of Henry A. Kissinger's Professor William Yandell Elliot.

20. The June 1978 Heritage Foundation "Institution Analysis" Report authored by Francis Watson entitled "U.S. Labor Party," utilizing a bizarre set of formulations gathered from such "sources" as the hard-line Maoist October League newspaper, and the Socialist Workers Party newspaper, *The Militant*. Branding LaRouche a violent extremist, it was distributed to hundreds

groundwork for a later, new wave of corrupt Justice Department operations launched at, once again, the instigation of Henry Kissinger, beginning no later than the second half of 1982.²¹

The ground for a new wave of post-1982 prosecutorial operations as such was prepared during the second half of 1979, by the same *New York Times* which had run the 1974 cover-up for the FBI's aborted "elimination" operation.²² This *Times* operation represents the fourth in the series of four well-documented phases leading up to the January 1983 launching of operations under title of Executive Orders 12331, 12333, and 12334.²³ The *Times*' operation was an escalation of the world-wide defamation operations launched under joint sponsorship of the Mont Pelerin Society/Heritage Foundation and Anti-Defamation League during May 1978. That 1979 case is a crucial link in pinning down the nature of the 1973-2000 "Get LaRouche" operation as a whole.

That operation of 1979-1980, centered around the *Times* and the ADL, is hereinafter to be viewed, thus, as the fourth and final of the known series of trials and related operations which preceded the presently ongoing, 1983-2000 phase of the Justice Department's role. That 1979-1980 role of the *Times* and ADL, which I have just identified as the fourth phase of pre-1983 operations, is summarized as follows.

of U.S. corporate heads and institutional leaders. In March 1978, the ADL began a systematic harassment and defamation campaign, working through the Jewish Community Relations Council to demand that LaRouche's views be banned from public locations, and publishing the lie in various press outlets that LaRouche was the most dangerous and violent right-wing extremist around. See, e.g., the *Berkeley Barb*, August 1978, "Who Are the Terrorists," where ADL Western Coordinator David Lehrer spread this defamation against LaRouche. Finally, in 1979, the ADL put these defamations out in its own name in an ADL Fact-Finding report.

21. Letter from Henry A. Kissinger to FBI Director William Webster, Aug. 19, 1982.

22. On October 7 and 8, 1979, the *New York Times* published the Blum and Montgomery slander piece under the titles, "U.S. Labor Party: Cult Surrounded by Controversy," and "One Man Leads U.S. Labor Party on Its Erratic Path." Then, an editorial titled "The Cult of LaRouche," is published on October 10, 1979.

23. The three relevant Executive Orders are:

E.O. 12331, Oct. 20, 1981, which reestablished the President's Foreign Intelligence Advisory Board (PFIAB). PFIAB was originally established in 1956 under Eisenhower; it was dissolved by Carter, and reestablished in the Reagan-Bush Administration. Members of PFIAB in 1982-1983 included: Anne Armstrong (chairman), Leo Cherne (vice-chairman), David Abshire, Edward Bennett Williams, Adm. Thomas Moorer, Bobby Ray Inman, H. Ross Perot, and Claire Booth Luce.

E.O. 12036 (1978); it established the National Security Council as the "highest Executive Branch entity" for review, guidance, and direction of all foreign intelligence, counterintelligence, and covert operations, and it permitted U.S. intelligence agencies to enter into secret contracts for services with "private companies or institutions."

E.O. 12334, also Dec. 4, 1981, reestablished the Intelligence Oversight Board, a three-member board which provided legal "cover" to covert operations.

On the basis of information received from multiple sources, several of my associates, under my direction, went up the back-trail of evidence leading to discovery of hard proof, that the *Times* was organizing a public defamation, a defamation intended, according to the voluntary statement of the *Times*' agents themselves, to set me, personally, up for imprisonment, through widespread and persisting waves of defamation with charges which the *Times* then knew to be false.

In the course of this investigation, we were able to document the existence of precisely such an operation and intent. This included our investigators' secretly tape-recorded restaurant interview with the relevant two *Times* reporters, Paul Montgomery and Howard Blum.²⁴ That tape-recording was then promptly presented, at press conferences called for this purpose, in New York City and in Washington, D.C.²⁵

That public exposure of that operation resulted in the *Times*' resort to a detour. New York's most notorious attorney, Roy Marcus Cohn, former crony of both J. Edgar Hoover and Senator Joseph McCarthy, was used to plant a prior published version of the defamation which the *Times* itself had intended to publish, and did publish, in a featured series dated Oct. 7 and 8, 1979.²⁶

Among Cohn's stable of assets used for this operation, was a former convict and client, Ed Kayatt, who published an advertiser throwaway, *Our Town*, on New York City's East Side. Using a local gutter type, Dennis King, as a diversionary putative author, Kayatt's Cohn-controlled *Our Town* published a series of wild-eyed defamations, which then supplied the *Times*' Montgomery and Blum the "prior publication" cover for their previously planned libel. This operation was coordinated, massively, with the ADL. That same King was to appear later, during 1983-1984, together with NBC-TV's Pat Lynch, as an asset of the U.S. government's secret, Executive Order 12333 operations, most notably in a 1989 book which he and his publisher, a Kissinger crony, acknowledged then to have been the funded activities of well-known quasi-non-governmental organizations ("quangos") and other private fronts, such as Walter Raymond's Project Democracy operations, for the U.S. official intelligence community.²⁷

This series of four successive operations prepared the

24. The meeting took place at Charley O's restaurant in New York City on July 23, 1979.

25. In the July 23, 1979 meeting, reporter Blum stated that the proposed *New York Times* article was intended to start a government investigation of LaRouche and his associates and he needed an "eye catcher." Blum stated that, "the article does not have to be especially true." Blum went on to say, "A government investigation is what you and I want, isn't it," and, "... while it might sound cynical, it is more important for the government that something appears in the *New York Times* than whether or not it is true."

26. *Ibid*, see footnote 22.

27. During a period including May 1983, NBC-TV reporter Pat Lynch participated in planning sessions hosted by New York private banker John Train. These meetings featured Train's coordinating role, using agents of NBC-TV,

ground for the 1982-1983 launching of the presently continuing, 1983-2000, 12333 operation.

Kissinger and the 12333 file

The 1983-2000 12333 operation against me and my associates, was set into motion on the initiative of former U.S. Secretary of State Henry Kissinger and Kissinger's Washington, D.C. law firm, Arnold and Porter.

Formally, Kissinger's and Arnold and Porter's operation went into effect beginning Kissinger's August 19, 1982 "Dear Bill" letter to then FBI Director William Webster. Through repeated efforts in this same campaign by Kissinger and his attorneys,²⁸ and with support from Edward Bennett Williams,

the *Wall Street Journal*, *Readers' Digest*, the Anti-Defamation League (ADL), and members of the intelligence community then linked to Vice-President George Bush and Lt. Col. Oliver North, to orchestrate a coordinated campaign of mass-media defamation against the 12333-targeted LaRouche. Pittsburgh multi-millionaire Richard Mellon Scaife, of Ted Olson Salon notoriety, was a key backer of the operation which brought King and drug-use promoter John Foster "Chip" Berlet into the Train cabal's operations. As ADL operative Myra Boland's later testimony showed, NBC-TV's Lynch had lied under oath in deposition hearings, respecting Train's role in shaping her libelous frauds of March 1984. Train and members of his circle such as Pat Lynch, served as a cover for conducting controlled witnesses, called "defectors," into the witness pool of perjured witnesses for Federal prosecutors' use in both the Boston and Alexandria trials. The methods of brainwashing used to create such witnesses have been documented in legal discovery of government and related evidence. All of the witnesses among so-called former associates of the defendants, were part of that witness pool maintained under private cover, thus providing prosecutors the pretext for evading their accountability for use of what they knew or suspected to be perjured witnesses. The core of this prepared pack of perjurers was the group identified at both the Boston and Alexandria trials as the "Hallowe'en Party" group, the group which NBC-TV's Pat Lynch conducted to the Federal prosecutors.

28. On August 19, 1982, Henry Kissinger wrote a "Dear Bill" letter to FBI Director William Webster thanking him for an earlier note, and to put him on notice that Kissinger's attorney, Bill Rogers of Arnold and Porter law firm, would be contacting him "about LaRouche." Four days later, Rogers sent a letter to Webster asking for the FBI to look into the LaRouche "group," thanking the Director for his "interest in the matter," and relating that Kissinger hopes "the Bureau takes appropriate action." On September 16, Webster replied that the FBI is "limited" in what it can do "since the data we have [doesn't] justify an inquiry," at this time. Eight days later, the FBI's Security Chief of Intelligence Division, James Nolan, issued a report on "LaRouche and the EIR," concocting a pretext for launching a foreign counterintelligence investigation of LaRouche and *EIR* by claiming that their activities and publications are "propitious to Soviet disinformation and propaganda interests" even though "there is no firm evidence that Soviets are directing or funding LaRouche or his organization." Then on November 25, Kissinger again writes to Webster demanding an investigation of LaRouche and his associates, but this time he uses the buzzwords "disinformation campaign supported by foreign intelligence services," and insists that the FBI must find out "who finances this network." This November 25 letter is hand-delivered to Webster by PFIAB member Edward Bennett Williams. In December, various divisions of the FBI look into it, but conclude there are no violations of law. But then, on January 12, 1983, Webster reports that at a PFIAB meeting the subject of whether the FBI had a basis for investigating "under the guidelines or otherwise," the "U.S. Labor Party and . . . LaRouche," is discussed. Edward Bennett Williams raised the question of "sources of funding," and "whether hostile foreign intelligence agencies" were involved. The tripwire had been crossed, and on the same day the General Litigation

an attorney for the Katharine Meyer Graham of the LaRouche-hating *Washington Post*, the President's Foreign Intelligence Advisory Board (PFIAB), on January 12, 1983, adopted the proposal of Kissinger and of Kissinger's attorneys, Arnold and Porter. On that same day, FBI Director Webster ordered the FBI's Oliver "Buck" Revell to carry out the FBI's own implementation of the PFIAB order of David Abshire, Edward Bennett Williams, et al. On December 13, 1982, the head of the permanent bureaucracy of the Justice Department's Criminal Division, Deputy Assistant Attorney General John Keeney, assigned his old Internal Security office, now veiled under the name of General Litigation and Legal Advice Section (GLLAS), to handle the matter.²⁹ GLLAS remained on that assignment, through the 1988 Alexandria Federal indictment and trial.³⁰

and Legal Advice Section (GLLAS) of the DOJ filed a formal request for the FBI to open an investigation.

29. John C. Keeney, Sr. joined the Justice Department in 1951, during the heyday of J. Edgar Hoover and McCarthyism, and was assigned to the Internal Security Division; Keeney was put in charge of anti-communist Smith Act cases until 1960, when he transferred to the Criminal Division. Since 1973, he has been the senior career prosecutor in the Criminal Division — where he has far more power than the temporary political appointees who nominally head the Criminal Division.

Senator Edward Kennedy in 1973 said that "the Internal Security Division of the Justice Department represents the Second Coming of Joe McCarthy and the House UnAmerican Activities Committee." The Internal Security Division was disbanded after the Congressional investigations of the 1970s, and its functions and personnel were divided up between the new Internal Security Section of the Criminal Division (espionage cases and the Foreign Agents Registration Act), and the newly created General Litigation and Legal Advice Section (GLLAS) of the Criminal Division.

The most notorious figure from the old Internal Security Division was Guy Goodwin, who ran over 100 grand juries in the early 1970s targeting radicals, anti-war activists, unions, and others. Goodwin went into GLLAS as a special advisor in 1979.

Much of the "LaRouche" portfolio also went into GLLAS, under the direction of Benjamin Flannagan, who had been in the old Internal Security Division with Keeney starting in 1955. Flannagan headed the unit in GLLAS called "special civil matters," which included the defense of civil actions which could "interfere with . . . national security operations."

It was the GLLAS section, which ordered the FBI to investigate Henry Kissinger's complaints against LaRouche. Five days after the January 12, 1983 meeting of the President's Foreign Intelligence Advisory Board, a Justice Department memorandum from D. Lowell Jensen, the Assistant Attorney General in charge of the Criminal Division, instructed the FBI to report the results of its investigation directly in writing to Lawrence Lippe, the chief of the GLLAS section. Kissinger's law firm, Arnold and Porter, in Washington, communicated directly with Lippe and the GLLAS section, according to FBI documents.

30. Beyond the Kissinger matter, GLLAS was involved in virtually every aspect of the LaRouche case in the 1980s. In 1984, GLLAS defended the Secret Service's denial of security protection to Presidential candidate LaRouche. The litigation was handled by GLLAS senior legal advisors Benjamin Flannagan and Victor Stone.

In 1986, GLLAS was assigned by then-Criminal Division head William Weld to coordinate collection of the Boston contempt fines against organizations identified with Lyndon LaRouche — which led to the illegal bankruptcy seizure of three publishing and distributing companies. In March 1987, Weld contacted James Reynolds of GLLAS, to ask if there would be any problem

As of August 19, 1982, the date of Kissinger's letter to FBI Director Webster, there were five publicly well known issues behind Kissinger's personal motives for targeting of me for Justice Department dirty operations. All five were both political in nature, and involved my associates' ongoing journalistic investigations into matters of notable public interest, respecting corrupt activities in which Kissinger was personally involved.

First, was the continuing political controversy between Kissinger and me over the issue of urgent reforms in the post-1971 international monetary system. This personal controversy dated from the 1974-1976 interval, involving Kissinger's actions in his various capacities as U.S. Secretary of State and National Security Advisor.³¹ Merely typical of Kissinger's relevant state of mind during that period, is his 1974 crafting, in his capacity as National Security Advisor, of the subsequently declassified, pro-genocidal National Security [Council] Study Memorandum 200.³²

for prosecutors in the LaRouche criminal case, if the government were to initiate an involuntary bankruptcy action. Shortly after this, four senior GLLAS attorneys, including Flannagan and Stone, held a conference call with DOJ bankruptcy specialist David Schiller. Documents later released under the FOIA contain handwritten notes made by Reynolds during the call, in which Reynolds wrote: "Benefit is that a trustee is immediately appointed. They are ordered to shut down the business immediately." A marginal note next to this reads: "Trustee's role is to shut down the entities." (This totally contradicted the prosecutors' official denials, that they did not intend to shut down the publishing companies.)

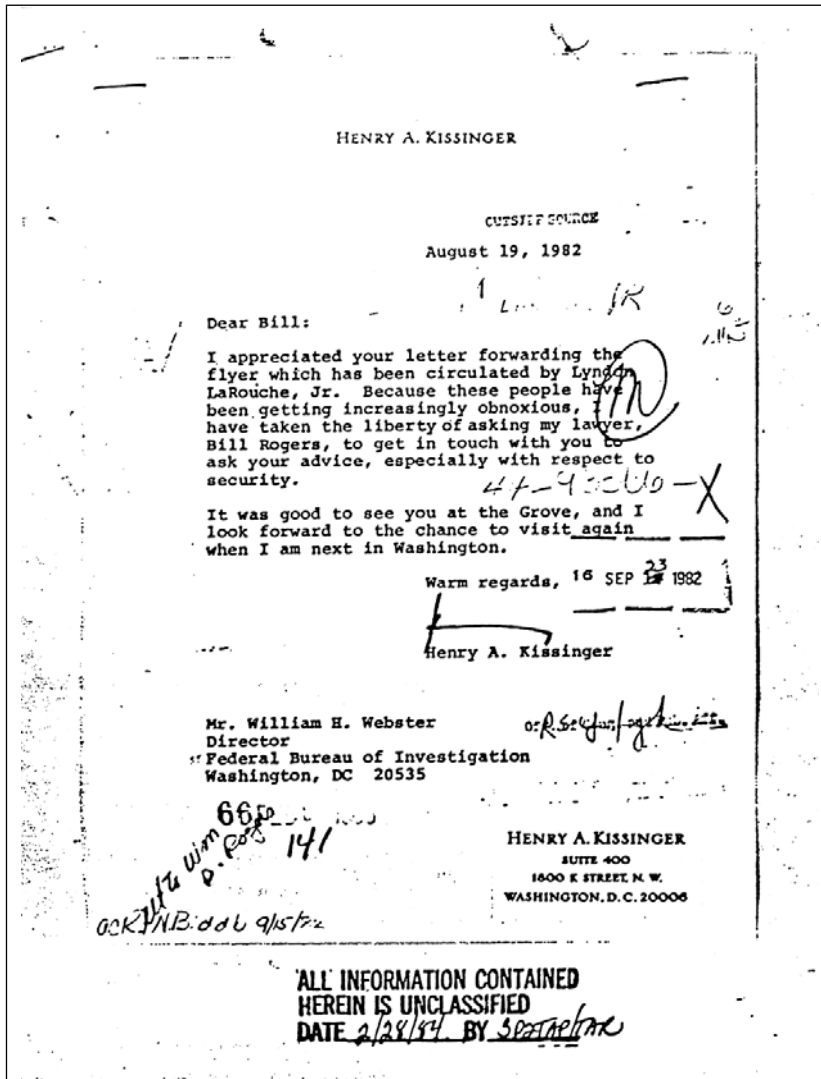
When the judge in the 1988 Boston trial of LaRouche ordered an "all-agency search" of Federal agencies, including the office of Vice President George Bush, for any exculpatory documents concerning LaRouche, it was Benjamin Flannagan of GLLAS who coordinated the search — and, of course, found nothing.

After the collapse of the Boston case, the Justice Department prepared to move the case to the Eastern District of Virginia, where they could be certain of having a rigged judge and jury. However, to bring a second indictment while the first was still pending was highly questionable, even by Justice Department standards. Prosecutors went to Mark Richard for formal approval to bring the second prosecution against Lyndon LaRouche, and then Keeney signed the official authorization.

On October 14, LaRouche and the other targets of the Alexandria prosecution went into Federal court in Washington, D.C., to attempt to enjoin the pending indictment. Because the action involved a pending grand jury indictment, the courtroom, presided over by Judge Stanley Sporkin (the former CIA general counsel), was closed. Just as the proceeding got under way, two attorneys from GLLAS, Flannagan and Stone, came running breathlessly up to the courtroom and demanded entrance. In an affidavit submitted in a later case, Flannagan stated that he had been "personally directed by . . . John Keeney to go to Judge Sporkin's courtroom" to assist Alexandria prosecutor Henry Hudson in opposing LaRouche's request for an injunction. Sporkin quickly denied the injunction, and within a few hours, LaRouche and six codefendants were indicted.

31. This included an official, fraudulent, and defamatory letter, dated March 18, 1976, issued against me internationally over Kissinger's personal signature. The issue was my ongoing campaigning for monetary reforms consistent with the proposal for a just new world economic order adopted at the August 1976 Colombo, Sri Lanka conference of the Non-Aligned Nations organization.

32. Excerpts from Kissinger's 1974 "National Security Study Memorandum



Henry Kissinger's "Dear Bill" letter of August 1982, asking William Webster, then Director of the FBI, for his help in going after LaRouche.

Second, was my launching of a public campaign, in February 1982, to overturn Kissinger's arms-control policies.³³ This attack on existing, Kissingerian arms-control policies, reflected my ongoing back-channel discussions with the Soviet Government, discussions which led to the March 23, 1983 announcement of a Strategic Defense Initiative (SDI) proposal to the Soviet government, by President Ronald

200: Implications of Worldwide Population Growth for U.S. Security and Overseas Interests," Dec. 10, 1974, were published in *EIR*, June 9, 1995.

33. This was a two-day *EIR* seminar in Washington, D.C., on Feb. 18-19, 1982, on ballistic missile defense based on new physical principles. See Lyndon H. LaRouche, Jr., "Only Beam-Weapons Could Bring to an End the Kissingerian Age of Mutual Thermonuclear Terror: A Proposed Modern Military Policy of the United States," a National Democratic Policy Committee pamphlet (New York City: 1982).

Reagan.³⁴ This ongoing work was well known to Kissinger's circles at that time.

Third, was our published attention to the contents of a public address which Kissinger himself had delivered to a London Chatham House audience on May 10, 1982, in which Kissinger bragged that he had worked behind the back of his President, under British direction, during the period he served as U.S. Secretary of State and National Security Advisor. In that address, Kissinger described himself as a follower of Winston Churchill and opponent of the "American intellectual tradition" represented by Churchill's political opponent and war-time ally President Franklin D. Roosevelt. The report we published was based on the transcript of that address issued by Kissinger's representatives themselves, including persons associated with the same PFIAB organization which, in January 1983, set into motion the secret-intelligence operations conducted under provisions of Executive Order 12333.³⁵

The fourth issue was our news organization's investigation of information indicating Kissinger's personal involvement, with Israel's Ariel Sharon and others, in a disgusting "West Bank land-scam" operation, which was one of the world's most notable, scurrilous, and profitable real estate swindles occurring at that time.³⁶

The fifth issue was my authorship of a special report, *Operation Juárez*, published just a short time before Kissinger's now-notorious "Dear Bill" letter to FBI Di-

34. In all its principal features, the relevant, concluding five-minute segment of the President's March 23, 1983 address, followed the outline I had presented as a tentative option, to the Soviet Government, at a Washington hotel back-channel meeting of 1982. This coincidence was not accidental. Notably, however, Lt.-Gen. (ret.) Daniel Graham's Heritage Foundation, which had been a savage opponent of SDI during the latter part of 1982 and early 1983, intervened quickly, through certain Republican Party channels, to force a radical modification of the policy, modifications which led into the intrinsically incompetent notion of ballistic missile defense being popularized in some circles today.

35. The transcript of Kissinger's Chatham House address was obtained by *EIR* from Kissinger's office at the Center for Strategic and International Studies (CSIS). The chairman of CSIS was David Abshire, who was one of those who pressed Kissinger's demand for an FBI investigation of LaRouche upon the President's Foreign Intelligence Advisory Board in January 1983.

36. "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia," *EIR Special Report*, March 1, 1986, Chapters I and II.

rector Webster.³⁷ *Operation Juárez* set forth a proposed U.S. policy for dealing with what I had foreseen, since Spring 1982, as an impending Mexico debt-crisis, to be expected no later than September 1982. The crisis exploded mere days following the initial publication of that report. During the period immediately following, Kissinger was heavily deployed into Mexico, with U.S. government backing, in the effort to prevent Mexico's government of President López Portillo from continuing to respond to the crisis in the manner outlined in *Operation Juárez*.³⁸

On each and all of these particular five issues, the underlying philosophical differences between Kissinger and me, were, and remain exactly the same. In all five cases, our journalistic investigations of Kissinger and his activities were no more abrasive, indeed less personally intrusive, than what subjects of investigation customarily enjoy at the hands of any endeavor in contemporary investigative journalism by major-media agencies. Kissinger's repeated, typically cowardly demand of both the Justice Department and PFIAB, was that *the ability of my associates to continue to engage in these journalistic activities must be shut down by any and all means available*. Kissinger's political cronies in PFIAB, and the Justice Department, complied.

In direct response to that PFIAB action, FBI Director William Webster set an anti-LaRouche operation into motion within the FBI, while John Keeney of the Justice Department's Criminal Division assigned the old Internal Security Division of the Justice Department, the General Litigation and Legal Advice Section (GLLAS) of that Division, to conduct an Executive Order 12333 operation, under "national security," foreign intelligence, cover, against me, and also my associates. The circles of Vice-President Bush, including Col. Oliver North, and National Security Council advisors such as Roy Godson, came to play a leading part in the dirty operations targetting me and my associates. This has continued since January 1983 to the present day.

The known figure of the Justice Department central to this continuing operation, since January 1983 to the present day, has been the same Deputy Assistant Attorney General John Keeney who made the GLLAS assignment on Kissinger's behalf, possibly the dirtiest man in the Justice Department from then to the present day. Such is the morality of the *New York Times*, the *Washington Post*, and the other mass media

37. See Lyndon H. LaRouche, Jr., "Mexico/Ibero-America Policy Study: Operation Juárez," *EIR Special Report*, Aug. 2, 1982.

38. During this period, Kissinger received a series of appointments to official posts within the Reagan Administration, including to PFIAB itself. These appointments of Kissinger correlate precisely, in form and intent, with the establishment of both Project Democracy and its twin, the National Endowment for Democracy (NED), to the board of which latter Kissinger was appointed. The latter two Orwellian concoctions in the art of Doublespeak and Newspeak, Project Democracy and NED, played a pivotal role in aspects of the "Get LaRouche" task-force's operations then, and that role continues to the present day.



Chief Deputy
Assistant Attorney
General John
("Jack") Keeney,
Sr.

which have cooperated in this dirty Justice Department, political operation, through either all or a great part of the 1973-2000 interval to date.

The outcome of that secret-intelligence-directed operation launched on Kissinger's behalf, is best summarized by focussing attention on the crucially relevant features of three trials, and a most extraordinary additional action of October 1986. Those elements and their interconnections are chiefly as follows.

A. A prolonged (1984-1988) set of grand-jury proceedings, and subsequent mass-trial, held in Federal Court in Boston, Massachusetts, a trial which the prosecution implicitly lost, in a Spring 1988 mistrial.

In that case, which ended as a result of a drawing-down of an exhausted jury, the jurors' expressed their unanimous opinion, that they would exonerate the defendants on all charges, and qualified that by observing that the issue of the case was government wrong-doing.³⁹ A more elegant, judicial opinion to similar effect was later supplied by the trial judge in that case.⁴⁰

At that point, the prosecution had the option of retrying that case, one they were virtually assured of losing. So, al-

39. After the mistrial in Boston, several jurors were interviewed by the *Boston Herald*. The May 5, 1988 issue carried a headline, "LaRouche Jury Would Have Voted 'Not Guilty.'" The article reported that jurors would have "unanimously decided they would find LaRouche, six aides and five organizations innocent of all charges based on evidence presented since the trial began on Dec. 7." One of the jurors interviewed cited government misconduct as a compelling factor in his vote: "It seemed some of the government's people caused the problem [for LaRouche] . . . adding that evidence showed people working on behalf of the government may have been involved in some of this fraud to discredit the campaign." See *Railroad!*.

40. In an August 10, 1988 Memorandum and Order, Judge Keeton found "institutional and systemic prosecutorial misconduct that occurred during the first trial."

though a retrial date of January 1989 was tentatively set, the Federal prosecutors conspired to avoid defeat in Boston, by trying the defendants, first, on different, specially pre-coined charges, in a less scrupulous jurisdiction, in Alexandria, Virginia. Thus, they rushed to bring a new case to trial in Virginia, before the January date tentatively arranged for retrial in Boston. By early 1987, the Justice Department's multi-jurisdictional, State-Federal prosecutorial task-force had crafted the option used in the later, railroad-style trial in Federal Court in Alexandria. As was to be expected all along, after the Alexandria conviction, the prosecution abandoned the Boston retrial.

This introduction of a new trial, while a retrial of another Federal case was pending, was worse than merely highly irregular. However, at the urging of GLLAS, and the pleasure of a former CIA official, Judge Sporkin, the Alexandria travesty of justice was ordered to proceed forthwith.⁴¹

B. Meanwhile, on October 6-7, 1986, an armed force of more than four hundred, including the equivalent of several military companies of heavily armed members of a combined Federal, State, and local task-force, invaded and occupied the town of Leesburg, Virginia. The included intention of at least some elements of this task-force, was to use the cover of that operation as the occasion for what would be later described as a "Waco-style" operation, designed for assassinating me, my wife, and others, at my place of residence, a few miles distant from Leesburg. This intention was subsequently admitted by agents of the Justice Department Criminal Division's task-force itself, and was otherwise confirmed, objectively, by the way in which military teams were deployed at the place of residence, from dawn of October 6th through early morning of October 7th. Higher authorities in Washington prevented this shoot-out, by going over the head of strike-force director, and Criminal Division head William Weld, to order that the waiting Special Forces-style attack on my location be disbanded.

This October 6-7, 1986 armed occupation of Leesburg, occurred on the eve of President Ronald Reagan's meeting with Soviet General Secretary Mikhail Gorbachev at Reykjavik, Iceland. The issue of that latter meeting was the same SDI, of which the Gorbachev government and press described me, in most violent language, as its hated original author and spokesman. Since I was well known as the initiator of the SDI, as that had been introduced officially by President Ronald Reagan on March 23, 1983, the assassination of me at that juncture would have appeared to the world as a Justice Department killing on Soviet orders, and thus an implied personal threat, with William Weld's complicity, against the President

41. See footnote 30. It is instructive to note how many of the same Justice Department and GLLAS personnel, who were involved in the targeting and frame-up of LaRouche, are also implicated in the filing of false testimony in the case of renegade CIA officer Edwin Wilson in the early 1980s, and then covering up this prosecutorial misconduct. (See box, this page.)

of the U.S. himself!

This brings us to the matter of a second trial, a Federal bankruptcy in Virginia.

C. A 1987 Federal seizure and shut-down, later ruled to have been unlawful, under pretext of Federal bankruptcy law, of several organizations in Virginia. This was later decided, in successive Federal bankruptcy proceedings, to have been a case of constructive fraud upon the court by the relevant U.S. Attorney, Henry Hudson. All income-generating and loan-repayment operations of these entities, were permanently shut down at that point, by the court. The relevant Federal judge, Albert V. Bryan, Jr., refused to allow the seized organizations opportunity to conduct a timely challenge to

DOJ, GLLAS caught lying in Wilson case

In court papers filed on Jan. 18, the Department of Justice admitted that it used false testimony to convict former CIA officer Ed Wilson in 1983. Numerous high-ranking present and former DOJ officials are implicated in the filing of the perjurious affidavit, which played a crucial role in the conviction and imprisonment of Wilson; most of these officials were also involved in the targeting and frame-up of Lyndon LaRouche during the relevant time period.

Wilson was a direct CIA employee from 1955 to 1971, and then he "left" the CIA and joined the Naval Intelligence 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.

Wilson was indicted in Houston in 1982 for illegally shipping explosives to Libya. His defense revolved around his assertion 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.

During Wilson's trial, DOJ prosecutor Ted Greenberg filed an affidavit from a high-ranking CIA official, Charles Briggs, which stated that Wilson had not been asked or requested to provide any services for the CIA after 1971. The affidavit made such an impression on the jury, that they asked to have it re-read to them during their deliberations. Within an hour of the reading of the affidavit, they returned a verdict of "guilty."

Two months after Wilson's conviction, a CIA memorandum documented at least 80 contacts between the CIA

this unlawful, indeed fraudulent government action bankrupting and seizing those firms. It is to be stressed, that, in proceedings which occurred following the Alexandria trial and conviction of me and my fellow-defendants, the Federal courts ruled that the bringing of the bankruptcy itself had been an act of fraud upon the court by the U.S. Department of Justice. Nonetheless, despite those rulings, I remained in Federal prison for more than four more years; so, the "Get LaRouche" task-force was permitted to continue to enjoy the ill-gotten ends, which had been secured by aid of Justice Department fraud on the Federal bankruptcy court.

As an accompanying, and preceding element of this same operation, corrupt, February 1987 actions by authorities

within the Commonwealth of Virginia, induced a relevant official to reverse herself, by fraudulently redefining the loans later jeopardized by the impending bankruptcy action to have been regular business loans, when most of them were in fact of the "soft," political loans classification, like the election-campaign loans of leading Commonwealth figures at that time. These loans were often zero-interest rate, and were customarily rolled over until finally retired. Shortly after her shocking turnabout, that Virginia official was rewarded for her good behavior, by her appointment as a judge of the state's Supreme Court.

This combination of actions, the Federal government's fraudulent actions in the bankruptcy proceedings, and the pre-

and Wilson after 1971; 36 of these were substantial enough to contradict the Briggs affidavit. Now, the government has finally admitted that the Briggs affidavit was false. "They knowingly used false testimony," defense attorney David Adler said recently. "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."

Overlaps with the LaRouche case

A significant number of the DOJ and its General Litigation and Legal Advice Section (GenLit, or GLLAS) personnel involved in the targeting of LaRouche, were also implicated in the misconduct in the Wilson case:

Mark Richard is a Deputy Assistant Attorney General and Jack Keeney's sidekick, who played a central role in both the LaRouche frame-up and in the cover-up in the Wilson case.

Ted Greenberg was the chief government prosecutor against Wilson; as a prosecutor in Alexandria, Virginia, Greenberg was the channel used to contact the Special Operations Division of the Joint Chiefs of Staff in connection with the seizure of documents in the 1986 Leesburg raid; he was also consulted on the illegal bankruptcy action against LaRouche.

Karen Morrisette of the DOJ's GLLAS, played a prominent role in the Wilson case, both as a prosecutor, and then in the ensuing cover-up.

In January 1987, Morrisette drafted a memo for **Lawrence Lippe**, the chief of GLLAS who had overseen the Henry Kissinger-prompted investigation of LaRouche in 1983. Morrisette's memo was addressed to **William Weld**, then head of the Criminal Division, and pertained to possible improper conduct on the part of DOJ prosecutor Lawrence Barcella in leaking information to author Peter Maas.

On Oct. 17, 1988, this memo and related documents

were forwarded to Larry Lippe by **Benjamin Flannagan** of GLLAS. (This is but three days after Flannagan had come running into Judge Sporkin's courtroom to stop LaRouche from getting an injunction against the pending Alexandria indictment.) Flannagan recommended that the DOJ not disclose any information about the misconduct in the Wilson case, saying, "I see no point in airing the Dept's 'dirty linen' when we don't need to." Added is a notation: "DO NOT DISCLOSE, NO ACTION." Flannagan's advice was followed.

D. Lowell Jensen was the Assistant Attorney General in charge of the Criminal Division in 1983, who ordered the FBI to investigate Kissinger's phony complaint against LaRouche in 1983. Jensen is now a Federal judge.

Stephen Trott replaced Jensen as head of the Criminal Division, from 1983 to 1986, oversaw the first stages of the frame-up of LaRouche, and the fraudulent Boston grand jury proceedings which paved the way for the 1987 bankruptcy shutdown of publishing companies associated with LaRouche. Trott is now a Federal judge.

William Weld, as U.S. Attorney in Boston, initiated the first attempted frame-up of LaRouche starting in 1984; later, at DOJ headquarters, he quashed an investigation of a prosecutor who had leaked information about Wilson.

In addition, **Stanley Sporkin**, then the CIA's General Counsel, certified the accuracy of the Briggs affidavit on Feb. 3, 1983, with his own signature and the CIA seal, but he realized almost immediately that the Briggs affidavit was inaccurate, and he asked Greenberg not to use the affidavit, or to modify it. Greenberg refused, and nothing was done by Sporkin or anyone else to rectify the situation until ten months later, when DOJ lawyers slipped an elliptical correction into their appeal brief, on the assumption that the Appeals Court would pass over it "without much attention." That turned out to be true, and it has taken Wilson 16 years to force the Justice Department cover-up into the open.—*Edward Spannaus*

Motion for Leave to file Discover;
LaRouche v. Webster EXHIBIT 5

JANUARY 12, 1983

MEMORANDUM TO MR. REVELL
RE: U.S. LABOR PARTY

National Caucus &
Labor Committees

At the PFIAB meeting today, [redacted] raised b7c the subject of the activities of the U.S. Labor Party and Lyndon LaRouche. He noted that he and a number of other Americans in public life had been the subject of repeated harassment by LaRouche and wondered whether the FBI had a basis for investigating these activities under the guidelines or otherwise. A number of the members present, including Edward Bennett Williams, raised the question of the sources of funding for these U.S. Labor Party activities. In view of the large amounts obviously being expended worldwide, the question was raised whether the U.S. Labor Party might be funded by hostile intelligence agencies.

Can you give me an update together with any comments or observations on this matter?

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 9-24-84 BY [redacted]

William H. Webster
Director

1 - Mr. O'Malley

100-459951-15

- Mr. Tolson
- Mr. DeLoach
- Mr. Mohr
- Mr. Bishop
- Mr. Casper
- Mr. Callahan
- Mr. Conrad
- Mr. Felt
- Mr. Gale
- Mr. Rosen
- Mr. Sullivan
- Mr. Tavel
- Mr. Trotter
- Tele. Room
- Miss Holmes
- Miss Gandy

66 MAR 1983

MAIL ROOM

alleged mail-fraud and one count, also based on the loan issue, charging me personally with a "Klein conspiracy." The latter, arcane charge, otherwise stated, was intent "to obstruct and impede the functions of the Internal Revenue Service."

The mail fraud charges were predicated upon the outstanding loans of the entities which had been unlawfully bankrupted by the prosecutorial task-force itself. The indictment was launched by the same U.S. Attorney Henry Hudson who had launched the fraud on the court which shut down continued payments, including payments on some of the same instances for which the charges at trial were heard before the same, fully-witting Federal Judge Bryan, who had previously stopped any action to allow those entities to continue repayment of those loans. However, the issue of the bankruptcy, and of the actual character of those loans themselves, was kept out of court by pre-trial and in-trial rulings by savagely enforced, repeated order of the same Judge Bryan who had acted to prevent the subject entities from continuing their ongoing programs of loan retirement.

Most crucial was that judge's Rule 403 *in limine* ruling, pre-trial, disallowing the introduction of what the court admitted to be relevant evidence bearing upon the bankruptcy and other relevant matters. That and related pretrial exclusions of relevant evidence by Bryan, were designed to ensure that the Alexandria indictment was not rejected

by the jury as the Boston indictment had been. Although the mail fraud charges featured in the Alexandria indictment were new, and involved legally complex new issues not considered in Boston, the included umbrella charge of conspiracy in the Alexandria case was a virtual copy, axiomatically, of that in the Boston case; the prosecution's wild-eyed theory of an alleged conspiracy by me, was the same in both cases. The multi-jurisdictional prosecutorial team was determined to exclude any hearing of those facts, common to both cases, which had been decisive in the jury's reactions in Boston. Judge Bryan also excluded from the trial any hearing on evidence on the complex new legal questions posed by the mail fraud charges. That and related pretrial rulings by that Judge Bryan, ensured that the subsequent trial was assuredly a fraud by the court, in and of itself.

Memorandum from William Webster to the FBI's Oliver "Buck" Revell, citing the PFIAB discussion of targeting LaRouche and the LaRouche organization.

paratory actions of February, taken by corrupt Commonwealth officials, were among the most crucial preparatory steps for crafting the prosecutor's orchestration of the perjury-ridden Federal mail-fraud and "Klein conspiracy" indictments of October 14, 1988.⁴²

D. A railroad-style prosecution, by the U.S. Department of Justice, was launched out of the Eastern District of Virginia, during October 1988, using the Federal Bankruptcy case, together with the fraudulent charges placed by the Commonwealth of Virginia, as the sole pretext for twelve counts of

42. As post-trial evidence showed beyond doubt, in that trial, not only most of the key prosecution witnesses, but even members of the jury gave false testimony under oath! The prosecution was fully witting that those witnesses' testimony was false.

Crucial issues of the trial

It has been established, on the record, that the unlawful Federal bankrupting of those entities had been undertaken for the aforethought purpose, of crafting otherwise untenable Federal indictments on loan-fraud charges. That had been the opinion shared among the members of the multi-jurisdictional prosecutorial team, that loan-fraud charges could not be brought against target LaRouche, unless the relevant entities were not only put into bankruptcy, but forced to cease ongoing repayments of loans, by the task-force's shutting down the fraudulently bankrupted entities. That evidence demonstrates that the bankruptcy-action was taken as an intended, as well as merely objective fraud upon the bankruptcy court. Moreover, the systematic recruitment of prospective trial witnesses for a loan-fraud case, was not begun until after the bankruptcy proceeding launched fraudulently by the Department of Justice.⁴³ The pretext for the charge of loan-fraud, was the use of the mails, by these firms, to send letters of confirmation of loan-status to the lenders, both as a matter of good accounting practice, and to reduce likelihood of misunderstanding in these matters. Hence, the prosecution's irrational logic argued, this was "mail fraud."⁴⁴ The indictment, trial, and convictions in this case, hung entirely on the convoluted sophistry used to craft a mail-fraud charge in that fashion.

The indictment in the latter case was handed down on October 14, 1988, two days after I had delivered an historic, and also prophetic Presidential candidate's address in Berlin, Germany.⁴⁵ The trial began on November 21, 1988; conviction was handed down on December 16, 1988.

In fact, as distinct from sophistries of mere legal fiction, the only reason such a short trial on such complex issues could be arranged, was that none among the defendants was able, in fact, to testify in his own defense, although I, from the

time of the indictment, had repeatedly instructed all relevant parties, including all of the defense attorneys, of my intention to do so. One of the co-defendants was also personally committed to testify, but was effectively prevented from doing so by his attorney's failure to prepare him for trial. Since I was the person most frequently mentioned by the prosecution, the one principally accused by the indictment and in other ways, in a trial in which I was in fact innocent, but not permitted to respond to the mass of charges presented in the indictment and prosecution's proceeding, that trial was, necessarily a farce in fact in its entirety. Indeed, it would be fairly estimated that my testimony alone, taking into account direct, cross, and redirect, would have required about two to three additional weeks in itself.

The problems were, first of all, the fact that many of the defendants were not given sufficient time, at arraignment, to obtain attorneys to represent them at trial before the trial date was set. Second, more significant, was the fact that those attorneys, many hastily secured, were not in collective agreement on having me testify in my own defense, lest, in their opinion, that might pose an element of risk for some among the other defendants. Since most among those attorneys refused to agree on preparing themselves effectively for my testimony, I was, in point of fact, effectively denied the right to testify. Motions for severance, although made, were summarily denied. Otherwise, the trial would have had a different ultimate outcome. Later, it turned out, this denial of the effective possibility of testifying there, was largely the work of a relevant snake working from inside the defense's preparation of the case, who exposed his true role most blatantly, on this and other counts, both during trial, and in post-trial developments.

Legal sophistries put aside, in reality, the importance of my testimony in that case, is that there were numerous instances of crucial, blatantly false statements made, under oath, by certain key witnesses for the prosecution. These included many matters of which I had not only first-hand, but fully corroboratable knowledge. These were of crucial relevance for the jury's hearing in that trial.

Admittedly, as a practical matter, some of these issues, even the most important ones, were willfully, and wrongly precluded from trial by the judge's pre-trial *in limine* rulings. Nonetheless, there were many matters which had been raised by the prosecution's case, on which the facts, if presented, would expose the massive degree of lying by many prosecution witnesses, and willful fraud, in fact, in argument of the prosecutors. Unless those issues were forced into consideration by my personal direct and cross examination in court, those crucial issues would not be, in fact, considered by the jury panel, even though a significant number of them were either addressed or alluded to in the closing summaries of defense attorneys.

The importance of this is underlined if one considers the sheer mass of false testimony, delivered under oath, by what

43. The FBI waited until the very day that the illegal bankruptcy was filed, April 20, 1987, to begin interviewing lenders. On that date, an FBI telex was sent to every FBI office in the United States and internationally, with instructions to begin interviewing LaRouche's political supporters who had made loans to the publishing companies that the Government had just bankrupted. The telex included instructions that agents should persist in their efforts to interview lenders, to the point of undermining those individuals political support for LaRouche.

44. The record shows, that the entirety of the charge of loan fraud was a concoction of a joint prosecutorial task-force of Boston and Alexandria Federal and Commonwealth of Virginia prosecutors. The record shows, that it was the intent of Federal prosecutors to fabricate a loan-fraud case by these combined operations of February and April 1987. It was decided to hold these charges back, held in reserve for the contingency that the Federal prosecution might fail in Boston. As related trial proceedings in other locations proved, the characterization of the loans in these cases, by both Virginia and Federal prosecutors, was a willfully fraudulent one.

45. Lyndon H. LaRouche, Jr., Oct. 12, 1988 Berlin address forecasting the imminent collapse of the Comecon system, and the early emergence of Berlin as the capital of a reunified Germany. See Lyndon H. LaRouche, Jr., Presidential candidate's nationwide TV broadcast, "The Winter of Our Discontent," Oct. 31, 1988. The full transcript appeared in *EIR*, Nov. 4, 1994.

existing evidence proves to have been corrupted witnesses, and if one takes into account, from the verbatim record, the additional mass of what was in fact false testimony, which was introduced as argument from the mouths of the, factually, culpably witting prosecuting attorneys.

The most crucial fact, which attorneys secured on such short notice, were often poorly qualified to address, is that any politically motivated prosecution is, first and foremost, a political trial by definition, whatever the proper or fraudulent pretexts for the indictment which have been crafted by the prosecution.⁴⁶

Such trials are designed, either by prosecutor's intentions, or by unavoidable implications of bringing a prominent political figure to trial, to bring about what are inevitably political ends by means of the criminal charges. In all cases, when the political implications of such a case are kept out of trial, the trial itself is a fraud, by virtue of fallacy of composition of the facts addressed. A person on trial is who they are; a notable political figure on trial is, by definition, a figure of political controversy. In this case, even the charges themselves alleged political motivation as the characteristic feature of the alleged mail fraud. I was a figure whose character had been subjected to a massive political attack, over a preceding period of years, by all of the leading mass media in that area affecting the selection of the jury pool. The mind of the population represented by the jury pool had been polluted over at least twelve preceding years, and most intensively during the preceding four years, by this politically motivated mass-media campaign. Judge Bryan's pre-trial rulings, and his survey of the prospective jurors was not only wrongful, but clearly fraudulent, in light of these facts well known to him.

Apart from that pollution of the jury selection-process, neither the jury, nor the court in general could cut through the chaff clouding any such case, unless the implicit issue of the political motivation behind the prosecution were brought clearly into view, thus to be judged, on related evidence, as relevant to the charges, or not. Sometimes, the indictment and trial of a political figure is justified in fact. Sometimes the charges against such a figure might involve a pure and simple offense under the criminal code; even in such cases, the issue of the possibility of reasonable separation of the charges from the political associations, must be fairly presented to the court and its jurors.

In any variant, as in the Boston trial, or what would have been an honest trial in the Alexandria case, sorting out a case in which the criminal charges are fabricated for political purposes, from one in which the honestly charged defendant is a prominent political figure, is precisely the most important problem which the jury, and the jury alone, must be equipped to decide in any trial by jury of a political figure. In this case,

46. This was indeed pointed out to Judge Bryan, who would not permit fact or considerations of truthfulness to interfere with his determination to keep his railroad running on his arbitrary schedule.

the prosecution and also the trial judge applied their greatest efforts, including the judge's in-fact fraudulent use of a Rule 403 exclusion of admittedly relevant evidence, to prevent the jury from hearing the actual case which was, in fact, being set before them. Thus, Judge Bryan perpetrated willful fraud on the court by virtue of fallacy of composition.

This rule is most emphatically applied in the instance of a well-known political figure, especially one as violently and fraudulently vilified as the *Washington Post* and other scalawag mass-press had deliberately saturated the area of the jury-pool for that trial. The jury could not help but reach a trial decision highly colored by political considerations brought into the jury-room by a corrupt mass-media, over many years, prior to and during the time of trial.⁴⁷ If the relevant political figure, as defendant, is fraudulently charged, as I was in that case, and if the court is rigged, as Judge Bryan rigged this trial, and if the mass-media has attempted to whip the jury-pool into a lynch-spirit, as in this case, and if that political figure does not take the stand in his own defense, under direct and cross-examination, he is fairly certain of conviction, no matter how innocent he may be in fact, or how much the other evidence presented should have persuaded an honest jury⁴⁸ of the defendant's innocence of the charges.

On consideration of this trial and conviction, a leading international legal authority, Professor Friedrich-August von der Heydte, made two sets of observations. First, he compared the Alexandria LaRouche case to that of the celebrated Captain Alfred Dreyfus.⁴⁹ It took five days longer to obtain a fraudulent conviction of Dreyfus, than in a far more complex case of trial of both me and my six co-defendants.

The issue of law

Professor von der Heydte made a second, separate point, which I endorsed publicly at that time. The conduct of the trial judge in that case, reflected, and that most plainly, a specific, and rapidly worsening corruption of U.S. law, today, which is more ominous than even the horrid Nazi law associated with the legacy of Germany's Carl Schmitt and Roland Freisler. This corruption, typified by the tendency of Federal courts to adopt the Lockean principle of shareholder value, is to be recognized as a combination of radical positivism and

47. Take into account the months of saturation of the Virginia population from which the jury pool was drawn, with the heavy propaganda of defamation against me from the *Washington Post*, and virtually all of the mass print and electronic media of the area. Then, consider the trial judge's pre-trial and in-trial rulings on relevant matters, and the perfunctory and, in fact, corrupted *voir dire* of the jury selection itself. Judge Bryan was fully witting in his fanatical rigging of this as other features of pre-trial and in-trial rulings.

48. which, as post-trial investigations showed, this jury was not. See Motion to Vacate, Set Aside, Correct Sentence Under 28 U.S.C. Section 2255, *U.S.A. v. LaRouche, et al.*, U.S. Court of Appeals, (4th Cir.) Docket No. 92-6701.

49. "LaRouche Was Innocent, as Dreyfus Was," *Washington Post*, March 1, 1989. "LaRouche Case Like Dreyfus Affair," International Commission for Human Rights, *Washington Post*, March 3, 1989.

the specific, interchangeable conceptions of slaveholder or shareholder value, associated with both the doctrine of the Confederate States of America, and the current doctrine among a leading element of the U.S. Supreme Court, as typified by the frequent resort to sophistry by Justice Scalia, today. The result of such a union of Locke and radical positivist law, is to be compared with the standpoint in law represented by the most notorious fictionalized figure of Plato's *Republic*, Thrasymachus, or with the perverted notions of law of real-life Roman Emperors such as Tiberius, Nero, Caligula, and Diocletian.

In summary, under such positivist mode of sophistry in law, the table of justice is rigged, like a crooked gambling table, before the victim is seated. Then, the rules by which the trial is rigged, are invoked apologetically by such corrupt legal authorities, to purport to show that the trial was according to "the rule of law": according to the "rules"; in this case, as corrupt Judge Bryan's corrupt *in limine* rulings attest, the rules were the special, Kafkaesque rules which those sophists and their fellow-travellers had made up for that occasion. The apologists, affecting a pose of self-righteousness, and lacking any other kind of righteousness, insist that since the trial followed *their* rules, the proceedings were, in the mouth of one later-exposed mole inside the defense team, therefore "fair."

Under the conditions defined by those two observations of Professor von der Heydte, as in the conditions of the infamous trial of Socrates, the very name of justice is a contradiction in terms. Only fools will say, under such circumstances, "But didn't he get a fair trial according to the rules?" Who sets the rules, and how are they set? How are the rules, and the rule-makers to be judged? Can judges be considered persons privileged to be acting as the members of an autonomous private club; or, must they be accountable to some higher, less capricious standard of rule-making? If the rules exclude relevant truth, then, as in the lynch-trial of Socrates, it is the members of the court, not the accused, who should be condemned, like England's Chief Justice Lord George Jeffreys before them, and, perhaps, like him, imprisoned for what are in fact crimes representing the greatest danger to both the republic and the general welfare of its people.

In fairness, on this point, the following qualifying observation should be included here.

Admittedly, the U.S. Congress has enacted many bad statutes. Presidents have promoted legislation, or condoned it, which, by every moral standard conceivable, they should have opposed. Under our Constitutional form of self-government, the immediate functional remedy for such errors, is to be sought in the Federal Court, which must rule on such matters out of an informed and cultivated conscience, even in defiance of the contrary prevailing opinion of the other Federal branches. However, when the Federal Courts go sour, as their decadence has unfolded during the recent quarter-century to date, only the combined forces of the other two branches have the immediate authority to correct this.

What if all three branches fail to resolve an error? Then, there are only two higher authorities to which to appeal. One is the carefully deliberated expression of the people's own interest in promoting the national defense and general welfare, the expression of the general welfare from whose moral and other political authority of our Declaration of Independence and Federal Constitution were derived. If that fails, there is but one higher authority to which to appeal for justice. That latter is sometimes referred to as the judgment of history, according to which history punishes, or even weeds out nations and cultures which suffer a manifestly incurable want of the moral fitness to survive. The ultimate authority of the principle of the general welfare of the people on this account, is revolutionary, as the opening paragraphs of the Declaration of Independence affirm this. The power of the still higher authority, history itself, is of a more awesome quality.

In the final analysis, the only true authority for man-made law is *reason*. The authority of government, even its right to exist, lies solely in the duty of government to effect the efficient promotion of the general welfare of all its population and their posterity, as this is echoed in the first four paragraphs of our Declaration of Independence, and also the Preamble of our Federal Constitution.

The judgment to be passed upon either a system of law, or the willfully persisting maladministration of that system, must be considered on two successively higher levels.

In its simpler aspect, is it to be compared, in first approximation, to the deductive model of a Euclidean classroom geometry, as the derivation of proofs according to a cultivated knowledge of an underlying set of both stated and implied definitions, axioms, and postulates.

However, on a higher level, the process of lawmaking and judicial procedure must recognize that, in statecraft, as in physical science, all previously existing sets of definitions, axioms, and postulates are subject to change, that in the same manner that validated new universal physical principles are discovered in science. If what was rightly validated as true beforehand remains true, not only must false assumptions be purged, but previously omitted, newly validated principles incorporated within a multiply-connected manifold of verifiable universal principles.

The most important consideration to bear in mind, is to distinguish what is subject to such change, from that which is not. *What can never change, under a sane rule of law, is the definition of the human being as being of a different nature than all the lower species. The adherence to that enduring principle, defines absolutely the distinction between civilized forms of society and the bestiality of slavery, cannibalism, serfdom, and other forms of inhuman barbarism.*⁵⁰

We human beings are each unique, relative to all other

50. As a matter of provable principle, empiricism and positivism must be included with slavery, cannibalism, and serfdom as bestial misconceptions of the nature of man.

species, in our power, not merely to learn, but to discover new validated universal physical and other principles, by means of which our species is enabled to increase its per-capita power in and over the universe. In this respect, we are all made equally distinct from the beasts, and, in this respect and degree, made equally in the image of the Creator of this universe. It is upon the recognition of, and service to this principle, that all decent law-making proceeds. This principle, as the Declaration of Independence and Preamble of our Constitution variously acknowledge, and otherwise reflect it, *this principle of the promotion of the general welfare represents the only legitimate basis in law for the existence of government, and is the underlying, unchanging cornerstone of all good law and justice.*

Thus, in honest law, the issues posed by the existence of this, and also certain additional underlying axiomatic assumptions, are always lurking. Conclusions must not only be proven, but we must always keep those underlying axiomatic considerations in mind. In each matter before us, the always lurking issue is: what is the axiomatic standpoint of the respective parties, and of the court itself?

Are any among these axiomatic assumptions false, relative to the matters at issue? In a positivist doctrine of law, these crucial considerations are excluded axiomatically; rather, the case is tried as Rabelais' famous justices Kissbreech and Suckfist would prefer, or in some equally scurrilous, irrational mode. In an honest trial, the underlying axiomatic assumptions of contending parties, and of the court itself, are always issues implicitly to be considered, and to be treated actively as axiomatic issues whenever the evidence relevant to that point of axiomatic controversy, might be a manifest issue of the matters actively at trial.

Therefore, according to that single, supreme principle of natural law, the cognitive power of reason, through which mankind discovers those true universal principles, by means of which mankind increases our species' power within and over the universe, is in itself the highest authority in making and application of law of, and among nations. Thus, in those means by which we discover how to cooperate in increasing mankind's power in and over nature, we find the proof of what we rightly call *reason*. It is from those powers of reason, so cultivated, that we may adduce those rules of law by which we ought to be governed, and also govern ourselves.

If our notion of "rule of law" becomes as perverted in practice as it has tended to become, especially in the degree we have experienced during the recent thirty years or so, and if the people do not change this, then the higher power of reason will act in response to the fact, that we have shown ourselves a people which has mislaid, or perhaps even lost the moral fitness of a nation efficiently to survive.

I mention that very important, and relevant point here. I shall return to it at an appropriate point, in the concluding section of this report. At this point, the immediately following point, bearing upon that, is to be considered.

In contrast, the fact that much of the legislation, judicial practice, and public opinion encountered today, is essentially irrational, represents a special quality of lunacy from which our nation must free itself, if this nation itself is to survive. Among such lunacies, the worst is the violation, or neglect of our government's duty to promote the general welfare efficiently; on that, the very legitimacy of government and courts depends absolutely. The submission of President Clinton to the pressure of Vice-President Al Gore, in adapting to the bestial so-called "welfare reform" proposed by Speaker of the House Newt Gingrich, or the actions of the Democratic National Committee, in supporting the racist motion which attorney John Keeney continues to argue on its behalf,⁵¹ typify those kinds of actions, by which a government, a political party, or even an entire nation, undermines its moral authority to continue to rule and exist.

The "LaRouche case," thus, has the associated special importance, of showing what sorts of disoriented persons, even often lunatics, or worse, rule so many of the institutions of power and great influence in our nation today. The naked and persisting travesty of justice in this case, should be taken as an ominous warning to us, of what we must change, if this nation itself is even merely to survive.

2. The historical setting of the case

Since the final, 1848 stage of the fall from power of the decaying Habsburg Empire's Clement Prince Metternich, the conflict between two mutually exclusive principles of government, has dominated the entirety of the principal affairs of each and all nations of globally extended European civilization. The LaRouche case, as summarized above, is no exception to that rule. The presently leading conflict within the morally crisis-stricken U.S. Democratic Party, is also no exception to that rule.

The early Nineteenth-Century decline and fall of the power of the old, princely, feudal landed aristocracy, left European civilization under the domination of a conflict between two contending social forces. On the one side, there was the triumphant modern form of ruling financial oligarchy, a form of society and state brought forth in the Netherlands and England under the direct influence of those ruling sets of Venice's financial-oligarchical families which had been led, successively by figures such as Paolo Sarpi and Abbot Antonio Conti. This was the financier oligarchy against which our patriots opposed both the bloody tyranny of William of Orange and the new British monarchy established with the accession of George I.

Our republic, created in such circumstances, was of a new

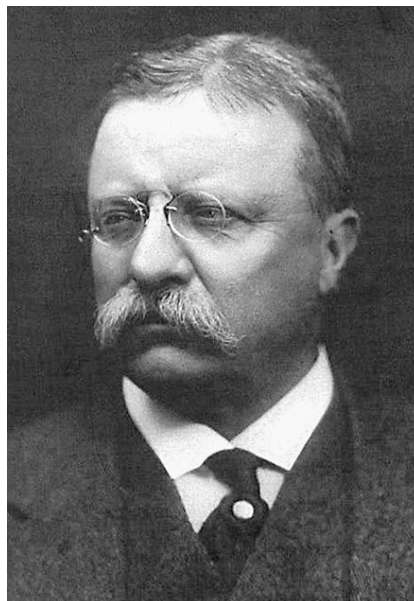
51. See "Motion to Affirm" [99-1212], submitted to the Supreme Court of the U.S.A. by DNC General Counsel Joseph M. Sandler and attorney of record John C. Keeney, Jr.

form. It had its ancient roots in such precedents as Solon's reforms at Athens, in the Classical Greek struggle for the establishment of republics, and in the ecumenical conception of man brought to Classical Greek culture by such Apostles of Jesus Christ as Peter, John, and Paul. The founders of our constitutional republic followed the Fifteenth-Century precedents of statecraft of France's King Louis XI and England's Henry VII.

When, during the course of the Sixteenth and Seventeenth Centuries, the conditions in Europe, became an insuitable political climate for establishing true republics consistent with the commonwealth principles of Louis XI and Henry VII, Europeans committed to that cause, established colonies in the Americas. These colonies, at least the best among them, such as the Massachusetts Bay Colony of the Winthrops and Mathers, sought to build up true commonwealths, otherwise to be known as republics, in the Americas. It was their desire, that not only should these nascent republics prosper, but that they become, in the later words of our friend the Marquis de Lafayette, temples of liberty and beacons of hope, in the eyes of our strife-ridden friends and political allies among the peoples of Europe and elsewhere. That role and mission, the fostering of a community of principle among perfectly sovereign such republics, has been crucial to the very continued existence of our republic, a fact which has been recognized by all great patriots of our republic as our nation's true manifest destiny.

Unfortunately, even up to the present date, Europe has not yet succeeded in establishing durable forms of true constitutional republics. Great reforms, especially reforms inspired by our successful struggle for liberty against our own British oligarchical oppressor, have occurred. For a time, some among us had good reason to be hopeful that President Charles de Gaulle would lead his nation into becoming a true republic. Unfortunately, despite the great democratizing reforms which have occurred in the old world, the constitutions of Europe are still but the reformed relics of feudal institutions of government, under an arrangement in which parliaments are as often the victims of a reigning financier oligarchy, operating like a puppet-master from behind the scenes, as master of the nation's affairs. Such was the nature of the way in which Anglo-American oligarchical interest destroyed the sovereign political system of Italy, beginning 1992, and the way in which Anglo-American oligarchical agencies have prompted the eruption of a similar destabilization of the representative political institutions of Germany, and potentially also France, most recently.

Unfortunately, since the establishment of our own constitutional republic, we as a people have often been betrayed by ourselves. Today, as often during the past, our nation has been more often the victim of inherently wicked, powerful forces living among us, than of any foreign power. Among us, there are chiefly two powerful enemies, and yet a third powerful cause for our recurring, self-inflicted sorrows.



Presidents Theodore Roosevelt (shown here) and Woodrow Wilson introduced "those sweeping disastrous changes in our institutions, which have brought us repeatedly to the verge of ruin during today's preceding hundred years."

Our republic's two explicit internal enemies of note, are, first, a financier oligarchy, which came to be centered in New York City's Wall Street, around the circles of British Foreign Office agent Aaron Burr; and, second, the tradition of the slaveholding planter oligarchy, the tradition we associate with the Confederacy. The third enemy, is the persisting folly among the ordinary people of our nation, those whom President Abraham Lincoln described by observing that you can fool all of the people some of the time, and most of the people, as today, all of the time. The persisting propensity of the majority among our people to be fooled, is the third, and most important source of all those afflictions we have suffered since our republic was established. The wicked minority, the concerts of Wall Street financial-oligarchical interest which follow in the footsteps of Aaron Burr's Bank of Manhattan, and of the slaveholder tradition, are the minority which has been able to rule during so many intervals of our history, solely through the recurring disposition of the majority of our people to behave as political fools.

Thus, it came to be the case, that the financier-oligarchical legacy, jointly represented by the Wall Street financier interest and its law firms, and the Lockean legacy of the slaveowners' tradition, have been my only significant political enemies here, within the United States. The others among my opponents, are simply people, of sundry stations, behaving, not uncommonly, as fools. To understand that conflict between me and those significant political enemies, and such among their lackeys as the Justice Department's John Keeney, is to understand each and all of the leading issues expressed in thirty-odd years of the "Get LaRouche" operation.

The political issue which underlies the continuing de facto criminality of the Justice Department's permanent bureaucracy, is exactly the same as what Henry Kissinger identified,

in his Chatham House address, as the conflict between President Franklin Roosevelt and Winston Churchill. That, for example, has been the only essential conflict between me and Kissinger, throughout the recent approximately thirty years to date.

However, like the infinitely corrupt Fouché and Talleyrand of their own time, today's creatures such as John Keeney and Kissinger, or the Trilateral Mr. Zbigniew Brzezinski, are but liveried lackeys disguised in mufti. To locate the political issues of our time, one must first address them according to the famous prescription of England's Alexander Pope: "Pray, Sir, and whose dog are you?" One must identify the mere lackeys by their masters.

The proximate origin of that political conflict today, can be efficiently traced from the successful assassination of President William McKinley, in 1901. That assassination, arranged through the Henry Street Settlement House of Emma Goldman, made a scion of the Confederacy, Theodore Roosevelt, President.⁵² It was that Roosevelt, and the man he made President, Woodrow Wilson, who introduced those sweeping disastrous changes in our institutions, which have brought us repeatedly to the verge of ruin during today's preceding hundred years. The Criminal Division of the Justice Department, as typified by John Keeney and J. Edgar Hoover's FBI, is an exemplary, Wall Street-controlled, creation of the Theodore Roosevelt Presidency, and one of the key puppets of Wall Street inside the permanent bureaucracy of our government, to the present date. The satanic figure of bureaucrat Keeney, typifies such mere puppets of the bidding of Wall Street financier interest and its attached law firms.

Typical: specifically, the FBI was first established, as the National Bureau of Investigation, by Theodore Roosevelt's Attorney General, Charles Bonaparte, a Fouché of his time, and an authentic member of the Bonaparte family, who plainly stated his intent to create a Bonapartist style of political police agency in the United States. He proposed a secret political police, like that under the Emperor Napoleon, and under the latter's nephew and Lord Palmerston appointee as ruler of France, Napoleon III.⁵³ This secret political police became known, chiefly, as the FBI of J. Edgar Hoover notoriety.

Typically, Theodore Roosevelt's mentor was a famous traitor to the United States, his uncle, the rabid Anglophile Captain James Bulloch, a notorious filibusterer and head of the foreign intelligence service for the Confederate States of America. "Teddy" represented, as his adopted patron, the notoriously tainted, rabidly Anglophile, Wall Street faction

of the national Republican Party, the bitter enemies of such Lincoln Republicans as Garfield, Blaine, and McKinley.

Typically, the man whom Theodore Roosevelt's Bull Moose theatrics made President, Woodrow Wilson, was a fanatical admirer of the Ku Klux Klan, who launched the mass-organizing for a revived Klan, openly, from that Executive Mansion which "Teddy" had renamed "The White House."

In that time, New York Republicans and New York Democrats were interchangeable parts. Tilden's campaign had ended Reconstruction, and Cleveland's Presidency had installed both the establishment of a Wall Street-controlled permanent Federal bureaucracy, in the abused name of "reform," and also the Jim Crow doctrine enshrined by "separate but equal." The Sons of the Confederacy and Wall Street were as one in their determination to uproot and eradicate the legacy of Presidents such as Washington, Monroe, Quincy Adams, Lincoln, Garfield, and McKinley.

Typical of wretches of his pedigree, Theodore Roosevelt rewarded those who had brought him into the Presidency by unleashing, in the name of "trust-busting," an onrushing takeover of American productive entrepreneurship's interests, by the interlinked Wall Street and London financier oligarchies. The design of the Federal Reserve System, on the initiative of King Edward VII's chief financial agent inside the U.S., Jacob Schiff, and the establishment of that Federal Reserve System by a Roosevelt-backed racist, President Woodrow Wilson, typify the counterrevolutionary character of the changes introduced to the U.S. and its economy, under the successive Presidencies of Theodore Roosevelt, Woodrow Wilson, and Calvin Coolidge. Except for the leadership of President Franklin Roosevelt, the United States as a republic could not have survived what the Presidencies of Teddy Roosevelt, Woodrow Wilson, and Calvin Coolidge wrought.

In the setting of the years following the assassination of the President John F. Kennedy who had made a knowledgeable commitment to revive the Franklin Roosevelt legacy, I found myself moving into a new way of personal life. My principles were not altered; they remained, axiomatically, those which defined my entire development over the first thirty years of my life. What changed, during the middle of the 1960s, was an emerging new sense of personal responsibility, and mission, in defense of this nation from the greatest dangers which I recognized as emergent at that time. There were either very few individuals who accepted that responsibility at that time, or, if they existed, they have vanished, unheralded, from the scene. Thus, my own emerging role in our national political life has been a unique one, both within our nation, and, increasingly, in the world at large. As a correlative, this relative uniqueness of my qualifications on this account has produced, as reaction, the relative uniqueness of the campaigns of assassination, defamation, and prosecution, which the Justice Department and its Wall Street masters have con-

52. "Why the British Kill American Presidents," *New Federalist* pamphlet, December 1994, pp. 24-31; and Anton Chaitkin, "Why the British Kill American Presidents," unpublished book manuscript, 1995.

53. See Appendix C, "The FBI: An American Okhrana," in *Dope, Inc.: The Book That Drove Kissinger Crazy* (Washington, D.C.: Executive Intelligence Review, 1992).

ducted against me, around the world, during these recent thirty years.

Thus, in that time, especially after the assassination of the Reverend Martin Luther King, I found myself amid a growing political vacuum of national leadership, a general lack of those specific qualities of leadership needed to pull the nation back to at least the level of quality of outlook characteristic of the best features of the Lincoln tradition and the Franklin Roosevelt legacy.⁵⁴

At first, my role in our political life was that of a gadfly, a critic of the prevailing absurdities of that time. After the follies of President Richard Nixon's decisions of mid-August 1971, my situation changed rapidly. Because of my exceptional combination of qualifications as a cultivated original thinker and economist, and also my temperament, I began to emerge rather rapidly as a significant new political figure in our nation, and among nations abroad. It was to this that the herders of the political sheep pens and slaughterhouses reacted early on; by late 1973, they had decided to orchestrate my assassination by the FBI's puppets within the National Committee of the Communist Party U.S.A. As the behavior of the leading mass-media since 1973 attests, and as the three decades of the still-ongoing Justice Department operations against me attest, the oligarchical managers of our nation's political sheep-pens are still at their bloody work.

Think of the way in which cattle-breeders manage their herds. The fat, milky, and manageable critters, they breed; those difficult to control, or ill-suited to menial labor, or those which are simply deemed too numerous to suit their master's pleasure, they cull. That is the way the slave-catchers culled their captives. That is the way in which oligarchies, throughout the ages of known history, have managed the political herds over which they ruled. Traditionally, as the case of the assassination of a J. Edgar Hoover-targeted Martin Luther King attests,⁵⁵ oligarchies and their menial lackeys do not wait until an insolent specimen becomes a serious threat to the oligarchy's arrangements, as Presidential pre-candidate Robert Kennedy did; the oligarchs tend to order them killed before they might have the chance to develop, to become a serious threat. With the oligarchs and their lackeys, that is partly a

54. In 1976, I was already the best qualified among the visible candidates to become President. For the sake of our nation, I should have become President in 1980 and 1988. I am the only candidate actually qualified to be President at the present crisis-juncture. Think of the flip side of that point; why have no other qualified candidates appeared at this juncture? There should be dozens of qualified candidates contending at open party nominating conventions. The culling-process has reduced our citizen's actual choices to but the one candidate the oligarchical interest is most fanatically determine to crush and eradicate.

55. If you think seriously about the matter, Martin Luther King was the person best qualified, personally, to become President in 1968, and should have become President, had he lived, in 1972 or 1976. He had proven his capability of pulling most of the nation together for the purpose of justice for all of the people, a rare quality among candidates of the recent three decades.

matter of instinct: the instinct to kill what they dislike. Among cleverer managers of the political herd, there is a more cultivated motive for such killings and kindred enterprises in culling the popular herd.

It is in the nature of any sort of oligarchical society to descend into self-inflicted crises of existential implications. In such crises, there tends to be a quickly spreading, popular receptivity, born in desperation, to consider new ideas. I have referred to this as a "Pearl Harbor Effect": the often sudden changes in the temper and outlook of even the majority of the population in the moment "the bomb drops." If there are voices which might qualify as new leaders, under such circumstances, important changes may be introduced to society. If such leaders are wanting, or have been culled beforehand, the old oligarchy will either retain power, or soon regain it, and "the same old crap goes on all over again."

Since human nature itself is alien to the state of being human cattle, the impulse within the population, especially among the young, to establish new institutions consistent with actual human nature, is relatively strong, especially during shocking crises, then at least for a relatively short time. Great changes for the better may occur under such circumstances. The adopted self-interest of the oligarchy is either to prevent such changes, or to adapt to them with the intent to recapture their old, customary power, if perhaps in a slightly modified form, once the population has settled into preoccupation with the banality of narrowly defined personal and local self-interests.

If one views the case of President Franklin Roosevelt, and of President John Kennedy, from this historical vantage-point, the oligarchy's continuing hatred of Roosevelt, and of Kennedy, to the present day, is easily recognized. Then, and now, the oligarchy and its lackeys think: *Prevent that from ever happening again!* That reaction is virtually a matter of instinct.

This reaction operates not only against mavericks who might become President. The oligarch's rule is to weed out potentially troublesome persons of republican impulse at all levels. Either to kill them, imprison them, defame them, or neutralize them in other ways, including such tactics as the pure and simple personal, financial, or other corruption used to manufacture the prosecution witnesses for the Boston and Alexandria trials.

Essentially, the culpable characters in the Justice Department, the FBI, the Democratic National Committee's bureaucracy, and the mass media, are simply lackeys; but, as one might recall from the study of feudal and other history, it is the lackeys who usually do their masters' dirty work, and who seem, like Nazi SS men, to enjoy it the most.

So, in 1973, Wall Street's Justice Department lackeys said: "Kill him!" When I began to play a marginal role internationally, and then run for President, the oligarchy reacted, by judging me to be potentially even much more dangerous than in 1973. By 1982, my influence internationally had reached



President Franklin D. Roosevelt was bitterly opposed by Wall Street and the U.S. Supreme Court, on the issue of Roosevelt's advocacy of the constitutional principle of the General Welfare.

the level at which the oligarchs decided to eradicate me and everything associated with me. They did so because they were frightened, because they fear that someone might do as I was committed to doing: utilize the impending global crisis to bring back the American system and its legacy. That, indeed, I will do, if I am allowed.

That, in short, is the one and only true reason for the prosecutorial and other dirty operations against me and my friends, to which I have referred here. The concern of the oligarchy and its lackeys is to be rid of me in any way possible. Only countervailing considerations of factitious advantage and related notions of political expediency deter them from simply killing me at any early moment. I fear what will become of all of you who survive me, if I am taken from you in that or similar ways.

The historical issue of those trials

The leading issue, which set Wall Street and the Supreme Court into bitter opposition to President Franklin Roosevelt then, was Roosevelt's advocacy of the cause for which our nation's founders had established our independence and our Federal Constitutional republic. That advocacy is stated, as I have already emphasized here, in the first three paragraphs of the 1776 Declaration of Independence and the Preamble of the Federal Constitution. In that Preamble, the most distinguishing, fundamental principle of law, upon which the dis-

tinguishing features of the remainder of that Constitution are premised axiomatically, is the principle of the general welfare. That was always the issue between President Franklin Roosevelt on the one side, and oligarchical forces of Wall Street and the Supreme Court on the opposite side.

That bitter, axiomatic issue, is the pivotal motive for our oligarchs' hatred of Franklin Roosevelt then, and of me today. It is also the key to understanding the moral issue which rots out the political and other character of even most professing Christians, and similar hypocrites, in the U.S.A. today.

Thus, the political history of the Twentieth-Century U.S.A. became the tale of the two President Roosevelts: Teddy the louse, versus Franklin the patriot. Thus, the root of the same issue, is the issue of two mutually exclusive conceptions of individual human nature: the one the notion of man as endowed with that power of cognition, which defines all persons as made equally in the image of the Creator of the universe, and the opposite, oligarchical assumption, an assumption expressed in the axiomatically bestial, empiricist notions of human nature, the conception of man expressed by both Bernard de Mandeville's satanic fable, *The Fable of the Bees*,⁵⁶ and the related, oligarchical notions of slaveholder or

56. Bernard de Mandeville, *The Fable of the Bees, or Private Vices, Public Benefits* (London: 1714). Mandeville argued for legalization of all vices, with the argument that the mysterious processes of percussive interaction

shareholder “values,” the latter considered as axiomatically supreme in law-making.

The willingness of the Federal Court to condone the mass-murder of citizens through application of shareholder value to HMO practices, welfare reform, Social Security, and other domains, puts these issues of contending legal principle into sharper focus. Implicitly, whenever the courts, for one, uphold the premise of shareholder value, or kindred premises, for decisions unfavorable to the principle of the general welfare, that court’s majority is urinating upon the Declaration of Independence and Federal Constitution, acts which are rightly considered as impeachable. Consider, as a most relevant example of this point, the landmark decisions associated with the regimes of the currently reigning, and ruining Governors of the Federal states of Texas, Florida, and Virginia. Consider the recent history of relevant majority decisions by the Supreme Court in that light. Keep in mind, as you consider this matter, the phrase “culling the popular herd.”

Consider the case in which a convict, sitting on death row, has the prospective benefit of evidence showing either that he, or she is probably innocent, or simply that the relevant trial was so polluted in character, that the case must be returned to fresh trial. Consider the number of such extreme cases of death-row inmates which have been rushed to execution in defiance of reasonable evidence of such flaws in the judgment at trial. Consider, then, the instances in which the relevant state and Federal judicial and other authorities have argued that the desire to establish the perfect “finality” of death-sentences overrides the considerations of truth and justice. Consider the number of such cases in which decisions by the U.S. Supreme Court have either ordered executions to proceed, in effect, or in which model such decisions by that Court have cleared the way for termination at the lower levels of decision-making. Consider the relevant, perverted state of mind expressed by both of the relevant sons of former President George Bush in such and related matters.

What does the mere existence of such a condition say of the entire system of Federal justice today? It says that the Federal system of justice has become a prosecutorial crap-game, and a rigged one at that. It says, that truth is no longer

among individual’s impulses, must automatically produce a result consistent with public interest. This same satanic doctrine of Mandeville’s was explicitly adopted by the late Friedrich von Hayek as the religious premise of his and Professor Milton Friedman’s Mont Pelerin Society, the hand behind the Washington, D.C. Heritage Foundation and numerous other rabidly “free trade” cult-organizations polluting the political scene today. Lord Shelburne’s puppet, Adam Smith, adopted the satanic doctrine of Mandeville as the central feature of his 1759 *The Theory of the Moral Sentiments*, and adopted the implicitly Frondist dogma of pro-feudalist Dr. François Quesnay’s *laissez-faire* as one of the many features of the Physiocratic dogma plagiarized for Smith’s own *Wealth of Nations*. One might often wonder, whether the sly Justice Scalia recognizes the satanic origins of his own response to the dogma of *shareholder value*.

axiomatically a consideration in our Federal system of justice. It says that the Federal courts have tended to become the mere rubber stamps for such Fouchés of the Federal prosecutorial bureaucracy as John Keeney.

Ah! But there is something else of great importance to be considered. The role of mass-media-orchestrated “popular opinion,” that popular opinion which is the last resort of appeal by the common scoundrel of today.

This modern cult of media-orchestrated popular opinion, so defined by Woodrow Wilson’s Walter Lippmann, is to be recognized as nothing other than an echo of the same cult of *vox populi*, under whose reign ancient Rome guided itself into that moral degeneracy which brought about the great Dark Age of the First Millennium A.D. Thus, through the cult of popular opinion, Rome acquired its fatal loss of the moral fitness of its culture to survive. We as a nation, have been following that same road to Hell, during no less than the recent three decades.

The leading, characteristic pathology of that self-doomed Roman culture was the corruption of the mass of the population by the methods of “bread and circuses.” There is virtually no moral difference between the form of entertainment which the Romans enjoyed in the Colisseum under the worst of the Caesars, and popular mass-entertainment today, both TV entertainment, and such forms as mass-spectator stadium and related sports events. If one compares the pornography and blood-and-gore in mass entertainment, with what usually passes for mass-media news broadcasts, one should recognize, with a sense of horror, the systemic likeness of the moral depravity of ancient Roman culture and our own. Worst of all, perhaps, is that such orchestrated depravity has been the principal influence shaping the conduct and outcome of our recent national and other election-campaigns.

The only remedy for such an imminently fatal moral sickness as that disease of popular opinion, is a combined sense of reality and truthfulness, as Plato, for example, supplied modern civilization its method for defining truthfulness and justice. We can only hope, that the impending, massive shock, of the now-looming, chain-reaction collapse of the world’s present financial system, will drive the population out of the delusions of current, presently doomed financial markets, into a sense of a real world, in which what we will be able to consume, will be simply what our nation is able to produce: a sudden return to reality, prompted by a shock akin in its effects to the bombing of Pearl Harbor.

When reality-shock brings your neighbor to his senses, at last, remember what I have told you about the great questions of history, justice, and the battle between oligarchs and real human beings.

Now, spectators, I have given you the score-card. Choose your sides accordingly. Now, recognize that it is increasingly often the case, that only those who speak honestly of their convictions, these days, are telling the truth. Thus, I have told the truth you urgently need to know.

LaRouche holds dialogue with Peruvian accountants

Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. gave the keynote speech on Feb. 25 to a conference at the College of Public Accountants, in Lima, Peru. He addressed the audience of 500 people via videoconference from the United States. Among those present were public accountants, economists, foreign diplomats and other embassy representatives, high-ranking officers in the Armed Forces, politicians, and students. The speech and subsequent discussion were broadcast live on the Internet, in both Spanish and English (www.larouchecampaign.org). The moderator, Virgilio Melgarejo Hinope, is the Director of Finances of the college. In the following transcript of the event, the questions have been translated from Spanish and somewhat condensed.

Virgilio Melgarejo Hinope: Ladies and gentlemen, a very good evening. In the name of the Finance Committee, I have the great pleasure of bidding you a most cordial welcome to the fifth session of our committee, at which we are going to present an international telecast from the United States, by Dr. Lyndon LaRouche, Jr., an expert in finances and Democratic Party pre-candidate for the U.S. Presidency, entitled, "International Finances and Economic Development for the Americas."

With us at this time is the dean of the College of Public Accountants of Lima, Dr. Julio César Trujillo Meza. Also with us are the invited panelists: Dr. Patricio Ricketts Rey de Castro, former minister of state, political analyst, and journalist; Engineer Luis Vásquez Medina, executive director of *EIR* in Peru; Engineer Guillermo Runciman Saettone, international debt negotiator and leading professor in this specialty at the Pacifico University; and public accountant Luis Lizárraga Pérez, expert in finances and professor in that specialty at the University of Lima.

We greet our invited guests and are now going to request the signal from the United States, to hear the main speaker. Go ahead, United States.

Opening statement

Lyndon LaRouche: We're in a situation in the world, now, which can best be described as being at the brink of a disintegration of the existing world financial system and monetary arrangements. This is not a matter of predicting the day of a crash. The crisis is systemic, it is not cyclical, and there is no possibility that the world system in its present form could survive the immediate period ahead.

This is a result of a change which occurred especially since August of 1971, when the world abandoned a workable system, set up by U.S. President Franklin Roosevelt, called the old Bretton Woods System. There were many injustices practiced, especially toward developing nations, under that system; *but the system itself worked, with some reservations, up until about the middle of the 1960s.*

In 1971, President Nixon took the first step to end the condition of fixed currency rates, or adjustable fixed currency rates, by a floating exchange rate system. And since that time, the progress that was made in the United States, Europe, and to some degree elsewhere, under the postwar monetary system, ended. And since about 1971-72, in point of fact, the world has become generally poorer. We've been living off past capital investment, past real physical capital, draining it down.

We've now reached the point, through a series of steps, at which the system is doomed.

Now, what we have at the moment, is a situation best compared to Germany in 1923, especially during the period from the spring and summer into the autumn of 1923. During that time, Germany, in order to meet unpayable reparations debts to the Versailles System, was printing money on a large scale. *This printing of money was bleeding the German economy, and building up a potentially hyperinflationary explosion.* The worse the situation became, the more the German authorities printed money. Until about the spring of 1923, that printing of money did not produce noticeable or conspicuous



Bolívar Square in Lima, Peru. Lyndon H. LaRouche, Jr. briefed Peruvian public accountants, economists, and public figures on the world economic crisis and what must be done to turn it around, in a Feb. 25 videoconference.

inflationary effects inside the German economy, because the pressures were also deflationary in the economy at the same time. But beginning about the end of the spring and through the summer, the German economy began to explode in a hyperinflationary spiral, such that by October-November of 1923, the Reichsmark was bankrupt. The printing presses could not keep pace with the rate of hyperinflation of prices.

We're in that kind of situation now. Since especially 1997, with the troubles, so-called troubles in Asia, and then the crisis of mid-1998, the world has entered the terminal phase of this sick system. However, like the German authorities in 1923, the central banking systems and other institutions, have been pumping monetary aggregate into the system at fantastic rates, and looting everything in sight to maintain this.

So therefore, you can not exactly predict the day this system will collapse. Any accident can cause it to collapse. But in general, we can say this is going like the 1923 hyperinflation in Germany. The madmen will keep pumping the money in, to try to keep the system afloat from one day to the next, until the system simply disintegrates, or until some event in the meantime intervenes to bring the system down.

Therefore, we must expect that we're going to have to face the reality of a general reorganization of the world financial and monetary and trade system in the near future. We will have to scrap globalization, we will have to return to a system of relatively fixed parities among currencies, and we're going to rely largely upon reestablishing the role of the perfectly sovereign nation-state, and its sovereign currency and monetary system, as the partner, or the system of partners, which will build the new system.

Toward a New Bretton Woods System

What we will have to do, is to essentially revive the pre-1971 or pre-1966 type of Bretton Woods System on a global scale. And I would propose there are a number of differences that have to be included in that.

First of all, we'll have to repeat the successful experience of the postwar period, up till 1971, because that, for us, is a proven precedent of a workable system. *Extending the system to include developing countries in the way we did not in the postwar period, is one of the fundamental changes that will have to be made.*

For example, I've emphasized that you can not build a workable system, without including major powers, such as China and India, as partners in managing the new monetary system.

We're going to have to put much of the world through financial bankruptcy reorganization. Much of the world's debt, including the so-called derivatives and related debt, will simply have to be written off. This is now, total, well over \$300 trillion of short-term debt, in a world whose estimated global gross domestic product, is in the order of \$41 trillion. Obviously, you can not carry this debt.

Other debt will have to be reorganized, especially honorable debt, especially the debt of governments. However, we have to recognize, for example, as in the case of the states of the Americas, that under the floating exchange rate system, if you look at the figures, you find out that the nations of the Americas, have paid more in debt retirement than they have received, in total debt due, formerly or in the subsequent period.

This anomaly has developed, precisely because every time there was a run on Ibero-American currencies, and international markets, international authorities would come to these countries and tell them to devalue their currency and take other measures, but at the same time, not devalue the debts which had been denominated earlier, the foreign debts.

And therefore, this rewriting of foreign debt, and the issuance of new credit against this rewriting, caused a debt crisis, such that the Ibero-American states have paid more in debt retirement, in the past thirty years, than the total debt which was actually incurred by them.

So, much of this debt will have to be reorganized. The ideas of His Holiness, Pope John Paul II, for a Jubilee Year, will have to be examined as one of the measures.

The other side of this, is, we're going to have to reorganize our approach to an economy. We're going to have to go to a fixed exchange rate system, to an emphasis on long-term credit; not loans, but long-term credit, trade credit, by which, in particular, developing nations, which need capital imports, will be able to buy these on long-term credit of 1% interest per annum or on that order, and with some grants as well, in order to incur capitalization on the order of 5 to 10 to 15, 20, or 30 years, as in the terms of long-term infrastructure.

In other words, we must think about building up economies, which could not pay for such things now, to the point that in the future, through the increase of their productive powers of labor, they are able then to retire some of that capital debt incurred through these long-term extensions of low-cost credit.

So therefore, we need that kind of a system.

Also, we can not do this under the present trends of globalization. You must have protectionist policies for all nations, otherwise, they can not guarantee the prices for their export commodities which will enable them to meet the old debts, or reorganized debts, and also carry the new debt incurred through long-term credit at low interest rates.

Therefore, we must have a protectionist policy, particularly in respect to building up the infrastructure of countries which are largely importing countries, technology-importing countries, to building up their agricultural system through necessary capital technology imports, to building up their private businesses and their government businesses through these measures, to increase generally the productive powers of labor in these economies.

And this means essentially, in my view, that countries such as the United States, or the core countries of western continental Europe, to some degree Russia, which has a large technological potential if it is mobilized, and Japan, are going to have to specialize in building up their capacity to export high-grade-technology goods, and also exporting long-term credit, to countries which are presently classed as "developing" or "semi-developing" countries.

Therefore, we will need a new international division of labor. We're going to have to think in terms of 20 to 30 years

of rebuilding, and building the world economy, and under those conditions, we can prosper.

We must, however, in the meantime, apply some new conceptions as to how to do our financial accounting. Instead of counting things merely in prices, money prices, we're going to have to think in terms of physical content and the functional nature of physical content of costs.

For example, in order to produce a person, as a member of a family, who is capable of professional high-tech performance, we require, from the time of birth, about 25 years or more. That person requires a certain standard of household living, of family life. That person requires a certain quality of education. A population in which we're making that kind of investment, requires a certain quality of health care and sanitation. It requires public works, which facilitate these developments.

So, it means that the costs of labor are not determined by the lowest cost, which someone can hire labor at in any part of the world. *We must think in terms of what is the standard income, in physical terms, in services, and so forth, of households, in order to produce the kind of labor which represents the higher levels of technology for which we're shooting.*

And therefore, we have to establish new standards of finance and accounting, to make these measurements. A lot of this will have to come through discussions among governments, as to how we are going to set trade levels, or trade price levels. But we must think in terms of capital investment: how much capital investment, in terms of what quality of goods are required to raise production of a certain country to a certain level of productivity?

We're going to have to think of measuring more often, in terms of per-capita household consumption and productivity of the members of families and the employed members of families.

We're going to have to think more in terms of per square kilometer of productivity, in terms of human productivity and human conditions of life.

We're going to have to set new standards, new economic standards, both for the private sector and the public sector, which conform with the task before us. These will have to be supported by actions by sovereign governments, and will have to be supported, in some conditions, by either laws or by general professional understandings among the relevant professional groups.

The difficult conditions we face

My view of the possibilities is optimistic. I know how bad the world is, I probably know it as well as anyone. I think that most countries in the world today, especially most developing countries, are on the verge of the same kind of condition which we've seen in neighboring Ecuador, a nation whose sovereignty is being crushed under the process of semi-dollarization at this point.

We have the disintegration of Colombia in progress; the

onrushing threat of a general disintegration of Venezuela, similarly. We have the crushing of Argentina's economy, its virtual dollarization. We're on the verge of an explosion in Brazil, a political and economic and financial explosion.

Africa: Most of Africa is a disaster. Indonesia is disintegrating. India is a country with some power and some progress, but it has many poor people in a nation of about a billion people.

China is making progress, but without high technology, it can not maintain its present estimated 7.5-8% rate of growth. And if it can not maintain that, it can not meet the popular demands of its own people, in the interior areas of China, let alone the more remote semi-arid or arid regions. The same thing is true for the world in general.

So, I'm aware of the conditions. The United States is economically, internally, a disaster. We have an upper 20% of family-income brackets, who have more money than they thought they had before, in general. We have more millionaires than ever before. But most of the money they perceive they have, is money based on borrowing, either their own personal borrowing, which they can not repay, or through the United States borrowing in net from the world, to keep its economy functioning internally.

Look at the current balance of payments of the United States, both on trade accounts and other accounts. *We can not continue to do that.* We're running over \$300 billion a year in virtual current account deficit. We are living on yen, which the Japanese economy is issuing so that people can buy dollars and European currencies to invest in the U.S. market. The U.S. market is a bubble. The financial market is ready to pop.

We have a situation in Europe, which is a disaster. The United Kingdom is supported by invisible income, invisible earnings, whereas, the core nations of continental Europe, they're a disaster: Italy, France, Germany—all the nations of continental Europe, are a disaster.

And Russia is, for the moment, temporarily stabilized, partly by the increase in international oil prices, which, for many nations, is also a disaster. The problems of Asia, will become worse. Who knows what will happen this week or next week?

So, we face a disaster. The United States is not a great power enjoying great prosperity. We have, on the contrary, 80% of the family-income brackets of our population, have fallen far below the levels they had 30, 20, or 10 years ago.

So we have a social disaster. We've lost our industries. We're losing our farms. So we in the United States, who are reputedly rich, as well as countries such as Ecuador and other countries, face a disaster. We're going to have to rebuild.

A shock effect is needed

I am optimistic. Let me just say why I'm politically optimistic about the feasibility.

I recall, in particular, since I'm of that age, December 7th, 1941, which was the day that the Japanese bombed Pearl

Harbor. I knew my fellow citizens at that time, in 1941. And the day before the bombing, I could tell you, most Americans believed that there was a war going on in Europe and elsewhere, but they believed the United States would not necessarily be drawn into it.

On the day that the bombs dropped, and the day after, the day when President Roosevelt announced the Declaration of War to the Congress, the American people suddenly changed. The bombs had dropped. A shock had been administered. Illusions had exploded, and people had to face reality.

And we did face reality. We had a capable President, and we survived. We survived quite well.

We are now in a situation where the American people generally are living in a world of delusion. I've compared the behavior in the electoral campaign so far—even though I did get, a few days ago, I got a larger vote in the city of Detroit than George Bush did, George Bush, Jr., under difficult circumstances. So that indicates that some things are going on. But I've indicated also that the American voter is behaving like Roman proletarians in the First Century B.C., or under the early Caesars, in which they're living on subsistence, handouts, and illusions, and going into the Colosseum for entertainment, watching lions tear Christians apart, and things like that.

The American people are living on a diet of entertainment-driven delusions. Their voting behavior, their political attitudes, their outlook on the world outside the United States, is largely based on these values. But the day the bomb drops, the day that the American people realize that the financial system is disintegrating, there's going to be a fundamental change.

I see also, in Europe, similar things: that the instant it's perceived that the financial bomb is dropping, there will be a sudden shock and a change in the attitudes of people in western continental Europe. We see that in other parts of the world.

So we are faced with a situation like the Depression, which elected Franklin Roosevelt as our President, back in 1932, where he became President in '33, and like the impact of the bomb dropping on Pearl Harbor, where a sudden shock, this time produced by the combination of social disaster spreading around the world, financial crisis, and the spreading of wars in various parts of the world, in the Balkans, in Transcaucasia, in Central Asia, and between Pakistan and India, and elsewhere, and similar kinds of crises, have brought us to a kind of crisis which we last saw perhaps during the 1930s, as we moved toward World War II. A combination of depression, a period of economic crisis, which leads to social crisis, which leads to upheavals within nations, and leads to general wars among nations.

We're coming to such a situation. And under these conditions, as these threats, combined threats, are perceived, and as illusions are destroyed, a sense of reality will appear, provided, as we see from past experience, not only must you have shocks which bring people back to a sense of reality; but,

people can not long sustain the shock of a painful reality, unless they have optimistic leadership and capable leadership to inspire them to rally themselves to great undertakings.

I think that's the situation today. It's the situation throughout the world. I realize that in a country such as Peru, or neighboring countries, and around the world, people are waiting for the United States to do something good, to give the signal that we can get together and begin to decide how to turn around some of these problems we're facing today.

I've had my hopes in President Clinton, I've had my disappointments. Right now, most people wouldn't guess that the United States would do much of anything in that direction. We seem to be going in a different direction.

But I think that under conditions of shock, that we can turn that around, we can change. I would hope that shock hits well before the nominations of the candidates for the Presidency, this year. It would be the best thing that could happen.

I would also hope, that people in other parts of the world, would be prepared to respond to a suitable initiative from the President of the United States, an emergency initiative, say, "Let us meet together, in a special plenipotentiary session, among nations, to agree to a minimal number of changes in world policy to get us out of this great world crisis." And I would hope that other nations would be prepared to accept such an offer, if the President of the United States were able to offer it, and were inclined to do so.

I would do so. But right now, it may not seem that the United States is likely to do that; but, maybe we can, with a crisis, induce the United States to do so.

That's my hope. I think, perhaps, maybe I'd better answer questions, rather than continue beyond that summary of my views.

Questions and answers

Melgarejo Hinope: We are now going to turn to our panelists, and listen to their questions. First, we will hear Engineer Runciman Saettone.

Why a gold reserve standard?

Runciman Saettone: Good evening. I am pleasantly surprised by this telecast; Mr. LaRouche's comments are very interesting. I, nonetheless, have certain concerns regarding Mr. LaRouche's main proposal. The first is: Why don't we first evaluate, why the system of fixed parities was abandoned between 1971 and 1973? Perhaps, to simply wish to return to this system of exchange parity could simply be a longing for something which sounded or seemed more stable before. But it would be interesting to know the reasons this system of exchange parity was abandoned in those years. My understanding is that there were problems in the basic concept of the value of goods produced, such that it couldn't continue to

work based on gold, as if it were the only product that existed in a world that was changing and with an ever-growing number of products. Therefore, if the value of goods is now defined by the quantity of labor they represent—an old theory from the era of Adam Smith—and the number of goods is always growing, we can not strictly return to a concept of gold value. So, I would like to know more about the implications of returning to that scheme.

LaRouche: First of all, go to the historical aspect of this thing. Until the 1930s, we had a gold standard system that was dominant, from the 1870s to the 1930s. Roosevelt, when he came in, recognized that we could no longer tolerate the British gold standard. That the basis for issuance of currency is not gold, as such, but rather, as in Hamilton's conception, and the conceptions of Lincoln; and the greatest burst of technological growth of the United States, and economic growth, was during 1861 to 1876, under a Lincoln program, under conditions, initially, of warfare, in which the United States, as a nation-state, became the most powerful economy and the most technologically advanced in the world.

Now, this was done on the basis of the modernization of national credit, through a system of national banking or an approximation of a system of national banking, similar to the National Bank system we'd had under Hamilton, and then again briefly under Monroe and John Quincy Adams.

So, the British gold standard system, said you could only put currency into circulation on the basis of a unit of gold in circulation.

The United States: All these great periods of growth, including the one I just referred to, 1861-1876, or the period under Roosevelt, or the United States in Europe under the conditions of the immediate postwar period, 1958 and so on, was entirely based on the emission of a dollar, a U.S. dollar, as a unit of U.S. national credit, not against a gold backing, but the backing of the United States economy.

For this purpose, what Roosevelt did, was introduce a gold reserve system. Now, this happened first as an emergency action inside the United States, during the 1930s, and then, at Bretton Woods, we agreed on a gold reserve system, in which gold would be treated as simply another commodity, but of a special type: that we would use gold at its fixed price, which presumably was its production price, as a standard of measure of currencies.

We would fix currencies to that standard, except when adjustment was really needed, and thus we would settle our imbalances in accounts, either with trade, or, if there was a deficit beyond that, we would settle the balances by transferring title to an amount of gold.

Now, during the 1960s in particular, except for the Kennedy period—where Kennedy attempted to return to a Roosevelt approach to international relations, particularly with the Americas, and to economic policy. Now, he was killed. And immediately after his death, the United States went into a predominantly negative trend, in terms of long-term trends.

On the one hand, we had the benefit of the space program, which Kennedy had activated, which has been the most successful driver of the U.S. economy in modern history; that is, the spillover from public investment in the space program, space research, into the private sector, had given the United States the greatest return on investment of any time in our history.

But at the same time, we were going through the Vietnam War, a 14-year war, debilitating, wasteful. We went through a cultural change, under the pretext of this war, of destroying our economy.

We followed another event, which was not in the United States. Remember, the U.S. has never been the dominant financial power in the world, except briefly, during the immediate postwar period. Today, and throughout most of the past 40 years, the dominant financial power in the world, has been London, the British financial system. For example, today, about 90 to 95% of financial transactions, are London transactions.

So, when the coup occurred in 1963, the scandal which brought down the Macmillan government, after an indecent interval, we had the Harold Wilson government. And Harold Wilson, in two governments, did more to destroy the English economy, and the British economy, than any other man alive I think today.

And in this process, of our inflation, in the process of the pressures of the war in Vietnam, and other debilitating factors, we began to go through a very significant inflationary trend in the United States, contrary to our earlier trends. Under these conditions, when Nixon came in, we made stupid decisions.

Johnson capitulated, in 1968, on monetary reform. What we should have done at that time, is increase the price of gold as a reserve unit, to correspond to the actual inflation. Then the gold reserves would have been adequate to meet with the imbalances.

The other part of the problem was that we'd gone, as a nation, from a policy of *encouraging* the developing sector, to 1966-67, we went to a policy of *discouraging* the developing sector.

So therefore, when we should have been high-technology drivers, together with Western Europe—Germany, for example—in order to export technology on long-term credit at low prices to the world as a whole, which would have built the whole world up, we went in the other direction. And we had a policy of saying, “We must not allow developing countries to utilize the national resources they have, which we, Europeans and the United States, will require for future generations of our own people.”

So, we became rather piggish. And we made stupid decisions. And also, another factor involved in this, was the 1962 missile crisis. Coming out of the missile crisis, the United States and Britain, and the Soviet Union also, made a turn in their economic policies.

Until 1962-63, one of the arguments which prevented the

Roosevelt policies from being overturned, was the persuasion on the part of the Soviet Union, the United States, and Europe, that we were engaged in a great potential nuclear conflict between the two superpowers.

In 1962-63, the policy changed. The negotiations, which were struck through the representation of Bertrand Russell from London, which were struck in that period, resulted in a shift in policy in the United States and in Europe. The ouster of Adenauer in Germany, was a change in German policy, which became accelerated with the later coup against throwing out Erhard in Germany. The ouster of de Gaulle in France, the undermining of him in '63 and his ouster in '68, was part of the same process.

So, we underwent a very foolish policy, made a change, which we should not have changed. My estimate, our figures are that the world as it functioned prior to 1971, was a better world than anything that has resulted since.

Now, some of this stuff is buried under our living on past capital investments. But today, I would say, if you look at the figures from this standpoint, from the history of it as I know it, you would say the world system, under the old Bretton Woods system of fixed parities based on gold reserve principles; that if that system had been preserved, and the price of reserve gold increased to correspond to the real inflation which is hitting worldwide, the inflation in gold value, then, we would have survived quite nicely.

The problem is, that with the introduction of the floating exchange rate system, we have gone to what has become accepted as a trend, as a new policy. The present disintegration of the world monetary system globally, what you see in Ecuador today, and other places, is a reflection of a long-term, thirty-year trend in self-destruction of the world economy, by people who should have known better than to make that kind of mistake.

The key thing that fools people about this, is economic cycles, that long-term cycles occur in the span of generations. The mistakes of a generation, come to maturity a generation or two later. What we made in the late sixties, and what we did in the early seventies, was a profound, stupid mistake. We are now faced with a crisis which is the result of that mistake.

What we have to do, is recognize we should go back to the turn in the road where we made the mistake, and build from that starting point, not try to preserve the existing system.

Prospects for development of Peru

Luis Lizárraga Pérez: Good evening, Dr. LaRouche. You have truly painted a very disturbing picture of the future for us.

In this scenario you present to us, of this crash that is going to occur, among other things, you mentioned also that derivatives, for example, investment funds dedicated to derivatives, have reached high levels, and that there is a severe risk crisis regarding the coverage they are meant to provide. But our countries, the countries of Latin America in general, and

ours in particular, are at this time very much dependent on the flow of foreign capital, as you mentioned, due to the effects of globalization.

What would your position, and your opinion, be with regard to the future role of the International Monetary Fund and policy toward Latin America, within this crisis and within this change you propose? Perhaps you could visualize, or we could propose or think that perhaps, within the Monetary Fund, there could exist a special subdivision for Latin America, to be able to visualize or develop policies that truly help the financial development of the region which is facing a marked recession, in part the result of what you have already explained.

We recall that another prominent economist from your country, Mr. Jeffrey Sachs, also severely criticized the International Monetary Fund, regarding its policy parameters of structural adjustments.

LaRouche: I appreciate very much what the outgoing head of the IMF had to say recently. It was not much reported in the United States, where we like to hear illusions in our mass media and from our politicians at this stage. But Camdessus, like many people in Europe, said the system is on the edge, and that the thing they're worried about, is the immediate collapse of the financial market in the United States, especially the so-called NASDAQ, the so-called Internet stock bubble.

We're also concerned, in Europe, and among real people around the world, about the Japan economy. Leading people in Japan have said the thing is ready to blow, and they're right, it is ready to blow. Japan is rotten-ripe for a financial explosion, like Germany, a hyperinflationary explosion, or something tantamount to that.

Europe admits that. Leading voices in Europe, bankers I know, top bankers, central bankers and others I know in Europe, say the same thing. Only in the United States and in the U.S. press, do you have an outpouring of these delusions about the stability of this market.

What was called derivatives, I think there are two kinds of them. What these are—I don't know what goes on, I don't know how much gambling goes on in private life in Peru these days. But in the United States, you have a phenomenon which is called "the crap table," where people throw dice. And some people bet on the throwing of the dice, directly. But you generally find, in these gambling centers, that more money is spent on the side bets, than on the actual investment in the throw of the dice: people gambling as to how the thing will turn out.

Now, the derivatives market, the major financial market today, the over \$300 trillion of short-term obligations which are crushing the world, the most explosive part of the thing, these things are nothing but gambling side bets. My approach to these, is, cancel them. Tell the debtors and the creditors—just mutually cancel the whole thing. It's a pure waste of time, it's only gambling. It is not investing, in the sense of investing



Peru's Huaynapicchu Mountain. "If we look at some of the undeveloped areas, the highland areas," said LaRouche, "we realize that Peru is an excellent investment proposition, if it's given the means to build the infrastructure, and also get the credit to develop the kinds of industries which fit its opportunities, and which enable it to raise its productive powers of labor."

in production, investing in product.

Now, what will have to be done, and Camdessus is already aware of that, obviously, in his outgoing manner, shall we say; and, what we're going to have to do, is, since the IMF is nothing but a creation of nation-states as powers, is to enlarge the club of the nation-states, who are the controllers of the IMF, and to bring in more representative participation of so-called developing countries, particularly major developing countries, in having a voice and actual control over the new IMF system.

We're going to have to reorganize the whole thing. We're going to have to put the IMF itself through financial bankruptcy reorganization, and other kinds of changes in bankruptcy.

Now, what I would do on the question of the Americas as

such, under that arrangement, is, as I proposed back in 1982, in a book which was called *Operation Juárez*, which had some popularity in the hemisphere at that time, but not with Henry Kissinger; that, what we should sponsor, is a special monetary trade arrangement, within the Americas, among the states of the Americas, which the United States could co-sponsor.

And, on some general idea and agreement on development projects, we would then be able to write off paper on a long-term basis at nominal charges, and use otherwise unpayable debt, as a negotiable asset, financial asset, which is then used for the purposes of facilitating these kinds of long-term investments or long-term credit structures.

Now, for example, let's take the case of Peru, concretely. Anyone who's been there, as I have some years ago, knows exactly what infuriates me, as an economist, about seeing the condition of Peru. And when I look back to these aerial maps of what Peru was a long time ago—before the Spaniards arrived there, a long time before—we realize that this area, which is now considered semi-arid and undeveloped, can be developed.

And if we look at the sources of water in the area, if we look at some of the undeveloped areas, the highland areas, we realize that Peru is an excellent investment proposition, if it's given the means to build the infrastructure, and also get the credit to develop the kinds of industries which fit its opportunities, and which enable it to raise its productive powers of labor.

So I think that what we need, is what I said in the opening remarks, is a redefinition of some of the standards of the cost-accounting and finance, in accord with these ideas.

The question is this: What is the source of wealth? The source of wealth is not money. You could put money on the table all day long, and it will not create wealth. What the source of wealth is, is the productive powers of labor, a quality which exists only among human beings; that by educating the human mind, and by the discovery of new physical principles and other principles, and through cooperation on the basis of these principles, we are able to increase man's power in and over nature per capita, and per square kilometer. It is that increase in man's power over nature, per capita and per square kilometer, which is wealth.

Therefore, when we invest, we should be investing on a large scale, and on the small scale, in ways which take advantage of that principle. Our object is to educate people, to develop people, to foster scientific and technological progress, to foster cooperation in investment around these things, in order to increase physically, the net usable output per capita, so that people produce more than they have to consume to produce, essentially; that we get more out of production, than we have to invest to produce that increase in production.

Therefore, we in the Americas, must have a plan, in a sense, an indicative plan, as de Gaulle would call it, where we say there are certain things that these nations agree that they should do, and their partners agree they should be able

to do. And therefore, we must organize trade agreements, investment agreements, financial systems, monetary agreements, in order to facilitate a 20- to 30-year long-term view of the development of another, next generation of those nations, assuming that if we develop one generation successfully, the next ones will help take care of themselves.

But that's my approach. We have to reorganize the system. It's going to be an emergency. Go back to the old Bretton Woods System, with learning the lessons and mistakes and advantages from it. Orient toward real value, orient toward the human individual, the sovereignty of the human individual, and the human individual mind, develop that mind. Engage in scientific discovery, use the discoveries of principle to increase man's power over nature. Take the desert and make it bloom.

Large-scale infrastructural projects. And promote industries, promote everything that causes people to be inspired to go out and make things grow. And on that basis, we can define a set of policies, which say, "This is sound accounting. This is sound financial practice. And wherever these policies are undertaken, we support them."

But we have to have, I think, a new definition, a redefinition of sound financial and investment practices and accounting practices, to fit the lessons that we should have learned from the catastrophic experience of the past 30 years.

What's wrong with U.S. policy?

Patricio Ricketts Rey de Castro: Dr. LaRouche, once more I have listened to you with great pleasure, and I am delighted to confirm your good health and your intellectual brilliance. I think that they are important today for the United States, and certainly for the Western Hemisphere, for the future relations of the United States and America. What concerns me is that these ideas of yours are presented in the course of an electoral campaign—they are not academic—you are a U.S. Presidential pre-candidate. And I was greatly surprised to read in the magazine of your organization, that your campaign committee on Jan. 24 issued a very strong statement, saying that the efforts of the U.S. political system to obstruct your campaign, had turned this United States election into a farce of all those principles which are universally recognized for free and just elections in a democracy. This statement is long and detailed with regard to the concrete facts behind this argument. [See *EIR*, Feb. 4, 2000.]

Now, Mr. LaRouche, you know that we are six weeks away from elections in Peru, and various U.S. institutions have come here as observers of Peruvian reality, and have made highly critical observations. The National Democratic Institute, the Carter Center, the International Republican Institute, the Washington Office on Latin America (WOLA), and other institutions have made very sharp criticisms of the Peruvian system.

My question is this: Are these institutions, which are so worried about the Peruvian elections, also worried about the

legitimacy of the U.S. election? With regard to your participation, are they helping the effort of American institutions so that the election in which you are involved is free, clean, and in accordance with international standards? What are these institutions which are proposing democratic solutions in Peru, doing in the United States? Thank you.

LaRouche: I'll give you an example of this. These institutions are generally associated with what's called Project Democracy, or the National Endowment for Democracy. They're offshoots. The International Republican Institute and similar things on the Democratic Party side are of that species.

Now, I've known this group for a long time, and they're not exactly the people I'd recommend. For example, this is the same group which is pressing for legalization of drugs in the hemisphere, as in Colombia, for example. They would like to do the same in Peru. They would like to bail out Ecuador, by using an Ecuador in great trouble, bordering the Amazon region, to bring Ecuador into a functioning part of a big surge of cocaine and heroin production, in this part of the world.

They don't like Peru, because they don't like the fact that Peru has defended itself against Sendero Luminoso [Shining Path] and its offshoots so successfully some time ago, under a President who I think has behaved courageously and correctly in that situation.

This idea, anybody who proposes the legalization of drugs, as some people in the United States, including people associated with the Carter group, implicitly, are doing, or the International Republican Institute, in Colombia and elsewhere, *are doing the same thing to the Americas, and to the United States, too, but to the Americas, that Palmerston and the British East India Company did to China in the Nineteenth Century.*

Palmerston's demand, which was the issue of the wars against China, was a demand that the Chinese legalize drugs! The Chinese did so, under gunboat pressures, and they destroyed China internally, and it took a long time before China was restored.

The same thing is being done in the case of the Americas. So, what they do, is they take a government, like the government of Peru, which defended itself ably with its military, with limited resources, against a major threat. It may not have eliminated the threat, but it brought it under control. And you compare the condition of Peru today with that in Colombia, where we know that our friends in Colombia had essentially the same ideas as the people in Peru, but in Colombia, they weren't able to carry it out. In Peru, they did. Some people can not forgive Peru that. It's that simple.

But, to understand it more deeply, people have to understand what the United States is. The United States is, was at one point, and is still implicitly, a temple of liberty and a beacon of hope for mankind. It was the first successful nation-state, durable form, constitutionally, which was committed to establishing a state on the principle that the only authority of government, is its promotion of the General Welfare of all of

the people, and their posterity.

The Americas were inspired by this, or the United States in its best years was always concerned that the republics of the Americas would enjoy those same rights of sovereignty.

But we also have another group in the United States. This group, which is much closer to London than it is to my heart, are typified by New York bankers in the tradition of that great traitor, Aaron Burr, once a Vice President of the United States and the founder of the Bank of Manhattan, and by the Southern slaveholders.

Now, what we're seeing today, in terms of Project Democracy, in terms of the National Endowment for Democracy, in terms of what Carter's speaking for, what he spoke for as President, when he represented the Trilateral Commission, which is the same thing; what they represent, is the tradition of bankers and slaveholders, which have always been what I call, frankly, the treasonous element in the United States.

My problems inside the United States, have one cause: *I am outspoken, and fight for what I believe is what the United States should stand for.*

On the other side, I, just like Abraham Lincoln and just like John Quincy Adams, or James Monroe, or James Garfield, or President [Franklin] Roosevelt, in his policy with the Americas, or Kennedy, in his short term as President, say that the nation belongs to the idea of the General Welfare. Our power as a nation, is to be the nation which best represents the General Welfare of all of the people, and our posterity, and which wants an alliance, as John Quincy Adams articulated this, with other nation-states of the hemisphere around the same side, with the idea of the *common General Welfare* as the basis for our mutual relationship.

Well, these people don't want that. They have a utopian idea, and they want to shove that utopian idea on the world. They wish to disintegrate the existing nation-states of the Americas. They started by targetting the military: Eliminate the military, then you could easily break up the nation-states with various kinds of insurrectionary activities, as they're doing with the aid of the drug-pushers there.

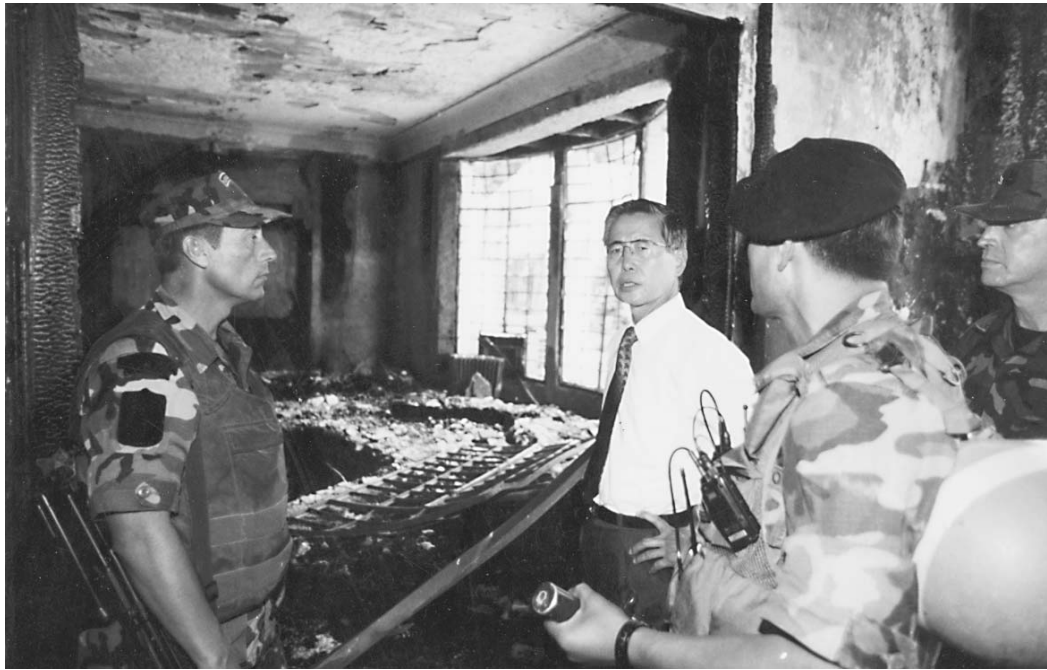
So one has to recognize: Yes, there are some people from the United States, including the Carter group, which are a little corrupt. And they don't like actual sovereignty of nation-states in the Americas at this time, or elsewhere. And they criticize any government, and want to destroy any government, that wants to stand up on its hind legs, as President Fujimori did, on the question of the drug issue in the last great struggle in Peru against the drug pushers.

That's the issue. And we, who understand that, should stand together, around the world, for the same principles.

The defense of national sovereignty

Luis Vásquez Medina: Hi Lyn, I am delighted to see you so healthy; the auditorium here is nearly full and most attentive.

Following the Peruvian situation, from your point of view,



Peruvian President Alberto Fujimori inspects the Japanese diplomatic residence in Lima on April 23, 1997, after the raid which freed the Embassy from control of the MRTA terrorists. Fujimori acted "from the standpoint of the political integrity of the country, that it must be sovereign; and it must be defended and must maintain its own internal affairs," said LaRouche.

I would like you to expand on the issue of economic policies recommended at this time. It is a moment in which the bubble has not yet burst, but we are undoubtedly heading in that direction. What measures should be taken?

President Fujimori has done very well, and is clearly recognized both at home and abroad, for his anti-subversive policy. In a certain sense, it is the basis for his popular support. But on economic matters, Fujimori has had a liberal program. The fact is that a country like Peru has a very small margin for being able to move within a situation like the present one; more so with all the assaults of globalism right now. But, it is also undoubtedly true that this system is going to collapse worldwide. In fact, what Camdessus is doing when he says that we are in the "twilight danger" of this whole system, is a recognition of this situation. A situation which, in the months, even weeks to come, could bring not only economic effects, but also political and social.

If Fujimori is reelected, it is very probable that we will be facing a government that will have the chance to make a policy reversal, when a critical situation occurs on the international level. But I also think that we are losing time. What chances are there to prevent the international effects from being so dramatic, or can the effects be diminished to the extent that measures of economic resistance, measures to defend the nation, are taken before the explosion?

What would be the measures that you would recommend, in the short term, that Peru or any other countries should take within the present situation?

LaRouche: The first line of defense, under these conditions: We're in a condition of extreme international turbulence, and therefore, you have to treat it like a war situation.

That, if you can not control your own borders, you can't solve any of the problems within it. And thus, the first line of defense, economic defense, or any other defense, is the upholding of the principle of perfect national sovereignty, and the absolute integrity of the borders, as an expression of that sovereignty. If that condition is not maintained, nothing else is possible.

What I think that President Fujimori has done, so far—the reason Carter and others are attacking him, is that he's done just exactly that. He's said, from the standpoint of the political integrity of the country, that it must be *sovereign*; and it must be defended, and must maintain its own internal affairs.

The problem is, is how do you do other measures? You know, at an earlier time, particularly back in 1985, when we were there, and talked with people at that time, we had a number of things, which attracted us as being things to be done. Now, those things are not practicable in the same way, because we're in a war condition, and we don't have the resources which have been expended in the meantime.

I would think that, in Peru, what we will have is a practical defense of sovereignty, in which the state will be obliged to decide on economic matters, from one point to the next, *how far are they going to capitulate to the pressures coming on them from international institutions, which want to globalize and dissolve them.*

And, this is going to be a *gut matter*. It's going to be the intestinal strength of the chief executive officer and his people around him: Do they have the courage to defend the nation, when horrible demands are coming down on them?

For example, this attack on Peru, by Carter and others, is

an *attack!* It's an attack upon the sovereignty of the nation! Can the Peruvian people, can the Peruvian government *defend* itself—even a rear-guard action—against those and the other attacks that are going to come? You're going to have a major attack on the human rights issue: You have the filthiest human rights organizations—which might be called the New Opium War Policy people—coming down there, and trying to disrupt these states on the basis of human rights. The so-called “rule of law,” coming out of Blair in Britain, is going to be coming down hard.

I think we have a very short time-frame, in which to talk about interim measures. I think interim measures will be *national defense measures*, where the will of the nation and its government will be *tested*, as to whether it will defend its borders and defend its *sovereignty*—pure and simple sovereignty. And whether it simply defends the welfare of its people, when foreigners come in and demand, that the people be sacrificed because of some economic or financial conditionality.

That's going to be the issue.

The issue in Peru, is going to be decided—What happens in Brazil? What does the Ecuador example mean for people in Brazil, who are looking at what's happening to Ecuador? The instability in Ecuador is a threat to the security of Peru. People are going to look, especially at Brazil, as well as at Bolivia. They're going to look at other states in the Americas, and states around the world. A state which is not powerful enough to stand up *directly* to major powers, is going to seek allies.

My concern, at this point, is to say two things: First of all, we're on a very short fuse. There is no long-term perspective. We have a short-term period, which is crucial, in which we must defend national sovereignty, by any means possible. We must look toward *new arrangements*, which can be established under conditions of crisis, which you will probably have to wait for the crisis to do. We must, at the same time, think about what we will do *after* the negotiation of new conditions, and think about committing ourselves, now, to those policies of development which are necessary.

For example: The first foundation of economics, is education. The development of the cultivation of the cognitive powers of the mind of the individual, is the *first* foundation of true economy. The health and welfare of the family, is also part of the same thing. The programs of education, programs of technological improvement, programs of national self-sufficiency in food production—all of these measures—programs of infrastructural development—all of these things must be considered, *and a plan must be developed, for what we will do, when we have the opportunity to do so.*

In the meantime, use those intentions as a guide, to the kinds of emergency actions we take from step to step, as we go along.

I use, as you know, a model of what Lazare Carnot did, in 1792-1794. When Carnot was faced with a nation, which was

invaded from all sides, by armies of all the rest of Europe; France was about to be overrun and dismembered, by these conquering armies. Carnot, who was a genius, acted, with almost nothing to work with, to *improvise* solutions, to defend the nation, to secure victories. But, in the same context, proceeded *immediately* with a plan of technological mobilization. He made an economic, as well as military science *revolution*, in the technology of warfare, within two years. And France became, for a long time, an undefeatable force, on the continent of Europe, as a result. And, had Napoleon not wasted the opportunity, France would have never had the problems it had later.

The same thing applies here: We have an impossible situation, with *very* limited resources; we *must* have a clear view of what we want to do, once we get to the point of negotiating a new world economic order, a new monetary order.

We must defend ourselves in the meantime, with *those ideas in mind*. And, when choosing a policy, choose it on that basis; try to build into the future.

But, the key thing is: We need a unity among forces around this planet, who are committed to the idea of the *sovereign nation-state*, the idea that the individual person, is made in the image of the Creator. And, nations have legitimacy, governments have legitimacy, *only to the degree, that they defend, and develop, that quality of the individual.*

That is our essential program.

What I would do—you know what I would do, in terms of Peru—I would say: “Let's take the water—let's match the water supplies with the areas that have no water. Let's look at the maps of the past, and look to the future, and see what can be done. I think we can have a beautiful job there. I think that the President would have to change many of his views, to a more dirigist, or, shall we say, a more Gaullist, approach, to the situation in Peru.

But, I think, in reality, apart from measures of national self-defense, that will occur, out of the process of defending the nation against the attacks on its sovereignty today. Including the political attacks, such as those coming from the so-called human rights organizations, or Carter, and the economic and financial attacks, coming from the globalizers.

And, my view is one of solidarity with Peru, and every other country of the Americas, and elsewhere, which is trying to defend itself against that onrush.

As in war: You get to the point, you fight the war, you fight to maintain the integrity of your fighting forces—number one. But, you're waiting for the opportunity, when, like Frederick the Great at Leuthen, you find the opportunity, even with limited resources, to outflank the enemy and crush him. And, that's the way I would play the game.

Yes, I think you know what my long-term ideas are, for Peru and other countries. My concern now, is to *maneuver*, to defend sovereignty, defend these nations, and *prepare to act*, with a certain amount of élan, when the opportunity presents itself.

Runciman Saettone: Now things are getting a little hotter. We are now able to understand a little better not only your economic, but also your political proposals. I have concerns similar to yours. I believe that the situation in the world today is not totally under control. There is an international situation that could be compared to a balloon that could explode at any moment in this financial environment.

But what struck me, and that is why it was my first question, was why would one want to return to a monetary system, if the problem in our country is not monetary, but one of production? The issue is production. The issue is the capacity to generate resources to guarantee life, to guarantee food security in a country like ours. This is the kind of preparation we should have for any situation of war, how to have our granaries filled, to be able to guarantee life during a difficult period in the world.

Now, why, on the political level, should we opt for a person who, despite being a professional agronomist, has not made an agrarian policy adequate to generate the resources needed to have these warehouses, these granaries filled? Why concentrate on mining? Why, if we have reached a very interesting level of net international reserves such as we have never had before—in 1998, we had reached a record level of net international reserves, according to the information provided by President Fujimori himself—we can see that they have been used to buy weapons, even though the conflict with Ecuador had already ended.

I don't understand why we aren't using, not only foreign investment, but also our own reserves, that are in our international net reserves, to better our productive activity, to analyze and to live on the basis of the geography that we have and to be able to protect ourselves from any world-class explosion. First question.

Second question, on the political level: I don't want to sacrifice human rights in Peru on the basis of someone wanting to remain in power for a third term. I don't know if you are in agreement with me.

LaRouche: That's not the problem. The point is, sovereignty is the primary thing I'm concerned with. And, in this economic matter, when I say monetary system, I mean a system, which involves prices, setting up price levels; it involves lines of credit; it involves long-term investment policies. It involves also a conception of what the nation needs to do. For example: First of all, as you say, national food, economic food security, is a primary concern. A nation that can not feed itself, is not efficiently sovereign. It's vulnerable. The development of food production, per capita: the increase of the productivity of farmers; the increase of the productivity of land-area—extremely important. The ability to produce enough food for the whole population, without maximizing the number of the farmers.

On the military thing: I've emphasized that, I would hope, that we may be coming—hopefully, in the near future—to the time that warfare is a thing of past history. I would hope

that we can establish, on this planet, out of the *horrible* experience we're now living through globally, a sense of what John Quincy Adams proposed, as a community of principle among nation-states, sovereign nation-states.

But, in the meantime, we still need military forces. We've had a view, in the past, about what military forces ought to be: You had two groups—the oligarchical group, the cavalry, or the infantry, throwing the peasants into warfare in great numbers; the cavalry charging. But, then, you had the engineers and the artillerymen, the science. And, in Europe, in the course of the Eighteenth Century and earlier Nineteenth Century—and in the United States, too, after 1814, in particular—we developed a military system, which, at that time, was based on engineering training: that the military cadres should be engineering cadres, officer cadres should be engineers; and that the army, the military, should be *nation-builders*. That, not only should they be capable of defending the nation, but that they would be better able to defend the nation, if they were also nation-builders as engineers. Undertaking large-scale projects, like the Corps of Engineers used to do in the United States—water projects, large public works. That, also, in the military area, science is crucial, and military people should be trained as scientists, because they're not going to remain in uniform forever. They should be trained as technologists and scientists, so as they have an interchangeable relationship between their functions as defending the nation, and building it. That military forces should be a *resource of the nation*—they should be an engineering force, which is building the nation, helping the nation to build, not just preparing to shoot.

And, as Carnot demonstrated, and others, those militaries, which are the best engineers, will become the best soldiers, when they're needed as soldiers.

We have many things—like roads; in Peru, we have many other things, infrastructural things. So, I think these are not contradictions. It's a question of what gives policy its shape.

We also have to have a conception of plan, in terms of monetary policy: What percentile of our labor force, at this time, should be optimally employed in each category of production—infrastructure, various aspects of that, maintaining infrastructure, agriculture, light engineering, heavy engineering, science as such, science-driver programs, education, and so forth? That one should have a general conception of the division of labor, the physical division of labor, within the population, among the adult population and among families, which is necessary at this time, to realize the optimum result of economic growth.

Monetary policy should flow from an appreciation of those considerations. International monetary policy should flow from an appreciation of the same kind of considerations, in terms of division of labor among countries, and their respective and mutual development.

I think that should be the standard.

"Monetary" should not mean "*money*." Monetary means

the creation and management of a monetary and financial system, to ensure a society to be able to *consciously organize itself* by certain criteria of nationally chosen objectives. These may not be *planned* objectives; they may be *indicative* objectives. But, the idea, that, when someone comes into a bank to get a loan, the banker knows what the national policy is, and can encourage the fellow: “Yes, I’ll give you the loan,” or make some other suggestion.

So, when I say monetary policy, I do not mean just a money policy: I mean that there’s a *clear conception* on the side of the economic authorities, as to what is good for the nation, and what is good for the world. And to try to take scarce resources and scarce investment resources, and to create credit, so these resources can flow to the areas which are our agreed consensus objectives. With a great deal of flexibility for individual initiative in undertaking, in picking up on these options.

International trade policy

Lizárraga Pérez: Dr. LaRouche, you have very clearly explained that one of the strengths we are going to have in the future is fundamentally going to be in production. It is a very interesting concept, within the crash that you predict is pending. My question, first, is a reminder that, during the sixties and seventies and part of the eighties, both Latin America in general and Peru in particular, applied the ECLAC [UN Economic Commission on Latin America and the Caribbean] policy of inward-oriented development of the economy. If we are to encourage a growth of our production, as you recommend, where we have a series of zones of agricultural feasibility, among others, for example, and besides our characteristic of mineral and other production to which we add value, our need is also to share these products with other countries of the world. One of the main markets which every country seeks, is always the United States.

In an eventual government under your Presidency, what would your policy be with regard to trade, to a policy of international trade that we could have, especially the nations of Latin America, and Peru in particular? Because there are our products which have export quotas, such as textiles for example, where we would like to have greater participation, but we have a lot of Asian competition, and as you have said, it would perhaps be convenient to have an inter-Latin American or pan-American preference or support. And we also would like to know your opinion as to how we could channel this trade, and this policy of international trade, with this new vision that you propose to us.

LaRouche: Well, I’m a protectionist. I would say, we should set—the idea is to have prices inside an economy, which allow that economy to maintain conditions of life of its employed productive labor, prices which foster investment in technology in that production, and negotiate price levels, on trade and tariff levels among countries, which foster the development of those industries and their prosperity in *each*

of the countries which are producing and exporting.

So, the first thing is, to set minimal price levels, which assure that.

The other thing is different, that I would change, fundamentally—

Let me give you an example of China, because it’s a very hot issue with this WTO issue, right now, in which I consider the policy of China and the United States a mistake, concerning the WTO. Now, there may be many people in China who don’t agree with that, but I’m not going to get into that, here. China’s had an indicative growth of about 8% per annum, in the most recent period. I think it’s a fair estimate. But, that’s a gross figure. That is not really a net figure. Because China’s better-paid population, has been concentrated traditionally along the coastal areas, which is probably from the time that the Chinese were visiting Peru, many thousands of years ago, when they were a transpacific maritime culture, and, they, of course, developed what became known as Quiché Maya in Central America. But, the interior of China, is very poor people—lots of very poor people. They’re very diligent, they’re very industrious; China’s food production is a miracle, when you consider their technologies and their situation. They’re very efficient. But, the condition of life of the Chinese is very poor.

Now, if the objective is to raise the standard of living, and the standard of productivity, in China, what they need is *not* to use cheap labor, in China, to export goods, to dump them cheaply on the world market. What China needs is the ability *to retain*, not to sell at the cheapest prices, but to retain its revenues through capitalization. Because what China needs, is more capital. They need the capital to develop a million new towns and cities. They need the development of the countryside. This requires *capital*. This requires technology.

Now, under those conditions, China can prosper.

India has a similar problem. India has almost a billion people, with one of the highest population-densities in the world—unlike Peru, or unlike most of the countries of the Americas. And, it has increased the urban population. Among the urban population increase, there has been some improvement in the standard of living in India, in recent times. But, the number of the poor has grown more rapidly—and the desperately poor—than the number of those who are better-off. So, therefore, the problem, again, is *capital development*. Large-scale infrastructure, water projects, power projects, things of that type.

Peru needs the same thing. Peru needs a large capital infusion of the things that enable the productive power of labor to increase.

Therefore, as I said before, my view of what we must do, in creating a new monetary system, is to *think rationally in terms of a world division of labor*, whose purpose is to take those parts of the world which can contribute high technology—capital goods technology—to deliver these at the lowest credit rates, like 1% per annum, to those countries which

need this technology. And, to deliver it on terms appropriately to 5-, 10-, 15-, 20-, or 30-year terms. With grants. With special conditions. So, those parts of the world, including *within* nations, which can develop high-technology capabilities, must specialize in exporting those things — not going into competition with their neighbors on other things — export those things to countries which need that. To create that export market, we must have *a large growth of credit*, to replace the big debt bubble we have now. That large growth of credit must be at the lowest interest rates, on long term, and must be a 5-, 10-, 30-year capitalization of the increase of the productive powers of labor, in the countries which are importing technology.

Under these terms, we would raise the prices on world market of goods, to end this dumping tendency with cheap labor. You see what's happening in the *maquiladoras* district of Mexico: This is slave labor! People there are working to produce for the U.S. market, but they can not maintain their own bodies, on the wages, the standard of living they're getting in those conditions, in many cases. *We must not have that!* We must not have a cheap-labor paradise.

We must build up the populations!

So, therefore, the basic conception, is: Go to the conception of *physical capital*, as opposed to just money capital.

We must organize our trade relations, our production relations, our tariff relations, in order to enable *each country* to pick its objectives, and to obtain agreement, to tariff and other trade agreements, which will enable it to meet those targets. In order words: If Peru wishes to build up a textile industry, then we should set trade agreements and tariff agreements, which foster its ability to do so, and help provide the credit needed, to capitalize that development, and make it more efficient. The same thing for agriculture.

We also should be concerned, at the same time, not to have an absolute division of labor, between high-tech and low-tech countries, but, rather, as in Peru: The concern would be to take and build up more science, in Peru itself. Because, it's from the science and engineering education in Peru, that we will get the cadres who are able to lead the population in their general development.

So, that would be my general idea. Think of a world division of labor, a *rational* division of labor. Think in terms of a 30-year term — a generation, or so. Think about a rational division of effort, and markets, and, of plans. And let the nations themselves say they wish to do this, they wish to do this. And let us come to agreements, which enable that to work out over the next 20 to 30 years.

The basis for a continental dialogue

Ricketts Rey de Castro: Nearly 40 years ago, in Latin America, we thought in terms very similar to those you have been explaining today. Since the Kennedy era, when the dream of getting closer to the United States seemed to gel, and the Alliance for Progress came, and all that, a tendency emerged here in Latin America toward a continental dialogue,

so that your protectionism and ours could somehow coordinate and reach an advantageous solution for both sides. There were attempts to advance, in this sense; I remember there was much talk about a Latin American agreement in Santiago in the sixties, and the beginning of a dialogue with the United States appeared.

And it wasn't until the era of President Carter, among others, that it was said: "No, the United States doesn't have to have a dialogue with the continent. They are going to talk with each individual country, and we will understand each other, one to one."

And then came the thesis of the market as the universal solution, but we all know that in the market, as in the ocean, the big fish eat the small. So much so, that this became a little disturbing to us, that instead of a rational solution, we were offered the market and the ocean.

Well, so things went. The institutions of dialogue disintegrated. The OAS [Organization of American States], for example, is a shell which is practically useless, and to replace the idea of dialogue, they have come with this idea of human rights. Thus, the theme of dialogue with the United States is going to be human rights, instead of all the other issues — economic, financial, etc. — that concern us and could help resolve our problems.

So, my question is this, Mr. LaRouche. Following the thread of your thoughts a few minutes ago, what do you believe should be, if you were President of the United States, the agenda for a continental dialogue? What is it we must do to truly improve relations and become a little more rational and have a more human, more real, relationship, instead of these human rights missions that come every six months to tell us what we should do? Thank you.

LaRouche: Well, Mr. Ricketts, this is easy for you and I, and people of our generation, because we remember, we remember a time when certain things *worked*. We lived in a society, where we took for granted that certain things were supposed to be policies, and they worked. We had our criticisms; there were shortcomings — this was not a paradise. But, we had a society we could tolerate, because it *worked*, even though there were many things wrong with it.

And, we come now to a situation, where it's difficult for people under 55 years of age — because of the changes that have occurred, because they were not mature people at the time these changes came in. These changes came in, in the middle of the 1960s to the beginning of the 1970s. They came in throughout the Americas; they came in differentially, at different rates, in various countries. But, they came in. So, the generation which has grown up and grown up into many leading positions today — the professions, and so forth, and in politics — does not really have an adult knowledge, an adult memory of how things used to work, better than they do today. That view that these things are wrong! These are not different things, that we've learned to do differently; these were mistakes! But, people who've grown up adapting to mistakes,

basing their careers, their life, national policies, on mistaken ideas. And, they've become conditioned to it.

Now we come to a time, which is typical in the history of civilization. Let me just put it this way: There's a general problem of humanity. All people are capable of cognition; every person is capable of recognizing that discoveries of ideas, universal principles, which is not possible among the lower animals, is possible for all human beings. Provided that we, as human beings, through a process of education, and family life, assimilate those lessons of universal principles we obtain from our forebears.

In that sense, we think of ourselves as improving upon this, and passing on improvements, with the benefits intact, to new generations. And, therefore, we think of ourselves — if we're like that — in terms of living as individuals, in the simultaneity of eternity. We think of ourselves as a *living part* of a long process, such that we are permanently part of that process, just as our ancestors were before, and people who come after us. It gives us a sense of *a moral sense of being*.

If you have a society, in which people live for a sense of pleasure, greed, satisfaction, entertainment, rather than from a sense of the fact that they're going to die, and think about what their life will mean, having been lived, once they die; think of what they should do with their life, to make it meaningful in the larger scheme of things.

What happens, because people are small, as Solon of Athens wrote in a famous poem, which is sometimes called a constitutional poem, to the people of Athens. He said: I led you out of a terrible mistake, out of slavery. I removed the mortgage stones. I freed you. Now, I see tendencies, you're going back to your old ways.

The problem in history has been, that, despite the net progress which has occurred (as in European civilization, for example), that civilization and nations have, again and again, after coming through a period of liberation from great troubles, have gone back to their old, selfish, greedy, foolish ways. New fashions come in. Generations acquire habits, which they call the *vox populi* — popular opinion. And, like the Romans, they walk their way to *doom*, in their own pleasure-seeking, and their own conceits, with habits! Then, in a crisis, sometimes, leaders come forth who are able to cause a population to recognize the crisis, and to adopt policies that are workable, to get out of it.

And thus, nations like the United States, which has gone through this a number of times, have gone to the edge of doom, because of the follies of a whole generation, or two generations, and then have been led out of that doom by leaders — when we are fortunate enough to have the leaders to do so.

We're in such a time now.

And those who are senior, or those who have the imagination, to understand that our problem is not just a financial problem, it's not a this-problem, it's not a that-problem. The problem is, the nations of the planet, the people of the nations

of the planet, have become corrupted, like the Roman proletariat, corrupted by going to the Colosseum to enjoy the spectacle of lions tearing Christians apart. That's what our problem is.

And therefore, we come to a time, when people of imagination and wisdom, must reach out to people under 25, especially, the young people who are coming up in the universities and other capacities — under 25 — inspire the young people, and reawaken and educate those between 35 and 55.

I think that's the situation we're in. That's what we're really about.

Yes, this is a terrible crisis; it was caused by the folly of almost two generations. We can get out of it. The ideas exist, if we awaken people to these ideas, and if a crisis gives the opportunity, for such leaders to lead people, we can survive.

My hope is, that finally, we can get to the stage where we *do not keep repeating that cycle of recovery and sliding into doom once again*.

And this is what we're faced with right now. That's the way I view this. I've been through this experience; I'm an older person: I lived through World War II. I lived through the Great Depression, as a cognitive person. I saw the changes that happened in the 1950s. I saw the changes in the 1960s. And, I can say, with absolute certainty, and the ability to prove it, that the policies that prevailed up to 1970 — while they had many defects in them, injustices — were far superior than the *failure*, which has predominated in the trends of the past 30 years.

And, *that's the issue*. And, I would hope, that, somehow, we would not only overcome this crisis, but I would hope that humanity would finally learn a much-needed lesson, the kind of lesson that Solon of Athens, in his poem, tried to convey to his fellow Athenians.

Let us lead us out of this mess! And, let us hope, that in solving these problems, we lay the basis for future generations, which will not go into some kind of depraved, hedonistic kind of degeneration, as the past generation has done. And think about themselves as individuals, who live in the simultaneity of eternity, and find, in this mortal life, some *meaning*, some durable meaning, which enables them to go to their grave with a smile on their face.

I would hope we can do that.

Reverse the decline in education

Vásquez Medina: Following up on your last statement, which was the most profound and the most important. The problem of the economic crisis we are experiencing, has a spiritual element, a cultural side. And our countries of the Third World, Peru among them, have many cultural deficiencies. What is transmitted as culture in our countries, is a reflection of the worst of U.S. culture, which by itself is bad enough. Undoubtedly, education has much to do with this.

We have a great many deficiencies; I think that for a long time — I'm speaking of Peru — there has not been any proposal



“What we need,” said LaRouche, “is a spiritual kind of education, which is emphasizing the one quality of the person, which sets the person apart from the animal! Now, animals can learn; chimpanzees can learn. But, no animal, can convey a universal physical principle or artistic principle.” Shown here: participants in a UNICEF literacy program in neighboring Bolivia.

for generating a genuine cultural leap. There is also pragmatism on the part of the government, in this respect. Clearly, many new ideas are needed. What is needed is the best of culture, the best of the spiritual advances of humanity, to be able to understand the kinds of changes, the kinds of alternatives, we need to undertake in educational terms.

I would ask that you continue with this idea of education, and concretely, tell us what you would propose regarding what needs to be taught our youth, and with what methods. And also, if you could speak in terms of higher scientific strata, what do we need in this sense?

LaRouche: Well, Peru, as you know, and as I observed in my short stay there, has — a part of the country is fairly arid. And therefore, children can easily go out in the evening, on many available clear nights, and can look at the stars, and the planets; and, with the help of good guides, can discuss things, such as, “Well, how did people living in Central Asia, 6,000 or more years ago, measure the vernal equinox cycle of nearly 26,000 years, with rather credible precision, when, apparently, they only had very simple things, like pieces of rock and wood, with which to construct instruments, to make the angular measurements necessary to build such a fine system of astrophysics?”

The problem is, we depend today, particularly, with television, with other methods — we depend too much on teaching children to repeat what they read in a textbook, or on a black-

board. We don’t take them out (or adults, either), to develop their minds, by showing them that they are capable of an *act* called cognition. That they are capable of reliving the discoveries of the great, universal physical principles, discovered by people thousands of years before. If a child is educated, not on the basis of textbook learning, and formalism, but on the basis of concentrating on *reliving the act of discovery*, of often-known personalities, sometimes thousands, or hundreds [of years before], or the shorter-term past, the child will get a grounding.

The same thing is true, in the sense of art. I’ve used recently, as an example of that — I think it’s a wonderful experience, if people are capable of showing children how this works. If we could take a good photograph of the Leonardo da Vinci *Last Supper* in Milano, and put it on a large wall. And have the children walk in front of that, or even adults, as they could in this Milan chapel, where it’s located, and see the wonderful changes which Leonardo introduced to his method of painting. In that case, their eyes would open up, and they would realize that there’s an artistic principle here.

They get the same thing from the great Classical compositions of Bach, if they’re understood, if they experience them, and things like that.

So, what we need is, a spiritual kind of education, which is emphasizing the one quality of the person, which sets the person apart from the animal! Now, animals can learn; chim-

panzees can learn. Mother chimpanzees can teach the children chimpanzees tricks that the mother has learned. *But, no animal, can convey a universal physical principle or artistic principle.* No animal can do that.

It is that quality, in the individual human being, which, from the standpoint of science, sets man absolutely apart from, and above, all other species. And defines man as even Genesis prescribes, as given the power to exert dominion over *all other things in this universe.*

Now, if a child has an appreciation of *that*, through the experience of cognitive experiences, by teachers who have insight, and do that—like taking children out to look at the stars, and actually try to understand the principles of laws of nature, by looking at the stars, and seeing how they change. If we do that, then the child has not only knowledge—in the sense of knowledge of physical principle—but, the child has direct knowledge of that quality in the child himself or herself, which sets him apart from all animals. And thus, defines the relations among human beings, as relations defined in terms of that quality which sets the human individual apart from the beast.

That simple core, of principle, in a general educational policy, is what I envisage as the basis for rebuilding society morally and intellectually.

Trujillo Meza: Mr. LaRouche, good evening. As dean of the College of Public Accountants, I want to greet you on behalf of my board of directors, on my own behalf, and on behalf of the president of the Finance Committee and its members, and on behalf of those attending this event, and to tell you that your presentation was truly extraordinary, and is consistent with the position you frequently expound in your magazine and in your newspaper.

I have always thought, when reading those documents, that you were a radical, politically speaking—perhaps we could say a revolutionary—within the Democratic Party on the economic and financial world level. And President Clinton, who is a Democrat, should hear you and improve the policy of the United States, above all for Latin America and for the rest of the world.

On behalf of the board of directors, on my own behalf, and on behalf of the Finance Committee, and those attending this event, we want to congratulate you for your participation and for your excellent speech. Your position is very interesting and favors the developing countries. We hope that you become President of the United States, and are able to make your ideas a reality, that we could benefit from that opportunity.

The event has really been a success, and I especially want to thank the participants whose attendance has underscored the importance and relevance that such a conference merits.

I thank you very much, Mr. LaRouche, and want to say good-bye with this affectionate applause, to which I invite all those attendees as well as the panelists to participate.

Peru is under fire from the globalists

by Luis Vásquez Medina

With a scant month to go before the Peruvian Presidential elections on April 9, and with President Alberto Fujimori certain, according to all the polls, to be the winner of the first round, a furious international campaign has been unleashed against him, headed by a cluster of international organizations which claim to be defenders of human rights and democracy. Behind this campaign is the intention of the international financial oligarchy to destabilize and, if possible, overthrow the Fujimori government, and to install in Peru a regime more servile to its plans for the region: to establish a chain of narco-nations through the South American Andes, including Venezuela, Colombia, Ecuador, and Peru.

This oligarchy has never forgiven the Fujimori government for:

1. In April 1992, he temporarily closed the Congress and Supreme Court, in order to conduct a successful war against narco-terrorism.

2. In September 1992, he captured the top leader of Shining Path, Abimael Guzmán, who received a life sentence.

3. In April 1997, he recaptured the official residence of the Japanese Ambassador to Peru from the hands of the Tupac Amaru (MRTA) narco-terrorists, without caving in to their demands.

4. By the end of the 1990s, Fujimori had reduced coca cultivation in Peru by more than half.

In early February of this year, the Carter Center and the National Democratic Institute for International Affairs (NDI) of the United States each sent commissions of “observers” to Peru, which included two former Ibero-American Presidents. In the joint report issued at the conclusion of their “observing,” they declared that “there do not exist the necessary political conditions for free and just elections,” and that the Peruvian electoral process “does not comply with the international standards necessary to be qualified as democratic.”

On Feb. 11, the two delegations held a joint press conference, presided over by former Costa Rican President Rodrigo Carazo. Also at the podium was Guillermo Márquez, former president of the Panamanian Electoral Court; Gerardo Le Chevallier, NDI director for Latin America and the Caribbean; and Shelley McConnell, associate director for the Carter Center on Latin America and the Caribbean. Their report was immediately embraced by U.S. State Department spokesman James Rubin, who said: “The United States government welcomes, and essentially agrees, with the recommendations is-

sued today by the NDI and the Carter Center regarding pre-election conditions in Peru.”

Ammunition for the opposition

The NDI and the Carter Center have opened a permanent office in Lima to monitor the electoral process, and in one month, will issue a second report which is expected to be definitive. If it goes against the Peruvian government, the report may be used by the political opposition in Peru as justification for withdrawing as a bloc from the election, thereby muddying the government’s likely electoral victory.

Both the NDI—which is part of the Project Democracy apparatus of that ally of the narcos, Oliver North—and the Carter Center, specialize in using issues of “human rights” and “democracy” to destabilize governments which the international oligarchy opposes.

An even more strident attack was launched against the Peruvian President by the little-known International Federation for Human Rights (IFHR), which also sent a commission to observe the Peruvian electoral process. On Feb. 15, it issued a statement questioning Peru’s ability to conduct a “free electoral process,” because “there doesn’t appear to be a free and democratic competition . . . but rather a procedure which seeks to justify, or disguise, what in reality is the perpetuation of an authoritarian regime with a strong military presence.”

The IFHR is, essentially, an appendage of the nefarious non-governmental organization of British intelligence, Amnesty International. Its delegation to Peru included Nicaraguan Bianca Jagger, former wife of Satanic rocker Mick Jagger; MariClaire Acosta, a defender of terrorists, a member of the Inter-American Dialogue, and Amnesty’s representative in Mexico; and Rolando Asnrup of the University of Stockholm. According to Jagger, the Peruvian National Election Board has neither the independence nor impartiality to oversee the electoral process, and she described the government’s actions as a “permanent coup d’état.”

The IFHR called on the international community to stand vigil over “the transparency of the Peruvian elections,” and to lend support to the National Coordinator of Human Rights, the Civil Association Transparency, and the Democratic Forum, so that they can oversee “the cleanliness of the Peruvian electoral process.” All these Peruvian institutions have not only exhibited blatant partiality to the political opposition, but have systematically defended the terrorists in Peru.

The same week that the IFHR issued its accusations against the Peruvian electoral process, a book entitled *In the Kingdom of Terror* was released in Spain. Its author, Alvaro Vargas Llosa, is the son of the pornographic Spanish novelist Mario Vargas Llosa, a candidate for the Peruvian Presidency in 1990. The book was presented to the public by Spain’s “anti-corruption” prosecutor Carlos Castresana, who called for applying the “Pinochet treatment” to Fujimori, and for putting him in the dock before he gets “too old.” The ceremony was also attended by Baltazar Garzón, the magistrate

linked to Transparency International who ordered Pinochet arrested in London in October 1998, so he could be extradited to Madrid and tried on human rights charges. Castresana said, without batting an eyelash, that “Peru has six times more prisoners of conscience than Cuba.” This is a rather unique way of describing the Shining Path and MRTA narco-terrorists, currently serving their jail terms in Peru for having waged a dirty war that killed more than 25,000 Peruvians.

‘Insolent’ and ‘ill-intentioned’

However, the effects inside Peru of these fictional fantasies, as with the slanderous reports of the foreign “observer” commissions, have been diametrically opposed to what the authors intended. Peruvian public opinion has seen for itself the character of a very powerful international slander campaign opposing President Fujimori’s reelection.

Former Congress president Carlos Torres y Torres Lara protested what he described as “an insolent and ill-intentioned interference” in the internal affairs of the country. “Just what kind of international norms regarding elections are they talking about?” he asked. He added that it would be appropriate to investigate whether the U.S. electoral process is fulfilling the international “norms” demanded by the commissions looking at Peru.

On Feb. 17, Lima cable television Channel N broadcast the comments of respected political analyst and journalist Patricio Ricketts, who denounced the base hypocrisy of the so-called “observers” who criticize the Peruvian electoral process while remaining silent about the illegal abuses committed against the political rights of Lyndon LaRouche, candidate for the Democratic U.S. Presidential nomination. Holding *EIR* up in front of the television cameras, Ricketts said that LaRouche has been illegally prevented from appearing on the ballot in various states in the United States, in addition to having been systematically denied access to the traditional televised electoral debates. He said that all sorts of maneuvers have been employed to black out his campaign, despite the fact that LaRouche has cultivated a large enough base of support to qualify for Federal campaign matching funds.

Ricketts said that the purpose of this ignoble international campaign, slandering Peru while burying all mention of the LaRouche case, is to “kick over the chessboard” and frustrate the Peruvian electoral process. Opposition candidate Castañeda Losio has already announced his intent to withdraw from the elections, and more recently, Lima Mayor and opposition front-runner Alberto Andrade has made similar noises. Faced with imminent defeat at the polls, the opposition bloc is only awaiting the release of the second reports of the Carter Center and of the IFHR, to walk out of the electoral process, thereby supposedly baring the dictatorial and anti-democratic character of the Fujimori administration.

This is the scenario for destabilizing the only country on the continent which has successfully confronted the narco-terrorists. Coincidence?

LaRouche's enemies push for Taiwan war

by Jonathan Tennenbaum

With only days until the decisive Presidential elections in Taiwan on March 18, there is a growing danger that outside manipulation of tensions across the Taiwan Strait could detonate a strategic crisis, and even lead to military conflict between the United States and China. The basic scenario is, that some combination of events seen by Beijing as completely unacceptable—including a hypothetical further move, by the Taiwan authorities, toward *formal* separation from the mainland—could precipitate some sort of military action by Beijing against Taiwan, and draw in the United States on the basis of commitments to guarantee Taiwan's security. The danger of a strategic crisis around Taiwan is greatly heightened by the fact, that a powerful section of the international oligarchy is presently in a "flight-forward" mode, reacting to the impending financial collapse by deliberately trying to ignite conflicts and wars in a variety of regions, from the Balkans, eastern Europe, and the Middle East, all the way to the Pacific.

The 'Blue Team's' war push

On Feb. 23, the *Washington Post* published an exposé documenting the role of U.S. right-wing billionaire Richard Mellon Scaife—a figure tied to the dirtiest and most dangerous, pro-war faction of Anglo-American intelligence—in directly organizing and financing a long list of operations in the U.S. Congress and elsewhere, to orchestrate and provoke a U.S.-China military confrontation. Scaife, it should be remembered, was the main sponsor of independent counsel Kenneth Starr's campaign to destroy the Clinton Presidency, and is as well, a leading personal enemy of Lyndon LaRouche.

According to the *Washington Post*, Scaife's anti-China group, known as "Blue Team" (the term used by the Chinese People's Liberation Army for the enemy side in PLA military exercises), includes leading figures from the intelligence-connected "Taiwan lobby," key Congressional offices, and academic purveyors of the "China threat" thesis. Launched last year through the Scaife-financed "Project for the New American Century," the "Blue Team" has already played a key role, among other things, in drafting and promoting inflammatory anti-China legislation in the U.S. Congress, including the recent Taiwan Security Enhancement Act, as well as pushing for sales of advanced weapons systems to Taiwan. The *Washington Post* points out that "though little noticed, the Blue Team has had considerable success."

One of its latest projects appears to be the push to sell Taiwan warships equipped with the advanced AEGIS anti-missile radar system. This radar system is a key component of Theater Missile Defense (TMD) systems being developed by the U.S. Navy, which among other things are being considered for deployment around Japan in the context of U.S.-Japanese defense cooperation. As Taiwan's outgoing President, Lee Teng-hui, has openly called for Taiwan to join a future U.S.-Japanese TMD system, a U.S. decision to sell AEGIS warships to Taiwan will be read in Beijing as a further signal of an emerging military alliance between Taiwan, the United States, and Japan, against China—making it one of several short-term tripwires for a new Taiwan crisis.

The "Blue Team" is evidently one of the nastiest, most dangerous elements inserted into the whole anti-China machine in Washington—a machine which includes the gang in Congress run by Senate Foreign Relations Committee Chair-

man Jesse Helms (R-N.C.) and House International Relations Committee Chairman Benjamin Gilman (R-N.Y.), and featuring, most prominently, Sens. Robert Torricelli (D-N.J.), Frank Murkowski (R-Ak.), and Majority Leader Trent Lott (R-Miss.), and Reps. Dana Rohrabacher (R-Calif.), Christopher Cox (R-Calif.), John Shadegg (R-Ariz.), and Gerald Solomon (R-N.Y.). Virtually all of these are hostile to Lyndon LaRouche's defense of the perfect sovereignty of nation-states.

Now, as the March 18 Taiwan election approaches, the networks connected with the "Blue Team," such as notorious Reagan administration neo-conservative Frank Gaffney, are going all-out to whip up public hysteria about an impending mainland invasion of Taiwan and an alleged threat by Beijing to launch nuclear missiles at the United States. Their answer to the alleged war danger, however, is that the United States should take actions, calculated to push Beijing even further toward the edge of an actual military intervention around Taiwan.

Exemplary is also former U.S. Defense Secretary Sir Caspar Weinberger, who told a meeting on Capitol Hill on Feb. 28, "It might not be wise for America to go to war with China, but *it might be necessary*." Weinberger said that Beijing's "threats" to the United States require an "unequivocal, immediate, unambiguous, firm response." He blamed President Clinton for leaving the United States unprepared for a military conflict with China. Weinberger, who was awarded an honorary knighthood by the British Queen, is the author of *The Next War*, a 1996 docu-thriller which featured a scenario for a nuclear war in East Asia.

Manipulation of Taiwan

However, the public drumbeat for a near-term U.S.-China confrontation may only be the most evident among other, more behind-the-scenes attempts to orchestrate a dangerous new Taiwan crisis.

As of now, the outcome of the Taiwan elections appears to be up in the air. One of the three Presidential candidates, the independent James Soong, takes a moderate position in favor of dialogue with Beijing. Another, the current Vice President, Lien Chan, is close to Lee Teng-hui, but is expected to be at least relatively cautious with respect to making any move toward formal independence. He is apparently regarded in Beijing as someone China could live with. The third candidate, Chen Shui-ban of the Democratic Progressive Party, takes a stronger anti-Beijing line.

The major difficulty is, that regardless of who wins the election, the situation inside and around Taiwan will remain subject to powerful influences by certain U.S., British, and Japanese interests which have a stake in provoking a new Taiwan crisis.

The same Anglo-American faction behind Scaife, the "Blue Team," and the Congressional anti-China mob generally, together with counterparts in Japan, has long sponsored

President Lee Teng-hui, whose provocative activities on behalf of formal independence of Taiwan—a prospect absolutely unacceptable to Beijing—deliberately undermined the *modus vivendi* which had existed across the Taiwan Strait, and precipitated the series of Taiwan crises, beginning especially with Lee's trip to the United States in 1995.

LaRouche warned explicitly about the danger coming from these Anglo-American-Japanese circles, in a Jan. 10 memorandum entitled "Puppet Emperor Lee Teng-hui" (*EIR*, Jan. 21, 2000). LaRouche pointed to the role of the British government and such British-linked operations as Christian Solidarity International (also an important influence in the U.S. Congressional "Taiwan lobby"), as well as Lee's close connection to circles associated with former U.S. CIA deputy director Ray Cline, and warned: "President Lee's behavior has clearly demonstrated, that he is not representing the interest of the people of Taiwan, but is acting as an agent of influence of certain forces in Japan, Great Britain, and the U.S.A., who are trying to provoke a war between the U.S. and Mainland China."

The circles behind Lee Teng-hui's attacks on the One-China policy, LaRouche said, are "the same interests who backed the launching of the two earlier Sino-Japanese wars against China, in 1894-95 and the 1930s. From my personal knowledge of U.S. and other relevant intelligence circles from the 1980s, I have a well-marked road-map of the British and U.S. complicity in this deployment of exactly those forces within Japan, who were the authors of the first Sino-Japanese war, and who launched the second."

LaRouche explained that he was obliged to clarify this matter, because official statements from Beijing, warning that Lee Teng-hui's provocations threatened a war across the Taiwan Strait, while understandable and correct, were insufficiently precise concerning the actual authors of the war threat, and the British role in particular. LaRouche added: "Before wise men allow themselves to be drawn into war, they should first discover who is the enemy which must be defeated."

Beijing's view

Recent statements from Beijing have in fact been strongly focussing on the backing Lee Teng-hui and the Taiwan separatists have received from "certain forces in the United States." These Chinese statements, however, hardly go beyond vague references to the "Cold War thinking" and American tendencies of "hegemonism," do not bring up the British angle, and generally lack the historical and strategic depth of LaRouche's analyses. Nevertheless, Beijing is clearly trying to maintain a differentiated position toward the United States, and to appeal to reason in the attempt to explain its position.

On Feb. 21, the People's Republic of China's State Council released a "White Paper," laying forth Beijing's principled position on the "One China Policy and the Taiwan Issue."

The bulk of the 11,000-word paper is devoted to a careful, reasoned exposition of the “One China policy,” including the historical reasons why Taiwan has never ceased to be a part of China, in spite of the effects of the civil war; noting, also, that reunification was the policy of the ruling Kuomintang party in Taiwan for more than three decades; and tracing the history of U.S. commitments to the “One China policy.” Refuting point-by-point the arguments of Lee Teng-hui in favor of separatism, the White Paper emphasizes the enormous trade and investment ties between Taiwan and the mainland, and reiterates, in conciliatory language, Beijing’s proposal for reunification negotiations “on a basis of equality” and the principle of “one nation—two systems.”

At the same time, the document does state, in a single sentence, that “if a grave turn of events occurs leading to the separation of Taiwan from China under any name, . . . or if the Taiwan authorities refuse, *sine die*, the peaceful settlement of Straits reunification through negotiations, then the Chinese government will be forced to adopt *all drastic measures possible, including the use of force*, to safeguard China’s sovereignty and territorial integrity and fulfill the great task of reunification.” It also declares that the Chinese government “cannot allow the resolution of the Taiwan issue to be postponed indefinitely.”

Reacting to the uproar in the Western press, which ignored 99% of the White Paper in order to claim that Beijing was issuing a “war ultimatum” to Taiwan, Chinese Vice Prime Minister Qian Qichen on March 1 publicly denied any change in the Chinese government’s policy on the Taiwan issue. China’s policy remains “peaceful reunification and one country, two systems,” he said. The position, that the Taiwan issue “cannot be delayed indefinitely,” was already stressed by the late Chinese leader Deng Xiaoping in October 1984. The new White Paper was aimed at “pushing forward the development of cross-Straits relations and urging the Taiwan authorities to sit down to hold talks with us,” Qian said.

In fact, while not essentially different from what Beijing has voiced in various forms before, in the *present* context, the White Paper and other official statements leave Beijing with little room to back down, in case some combination of events—such as a further move toward formal independence by the new Taiwan government after the election, for example, or something else—were to occur, that would “call Beijing’s bluff.”

The danger of provocation

One also cannot ignore the fact, that, as in any country, there exist factions inside China, including inside the military, who are not as cool-headed and rational as the official authors of the “White Paper.” It is in this context that the deliberately inflammatory activities of Scaife’s “Blue Team,” and related operations run through the United States, are particularly dangerous. They are calculated to encourage the buildup of an “enemy image” of the United States in China, where, for

example, the impact of the bombing of the Chinese Embassy in Belgrade is still very much present. A mild example of the hardening position inside China, is an article published in the official daily of the People’s Liberation Army on Feb. 28. The article states, in part:

“After the end of the Cold War, the U.S. government’s China policy has undergone great oscillations, but the use of the ‘Taiwan card’ to contain China, has remained the unchanged element among a thousand changes. . . .

“If this U.S. behavior vis-à-vis the Taiwan question is not quickly stopped, then it can destroy the external conditions for the Chinese government’s striving for peaceful reunification of the country. It is exactly thanks to the public and covert support by the anti-China forces in the United States, and their instigations, that the separatist forces in Taiwan, as represented by Lee Teng-hui, have dared to proceed ever further along the road of splitting the Fatherland, causing relations across the Strait to remain for a long time in a state of unrest and tension. . . .

“*Supporting ‘Taiwan independence’ will backfire on the perpetrators.* Concerning the Taiwan question, the U.S. could very well come to suffer losses and harm its own situation. As everyone knows, the supporters of ‘Taiwan independence,’ if they flagrantly insist on division, will finally force a situation, in which the Chinese government cannot avoid using armed force to settle the Taiwan issue.

“Once a Taiwan war has broken out, the U.S. government will face a dilemma: if the U.S. does not intervene, then U.S. allies, in view of the U.S. ‘Taiwan Relations Act,’ will doubt whether U.S. promises can be counted upon. If the U.S. intervenes in a substantial way, then U.S. decision-makers cannot avoid considering the fact, that they may come under enormous pressure and could pay a very high price. China is not Iraq, China is not Vietnam, China is an extremely special country: On the one hand, she is a permanent member of the UN Security Council, and on the other hand, she is also a country possessing a certain degree of strategic counterstrike capability and long-range attack capability. To resort to arms against such a country, would not be a wise course of action, and U.S. decision-makers are aware of this.”

Senior European experts, while acknowledging the existence of hot-headed sentiments among some sections of the Chinese military and other institutions, at the same time stress the cautious, rationalistic mentality of China’s present ruling elite, and its overriding focus on economic consolidation of the country. According to their view, for China to launch into any sort of military adventure today—not to speak of confronting the world’s only superpower—would be virtually unthinkable under any but the most extreme circumstances.

The problem is, that such “extreme circumstances” are exactly what the Anglo-American “flight-forward” faction, as exemplified by the activities of the “Blue Team,” is now trying to create.

Failure to carry out reconstruction raises threat of a fifth Balkan war

by Elke Fimmen

The United Nations KFOR mission in Kosovo confronts daily escalation of tensions, which NATO circles are blaming on Serbian dictator Slobodan Milosevic. But the fact is, that the West itself has to bear responsibility for a crisis which could lead to a new Balkan war. There has been a consistent refusal by Western governments to carry out an economic reconstruction program, following each of the wars in the Balkans. A policy of economic reconstruction would have been the basis for the Serbian population to move toward a democratic change in government. But, that never happened.

The complete lack of reconstruction now offers fertile ground for a new escalation toward war. That is precisely what the Schiller Institute warned against last summer, when it campaigned internationally for a Marshall Plan for the Balkans and immediate reconstruction in Kosovo.

Gen. Klaus Reinhardt, commander of the KFOR peace-keeping forces, characterized the situation in Kosovo in an interview with the German weekly *Die Woche* published on Jan. 10: It was “adventurously stupid,” he said, that, in the spring of 1999, the governments of NATO countries expended immense sums of money to bomb Serbia into submission, “but now, when the issue is reconstruction, the money is lacking.” At about \$60 million, the entire UN budget for reconstruction in Kosovo amounts to one-quarter of the sum NATO spent for a *single day* of bombing. “I continuously hear that more money is coming, but, apart from promises, nothing happens,” the general said in another interview, with the daily *Süddeutsche Zeitung*. It is not possible to build up a country “with foreign soldiers and diplomats alone,” he said. Teachers are needed, and people who can build power plants; such people exist in the Balkan countries themselves, but no one can pay them, and those who cannot earn a living “will not be particularly happy about the advent of democracy.”

The UN emissary to Kosovo, Bernard Kouchner, pointed out at the beginning of February, that he did not have a single penny in his 2000 budget, although the international donors conference in November had promised him roughly \$15 million. With the complicated financial controls now in effect in the European Union, he said, it was “almost a

heroic deed to get emergency funds.” Many people were in danger of freezing to death. Out of 200,000 homes in Kosovo, 120,000 had been damaged or destroyed. His deputy, Tom Koenigs, said on Feb. 7 that no salaries could be paid to teachers. Payment for imported electricity and fuel for public transportation was also in doubt.

Growing tensions

In this situation, conflicts are crescendoing to the point that there is widespread discussion of the possibility of a new war. The German daily *Frankfurter Allgemeine Zeitung* reported on Feb. 21 on the annual meeting of defense specialists and military officials under the auspices of the Atlantic Bridge organization, at the headquarters of the U.S. forces in Stuttgart, Germany. One view expressed, was that “it is high time for the allies to demonstrate to Milosevic that they are ready and willing to have a new war in the Balkans, wherever they may choose.” The neighboring nations would have to be organized into a defense pact, and Russia would have to be included this time, in order to dash any hope on the part of Milosevic that he could count on foreign support.

Another participant in the meeting reportedly said that the situation is becoming precarious for KFOR, because the Serbs and the Albanians both identify KFOR as their adversary. According to a German NATO diplomat, the “frustratingly slow development” of the construction of a civil administration leaves Milosevic room to hatch nefarious new schemes. “Kosovo could become a grand Dien Bien Phu for the West,” said an American general, in the presence of the NATO Supreme Allied Commander for Europe, Gen. Wesley Clark (referring to the French military disaster in Vietnam in 1954).

Whatever occurs in the Balkans will have implications far beyond that region, since the geopolitical dangers of the Balkan war of last spring remain unchanged. Russia and China both viewed the NATO bombing campaign against Yugoslavia as directed, politically and strategically, at them. The UN mandate in Kosovo will have to be extended by the UN Security Council in June, and China and Russia will probably refuse to go along with it.

New conflicts are brewing. General Ivasov, who is re-

sponsible for international cooperation in the Russian Defense Ministry, announced that Russia opposes the KFOR maneuvers scheduled for March. According to sources on site, Russia, with its 3,600 soldiers stationed in Kosovo, was not invited to participate. NATO wanted to exert pressure on the Yugoslav leadership to change the political system, according to Ivasov.

Then, there is the violence in Kosovska Mitrovica, for which NATO circles are blaming Milosevic. Tensions between Serbs and Albanians have grown there dramatically since the beginning of February. Nine people died and 20 have been wounded in clashes. Over 1,500 Albanians have left the Serb-controlled part of the city. American and German KFOR units, carrying out raids in the Serbian part of the city, were attacked, and the French troops were pulled out of the operation. A street battle took place between KFOR and Albanians on Feb. 28, as the Albanians tried to move into the northern sector of the city. The crowd grew to 75,000 people. Not long before, 30,000 Kosovo Albanians had been prevented by KFOR, for security reasons, from entering the city, following a march from Pristina.

France intends to reinforce its forces in Kosovska Mitrovica with an addition 700 soldiers, as French Defense Minister Allen Richard announced at a joint press conference with U.S. Secretary of Defense William Cohen in Washington on March 2. The United States is considering deploying Special Forces into the French sector of Kosovo.

On Feb. 28, NATO Secretary General Lord George Robertson said that NATO had observed a concentration of Yugoslav troops in southern Serbia, referring to the region of Bujanovac-Presevo-Medjeva, which is east of Kosovo and largely populated by Albanians. The troops consisted of four units of the Serbian Interior Ministry. The Macedonian Army announced on Feb. 22 that it was raising the alert level for its troops on the border with Serbia, the first time since the NATO attacks in Kosovo last spring. The reason given was that "things could happen on the other side that will get out of control."

NATO Commander General Clark, during a recent visit in Macedonia, described the relationship between Serbia and Montenegro (which is still officially part of Yugoslavia) as very tense. Increased movement of Serbian troops had been observed, he claimed.

At the end of 1999, Montenegro introduced the German deutschemark as its official currency, an important step toward separation from Serbia. Tensions increased further following the assassination of the Yugoslav Defense Ministry Pavle Bulatovic; the Serbs hold the Montenegrin leadership responsible for the deed.

Bosnia, too, is becoming more unstable following the withdrawal of the Serbian Socialist Party from the Western-supported governing coalition of Republika Srpska, the ethnic Serbian entity in Bosnia.

The fraudulent Stability Pact

The institution that is supposed to secure peace by democratizing the Balkan nations and integrating them into the larger Euro-Atlantic structures, is the Stability Pact for the Balkans. It is headed by Germany's Bodo Hombach, who, according to KFOR's General Reinhardt, has never "paid me a single visit." With regard to the pressing tasks of economic reconstruction, Hombach never tires of saying, "I am not Santa Claus." But perhaps it is dawning even on him that things are spinning out of control, for he diverted \$300 million from his agriculture budget for the next two years, in order to have something to put on the table at the Stability Pact meeting at the end of March. (The meeting had to be postponed from January to March, due to insufficient preparation.)

This paltry amount of money is but a fraction of the miserly \$2.5 billion promised for the next five years. On the basis of past experience, the likelihood is that little of this will actually arrive, and that much of what does, will flow, not into reconstruction, but into the coffers of the myriad international organizations now present in the region.

Conditions are desperate in the other countries that are members of the Stability Pact:

In **Bosnia**, five years after the signing of the Dayton Accords that ended the war, production is still at a standstill, and 80% unemployment is common in many areas. For the "international community," the priority is the repayment of the old, pre-1990 Yugoslavian debts.

Romania, a candidate to join the European Union (EU), and **Bulgaria** both suffered immense economic losses during the war against Yugoslavia, but that does not prevent the "international community" from continuing to impose brutal International Monetary Fund (IMF) shock therapy upon them. In Romania, many cities lack regular supplies of heat, electricity, and clean drinking water. Prime Minister Mugur Isarescu, who was installed in December under massive pressure from the IMF and EU, is a proponent of an even more radical austerity policy than what Romanians have already been suffering under. He tells his countrymen that there is "absolutely no money" for improvements in living standards, since, were money made available for such purposes, the country would be insolvent and could not pay its foreign debt. More austerity is the IMF's condition for a \$180 million bridge loan, without which the country would have to declare bankruptcy in March. The standard of living in Romania is now 40% below the dismal level that it had reached at the end of the Communist period. In 1998, industrial production dropped by 17.4%, and by another 10% in 1999.

According to official statistics, 25% of the Bulgarian population lives below subsistence level. The government is in a battle with the IMF to raise the minimum wage to a level slightly below subsistence. Prime Minister Kostov replied to a parliamentary inquiry about the standard of living, that "with the \$1 billion which the government pays

each year to service the foreign debt, we could double pensions or increase expenditures for education or health care considerably.”

In **Croatia**, the IMF and World Bank immediately imposed new austerity conditionalities on the new government of Prime Minister Ivica Racan and President Stipe Mesic, immediately upon their assuming office. At the same time, there are generous offers being discussed, to the effect that Croatia might be rapidly accepted as a member of the EU, and given “financial aid,” provided it agrees to the IMF recipes and other — as yet unknown — conditions. Croatia is being touted as the new beacon of hope for democratic reform of the region, and U.S. Secretary of State Madeleine Albright and German Foreign Minister Joschka Fischer are trying to outdo each other in their oaths of friendship.

It will become clear rather quickly whether the development projects defined by the new government have priority for the “international community.” The Croatian coordinator for the Stability Pact, Vladimir Drobnjak, announced that Croatia would present plans at the meeting of the Stability Pact for the construction of a Danube-Sava canal, the completion of the railroad from Budapest to Ploce, the creation of an industrial zone in Vukovar, destroyed by the war, and the construction of an Adriatic-Ionia highway.

One thing is already clear: If the government wants to receive financial aid from the conference of the Stability Pact, it will have to submit to the draconian conditions imposed by the IMF and the World Bank. Public expenditures will have to be cut drastically, the pension and health system will have to be “reformed,” and the remaining state-run companies, such as the railway company, ports, and banks, will have to be quickly privatized. Budget cuts of 12% are already planned for 2000, including 20-40% wage cuts for state employees.

The commercialization of the construction of the urgently needed infrastructure is high on the IMF and World Bank lists of priorities. Prime Minister Racan was not exaggerating, when he announced “sacrifices and difficulties” for the coming year. The new government still has to deal with the legacy of the late President Franjo Tudjman, since the real economy was destroyed in the last ten years as a result of the combination of IMF conditionalities and internal mafia methods, so that the country has a 20% rate of unemployment. Under such conditions, the social situation will not remain stable for very long.

The grandiose promises being made to Croatia only make sense in light of Croatia’s integration into NATO operations in the region. The U.S. ambassador announced a visit by the commander of the Sixth Fleet to Zagreb in March, which will bring five U.S. warships into Croatian waters. Prime Minister Racan said that Croatia, in view of its important geostrategic location, wants to play its part in taking responsibility for the general situation in the region.

Is a new Persian Gulf crisis in the making?

by Dean Andromidas

Developments over the last several weeks indicate that the British-American-Commonwealth (BAC) policy grouping is planning to provoke a major crisis in the Persian Gulf, targeting Iraq or possibly Iran. Their motivation is the growing realization by leading BAC policy circles, that the world financial system is heading for a crash in the very near future. Although a new Gulf crisis would have profoundly disastrous consequences for the current moribund Middle East peace process, its principal purpose would be to force the major economic powers, particularly western Europe and Japan, into supporting the overall geopolitical policies of the BAC.

This war policy was spelled out on Feb. 5 by U.S. Defense Secretary William Cohen, in his address to the 26th annual Conference on Security Policy, known as the Wehrkunde conference. As reported in the Feb. 18 *EIR*, the Wehrkunde conference in Munich, Germany is the traditional unofficial forum where Anglo-American policy initiatives are presented for adoption by other members of the North Atlantic Treaty Organization (NATO).

In his speech, Cohen declared that the major strategic threat to the West is the development of weapons of mass destruction by so-called “rogue nations,” namely, Iran, Iraq, North Korea, and Libya.

“For America and Europe,” Cohen said, “the threat of missiles from rogue nations is substantial and increasing. North Korea is building—and selling—long-range missiles and has assembled an arsenal with nuclear, chemical, and biological capabilities. Iran, with foreign assistance, is buying—and developing—long-range missiles. It has chemical weapons, and is seeking nuclear and biological capabilities.” Singling out Iraq for special action, Cohen said that “Iraq had an active missile program and chemical and biological weapons, and was close to nuclear capability. Saddam has been trying since 1991 to maintain a production base for all of these and, if the world community allows him to flout with impunity its UN Security Council resolutions, he will resume his activities where he was stopped.”

Cohen charged, “These rogue nations want long-range missiles to coerce and threaten us—the North American and European parts of NATO. . . . In the next five to ten years, these rogue countries will be able to hold all of NATO at risk with their missile forces.”

Four developing nations, two of which (North Korea and Iraq) are on the verge of economic collapse, could pose an existential threat to Western civilization, Cohen said. He demanded that Europe support the U.S. policy of building so-called limited ballistic-missile defense. As *EIR* has shown, Cohen's ballistic-missile-defense policy is incompetent militarily, and in reality is a geopolitical strategic doctrine aimed at preventing the formation of a Eurasian "Survivors' Club," i.e., will bring about a war which it is nominally designed to prevent (see Lyndon H. LaRouche, Jr., "Congress Revisits the ABM Treaty," *EIR*, Aug. 20, 1999). Such a development, which is already in motion with growing cooperation among China, Russia, India, and other Eurasian countries, is seen by the BAC policy grouping as the major threat to its power. This is especially the case as the world slides into a catastrophic financial crisis.

Gore ignores 'dire circumstance' in Iraq

Even as Cohen was speaking in Europe, Vice President Al Gore was planning a meeting with the London-based Iraqi opposition to discuss plans for "replacing the despotic regime in Baghdad." In a letter to the Iraqi National Congress on Feb. 8, Gore reasserted his long-standing campaign to smash the nation of Iraq, despite the fact that 70 members of the U.S. Congress had called upon the administration, in a Jan. 31 letter to President Clinton, to end the economic sanctions. According to Rep. Tom Campbell (D-Calif.), the letter said that the sanctions have served to worsen the "dire circumstance" in Iraq, including contributing to the deaths of several thousand children under 5 every month from disease and malnutrition. Campbell said, "The time has come to turn a new page in our dealings with Iraq."

On March 1, the London *Times* published a commentary by Secretary Cohen entitled "Rogue States Cannot Hope To Blackmail America or Her Allies," which is excerpted directly from his Wehrkunde speech.

Cohen's speech coincided with the release on Feb. 2 of the U.S. Central Intelligence Agency's report to Congress on "Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions." The report puts Iran at the top of the threat list, followed by Iraq, North Korea, and Libya. Also mentioned are Syria, Sudan, India, Pakistan, and Egypt. On Feb. 9, Robert D. Walpole, National Intelligence Officer for Strategic and Nuclear Weapons, in Senate testimony which was far more alarmist than the report itself, asserted that this missile threat would come into full maturity by 2010.

Also on Feb. 2, CIA director George J. Tenet presented to the Senate Select Committee on Intelligence the CIA's annual assessment of security threats against the United States. Tenet reiterated the alleged missile threat, singled out Iran as "the most active state sponsor" of international terrorism, and said that despite the reform policies of Iranian Presi-

dent Seyyed Mohammad Khatami, "the use of terrorism as a political tool by official Iranian organs has not changed."

At the end of February, the U.S. Senate passed the Non-Proliferation Act, authorizing the President to slap sanctions on any country that transfers materials to Iran that could be used to develop weapons of mass destruction. On March 1, the U.S. House of Representatives unanimously passed the same legislation. The move drew angry responses from Iran and Russia. The latter is currently building a civilian nuclear power reactor in Bushehr, Iran, which has been the target of Anglo-American rage for the last several years.

Within two weeks of the Wehrkunde conference, certain policy circles in Germany fell in behind Cohen's anti-"rogue state" policy. On Feb. 25, the German daily *Bildzeitung* reported that the Bundesnachrichtendienst (BND), Germany's national intelligence agency, has completed a survey warning that by 2005, Iraq and Iran will have developed missiles capable of striking Germany. At the Wehrkunde conference, BND director August Hanning had tried to out-do Cohen, by claiming that Europe needed an anti-missile defense system as early as 2005.

Keying off these reports, commentaries have popped up in leading German dailies. On Feb. 25, the *Frankfurter Allgemeine Zeitung* ran a commentary by its Middle East correspondent, entitled "The Veil of Ambiguity," on Israel's debate on its own nuclear policy. The commentary admonishes the Israelis for keeping the debate secret, claiming that the Israelis are too locked into a bitter debate on the peace process to openly debate the real, "existential" threat posed by the Iranian and Iraqi missile capabilities. Three days later, the same daily reported on a "secret assessment" by NATO indicating that Iran is expected to soon possess medium-range missiles capable of striking Europe.

Even in NATO's newest member, the Czech Republic, policy circles are stepping into line. The Czech Chamber of Deputies is rushing through a law blocking the sale of air-conditioning equipment to Iran for use in Iran's Bushehr nuclear power plant. The blocking of the allegedly "dual use" air conditioners, is being timed for the arrival of U.S. Secretary of State Madeleine Albright.

Another military strike against Iraq

Reliable European sources have told *EIR* that a trans-Atlantic policy consensus is in place for a major military action against Iraq. Such a move is obviously planned as a dramatic show of force of Cohen's "rogue state" doctrine.

The source claimed that despite widespread agreement that Iran is pursuing its development of weapons of mass destruction, a consensus for a strike there has not yet been reached. This debate on whether to strike Iran is occurring despite the recent elections, which confirmed the reform trend of the past several years under President Khatami.

A strike against Iraq will, no doubt, be viewed by Iran as

a threat to its interests. More broadly, it will further enrage both the Russians and Chinese, who will see it as yet another instance of Anglo-American arrogance.

As of Feb. 29, the recently constituted United Nations Monitoring, Verification, and Inspection Commission (UNMOVIC) officially began functioning. This, of course, requires it to enter Iraq and begin operations where the now defunct UN Special Commission (UNSCOM) left off, prior to withdrawing from Iraq at the end of 1998. The UNSCOM withdrawal led directly to the Anglo-American bombing of Iraq, which occurred without United Nations Security Council approval. In fact, UNMOVIC, which was the result of a British-designed and U.S.-backed proposal, passed the Security Council without the support of China and Russia, which abstained from the vote.

Iraq, which claims it has fulfilled the UN resolutions for disarmament, refuses to accept UNMOVIC, and is demanding that sanctions against it be lifted.

On Feb. 29, in an interview with the Saudi daily *Al-Hayat*, U.S. Ambassador to the UN Richard Holbrooke warned that if Saddam Hussein does not allow UNMOVIC, headed by Hans Blix, into Iraq, then "his people will suffer the consequences." Holbrooke labelled Saddam "one of the most dangerous men in the world today."

As in the past, the drumbeat for war against Iraq is being carried out by Vice President Gore. In his letter to the London-based Iraqi National Congress, much publicized for his election campaign, Gore wrote, "I support a policy not only designed to contain the threat posed by Saddam's brutal regime, but also to help Iraqis one day secure a government worthy of them."

It was Gore who, at the end of 1998, pushed through the ill-advised bombing of Iraq. It is well known that Gore is not a supporter of the Middle East peace process, and is a very close friend of former Israeli Prime Minister Benjamin Netanyahu, the chief representative of the most hard-line lunatic faction in Israel and among international Zionist circles.

On Feb. 29, U.S. State Department spokesman James Rubin gave a familiar briefing, rejecting charges that the sanctions against Iraq are responsible for the suffering of millions of Iraqis. Saddam was accused of building 48 palaces at the cost of \$2 billion.

The BAC propaganda machine is in full swing. On Feb. 20, the London *Sunday Times* ran an article headlined "Saddam's Elite Troops Prime Poison Missiles," which quoted an alleged Iraqi defector from Saddam's Republican Guard, who claimed that only last year, his unit had training sessions loading chemical and biological warheads on missiles. The article alleges that Saddam was prepared to use biological and chemical weapons in the 1991 Gulf War, but was deterred only after the United States warned him that it would use nuclear weapons against him in response. Earlier in February, a *New York Times* article alleged that Iraq is maintaining a secret

biological weapons project, in addition to nuclear weapons and missile projects.

Meanwhile, the low-level air war against Iraq continues. Since the end of 1998, British and American planes have conducted hundreds of bombing runs on the pretext of counterattacking anti-aircraft missile installations, which they claim have threatened allied aircraft.

War and no peace

A glance at relations among Israel, Syria, Lebanon, and the Palestinians, shows that two diametrically opposed policies are at work, each backed by outside forces. The same BAC crowd orchestrating a renewed Gulf crisis is seeking to sabotage the possibility of a Syrian-Israeli peace deal, targeting Syria because of its alliance with Iran. Syria and Iraq recently reestablished diplomatic relations, which had been broken off in 1980 after Iraq attacked Iran.

At the end of January, Syria broke off peace talks with Israel, when Israel refused to make a firm commitment to withdraw from the Golan Heights to a new border defined by the so-called "June 4 lines," which have formed the cease-fire line between the two countries since 1967. In the intervening weeks, an escalation of fighting in the so-called Israeli security zone in southern Lebanon has led to a deterioration of the situation overall. As of this writing, the deadlock between Syria and Israel might be broken, following a reported intervention by President Clinton that resulted in indirect declarations by Prime Minister Ehud Barak that he was ready to return the Golan Heights up to the June 4 lines if Israeli concerns about security and water were met. The statement was said to have been well received by Syrian President Hafez Assad, and it led to reports that talks could restart within a few weeks.

By contrast, a well-connected British strategist told *EIR*, "There is a very real threat of war between Israel and Syria within the next months, in my view. If Syria doesn't come to terms with Israel, and Israel has to pull out of Lebanon without any deal, Israel will first waste Lebanon, and then will take Syria out."

The source claimed that the Americans "will tolerate" an Israeli military action as "necessary to bring Syria to heel," especially as the "pro-Israeli sentiment is getting stronger in the administration, since Al Gore is more pro-Israeli than Clinton."

The source said that the consensus in London, as well as in Brussels among European Union circles, is that Prime Minister Barak should drop the pursuit of an early peace deal with Syria, and instead concentrate on a final settlement with the Palestinians.

Prime Minister Barak, in a cabinet debate on how to move forward the peace talks with Syria, warned that if these efforts for peace should fail, Israel will face the "balkanization" of the Middle East.

Russia's Putin campaigns for 'order' in a Time of Troubles

The long-awaited campaign statement of Acting President Vladimir Putin appeared on Feb. 25 as an "Open Letter to Russian Voters," just one month before the Russian Presidential elections. It is excerpted in the pages that follow.

As Putin himself wrote, the document is short on details of the economic strategy, being elaborated by his teams of advisers. Instead, discussing his themes of "the strong state" and "the dictatorship of law," Putin struck old, deep chords in Russia, and spoke in the language of a Tsar to the people, in a time of turmoil: "It used to be said in Russia, 'Rich is our land, only there is no order.' They will not talk about us like that any more."

Putin's words should be understood in the Russian cultural matrix. The population of that country, from intellectuals across to peasants and destitute pensioners, currently evinces rage, and outrage about Russia's political and economic decline during the past decade. It is still to be determined whether, under Putin, Russia therefore strikes an adversarial posture toward the West, or if, should recent years' anti-Russia policies in the West be replaced by Lyndon LaRouche's design for a New Bretton Woods system and economic recovery, Putin could use his commitment to a "strong state" in a positive manner. (All emphasis is in the original; subheads have been added.)

Putin's record

. . . In the past half-year, people have had an opportunity to see what I consider to be most important, and what I am already doing in national politics and economics. But, on the other hand, the question remains: "Who is Putin, and what are his political plans?" . . . Therefore, I thought it was most proper to address you directly. *I decided to do so without intermediaries, succinctly and clearly to tell what I think about our life today, and what should be done to improve it. . . .*

Many people seek the roots of our failures, in the incompetent decisions, taken within different sectors of the economy. But, that is only partly true. Specialists are still debating where, precisely, the decisive mistakes were made. . . . I am convinced that there will be no coherent, functional program, as long as the economic section is written in one office, the political in another, and the international in yet another. All

of this is then mechanically pasted together and passed off as a single state program. . . .

Principles and priorities

Any program begins by identifying the main goals. A state program begins with what can unite all of us, as citizens of the country. *For the citizen of Russia, the moral principles, which he first acquires in the family, are paramount; they form the rudder of patriotism.* This is the main thing. Without it, there can be no agreement on anything, and Russia would have to forget about national dignity and even national sovereignty.

That is our point of departure. And the task of the leader is to ensure orientation toward common goals, to assign everybody to their places, and to help people believe in their own strengths. Only thus, can a unified team spirit be formed, and only thus may victory be achieved. Therefore, today it is most important to recognize our fundamental problems and precisely define our priorities. I am prepared to say, how I see them.

Our first and main problem is *the weakening of the will.* Loss of the will of the state and of perseverance in carrying through things that have been started. Vacillation, dashing hither and yon, the habit of putting off the most difficult tasks until later. *It is time, finally, to confront the problems directly, beginning with the most dangerous of them.* With the ones that put the brakes on and suffocate the economy, preventing the state from developing. To put it bluntly, these problems threaten our very continued existence. . . .

People do not believe promises, and state power is losing face more and more. The state apparatus has become unhinged, while its motor, the executive branch, squeaks and sighs at the least attempt to get it moving. Bureaucrats "push papers," but not much else, and have almost forgotten what work discipline means. Under such conditions, people naturally cannot rely on the force of law, nor justice from the agencies of power, but only on themselves. What use, then, do they have for such powers?

Chechen war as combat against crime

A clear example of this chronic evil, is crime.

With many years of idle chatter about the war on crime,

we have only driven that evil deep into Russia. Banditry has grown strong, penetrating the cities and the countryside. . . . Things reached the point where an entire republic, a constituent territory of our Federation—Chechnya—was occupied by the criminal world and turned into its bastion. But then we entered into direct combat with these bandits and routed them, so that a real step has been taken toward the supremacy of justice, and toward a dictatorship of law, equal for all.

Now, no matter where a terrorist or a criminal might be lurking, whether in Novgorod, St. Petersburg, Kazan, or any Russian city, he can no longer count on finding help and refuge in Chechnya. A heavy blow has been dealt to the bandit world.

That was the first step, after which others are to follow.

But, this could not have been done by sitting in Moscow, composing “programs for fighting crime.” We had to carry the challenge to the enemy’s battleground and to destroy him there.

I think that I have explained, just how other grave problems can and must be solved. Life itself shows that only by openly taking up the challenge, is it possible to win.

Setting rules

Another big problem of ours is *the lack of firm and generally recognized rules*. Like any person, society cannot do without them. For the state, the rules are the law, constitutional discipline, and order. This means security for the family and for citizens’ property, personal security, and confidence in the invariability of the established rules of the game.

The state must begin with itself. It should not only establish equal rules, but observe them. . . . In a lawless state, which is a weak state, a person is defenseless and unfree. *The stronger the state, the freer the individual person*. Under democracy, your rights and mine are limited only by the corresponding rights of other people. The law is built on the recognition of that simple truth, and all must be guided by it, from a representative of official power, to an ordinary citizen.

But democracy is the dictatorship of law. . . . The police force and the prosecutors must serve the law, and not attempt to “privatize” their assigned functions for their own benefit. . . .

People ask, what our relations should be with the so-called oligarchs, in this case. They should have the same foundations as all other relations! Just like our relations with the proprietor of a little bakery or shoe repair shop.

Only a strong and effective state can live by rules, that is by the law. And only such a state can guarantee entrepreneurial, personal, and public freedom. . . .

I know that many people today are afraid of order. But order means rules. People who try to confuse concepts and pass off the lack of order as true democracy, should drop their dirty tricks and stop trying to frighten us with the past.



Russia’s Acting President Vladimir Putin. The policy content of his advocacy of a “strong state” has yet to be defined.

“Rich is our land, only there is no order,” it used to be said in Russia. They will not talk about us like that any more.

A national inventory

We have a very poor notion, of what resources we possess today. Everybody apparently understands, that property is inviolable—but how much property is there, where is it, and exactly whose is it? Today, we do not even know in actual figures, what belongs to the state. . . . It is shameful that no one in the country today can provide exact figures on the number of functioning enterprises, nor how much they earn, nor even reliable figures on the population of the country. . . . Today, taking a great inventory of the country is as necessary, as air to breathe. . . .

In recent years, we have adopted hundreds of programs of “to-priority” and “priority” measures. There being so many of them, nobody has identified the true priorities. . . . We have constantly heaped big and small matters into the same pile. . . .

Our priority is to conquer our own poverty. We are accustomed to be proud of our wealth—a great territory, natural resources, a multinational culture, and the level of education of the nation. This in fact does exist. But that is

not sufficient for Russia as a great power.

We have to tell ourselves for once: We are a rich country of poor people. In general, we are a nation of paradoxes—not so much political ones, as social, economic, and cultural paradoxes.

Our children collect gold medals at international competitions. There is high demand for our best minds, in the West. Russian musicians and directors perform in the best concert halls in the world. The theaters in our capital always have overflow audiences. All of this is our wealth.

But, there is another side of the truth. It is not only depressing, it demands action. There are still millions of people in the country, who barely make ends meet. They skimp on everything, even food. There are parents and children, who cannot afford to visit each other, for years at a time. There are old men, who achieved victory in the Great Patriotic War and earned Russia the fame of a great power, who get by somehow, or even worse—scavenging on the street. It is the fruits of their labor, their resources, which our generation is now eating up, while replenishing the national treasury with practically no achievements of our own. *We have to pay them their due, not only as a social debt, but as a political and moral task in the full sense of those words.*

Yes, we have finally begun to pay pensions on time. We have begun to help the needy, as possible. But endless hole-patching, without breakthrough ideas and approaches, is really no way to solve a national problem.

Of course, it is impossible to escape poverty without money. . . . Here, our main resource is the new generation of working-age people, . . . young, energetic people, all those who have recognized the value of work and who can work their way forward in life. . . .

State regulation

It is our priority, to defend the market from illegal interference, either by officials or by criminals.

Today, we are simply obligated to ensure property rights and to protect the entrepreneur from arbitrary, illegal interference in his business. . . .

We have talked for many years about state regulation of the economy. People understand different things by this. But the essence of it is not to strangle the market and expand bureaucracy into new domains, but rather to allow the market to get its feet on the ground. People have the right to demand protection against their business falling into the hands of bandit groups. They have a right to demand the observations of rules for honest competition. All economic subjects must be treated on an equal footing. It is impermissible, for state institutions to be used in the interests of clan or group warfare.

The picture is clear, in my view. We have high taxes, but we collect only a small portion of them. We need low taxes, but we must collect them. Enough so that the state can be *strong and effective*. . . . *The key decision for our entire eco-*

omic policy is, how to make honest work more advantageous, than stealing. . . . Enough of feeding other countries, as our people are forced to keep their earnings in foreign accounts.

Russia's foreign policy

Our priority is a rebirth of the citizens' personal dignity, in the name of the country's lofty national dignity. Russia has long since ceased to be a truncated map of the Soviet Union, but is a confident power, with a big future and a great people. . . .

Our press is now free, for good. Our Army, which has come through its debt crisis with honor, is becoming better and more professional. Yes, Russia has ceased to be an empire, but it has not lost its potential as a great power. We shall not dictate to anyone or constrain anyone, but we have time and strength for ourselves. *The new generation has a great historic chance, to build a Russia, which we shall not be ashamed to pass on to our children.*

Those who claim that we would use this opportunity for purposes of dictatorship, are afraid of their own shadow. A great nation treasures its freedom and respects the freedom of others. There is no reason to fear a strong Russia, but it cannot be left out of account. To offend us is costly.

It is our priority, to construct our foreign policy based on the national interests of our own country. In essence, we must recognize the priority of domestic over foreign goals. . . . If certain international projects are not beneficial for our citizens, no matter how loudly and prettily they are promoted, there is no need for us to go there. . . .

There is not and never will be a national power, where weakness and poverty rule. . . . But, I would like to note that our present economizing of efforts by no means implies, that we have no place for external expansion, in the positive sense of the word. What other countries call zones of vital interest, we can also see for ourselves. But let us see them as sources for further peaceful economic, international, and political development.

'Our common purpose'

I have laid out here, what I consider the most essential. Those who object, that this is not yet an entire program, will be correct. I do not pretend to have the absolute truth, but I thought it was my duty to tell my fellow citizens about my principles and views on the state.

I am convinced: The main characteristic of the new century will be not the struggle of ideologies, but the acute competition for the quality of life, for national wealth and progress. Either there is progress, or there is not. No party principles, whether left or right, may be invoked to justify the poverty of the peoples. If there were a slogan for my electoral campaign, it would be very simple: *Dignity in life*. Dignity in the sense that most of my fellow citizens believe in it and want to see it. That is how I myself see our life, being a Russian person.

Euro-tour gives co-government status to Colombia's FARC narco-terrorists

by Ulf Sandmark and Valerie Rush

Seven leading narco-terrorists from Colombia were wined and dined across Europe, during a 23-day tour that took them to Sweden, Norway, Switzerland, Italy, France, and Spain. Together with Colombian government and business representatives, the delegation from the Revolutionary Armed Forces of Colombia (FARC) met with government ministers, deputies, and leading organizations of European industry, commerce, and labor. Official photographs of the meetings, published around the world, conveyed the message that it is acceptable for anyone to meet—and do business with—the drug-trafficking FARC killers. Prepared to take full advantage of this public-relations coup, the FARC is now planning a comparable tour of Ibero-America. Arrogant in its newfound “acceptability,” the FARC has even stated that it would like to visit the United States, despite being on the State Department’s list of banned international terrorists.

Raúl Reyes, the FARC’s financial chieftain and head of the delegation to Europe, summed up the tour: “The FARC has received *de facto* recognition of belligerency [status]; that is why, on this tour, we have been seen as a political force to be reckoned with; we have been put on the same level as the government.”

The London and Wall Street financial oligarchy, which is desperately counting on the billions in drug dollars that a “laundered” FARC will bring to the moribund world monetary system, is delighted with the FARC tour. According to the editors of the *Economist*, mouthpiece of the City of London: “The European tour has given new impetus to the peace talks. . . . The immediate benefits went to the FARC: Daily television footage of the rebel leaders in crisp business suits and ties meeting top officials in European capitals, was a propaganda coup.” The State Department’s Madeleine Albright publicly endorsed the tour as “an important contribution to peace efforts” in Colombia, despite widespread outrage among Colombians over this whitewashing of FARC narco-terrorism.

The FARC is not a legitimate liberation movement engaging in a “civil war,” as they and their apologists claim. Nor are they on the side of economic and social justice, as they repeatedly insisted to the Europeans they met with. Rather, the FARC is a 15,000-person scourge of kidnapers, assassins,

and terrorists, which long ago aligned itself with slavery and neo-colonial drug trafficking. They are responsible for kidnapping thousands of children and deploying them as child-soldiers in battle. They have kidnapped an estimated 1,500 Colombian citizens and foreign residents in Colombia, holding them for huge ransoms, just as often killing them as releasing them. They extort “protection money” from farmers, industrialists, merchants, and politicians who live, along with their families, under perpetual threat of kidnapping or death.

But the majority of the money which keeps the FARC *better armed and equipped than Colombia’s national defense forces*, comes from drugs: the cocaine and heroin which daily pours into the streets of the United States and countries around the world. Virtually all of the FARC’s fighting units are involved directly in the drug trade, either protecting the coca and poppy plantations and processing laboratories, taxing the growers and smugglers, or forcing the peasants, in the areas they control, to grow drugs. Last year, an estimated 520 tons of cocaine was produced in Colombia, double the amount from the year before. The dramatic increase is directly linked to the decision by President Andrés Pastrana’s government over a year ago, to give the narco-terrorists absolute control over a Switzerland-sized chunk of land in the south of the country, *in the heart of cocaine territory*.

Useful fools

The first stops on the FARC’s “Euro-tour” were Sweden and Norway, in order to lend the FARC and the Colombian government “peace negotiators” who accompanied them, some of the cachet of the Israeli-Palestinian peace accords, achieved in Oslo in 1993. Although the FARC’s invitation to Sweden formally came from the Swedish Association of Businessmen, these industrialists proved to be useful fools of their own government. It quickly became public knowledge that the tour had been organized jointly by Swedish Foreign Minister Anna Lindh and former Norwegian Deputy Foreign Minister Jan Egeland, the latter now a personal envoy to Colombia for UN Secretary General Kofi Annan. The government-linked Swedish Aid Authority paid the bulk of the cost of that first leg of the tour.



FARC members meet with Swedish Foreign Minister Anna Lindh (third from left). In the center is Raúl Reyes, the FARC's financial expert, who met with New York Stock Exchange president Richard Grasso; and to his left is Carlos Villegas, from the Colombian industrialists' association, and Colombia's Ambassador to Sweden Teresa Ivars.

Upon arriving in Sweden, all pretenses were dropped. The FARC leaders met first with former Foreign Aid Minister Pierre Schori, then with Lindh. They went on to meet with members of Parliament, government officials, leaders of industry and trade unions. The Colombian guests were brought to a palace in the forests of Sweden and entertained for eight days with seminars about the social “benefits” of the Swedish economic model.

The same pattern was followed in the other countries visited. In Norway, Jan Egeland and the United Nations were the official hosts, while the industrial associations of Norway and Colombia provided the seminars that gave a transparent cover for all the meetings with government officials.

In Spain, on the final leg of the tour, the FARC's Reyes appealed to the European Union to run interference against the United States. “The Colombian peace process is an internal issue which we Colombians have to solve, without outside interference, and I am referring to the U.S. In return, Europe, especially Spain, must become a balancing element to stop the interference of the U.S.” Reyes was referring specifically to individuals like U.S. Director of the Office of National Drug Control Policy Gen. Barry McCaffrey (ret.), who is fighting for the bulk of the \$1.6 billion aid package now being debated in Congress, to go to boosting the Colombian military.

The payoff

But the FARC's tour was not designed solely to give the FARC a patina of legitimacy. The tour served to kick off phase two of a process begun in January, with the visit to Colombia of the Millennium Group of 13 international finan-

cial and business leaders. The group, led by New York Stock Exchange President Richard Grasso, went to Colombia to offer political and financial backing to President Pastrana's so-called “peace process,” which is nothing less than the progressive dismembering of Colombia into terrorist-controlled drug plantations, as the first step toward drug legalization. Grasso, point-man for the operation, had gone down to the FARC-run “demilitarized zone” — where government forces are banned from entry — in the jungles of southern Colombia last summer, in a high-profile visit to discuss “investment opportunities,” a discussion captured by photographers in the infamous Grasso/Reyes embrace, since sarcastically dubbed the “*Grasso Abrazo*.” When he returned to Colombia in January 2000, Grasso brought his group of financial “heavy-hitters” with him, to convince the FARC that the international financial oligarchy was ready to play ball.

At the time of Grasso's visit to Colombia last June, the Wall Street executive had described Reyes as “very sophisticated [because] he knew a lot about investment and capital markets.” Reyes, in Europe, was accompanied by, among others, FARC regional commander “Simón Trinidad,” a former banker who turned his international connections over to the FARC when he joined their ranks. And yet, despite this, U.S. Undersecretary of State Thomas Pickering just returned from Colombia, and praised the FARC Euro-tour as necessary to make the narco-terrorists “acquainted with, and made aware of what's happened in the world in the last 40 years . . . and that they need to begin thinking about Colombia in the modern 21st century, not in the 18th or 19th centuries in what are antiquarian terms.” One is tempted to ask what Pickering has been smoking.

A 'Plan' for disaster

From President Pastrana's standpoint, the FARC tour of Europe was designed to convince the governments there that his so-called "Colombia Plan" is worth the billions he is asking them to commit to it. The plan, which few Colombians have been privy to, is a hodge-podge of proposals for stabilizing the country, anchored around a so-called anti-drug strategy which pledges to slowly reduce the country's vast acreage of drug crops by 50% over the next six years, and completely *over the next 12 years*—as if the country could possibly survive the political, economic, and social mayhem that long. Nowhere does it mention that drug production in Colombia is meanwhile doubling every *four years*.

The Colombia Plan also makes *no* mention of recovering the land currently under FARC domination, revealing that it was, in fact, designed for another purpose entirely. Rather than fighting drugs, Pastrana's Wall Street-endorsed Colombia Plan is a scenario for channeling international investment funds into so-called "alternative development" projects, which, in Colombia, are a euphemism for drug cultivation. A pilot project for the Plan is already under way inside the FARC-controlled territory, under the auspices of the Pastrana government and the United Nations, where millions are being channeled through the "authorities"—that is, the FARC—supposedly for road-building and "crop substitution." As former Armed Forces commander Gen. Harold Bedoya (ret.) told a Washington, D.C. press conference on Feb. 23, this is like handing Marshall Plan funds directly to Hitler and Mussolini, in the middle of World War II! (See "LaRouche, Bedoya, in Washington, Urge Defense of Nation-State, War on Drugs," *EIR*, March 3.)

Not only will drug cultivation *not* be eliminated this way, but the involvement of the United Nations, the International Monetary Fund, and foreign investors is a guarantee that the FARC will be protected from any attempts by the Colombian military and police to stop the kidnapping, blackmail, and drug trafficking which are the *raison d'être* of the narco-terrorists. This will mean the virtual legalization of the drug trade.

Anticipating such a scenario, President Pastrana has already agreed, under pressure from the international human rights lobby, to eliminate whatever resistance to this plan that might emerge from military ranks. Immediately following last month's release of a document by the non-governmental organization, Human Rights Watch, condemning the Colombian Armed Forces for alleged links to death squads, Pastrana announced that any member of the military against whom evidence—or *even suspicion*—of collaboration with so-called "paramilitaries" is alleged, will be automatically booted from the Armed Forces, without even benefit of an investigation. Analysts consider such a move, taken on the basis of the President's own discretionary powers, to be the death knell of the Colombian military as an institution defending a sovereign nation.

Continental Europe steps into the British trap

by Rainer Apel

Over the last three months, Germany most of all, but also France and Italy have been destabilized by "corruption" charges and other scandals directed against national political institutions. "Revelations" by the German-Canadian arms dealer Karlheinz Schreiber, a fugitive from German and Swiss prosecutors who lives in a comfortable exile in Toronto, played a crucial role in generating the scandals that have primarily paralyzed the Christian Democrats of Germany. But some aspects of Schreiber's insinuations have also re-opened investigations in France, into charges of embezzlement linked to the Elf-Aquitaine oil company, with which Schreiber did business in the 1990s.

In both France and Germany, the destabilization began in the first days of November 1999. On Nov. 2, French Finance Minister Dominique Strauss-Kahn was forced to resign over a relatively minor affair involving charges of embezzlement, during an earlier affiliation he had had with student insurance funds. And on Nov. 4, the German media reported charges of a conspiratorial transfer of 1 million deutschmarks in 1991, involving Schreiber and Walther Leisler Kiep, then party treasurer of the German Christian Democratic Union. This opened a big can of worms on illegal party-funding methods of the CDU.

What was the political context for these developments? Well, by late October, the governing Socialists of France and Germany were on the brink of breaking not only with the "Third Way" of Britain's Prime Minister Tony Blair, but the Germans and Italians were also about to join with the French in a united thrust for reform of the International Monetary Fund. This is not to say that those reforms would have solved the fundamental problem with the IMF's free-market austerity conditionalities, but what the French, in particular, had to say about the priority of state-run economies over the free market, has been a red flag for the hardcore monetarists of the British-American-Commonwealth (BAC) faction. The scandal-mongering campaign which the BAC launched, particularly against Germany, has now alienated the German Social Democrats from the French Socialists, such that the French find it impossible nowadays to discuss economic issues with the Germans, who seem obsessed with their domestic scandals. Phase One of the destabilization of France and Germany, through the paralysis

created in Germany, has worked rather successfully for the BAC crowd.

The second phase of destabilization was launched with the artificial, Europeanwide controversy over Jörg Haider, a right-wing populist, whose party became part of Austria's ruling coalition. When, more than three months after the national elections in October, coalition talks between the Austrian Christian Democrats and Social Democrats broke down in mid-January, the former decided to form a coalition with Haider's Freedom Party, instead. This provoked what commentators in the British press, such as Lord William Rees-Mogg of the *Times*, have slyly but appropriately described as "hysteria" on the European continent, resulting in a joint resolution of 13 European Union governments, backed by the British, to boycott Austria politically, as long as Haider's party, being pilloried as a "neo-fascist" party (although it is actually Thatcherite in its policies), stayed in the government. And the EU's General Administrator of Security Policies, Javier Solana, went beyond that, in a Feb. 17 interview with Germany's *Die Woche* weekly, when he called for the overthrow of the Austrian government: "There are only two consequences to be drawn: that the Austrians act, and that Chancellor Wolfgang Schüssel act by returning to the coalition" with the Social Democrats.

Schröder lashes out

It was German Chancellor Social Democrat Gerhard Schröder, however, who expanded the EU conflict with Austria into a new round of squabbling among the 14 anti-Austrian EU members themselves. In an interview published on Feb. 17 by the German weekly *Die Zeit*, which caused a uproar in Italy, Schröder said, in response to a question about whether he would call for the same kind of EU sanctions against Italy, should the Haider phenomenon emerge there, that the EU "would have to, if neo-fascists sat at the government table, there, again. . . . The new policy does not stop at [the borders] of states with a large population and great economic power." Schröder said that western Europe had gone through a profound transformation, with its single currency, its coordinated foreign and security policy, which was made possible by the sacrifice of national sovereignty. This implied a right to intervene in any nation's affairs: "Values and criteria do exist here, which set the standard for all members."

Schröder did not specify whom he meant to address, when talking about "neo-fascists" who might enter an Italian government, "again"; it may be assumed that he, like other commentators on the matter, was referring to the National Alliance party (AN). (Strangely enough, no reference is ever made to the Forza Nuova, the real neo-fascist party.) And, although a conservative party, the AN cannot be accused of xenophobic remarks of the kind that have been a trademark of Austria's Haider, which earned him the label "neo-fascist." What the AN has made its trademark these days,

is rather its vigorous campaign for a New Bretton Woods financial system—and the only ones that can criticize the AN for that, are those BAC/City of London circles that hold onto the ailing IMF system—the same circles that are orchestrating the destabilization of Germany and France, as the two other potential supporters, in Europe, of a New Bretton Woods arrangement.

Italians react

Schröder's blast did not go uncontested: Italian Prime Minister Massimo D'Alema announced that his government would make a formal protest to Berlin, while President Carlo Azeglio Ciampi asserted: "All Italian parties are democratic." Former Prime Minister Silvio Berlusconi, who had brought the AN into his government, called Schröder's remarks "an unacceptable interference into Italy's internal affairs."

Last November, when Schröder and his Socialist colleagues of France and Italy met in Florence, they agreed to oppose the economic policy of Tony Blair. What prompted Schröder, three months later, to threaten the Italians over the potential entry of a party like the AN into the government, if that same party featured a strong anti-Blair policy? Making the AN issue one of phony "neo-fascism in Italy," Schröder is doing the dirty work of the City of London, which wants the campaign for a New Bretton Woods and the debate about its original author, Lyndon H. LaRouche, Jr., to be firmly suppressed. A situation is being orchestrated in Europe which makes it a taboo for Europeans to look at proposals for an overhaul of the IMF system, because the Europeans are being told that it is politically incorrect to study initiatives that come from "such a party" as the AN.

Since all European governments will remain unstable, as long as they are unable to create a viable alternative to the ailing world monetary system, the cohesion of the European Union is now placed in question. If 13 EU governments could be so easily manipulated by Britain into a conflict with Austria, and when the German Chancellor threatens the same kind of action against the Italians, more such conflicts seem pre-programmed.

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

'Community of principle' is the basis of multipolar world

by Mary Burdman

The concept of a "community of principle" among nations, is the underlying idea for the creation of a multipolar world, as discussed by French Foreign Minister Hubert Védrine and Indian External Affairs Minister Jaswant Singh at a high-level international seminar on "India and France in Multipolar World," in New Delhi on Feb. 16-17.

This was an official visit for Védrine, which included a meeting with Prime Minister Atal Behari Vajpayee. The previous week, Brajesh Mishra, India's Principal Secretary to the Prime Minister and the National Security Adviser, had been in Paris meeting French President Jacques Chirac, after Mishra had participated in the annual Wehrkunde international security meeting in Munich (see *EIR*, Feb. 18, 2000).

At the Delhi seminar, Jaswant Singh called for a "concert of open societies," supported by an "overlapping network of institutions among governments and civil societies," to build a plural order in the world. He said that Indian and French leaders "have consistently chosen the broader and universal, over the narrow or parochial," and hence are "uniquely placed to contribute" to a multipolar world.

Védrine, in his speech, stated that he wants to replace American preponderance in the world, with a system of many different "poles," which "would not oppose each other, either individually or in groups, but rather, maintain mutual relations based on cooperation." Multipolarity, he said, is not about creating new rival blocs, but rather, about building cooperative relations among leading powers. "What sort of progress have we made, if, at the end of the day, new blocs are set up, lending themselves to alliances and counter-alliances among the poles, in a situation fraught with long-term instability?" the French minister asked.

Védrine said that France, in a "quest for controlled and constructive multipolarity," has embarked on discussions with many other nations, including the United States ("which is our friend and ally, but with which we are not aligned"), Russia ("to establish a long-term strategic Euro-Russian partnership"), China ("a global partnership"), and India ("a far-reaching strategic dialogue"), as well as Japan, Brazil, South Africa, and other nations.

"If a multipolar system is built, I am convinced that India will be and must be one of its poles," Védrine said. He endorsed India's right to be a permanent member of an expanded UN Security Council.

Countering the 'flight-forward school'

The importance of the discussion between France and India, can only be understood in the context of the extremely unstable international situation. The plethora of highly dangerous flashpoints—financial, political, and military—in the world, is alarming a section of international policymakers, among the transatlantic elites as well as within developing nations.

The 1997-98 wave of financial disasters which swept Asia and Russia, and brought down the "premier" Long Term Capital Management hedge fund, fuelled the Anglo-American military attacks against Sudan and Iraq, and the NATO war against Yugoslavia in 1999. Now again, increasing financial turbulence is driving the "flight-forward school"—typified by former U.S. National Security Adviser Zbigniew Brzezinski and his protégés in Washington, and by the circle around British Prime Minister Tony Blair—into provoking political and military conflicts wherever it would be to their advantage. Their top targets, are the "strategic triangle" countries of Russia, China, and India.

However, there is a second, more "realistic" grouping within the overall NATO/Western power-structure, especially in continental Europe, which fears that the flight-forward school's antagonism to Russia and China is spinning out of control. While some among this faction may be attempting only to enlist the Russians into some form of crisis-management, others, however imperfectly, are seeking some kind of genuine solution to the world's vast troubles.

As was demonstrated at the Munich Wehrkunde conference, and even more broadly at the tenth summit of the UN Conference on Trade and Development in Bangkok on Feb. 12-18, there are many national leaders from India, Malaysia, China, Africa, and Ibero-America, who are willing to state the truth about the perilous state of the world economy and its consequences, and to discuss alternatives to the madness

of free-market globalization.

A measure of the genuine quality of the French-Indian concept of a multipolar world, is that both foreign ministers made very clear, that while they oppose the overbearing U.S. weight in international relations, their policies are *not* anti-American. Rather, their blunt criticisms were simply, as Védérine said, speaking the truth. A more balanced world, Védérine said, was in the interests of the United States itself, and the United States remains a “central and major factor in international stability.” The “overly unipolar system is excessive, it is questionable, and it has negative implications, including for the United States.”

Singh, who referred to unease in France, Russia, China, and India, about American hegemony, also stated that all “these countries continue to enjoy important bilateral relationships with the U.S. . . . This is also an engagement they all value.”

How to achieve a multipolar world

On the eve of his trip to India, Védérine had given an extensive interview to a leading Indian daily, *The Hindu*, which was published on Feb. 15. Asked about his concept of a multipolar world, Védérine replied that, since the collapse of the Soviet Union, “we have lived in a changed world, . . . where one power is predominant in all fields, and that is the United States. Because it is dominant in all these fields, I have said that the U.S. is a ‘hyper-power.’ This is not criticism, but just a statement of fact.

“We do feel this is not a healthy situation to be in. Indeed, the world is a diverse one. And we believe that maintaining and protecting diversity across the world is a crucial issue. . . .

“The U.S. is a great friend of ours. . . . But we do think that other countries have a right to exist as well,” Védérine told *The Hindu* Paris correspondent C. Raja Mohan. “It is also true that from the American point of view, too, a balanced situation would be better for them. . . . We believe in a world where there won’t be just one American pole. If we have other poles, in India, China, Russia, Europe, and maybe elsewhere, too, and if, obviously, these different poles cooperate and work together, it would be a better world.

“We have to maintain an effective multilateral context, and that is the United Nations, plus, a reformed UN Security Council. Multipolarity is about geopolitical balance, plus a way of taking into account the richness and diversity of the world.”

On his strategy to get to a multipolar world, Védérine said: “For the Americans, it entails accepting the idea of a true dialogue and cooperation with the others.” For India, “it would entail having a more global approach. The Chinese problem is different again. Russia will have to cope with the problems it is facing today before they can redefine their vision of international relations.” Europeans “have a global and comprehensive vision. . . . What we will have to overcome is the simultaneous challenges of expanding Europe

while reforming its institutions. Obviously, whenever we mention a multipolar world, it has an interest for us only if Europe is one of those poles.”

Védérine noted that while some Americans initially took umbrage at the phrase “hyper-power,” they subsequently “discovered that it was just a statement of fact,” and that U.S. analysts had previously used the same phrase. “When you look at what American leaders say when they talk about the U.S., it is very obvious that they adopt a very similar line of thinking,” he said.

At the New Delhi seminar, Védérine noted the additional problem, that interventionism for “human rights” is being used increasingly at the peril of national sovereignty, notably in Kosovo and East Timor. “The way in which Western countries sometimes impose [human rights] through threats, or use them for their purposes . . . may lead to suspicion and rejection, because at times they seem to have colonialist or power-mongering overtones.”

Indian response

Védérine’s interview was read with great interest in India. The timing is opportune. India had been in a state of political instability that left the country inward-looking for almost five years. The present Bharatiya Janata Party-led government under Prime Minister Vajpayee, however, is gripped with many developmental and financial shortcomings, but not that of political instability.

Indo-French relations, although developed over decades in the context of the Cold War and other political constraints, have always been cordial. France has long been one of the major providers of key technologies to India, including helping India develop its sodium-cooled nuclear breeder reactor technology, and providing the country with space satellites when Indian space research was in its nascent stage. In addition, France has also provided the Indian Air Force with Jaguar fighters, which are produced jointly by France and Britain. There is no doubt that more such mutually beneficial deals will be made in the future.

It is for these reasons, perhaps, that the French Foreign Minister’s trip was well-organized. In addition to the Brajesh Mishra visit to Paris, the Indo-French Forum met for the fourth time a couple of days before Védérine arrived. The forum, attended by scientists, intellectuals, educators, and businessmen of both countries, focussed on future cooperation in information technology and food processing. Jean François-Poncet, the French co-chairman, said that he hoped the two sides would “suggest practical steps” to the governments for follow-up.

A few days prior to that, Indian President K.R. Narayanan was invited to visit France in April.

Conflicts intrude

Despite the overall encouraging quality of the French-Indian political dialogue, very thorny problems emerged dur-

ing Védérine's visit. New Delhi was certainly most happy to hear an important member of the Group of Seven, the nuclear weapons club, and a permanent member of the UN Security Council, advocating that India play a role in a multipolar world. But, the happiness was tempered.

In his interview with *The Hindu*, Védérine had stated that France is "ready to increase our cooperation in the field of civilian nuclear technology. This would meet and satisfy a great need in India." However, he noted, "to be able to make progress in this field of cooperation, India has to show it is ready to go along with the international [nuclear non-proliferation] regimes."

The Hindu observed that this is the furthest anyone in the West has gone in suggesting that if New Delhi signs the Comprehensive Test Ban Treaty (CTBT), India could begin to benefit from nuclear technology transfers that have long been denied to it. France itself—in contrast to the non-signatory United States—has signed the CTBT. However, this was only after France had conducted a series of highly controversial nuclear tests in the Pacific in 1995-96.

Védérine repeated, when he reached New Delhi, that France is looking for "positive signals" from India, including signing the CTBT and accepting the controls for safeguards stipulated by the International Atomic Energy Agency. It is exactly this, that India, after conducting a mere two tests itself in 1996, after long years of restraint, is unwilling to accept.

In addition, Védérine, despite his express rejection of the United States as the "only pole," made clear that France would like to have the Americans mediate in Kashmir. Since independence in 1947, and the subsequent, still-unresolved crisis arose over the future of the states of Jammu and Kashmir, New Delhi has consistently held that this is a *bilateral* issue, which must, and can only, be resolved between India and Pakistan. While Islamabad has consistently tried to "internationalize" the issue, and demands international mediation, New Delhi has always rejected this.

Despite the fact that Prime Minister Vajpayee emphasized that India utterly rejects the first use of nuclear weapons, Védérine blamed India for raising the nuclear threat on the subcontinent.

On the issue of cross-border terrorism—a national security issue for India, especially since the Pakistani intrusions in Kashmir's Kargil region in the spring of 1999—Védérine was most careful. He said that France is not "involved in the problem," and does not want to take on the role of one of the partners. But, when the Indian media pointed out that, prior to his visit, Prime Minister Vajpayee was quoted in the French daily *Le Figaro* saying that France had to make a choice on whether it wanted to have a strategic dialogue with a democratic India or a military-ruled Pakistan, Védérine said that he was not aware of this statement, and that he would take it up with the Indian Prime Minister. Nothing has been heard about this since.

Weapons sales

Despite these problems, France is very eager to deepen its defense cooperation with India. Paris is making maximum efforts to sell the Alpha Jet Advanced Jet Trainer to the Indian Air Force. This is the reason why, three days before Védérine arrived, the French Foreign Ministry and Air Force brought the biggest-ever defense contingent to visit India for one week. France is finding it difficult to sell the Alpha Jet. The German Air Force, which bought the Alpha Jet, has discontinued its use. If India decides to buy it, it would require close to 60 of the jet trainers, and such a purchase would fulfill French hopes to revive the production facility.

The Védérine visit may open up other collaboration between Indian and French firms in the near future. Among the projects on the table, is the opening of a French cultural center in Mumbai (Bombay), a laser factory jointly financed by India and France, and an exhibition of Picasso's work in major Indian cities by the year 2002.

French firms are also looking to India to purchase their water purification and nuclear fission technologies. This potential remains curbed by France's strict adherence to the ban on the transfer of dual-use technology.

The tone set by Védérine's visit, should certainly be noted in Washington. On March 19, President Bill Clinton arrives in New Delhi, to make the first visit of an American President to India, the world's largest democracy, in more than 22 years. The next day, Clinton will go to Bangladesh, to make the first ever visit of a U.S. President to that democratic nation of more than 80 million people, and then return to India the same day, where he will remain until March 24. It remains unclear, and a controversial issue, whether Clinton will visit, or even stop over, in Pakistan.

This visit of the U.S. President comes amidst a dangerous atmosphere of escalating tension between India and Pakistan, over Kashmir especially. There is much reason to fear, that once the winter weather conditions end in the region, war between the two countries will become a possibility. While the nuclear-armed military leadership in Pakistan has gone on a confrontation course with India over Kashmir, India has remained determined to resist nuclear blackmail. At the same time, as Indian Defense Minister George Fernandes said at a New Delhi seminar on Jan. 24, India remains prepared to both fight and win limited wars, as it did in the Kargil conflict of spring 1999.

Clinton is making this visit very late in his administration, and the issues so far being mooted for discussion, include the CTBT and Kashmir. Clinton has stated, that he respects the Indian position, that Kashmir is a bilateral issue, and that it might be possible he could have constructive input into the fraught situation on the subcontinent. However, if he fails, the war danger would only be increased. The potential does exist, within a world situation approaching chaos, that such a conflict could get out of control, and even escalate toward nuclear war.

International Intelligence

UN anti-drug report scores Europe's laxness

The United Nations International Narcotics Control Board Report, issued on Feb. 23, was sharply critical of several European governments, for their laxness in fighting the drug plague, amounting, in several cases, to promoting illegal practices. For example, the report said, the British and Dutch governments failed to do anything about a new, increasingly lucrative Internet trade in cannabis (marijuana and the powerful concentrate, hashish), including the sale of potent new strains. The report also attacked the government-sanctioned heroin "shooting galleries" in Holland, Spain, and Switzerland, where, under the excuse of preventing the spread of AIDS, addicts are given "clean needles." The Control Board compared these "shooting galleries" to the opium dens of the 19th century, whence addiction simply spread.

The report documents that, in Britain, 25% of all 13-year-olds have used drugs, most often cannabis, while, in France, 33% of all secondary school students have used drugs at one time or another. The report further expresses alarm over the rise in cocaine and amphetamine use.

According to the London *Financial Times* on Feb. 24, Antonio Lourenco Martins, president of the International Narcotics Control Board, expressed concern about the role of offshore financial centers in laundering drug money, saying that "financial havens" had become "an enormous hole in the international legal and fiscal system, and a challenge to international drug control efforts worldwide."

CDU scandal no benefit to SPD-Greens in state vote

Germany's Christian Democrats (CDU) lost the state parliament and governorship in elections in Schleswig-Holstein on Feb. 26, but were not damaged so badly by the party funding scandals as might have been expected. And, while the Social Democrats (SPD) technically won the election, the

Green party, which was expected to gain votes on the SPD's coattails, actually lost seats. The SPD won 43.1%, an increase of 3.3% over four years ago. The SPD's gains were at the expense of the Green party, its national coalition partner in Berlin, which lost 1.9%, from the 8.2% since the last election.

The Greens have not recovered from their profound crisis, which began with the Hesse state election in February 1999. Even leading Greens have warned that this erosion of their vote has to do with the popular rejection of the ecology taxes imposed by the SPD-Green national government in Berlin; simply put, erstwhile Green voters who drive cars, balked at having to pay these taxes.

CDU voters who defected, for the most part, did not vote for the SPD. The heretofore moribund Free Democrats (formerly the national CDU coalition partner) went from 5.7% to 7.6% in Schleswig-Holstein, while the CDU losses were kept to 2.2% over four years ago. In post-election polling, only 13% of CDU voters said that the party financing scandal influenced the way they voted.

New U.K. law to allow forcible Ritalin use

The Tony Blair government in Britain is proposing to remove legal restrictions on forcible drugging, writes London *Observer* health editor Anthony Browne on Feb. 29. According to British mental health professionals, the pending legislation to reform the Mental Health Act, proposes that doctors be allowed to drug people, including children, if they have "any disability or disorder of the mind or brain, whether permanent or temporary, which results in an impairment or disturbance of mental functioning." The legislation would do away with the safeguard, against drugging people against their will, unless they show "seriously irresponsible or abnormally aggressive behavior."

Browne writes: "The concern over the legislation follows alarming evidence that tens of thousands of schoolchildren with mild behavior problems are being drugged with Ritalin . . . simply in order to control them. In England, the number of prescrip-

tions for the mind-drug Ritalin—which is given to so-called 'hyperactive' children to improve concentration—has shot up from just 3,500 in 1993 to 126,500 in 1998. The U.K. is rapidly following in the path of the U.S., where a report last week showed that 3 million children—one in every 30—are now being given Ritalin. Children as young as two are being given mood-altering drugs, including anti-depressants."

Browne adds that "critics claim that drugs such as Ritalin are being used so widely, because they are an easy way to control difficult youngsters. The drug is usually prescribed for kids suffering from the highly controversial medical condition called Attention Deficit Hyperactivity Disorder (ADHD), even though there is no agreement on what causes it, or even whether it really exists. Two years ago, Dr. Edward Hamlyn, a founding member of the Royal College of General Practitioners, described ADHD as 'a fraud intended to justify starting these children on a life of drug addiction.' Many medical experts believe that attention deficit or hyperactivity can simply be the result of glandular disorders, nutritional problems or even just tiredness, and so no mind-altering drugs such as Ritalin are required."

Ritalin, the stimulant methylphenidate, is both highly addictive and has a high abuse potential. In 1998, the UN International Narcotics Control Board report listed Ritalin, along with prescription pain-killers and stimulants, among the leading prescription drugs on the international black market.

Syria's Assad gravely ill, say Israeli sources

Uri Dan, the personal publicist for Israeli fascist Ariel Sharon, and a shared employee of Rupert Murdoch's *New York Post* and Conrad Black's *Jerusalem Post*, claims in the *New York Post* on Feb. 28 that Israeli sources are reporting that Syrian President Hafez al-Assad is in poor health, and may be dying of leukemia. His death would bury hope of completing a peace treaty between Syria and Israel, Dan gloated. He reported that an American think-tanker recently met with Assad in Damascus, and was struck by how ill he looked. And, a Jordanian diplo-

THE BASQUE ETA terrorists set off a car-bomb in Vitoria on Feb. 20, killing local Spanish Socialist Party leader Fernando Buesa. All Spain's leading parties are now calling on the Basque regional government to dump the ETA's legal front, Herri Bata-suna, from its coalition government. Spain will hold regional elections on March 12.

BRITISH Foreign Secretary Robin Cook went to Georgia on Feb. 24, where he showed off the character of Perfidious Albion: While in Moscow earlier in the week, Cook had cooed about how much he enjoyed meeting with Russian Acting President Vladimir Putin. But, once in Tbilisi, Cook warned Russia not to interfere in Georgia's internal affairs, and not to further upset the delicate situation in the Caucasus.

INDONESIAN PRESIDENT Abdurrahman Wahid appointed Henry Kissinger as an adviser, it was announced on Feb. 28 in Jakarta. Kissinger said he will confer with President Wahid at least once a year on political and social policy.

MI5 IS SUING its former agent David Shayler for breach of contract and jeopardizing national security, after failing to silence the renegade ex-officer. The spy agency had tried to bring Shayler up on criminal charges, but was unable to get the French government to extradite him several years ago. In interviews, Shayler has accused both British intelligence services MI5 and MI6 of a variety of dirty deeds, including involvement in the death of Princess Diana.

SOUTHERN SUDAN is being abandoned by private aid agencies, after John Garang's Sudanese People's Liberation Army gave all aid agencies until March 1 to sign a "memorandum of understanding" with the SPLA, giving it effective recognition as a sovereign government. Garang's war against Khartoum has left thousands in the south starving.

mat, according to Dan, made a similar report to Israeli officials. "The Jordanian fear is that if Assad passes away, his son Bashar will not be able to make the tough decisions needed in the foreseeable future," said Dan.

But, he also reported that, at the Feb. 26 Israeli Cabinet meeting, Prime Minister Ehud Barak made a major concession to Syria, accepting the June 4, 1967 border between Israel and Syria, which would return land adjacent to the Sea of Galilee to Syria. Barak, at the meeting, cited the fact that earlier Prime Ministers, including Yitzhak Rabin, had approved of withdrawal to the "June 4th Line."

The effort to re-start the Israeli-Syrian peace talks has been, according to Dan, completely coordinated with U.S. President Clinton. Other news accounts say that the President has been personally involved in private phone discussions with both Barak and Assad to get the peace talks going on a more advanced track, after several months of inaction, following the Shepherdstown, West Virginia meetings earlier this year.

Brazilian patriots must read EIR's 'The Plot'

Two Brazilian publications, *Ombro a Ombro* and *Tribuna da Imprensa*, urged their readers to study EIR's book *O Complot*, the Portuguese translation of its 1993 book *The Plot to Annihilate the Armed Forces and Nations of Ibero-America*. In its February issue, the journal of the Brazilian retired military association, *Ombro a Ombro*, carries an article, "What Are They Being Taught?" which recommends that all military cadets should be given *The Plot*. Military education should explain the global situation: that since the fall of the Soviet Union, "it is the United States, in alliance with the British and the Canadians, which defines the international conjuncture. Some even refer to it as British brains and U.S. muscle," operating in Lord Palmerston's tradition that Britain has only "permanent interests, but no permanent allies." In this New Order, says *Ombro a Ombro*, our nations are allowed to only have small rapid deployment forces, ready to be deployed by foreign mentors to intervene against states that resist the New Order.

Thus, Brazil's Armed Forces would only be "available international militias," with orders to set aside the Armed Forces' legitimate role in national development.

In the daily *Tribuna*, the military-linked journalist and outspoken nationalist Carlos Chagas recommended *The Plot* as "an antidote to globalization," in a two-part series on Feb. 24-25. Entitled "How to Dissolve National Sovereignty," Chagas's series exposes Brazil's President Fernando Henrique Cardoso, as the eager instrument of the Inter-American Dialogue, which he helped found, with the commitment to destroy the nation-state. Chagas, using EIR's material, reviews how the Dialogue—and Cardoso—view Brazil's military as an obstacle to their plans to transform Brazil "into an immense plantation, exporting raw materials and semi-manufactured and under-valued products."

Former E. Timor Fretilin leader meets with Wahid

A former leader of the East Timor Fretilin guerrillas attacked UN corruption for creating the current mess, according to the Feb. 25 *Jakarta Post*. Abilio Araujo, now president of the Timorese Nationalist Party, travelled to Jakarta, to meet with Indonesian President Abdurrahman Wahid and Vice President Megawati Sukarnoputri, and reported that "international support falls short of meeting the serious current shortages and needs of our new country, while there is little we can do during this transitional period."

He attacked East Timor leader Xanana Gusmao's policies, especially making Portuguese the national language and dollarizing the currency. Araujo favors Bahasa Indonesian as the official language, "to enable us to have a greater presence in the community of Malay-speaking people, a community which East Timor is part of, and where 300 million people understand each other by means of Malay, the root of Bahasa Indonesian." Araujo advocates reconciliation with the Indonesian Army rather than vengeance, and called on Wahid to help rebuild East Timor, and to allow the 2,000 East Timor students in Indonesia to finish their studies.

LaRouche fights for justice, above sewer of U.S. politics

by Michele Steinberg

As the campaigns of the so-called front-runners George W. Bush and Al Gore have become a shrill effort to keep substantive political debate out of the election, and with the media writing political obituaries for Democratic Party challenger Bill Bradley, the Lyndon LaRouche campaign is engaging Americans, particularly students, Hispanic Americans, and the real working base of the Democratic Party, at an unprecedented level.

On March 2, LaRouche's Democratic Presidential primary campaign released a 24-page pamphlet entitled the "U.S.A. vs. Lyndon LaRouche: 'He's a Bad Guy But We Can't Say Why'" (see *Feature*). Following LaRouche's Feb. 22 victory in the Michigan Democratic primary, and a worldwide "Day of Reckoning" on Feb. 25 that featured rallies and meetings supporting LaRouche, the release of the pamphlet is a shaped-charge escalation leading up to the March 7 and March 14 primaries, where LaRouche is facing off against Bradley and Gore in 15 states.

The pamphlet, which documents 30 years of targeting of LaRouche by the U.S. Department of Justice (DOJ) and former National Security Adviser Henry Kissinger, will be presented at press conferences across the country, where LaRouche representatives will report on the international human rights campaign to stop the blackout of LaRouche's Presidential candidacy, and to stop the deliberate disenfranchisement of LaRouche voters being carried out by Gore and his racist cabal in the Democratic National Committee (DNC).

Campaign representatives have started an intensive outreach to civil and human rights organizations, including the Organization for Security and Cooperation in Europe, and to the thousands of VIPs in the United States and around the world who have signed an appeal to President Clinton to exonerate LaRouche. As the pamphlet documents, LaRouche was framed up by means of "secret files" and other illegal tactics of the DOJ in its 30-year campaign of injustice against him.

'Stop ducking ...'

The LaRouche campaign has exposed the continuing heavy-handed, illegal operations which are designed to keep him from being heard by the mass of voters whom Franklin Delano Roosevelt termed "the forgotten men." His candidacy has successfully *mobilized* tens of thousands of Democratic voters in Michigan who had been shunted aside by the DNC. After LaRouche's victory in Michigan, campaign supporters took to the streets in cities all across the United States and western Europe in a "Day of Reckoning," demanding free elections in the United States, and a halt to the rigging of the Presidential primaries.

On Feb. 25, outside newspaper and Democratic Party offices, and in downtown areas, rallies and leafletting by LaRouche volunteers urged Americans to throw off the attempts by Wall Street, through the Gore wing of the Democratic Party, to exclude LaRouche. The rallies had a great effect, activating citizens against the blatant media censorship and the racist moves by the DNC to rip up the Voting Rights Act, and engaging the population in real politics.

In Washington, D.C. and Maryland, the LaRouche campaign demonstrations raised a ruckus, when a 6-foot, Donald Duck look-alike joined activists in visits to the haunts of the leading establishment politicians. The duck and his associates carried signs that said, "Stop ducking the issue," "Stop ducking LaRouche," and visited the Maryland State House in Annapolis. In Washington, the entourage made appearances at the U.S. Supreme Court, the DNC office, and the *Washington Post*, whose owner (dubbed "Katharine Graham-quacker" by one sign) has systematically blacked out all mention of LaRouche.

The DNC's practice of locking out real Democrats was exposed, as the duck, accompanied by LaRouche Democrat and Maryland Central Committee member Helen Alexander, approached the office, and asked to speak with DNC chair Joe

Andrew or his spokesman Dwayne Ingram. Alexander was, at first, told that “someone” would come down and speak with her, every entrance was shut tight, and nobody, not even employees or even a flower delivery boy, was let in or out.

The most popular targets of the demonstrators were the media outlets, the leading culprits in “fixing” the U.S. election. The *New York Times*, CNN, and other major radio and TV stations in cities from Philadelphia to Detroit to Los Angeles, all heard from citizens who are outraged at their elimination of LaRouche from normal election coverage and debates. “Wall Street and the News Media Preach Democracy Abroad, But Practice Vote Rigging at Home!” read one sign-board sported by picketers in Philadelphia.

All the way to August

On Feb. 22, the day of the Michigan primary, LaRouche campaign volunteers participated in an Internet town meeting dialogue with LaRouche. Campaign volunteers asked LaRouche to lead them into the next phase, the March 11 “caucuses,” where the DNC racists under Chairman Andrew have excluded LaRouche and his thousands of voters from the delegate selection process. In that discussion, LaRouche said, “Let’s create a Michigan Freedom Democratic Slate caucus!” and urged supporters to fight to ensure that all Democrats’ votes are counted.

To that end, a letter was sent to Michigan supporters in early March from the LaRouche campaign, urging Democrats to rise to the occasion. It reads in part: “Just as in 1964, Fannie Lou Hamer and the Mississippi Freedom Democrats fought the racists in the Democratic Party in defense of the right of *all Americans* to vote and have their vote counted, so today we intend to do the same. This fight is not just to defend our own rights, but to defend the very foundation of our nation—the sacredness of the right to vote—a right for which many have given their lives.

“For this purpose, we hereby constitute ourselves as the Michigan Democratic Freedom Caucus. Should [state party chairman] Mr. Brewer, or any other party official, disregard the U.S. Constitution, the 1965 Voting Rights Act, and the Michigan Democratic Party Rules and Delegate Selection Plan, which provides for a write-in vote for any candidate not placed on the ballot by the party apparatus, we will oppose this party tyranny and take a challenge all the way to the August Convention, just as the Mississippi Freedom Democrats were forced to do in 1964.”

The LaRouche Democrats will be going into the Michigan caucuses in a strong position, given the fact that their campaign won citizen support in gathering more than 20,000 petition signatures, and brought out tens of thousands of voters to the primary, contrary to the instructions of the Democratic Party leadership. In some parts of Detroit, LaRouche garnered more votes than George W. Bush.

The importance LaRouche’s campaign was all the more evident following the Feb. 29 elections that saw the media fawning over crown prince, George “Dubya” Bush, who “re-

captured momentum” by winning the Republican primaries in Virginia, North Dakota, and Washington state. For months, the Gore apparatus has been working to cancel Democratic primaries wherever possible—which they accomplished in Virginia, South Carolina, Arizona, Puerto Rico, and Kansas. The Gore forces also have a pre-rigged deal with Bush, to herd independent voters into the McCain column in order to keep them from voting for Bradley or LaRouche, with the assurance that the Bush camp has devastating exposé material against McCain which will eliminate him from the race, once Gore has presumably secured the Democratic nomination.

Real politics needed

With this corrupt deal in full force, the Feb. 29 primaries sunk to septic-tank levels, with Pat Robertson forces accusing McCain of kissing up to gay rights groups, and of religious bigotry when he attacked the so-called “religious right” as hypocrites. For his part, McCain, trying to maintain the image of “insurgent reformer” against big-bucks Bush, attempted to “expose” Bush for holding a campaign rally at the right-wing Bob Jones University in South Carolina, which condemns interracial dating, and whose head, Bob Jones, refers to Pope John Paul II and the Roman Catholic Church, as being in league with the Devil. But, after McCain’s campaign made the error of falsely stating it had had “nothing” to do with telephone calls denouncing Bush for the Bob Jones University appearance, McCain was roasted for “dirty tactics” and a cover-up. But, the fact is, that McCain has failed to attack Bush for his real horrors—like his dirty Texas deals which enriched him, and his maltreatment of the poor and hungry.

On the Democratic side, one day before the Washington state primary, an avalanche of false reports went out that Bradley was dropping out of the race. On Feb. 29, election day, Bradley spokesman Eric Hauser had to call a press conference to deny the rumors, and told reporters that maybe the rumors were “wishful thinking” on the part of Gore. Bradley purchased five minutes of national television air time on March 2, to address the American voters directly.

In Harris County, Texas, Houston Democrats are worried about the “LaRouche factor,” according to the “Politics” column in the Feb. 27 *Houston Chronicle*. Headlined “Republicans, Democrats Worry about Primary Party Crashers,” local leaders of both parties are quoted expressing dismay about voters crossing over to vote in the other party’s primary. Though not mentioned in the column, the *Chronicle* carried a commentary the week before by local Democratic Party leaders David Jones and Mike Charlton, in which they called for Democrats to vote in the Republican primary. In response, two Houston area Democratic clubs drafted a “manifesto” to explain to Democrats why they should vote in the Democratic primary, which the “Politics” column summarized as follows: “They noted that ducking the primary perpetuates a bad cycle that results in fewer Democrats running for office, and portends the party’s takeover by fringe groups such as supporters of Lyndon LaRouche.”

The Diallo affair, and the new violence in the United States

by Dennis Speed

Injustice *anywhere* is a threat to justice *everywhere*.
— Dr. Martin Luther King, Jr.

The fault, dear Brutus, is not in our stars, but in ourselves.
— William Shakespeare, *Julius Caesar*, Act I

Since Feb. 4, 1999, when West African immigrant Amadou Diallo, a 22-year-old devout Muslim with no criminal record, was gunned down without provocation by four policemen in the Bronx, New York City, investigators for *EIR* have followed this case without comment. Now that an acquittal has been rendered, resulting in an explosive effect on at least part of the nation, it has become urgent, that direction be given to the electorate, and the populace in general, as to *how* to think about this tragic event, and the culture of death that spawned it.

Since 1975, when New York City was forced under the financial dictatorship of the Municipal Assistance Corporation, (otherwise known as “Big MAC”), that austerity regime has introduced a “New Dark Age cultural paradigm-shift,” to erode the social resistance that would have otherwise naturally overthrown the Big MAC enterprise. New York led America’s way, in a Wall Street parody of 1920s Weimar Germany, into the “post-industrial society” (for example, New York was home to the infamous “Studio 54,” which performed the multiple functions of a whorehouse, drug-den, and after-hours “diplomats lounge,” and whose lawyer, and Babylonian ring-master, was the notorious East Side degenerate, Roy Marcus Cohn).

A faction of Wall Street and British financiers has decided, Hitler-style, that, among the 80% of the “have-nots” of this and other nations, there are hundreds of millions of lives deemed “not worthy to be lived.” It is this mind-set, emanating from the top of the nation’s institutions, which must be examined in determining the cause of the Diallo killing.

Procedure replaces justice

The Diallo killing occurred, not because the officers intended, when leaving their car, to kill an unarmed, innocent man. It was the perversion of the very purpose of law enforce-

ment in the City of New York, that caused Diallo to die. Law enforcement in New York, is not carried out from the standpoint of the Constitution’s “General Welfare” clause, but rather from the standpoint of maintaining post-industrial “law and order,” by video-game-trained, New Age “Nintendo cops.” The function of law enforcement, particularly for “special forces units” in Mayor Rudolph Giuliani’s New York, is to produce a quota of arrests, gun confiscations, and the like, that “prove” that the lackey Mayor is doing his level best to make sure that “the streets run on time” for the 20% of the population in the upper-income brackets.

African-Americans, Hispanics, and Asian-Americans, are not the constituency to be placated. African immigrants are not only at the bottom of the list—they’re not even on the list. (The Street Crime Unit, a “Special Forces”/“Dirty Harry”/“cowboy” unit, whose slogan was “We Own the Night,” was the brainchild of Giuliani, Police Commissioner Howard Safir, and other errand-runners for Wall Street.) When confronted with the Diallo murder last year, Giuliani’s response was to announce, at a press conference on Feb. 13, that New York police would switch to hollow-point bullets (which do more damage to the intended victim, therefore requiring fewer rounds to be fired).

Diallo’s mother, interviewed by a reporter as she returned to her native Guinea, expressed not horror, nor revulsion at the Mayor’s action. She could not understand it; she could not fathom it. What had she, or her son, done to the Mayor, or to America, that they should be treated this way?

Perhaps there is no more pervasive, and perverted, crime in the 20th century than the slaughter of innocent individuals in the name of the law. Southern lynchings, the Nazi obliteration of the Warsaw ghetto, the continuing sanctions against Iraq, are eloquent testimony to that. The question is: If the adherence to “correct legal and police procedure” leads to the killing of innocent people, as it so often does on death row, as well as in the streets of America, what causes that? Are officers being trained, with the help of video games, not to apprehend, but to kill? Does Mayor Giuliani’s idea of the price of effective law enforcement, require policemen to risk killing law-abiding citizens in order to save them from crime?

EIR is not in the business of sculpting a “reaction” to the verdict in the Diallo case, a verdict which appears to be



A rally at the Justice Department on March 3, protesting injustice in the Diallo case.

internally consistent with the charge made to the jury, as well as with the case put on by the prosecution. Juror Helen Harder, in an interview with the *New York Times*, stated: "Two or three days earlier, I would never have expected that verdict. It surprised me. We were charged by the judge and told that the prosecution has to prove its case or there is no case. Well, that made it different."

Whatever one's conclusion may be about the fairness of the verdict, it is undeniable that the nation is plagued with an epidemic of violence—police violence, violence of armed and unarmed children, and death penalty executions which continue, even though ample evidence has been supplied, in Illinois and elsewhere, that this barbaric practice regularly kills innocent people, and contributes to a climate of blood-lust in which the morality of the lynching lies just beneath the surface of the so-called "retributive justice" of the state-sanctioned execution.

The tragedy

On Feb. 4, 1999, Amadou Diallo, an immigrant worker from Guinea, was shot in the vestibule of his home by four members of the New York Street Crimes Unit, at about 12:40 a.m. Diallo was unarmed, and offered no resistance to the officers. The plainclothes officers, who had been driving in their car, noticed Diallo as he was entering his home. They stated that they believed that he was acting suspiciously. They backed up their car, and two of them got out. One officer pulled out his badge, and said, "We'd like to have a word with you." Diallo continued to enter the vestibule of his building.

At some point, he pulled out his wallet, apparently in an attempt to identify himself. According to one trial witness and the four policemen-defendants, the first officer yelled, "Gun!" Forty-one bullets were fired in five seconds, 19 of them hitting their target. Forty-four minutes after midnight, Amadou Diallo was dead.

Diallo had no criminal record. He was a devoutly religious Muslim who did not smoke or drink. He was employed as a street peddler. During February of last year, the government of Guinea characterized the case as "of national importance," and organized a prayer service for him at the Faycal Mosque in Conakry, Guinea's capital. Members of Parliament, and other government officials, met the coffin at the airport, and Diallo was given the equivalent of a state funeral. The case has subsequently become quite well known throughout Africa.

Jurors indicated that they were shocked that the prosecution was not more aggressive, that they did not cross-examine witnesses, not even a criminologist who normally criticizes police methods in arresting suspects, but contended that, in this case, police had "followed the correct procedure." As reported in the *New York Times*, "James J. Fyfe, a criminologist at Temple University in Philadelphia and a former New York City police officer who often testifies against police departments, this time testified in the four officers' defense. He said that the defendants had broken no departmental guidelines and had been forced to make split-second decisions in what was a police officer's nightmare."

Juror Helen Harder stated, "All of a sudden, the case was

over. We had no idea, and still don't, why [the prosecution] didn't question him."

New York Post columnist Jack Newfield commented, with respect to the police officers, "All their assumptions and perceptions that night were wrong. They thought Diallo was a criminal, but he was not. They thought he had a gun, but he did not. They thought that he was reaching for a gun, but he was not. They thought he resembled the sketch of a rapist, but he did not. They thought he was an intruder on Wheeler Avenue, but he was not. . . . All four officers testified they saw a gun, which was only a wallet. . . . [Officer Sean] Carroll said he saw a 'muzzle flash' aimed at him. This was another hallucination. He fired 16 shots and reloaded."

What accounts for these assumptions on the part of the police force? Is it simply racial profiling? Or are we dealing with a set of officers who responded in accordance with "Nintendo"-style "virtual training"? The Street Crimes Unit, a testosterone- and adrenalin-powered outfit, had a quota of shakedowns, illegal gun retrievals, and arrests. Despite the fact that crime had decreased in New York City over the 1990s, arrests increased. For example, in 1993, there were 126,681 felony arrests. In 1998, despite a significant drop in crime, there were 130,089 such arrests. Also in 1998, prosecutors tossed out 18,000 arrests in the city, more than double the number rejected in 1994, *even before those arrests were reviewed by a judge.*

Columnist Nat Hentoff reports that Giuliani, in a conversation with Hentoff during Giuliani's days as a U.S. Attorney, before becoming New York City Mayor, once contended that the U.S. Constitution's Fourth Amendment did not contain the phrase "probable cause"—("The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause. . . .") It is within the Giuliani-defined matrix of "police procedures required for making the streets run on time," that one must seek the true perpetrators of the Klan-like killing of an innocent man on the doorstep of his adopted home.

The West Coast

In the March 6 issue of *Time* magazine, which has a poignant picture of Diallo on the cover, wearing a t-shirt emblazoned with the letters "USA," there is a report on the now-unfolding scandal involving the Los Angeles Police Department's Community Resources Against Street Hoodlums (CRASH) unit. One member of the CRASH unit, Rafael Perez, arrested for attempting to steal six pounds of cocaine from the downtown headquarters of the LAPD, has begun turning in so many other police officers, that a new term, borrowed from Rap music, "gangsta cops," was coined to describe the LAPD. CRASH, like the New York City Street Crimes Unit, was again a "special unit," with its own rules, and instructions to break up the street gang apparatus located near the Rampart division police station in downtown

Los Angeles.

As a result of Perez's confessions, 20 officers have been relieved of their duties, 40 criminal convictions have already been reversed, and prosecutors have stated that as many as 4,000 cases could ultimately be affected. Perez admitted to shooting and paralyzing an unarmed 19-year-old (who was also hand-cuffed), planting a gun on him, leading to his conviction and a sentence of 23 years. The victim, Javier Ovando, was in jail for two years and 11 months. Juan Saldana, also shot by officers, was not so lucky. After planting a gun on Saldana, the officers took time out to prepare their alibi before calling an ambulance. As a result, Saldana bled to death.

More fundamental than any of these incidents, however, is the degenerate street culture that increasingly permeates the police department. "One of the most brazen officers was Perez's friend David Mack," *Time* reports. "Mack is serving a 14-year prison sentence for robbing a bank of \$722,000. After the robbery, Perez says that he travelled to Las Vegas with Mack for a high-living gambling spree. Mack has reportedly renounced his police associations and claims to belong to the Piru Bloods, a Los Angeles street gang. The *Los Angeles Times* has reported that Mack is being investigated in connection with the murder of Christopher Wallace—the rapper Notorious B.I.G.—who was shot to death after leaving a party in 1997."

Both the New York City Street Crime Unit, which used the slogan "We Own the Night" like a gang chant, and the Los Angeles CRASH unit, often bear a closer resemblance to street gangs than law enforcement. That fact, however, is something to be laid at the doorstep of the entire popular cultural matrix, in the which these officers are completely inculcated—the "hip-hop" culture of the streets, the pornographic content of much of television, and the weird world of computer video games, not to mention various forms of substance abuse. At his sentencing in late February, Perez admonished, "Whoever chases monsters should see to it that in the process he does not become a monster himself." But what precisely is the cultural inoculation that you give to these officers, most of them in their 20s, when they are drawn from the same proto-fascist popular-cultural "pool" that produced the Columbine shooters?

Is it just racism?

Many of those who have protested the killing of Amadou Diallo and others, have contended that these are racial crimes. There is no doubt that racism is at work. The question is, how?

Last December, New York State Attorney General Elliot Spitzer produced a report on the New York City Police Department that criticized the department for its policy of sweeping street searches, 70% of which did not originate with a call to the police, nor with any complaint made by a victim. In April of last year, one set of statistics showed that, of the 40,000 people whom the police had stopped and searched, largely on the premise of potential confiscation of illegal guns,

only 9,500 were actually arrested. In 40% of the forms filled out by police to explain the motivation for the stop-and-search actions, there were not sufficient reasons for the detention indicated. African-Americans and Hispanics were stopped and searched six times, and four times, respectively, more often than whites.

The bogus explanation is offered that, because much more street-level crime is committed in the African-American and Hispanic communities than in other, largely better-off areas, the arrests make sense. That does not explain the arrest or detention of such people, however, as Brother Tyrone Davis, a Catholic religious who teaches at Rice High School in Harlem. The head of the New York Archdiocese's Office of African-American Ministry, Davis, according to reports, has been stopped by police and searched so many times, that he now always makes sure that he is wearing his clerical collar when he leaves the school. As reported in the *New York Times*, on July 16, 1998, Broadway actor Alton Fitzgerald White, who is suing the city for false arrest, was "made to kneel in the vestibule of his building with his hands cuffed behind his back. He was told by the police to 'face the wall' and keep his mouth shut. He was not allowed to ask any questions or to assert his innocence.

"'If I had gotten irate I could have been killed,' he said. . . . As he knelt on the cold tile floor, he said, he realized that in the eyes of the police he was not a good guy, a decent and honest man, a star in a hit show. None of that. He was a complete nobody, just another black man with no rights and no claim to respectful treatment." White was then arrested, hand-cuffed, and taken to the 33rd Precinct, where he was strip-searched.

All this would seem to corroborate the racism charge. Consider, however, the case of Gidone (Gary) Busch, an Orthodox Jew from Boro Park, killed on Aug. 30, 1999 by four policemen who fired 12 shots at him. Busch was well known in the neighborhood and, although somewhat eccentric, was not considered dangerous by those who knew him. The story told by police, that Busch had attempted to assault them with a hammer, has since been disputed by several witnesses. More ominously, although Police Commissioner Howard Safir claimed the day after the shooting that the police had several eyewitnesses who would corroborate the story of the police, those witnesses have yet to be produced.

Police who had gone to Busch's apartment twice earlier that evening, were called back to the neighborhood some time between 6 and 7 p.m. When Busch appeared in the doorway with a hammer, he was allegedly pepper-sprayed by Officer Daniel Gravitch. Busch then panicked, and ran, screaming, past the police onto the sidewalk. Six officers surrounded him. Several witnesses reported — contrary to the police contention that Busch was swinging the hammer in a threatening manner — that at no time did he in fact attempt to hit anyone. After Busch was warned to drop the hammer, one officer counted to three, fired one shot, and then four others fired 11 times,

killing him. By the next morning, Busch had been transformed into a "dangerous psycho running through the neighborhood with a hammer," who required maximum force to be restrained.

Although the Jewish community, after some initial protest, ceased its activity when the Mayor's representatives assured them that there would be a fair investigation, now, after the acquittal of the four officers, Gidone Busch's mother, Doris Busch Boskey, has announced that she will file a civil suit against the city. She has also been increasingly vocal about the miscarriage of justice, and has appeared at rallies and other functions, including the vigils for Amadou Diallo. Interviewed by reporter Rebecca Segall for the Feb. 29 issue of the *Village Voice*, she stated, "I feel betrayed by Mayor Giuliani and Police Commissioner Safir because they should have waited before incriminating my son on television the day after he was killed. I feel betrayed because they labeled him violently deranged before knowing anything about him. I feel betrayed because I never got a sympathy call from Giuliani and because they had no intention of a fair investigation. I feel betrayed because there was an agenda not to indict the cops from day one."

A black-Jewish combination

Clearly, the killing of Busch does not conform to the "anti-African-American Giuliani police department" profile that many have sought to curve-fit to the present situation. Further, the possibility of broader action in the Diallo case and the Busch case, by uniting the African-American and Jewish constituencies in the city, is precisely what the Mayor's advisers are most concerned about. Such a combination could echo, if not resurrect the same winning combination that worked so well in the days of the civil rights movement.

It should be recalled, that the civil rights struggle of the 1960s, as well as earlier, was a collaboration between those participants in, and descendants of, the "Yiddish Renaissance," and the African-Americans who carried forward the legacy of the revolutionary Reconstruction legislatures, and their descendants, such as Paul Laurence Dunbar, James Weldon Johnson, Paul Robeson, and others. The famous Harry Burleigh's decades-long service as a singer at Manhattan's most prestigious synagogue exemplifies this. Can this tradition be called upon, through the tragedy of these deaths, to rally those who would desire a popular movement, both in New York City and throughout the nation, to bring justice, and the spirit, more than the letter, of the law, back to the streets of the United States?

If the answer were affirmative, then we could lay to rest the fear, that the people of New York were not human enough to insist that they, and consequently law enforcement officers, prosecutors, and elected officials, all see each of us, no matter how poor, as being made in the image of God. Then Amadou Diallo's mother, and, perhaps, Amadou Diallo himself, might smile and say, "This were something worth dying for."

Book Reviews

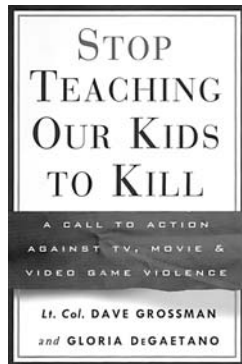
How the media kill!

by Jeffrey Steinberg

Stop Teaching Our Kids to Kill: A Call To Action Against TV, Movie & Video Game Violence

by Lt. Col. David Grossman and Gloria DeGaetano
New York: Crown Publishers, 1999
196 pages, hardbound, \$20

On Feb. 28, a six-year-old first-grade student at an elementary school near Flint, Michigan shot and killed a classmate in the schoolyard. The boy who did the shooting came from a broken home. His father was in jail, and his mother, a drug addict, had left the boy with an uncle who, according to news reports, ran a crack house, where there were always plenty of handguns. But, when the Genesee County Sheriff and District Attorney interviewed the boy, he cited a number of violent television shows, and expressed no understanding that he had done anything wrong. He had merely copied the actions of numerous “characters” he had seen on the TV screen. Three days later, a 16-year-old girl fatally stabbed a fellow student on a school bus in another part of the Midwest.



These latest incidents underscore that the Littleton, Colorado massacre on April 20, 1999, and the half-dozen other nationally reported instances of mass killings of children by children, have now become everyday occurrences in America.

Despite this, the degree of disassociation displayed by parents, educators, and policymakers regarding this grave national crisis, is a scandal of untoward proportions. Following two weeks of intensive media coverage of the Littleton school massacres last spring, there was absolutely no action taken. Congress did not hold a single day of hearings. The President, after making some initial, sound statements—castigating Hollywood for providing “dependable daily doses of violence” that “desensitize our children to violence, and to its consequences”—fell back on the tired mantra that the solu-

tion to the epidemic of youth violence is gun control. In less than a month, the nation, for the most part, went back to sleep, only to be once again shocked by another surge in “the new violence.”

Fortunately, there are a handful of experts who see clearly through the fog of Hollywood propaganda, and who have pinpointed the actual causes and scale of this new American tragedy. One of the most valuable books to appear on what is being done to America’s children is *Stop Teaching Our Kids to Kill*, by Lt. Col. David Grossman and Gloria DeGaetano.

Colonel Grossman is perhaps America’s leading expert on the rampant abuse of behavior modification techniques in military and police training, and in the burgeoning violent video-game industry, targetted at our nation’s most vulnerable citizens, our youth. His earlier book, *On Killing*, provided an in-depth historical and analytical account of the devastating consequences of the use of aversive conditioning and other mind-control methods, in training soldiers and police officers to overcome their aversion to killing human beings.

Grossman’s writings provide as crucial an insight into the escalating pattern of police abuse of “shoot-to-kill,” as they do into the “Manchurian children” phenomena (see Dennis Speed’s article in this issue on the Amadou Diallo case).

Coincidentally, Colonel Grossman lives in Jonesboro, Arkansas, the scene of one of the first of the schoolyard killing sprees by teenage and pre-teen boys. He experienced first hand, the anguish of the community, and had access to a good deal of information about the two boys who, using professional military tactics, carried out the carnage, literally pinning their victims down in a killing field, while they fired a total of 27 rounds, many with deadly accuracy.

As Colonel Grossman noted at the outset of his current contribution, co-authored by another expert in the field, Gloria DeGaetano, “So here I am, an expert in the field of ‘killology,’ as it is referred to, and a school massacre of terrible proportion happens right in my backyard. . . . It was March 24, 1998; a schoolyard shooting that left four girls and a teacher dead. Ten others were injured and two boys, ages eleven and thirteen, were convicted of murder.

“I spent the first three days after the tragedy at Westside Middle School, where the shootings took place, working with the counselors, teachers, students, and parents. None of us had ever done anything like this before. We all felt that there were lessons to be learned, and perhaps the most important one is this: children do not naturally kill.”

How children are transformed into killers

With that in mind, Colonel Grossman and DeGaetano set out to provide a concise profile of how children are transformed into killers, oblivious to the real-world consequences of their actions. The book is a devastatingly powerful call—a primer for parents, teachers, legislators, and citizens of all stripes—to wake up and realize that a \$10 billion-a-year industry has been created, here in the United States, that is using the most mind-deadening behavior-modification techniques,

to turn our nation's youth into unnatural-born killers.

The authors provide a systematic summary of the evidence that the burgeoning youth violence and brutality is the direct consequence of exposing our children to a daily dose of violence on television, in the movies, and in the video arcades. There is a new epidemic sweeping the country, which Grossman and DeGaetano call "AVIDS"—Acquired Violence Immune System Deficiency Syndrome. This is no cute play on words. The authors document, that exposing children to television, movie, and video violence during the formative years of brain functioning, can cause permanent damage, in the same way that babies born to crack addicts and other drug abusers can be permanently impaired.

The book shows that, since no later than the 1970s, the medical profession has repeatedly, publicly warned, that rampant exposure to media violence destroys cognitive capabilities, desensitizes children to the consequences of their own violent actions, and produces automatic stimulant-response patterns of behavior, often leading to tragic results, such as the recent Flint incident, and the larger body counts at Littleton, Paducah, Jonesboro, Conyers, etc.

Operant-conditioning techniques

In a particularly powerful chapter, "Feel Something When You Kill," the authors reveal that the very "operant-conditioning techniques" used by the military and police agencies in training their troops to kill without compunction, are the basis for the increasingly lucrative point-and-shoot video-game "industry."

"There are three things you need in order to shoot and kill effectively and efficiently," the authors write. "From a soldier in Vietnam to an eleven-year-old in Jonesboro, anyone who does not have all three will essentially fail in any endeavor to kill. First, you need a gun. Next you need the skill to hit a target with that gun. And finally you need the will to use that gun. The gun, the skill, and the will. Of these three factors, the military knows that the killing simulator takes care of two out of three by nurturing both the skill and the will to kill a fellow human being. Operant conditioning is a very powerful procedure of stimulus-response training, which gives a person the skill to act under stressful conditions."

The authors continue, "Today soldiers learn to fire at realistic, man-shaped silhouettes that pop up in their field of vision. This 'simulated' human being is the conditioning stimulus. The trainee has only a split second to engage the target. The conditioned response is to shoot the target, and then it drops. Stimulus-response, stimulus-response, stimulus-response—soldiers and police officers experience hundreds of repetitions of this. Later, when they're out on the battlefield or walking a beat and someone pops up with a gun, reflexively they will shoot, and shoot to kill." The punch line: "Now these simulators are in our homes and arcades—in the form of violent video games! If you don't believe us, you should know that one of the most effective and widely used simulators developed by the United States Army in recent years,

MACS (Multipurpose Arcade Combat Simulator), is nothing more than a modified Super Nintendo game (in fact, it closely resembles the popular game Duck Hunt). . . . The FATS trainer (Fire Arms Training Simulator), used by most law enforcement agencies in this country, is more or less identical to the ultra-violent video arcade game Time Crisis."

The message could not be more straightforward. The authors of the television and movie violence, the designers and peddlers of the violent video games, are brainwashing America's youth into a succession of generations of potential "Manchurian children," programmed to kill, and stripped of any of the cognitive/moral concepts that enable mature adults to distinguish between right and wrong. It were as if a multibillion-dollar industry existed in America today, dedicated to stripping our youth of the idea that man is created in the image of God.

Grossman and DeGaetano conclude with a direct message to parents: Turn off the television, read with your children, develop their cognitive skills, rather than their "killer instincts." And, don't tolerate the media massacres. The authors provide 60 pages of "resource" information: organizations that have produced studies on the violence epidemic; the names, addresses, and phone numbers of the major media agencies behind the child violence; and a list of civic groups that are already engaged in the fight. For parents, teachers, legislators, of all ages, this is a most worthwhile book—a must read!

For previews and
information on
LaRouche publications:

Visit EIR's Internet Website!

- Highlights of current issues of EIR
- Pieces by Lyndon LaRouche
- Every week: transcript and audio of the latest **EIR Talks** radio interview.

<http://www.larouchepub.com>

e-mail: larouche@larouchepub.com

China trade deal in trouble, Senators warn

While improving trade ties with China generally has had broad support in both the House and the Senate, developments in late February have raised alarm bells on Capitol Hill, that approving China's entry into the World Trade Organization (WTO) may not be a simple affair. During a Senate Finance Committee hearing on Feb. 23, committee chairman William Roth (R-Del.) warned that WTO accession and the passage of permanent normal trade relations (NTR) by the Senate "is not a foregone conclusion." Roth said that "China's reckless threat to use force against Taiwan over negotiations on the future of cross-strait relations," is only one reason.

There are also mixed signals coming from the Clinton administration itself. On China, Roth said, "the President has been the strongest possible advocate for a WTO deal." However, Roth noted, Vice President Al Gore has promised organized labor that, if a deal is not reached this year, he will rewrite the agreement in a way that will not be acceptable to China. "Those statements," Roth said, "raise serious questions about the administration's commitment to getting this deal done." Roth was echoed by Daniel Patrick Moynihan (D-N.Y.), who said of Gore's stance, "We need to know that the administration disavows any such suggestion, that they want a bill now, and they will fight for it now, and they will help us get it for them now."

Roth and Moynihan put U.S. Trade Representative Charlene Barshefsky on the defensive. "The administration is absolutely united" behind the WTO agreement and permanent NTR for China, she claimed, and Gore "fully supports" the agreement "as negotiated." Barshefsky's assurances

did not satisfy Moynihan, who warned, "You're going to lose this." Moynihan and Roth demanded "a clear signal" from the White House, which would help them move legislation implementing the agreement.

Other members of the committee focussed on parochial concerns. Kent Conrad (D-N.D.) and Jay Rockefeller (D-W.V.) expressed concern about trade in wheat and steel, respectively. Conrad told Barshefsky that the Chinese "are skating desperately close to sending us a message that they're quick to sign agreements but they're slow to keep their promises."

Specter, Torricelli propose FISA reform

On Feb. 24, Sens. Arlen Specter (R-Pa.) and Bob Torricelli (D-N.J.) introduced a bill to require the Attorney General to personally review Foreign Intelligence Surveillance Act (FISA) warrant requests, when those requests are made by the Director of the FBI. If the Attorney General turns down the FBI Director's request, then she must explain that rejection in writing. The bill was inspired by events in the investigation and indictment of former Los Alamos nuclear scientist Wen Ho Lee, who has been subjected to a wholesale politically motivated legal assault.

Specter explained, in remarks on the Senate floor on Feb. 24, that when FBI Director Louis Freeh, through a representative he sent to meet with Attorney General Janet Reno on Aug. 12, 1997, requested such a warrant in the Wen Ho Lee case, Reno turned the matter over to a subordinate with no experience in such requests, who subsequently rejected it, and there the matter lay until November 1998. Spec-

ter said that the 16 months from the time the FBI initiated the request until November 1998, were "very crucial with respect to the activities of Dr. Lee."

Torricelli said that the bill maintains the current standards of probable cause for requesting surveillance warrants under FISA, and adds further accountability. "We simply want to know," he said, "that the standard which has always existed will be used, that procedures will be followed, that people will be held accountable, not that government is any more or any less intrusive."

Iran non-proliferation act passed by Senate

On Feb. 24, the Senate unanimously passed a bill that targets U.S.-Russia and U.S.-China relations by requiring the President to report all known transfers of technology to Iran that may have application to nuclear and missile weapons programs. The bill does not require sanctioning of individuals and agencies involved in such transfers, but its language makes it unlikely that the President would decide against sanctions.

The bill would hold hostage Russian participation in the International Space Station, by withholding U.S. payments to the Russian Aviation and Space Agency, unless the President certifies that the Russian government is actively opposing the "proliferation to Iran of weapons of mass destruction and missile systems capable of delivering such weapons." The only exceptions are for crew safety and for the Russian-built service module, without which the station can't function.

The bill, which was passed by the House last September by a vote of 419-

0, is a slightly weaker version of a bill that President Clinton vetoed in 1998 that, rather than merely "authorizing" sanctions, required them. At the time, Clinton did sanction seven Russian agencies in the hopes that the veto would not be overridden. Clinton assured Congressional leaders at that time, that Russia was cooperating and would make progress.

However, Senate Majority Leader Trent Lott (R-Miss.) indicated in floor remarks on Feb. 22, that nobody in Congress is satisfied that Russia is making "progress." Russia is "not making progress and this dangerous transfer of technology that could lead to proliferation of nuclear weapons continues," he said. He noted the recent parliamentary elections in Iran, and suggested that "it appears reformers have been making some gains," and "relations with Iran will change as a result of that." However, he insisted that "the danger is still there."

Lott said that the bill authorizes sanctions but does not require them. "If we do not see some actions by the administration," he said, "then we may want to go that next step."

Rally supports anti-hunger bills

More evidence that things are not so well in the economy as Wall Street claims, leaked out on Feb. 29, during a rally by a coalition of anti-hunger and pro-immigrant groups, which was joined by several members of Congress. The rally was in support of the Hunger Relief Act, introduced in both Houses last October.

At the time, Sen. Edward Kennedy (D-Mass.) said that the goals of the legislation were "to promote self-sufficiency and the transition from wel-

fare to work, and to eradicate childhood hunger by increasing the availability of food stamps to low-income working families." The bill repeals many of the provisions of the 1996 welfare reform bill that restricted access to food stamps for immigrants, and it eases Federal restrictions on the value of a vehicle that a family can own and still receive food stamps.

The gist of the remarks at the rally was that, given the alleged economic boom, there is no reason why there should be hungry people in America today, yet, according to statistics compiled by a variety of agencies, as many as 36 million people, 10% of all households, lack secure access to enough food for a healthy life. Sen. Arlen Specter (R-Pa.) called it "shocking" that there are hungry people in America. He said that it is "shameful" that someone has to choose between food stamps and having transportation to get to their job. Rep. Tony Hall (D-Ohio) said that there are enough resources in the country to say that "nobody will ever have to go to bed hungry in this country today." All that's lacking, he said, is the will. Sen. Paul Wellstone (D-Minn.) condemned the fact that there has been a tremendous decline in the food stamp program, but there hasn't been a comparable decline in poverty.

OPEC blamed for high oil prices

A couple of days after some 500 commercial truck drivers drove their rigs to Capitol Hill to protest high diesel fuel prices on Feb. 22, Sen. Ben Campbell (R-Colo.) introduced legislation to temporarily suspend the 24¢ per gallon Federal excise tax on diesel fuel. He told the Senate that with diesel fuel

approaching \$2 per gallon, many independent truckers are facing bankruptcy. He said that the protesting truck drivers don't want handouts, only work. "If those rigs stop rolling," he said, "the nation stops rolling, too."

As has been the fashion of late, Campbell blamed the Organization of Petroleum Exporting Countries for the price rise, and decried the fact that 55% of U.S. oil consumption is imported. Campbell's bill, however, which has the support of the leadership of both parties, does not address the long-term supply situation, but is intended to "ease the burden on so many Americans based on our lack of a national long-term energy policy," by providing temporary relief for truckers, farmers, and public transportation.

The next day, Sens. James Jeffords (R-Vt.) and Joseph Lieberman (D-Conn.) announced that they would push for a policy they claim to be a long-term solution. They announced that they would be introducing legislation to give tax credits to domestically produced "clean" fuels, i.e., highly inefficient solar, wind, and biomass power, which they claimed would offset "millions of barrels" of imported oil.

Lieberman indicated that panic is developing as a result of the skyrocketing price of oil. He said that the recent testimony of Federal Reserve Board Chairman Alan Greenspan "leads me to conclude that we are still at serious risk of a dangerous cycle of prolonged oil-price increases leading to creeping inflation rates, leading to corresponding hikes in interest rates, leading to an end to our historic run of economic growth." Lieberman also backed proposals to open the Strategic Petroleum Reserve and step up pressure on oil-producing countries to increase their output.

Editorial

We are in a new Dark Age

On March 3, London *Guardian* commentator Larry Elliot wrote a scathing attack on globalization, as responsible for the disaster in Mozambique, under the title, “We Should Be Ashamed.”

“This is not a time to be measured and considered,” he wrote. “This is not a time to be grateful that the aid is now — belatedly — starting to flow. It is a time to be angry: angry that in the third month of the 21st century, 100,000 people were yesterday precariously clinging to life, a week after it was clear that Mozambique was facing a full-scale natural disaster.

“Let’s not mince words. The response by the international community to Mozambique has been pitiful. Day after day, there have been pictures of people huddled on shrinking islands of dry land, where the food is running out, and malaria is now rife. Day after day, they have waited, terrified and desperate, for rich governments to get off their backsides and mount a proper rescue effort. . . .

“Ultimately the tragedy of Mozambique speaks volumes about the way in which globalization works. In the global pecking order, the ability to move money around the world in a split-second comes first, dismantling trade barriers come second and rescuing people from trees in Africa comes nowhere. We have no problem air-lifting green beans from Africa so that they can be served up fresh the next day in our supermarkets, but moving helicopters and boats in the opposite direction is beyond us. If this is a global village, it is one where for some houses it takes a week for an ambulance or a fire engine to turn up after a 911 call. . . .

“Imagine for one second, that a mother in the West gave birth in a tree, after spending three days in the agonies of labour, while the flood waters rose around her. Consider how we would react, if somebody we knew was, like Sofia Pedro, winched to the safety of a helicopter with the umbilical cord still attached. How would we feel? Would we say that the authorities did the best they could in all the circumstances, that there were serious logistical problems that had to be overcome first? Or would we say that the episode was a moral outrage, an affront to our common humanity?”

We should indeed “be ashamed,” but not only for

the crime of Mozambique. In New York one year ago, an unarmed street vendor was shot to death by four plainclothes policemen, on the front stoop of his own home. At their trial, the judge instructed the jury that the policemen were innocent, because they were simply doing what they had been trained to do! Then it turned out that there are a great many such instances in New York, and a far bigger scandal in Los Angeles.

After the Columbine High School shootings last summer, followed by the Atlanta day-trader massacre, now six-year olds are shooting their classmates in our schools.

How much more does it take, to recognize the obvious? We are not in the 108th month of continuous economic expansion — far from it. Rather, we are entering the fourth decade of an ever-more rapid collapse of extended European civilization. We are in a new Dark Age.

Especially among those between the ages of 35 and 55, and especially in the United States, those whom one would previously call our policymaking elites, have become completely irrational. They are living in a game-world, with fixed points and rules, or else in an existentialist’s nightmare. In a fantastic substitute for reality.

Our populations have become irrational, especially in the United States. Particularly the top 20% of family-income brackets, have lost all their senses. They inhabit a make-believe world of money-manager accounts, Internet stocks, and pure psychological manipulation. They have completely forgotten such truths, as, for instance, that the things they need to survive every day, must actually be produced on farms, and in factories and mines.

The blind are leading the blind, and our civilization, or our un-civilization, is falling into the abyss. How did we come to this point? How can we stop it? As Lyndon LaRouche shows elsewhere in this issue, under the title, “He’s a Bad Guy, But We Can’t Say Why,” the answer can be found by examining 30 years of operations against LaRouche by the U.S. Department of Justice and allied groups, and examining also the ideas which have been denied to the American people for 30 years, by these police-state means.

SEE LAROUCHE 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
Saturdays—11:30 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
- LANCA./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
- SAN FRAN.—Ch. 53
2nd, 4th Tue.—5 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—AT&T Ch.57
Sat.-1 pm; Tue.-7 pm

CONNECTICUT

- CHESHIRE—Ch. 15
Wednesdays—10:30 pm
- GROTON—Ch. 23
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
Sundays—3:30 pm

ILLINOIS

- CHICAGO—Ch. 21
Sat., Mar. 25—7 pm
- QUAD CITIES—AT&T
In Illinois: Ch. 4/6
In Iowa: Ch. 4
Mondays—11 pm
- SPRINGFIELD—Ch. 4
Wednesdays—5:30 pm
INDIANA
- 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
- LOUISVILLE—Ch. 70
Fridays—2 pm

LOUISIANA

- ORLEANS—Ch. 6
Mon., Fri.: 12 Midnite

MARYLAND

- A. ARUNDEL—Ch. 20
Fri. & Sat.—11 pm
- BALTIMORE—Ch. 5
Wed.: 4 pm, 8 pm
- MONTGOMERY—Ch. 49
Fridays—7 pm

MISSOURI

- 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

MONTANA

- MISSOULA—Ch. 13/8
Sun.-9 pm; Tue.-4:30 pm

NEVADA

- CARSON CITY—Ch. 10
Sun.-2:30 pm; Wed.-7 pm
Saturdays—3 pm

NEW JERSEY

- MONTVALE/MAHWAH
Time Warner Ch. 27
Wednesdays—5:30 pm

NEW MEXICO

- ALBUQUER.—Ch. 27
Wednesdays—10:30 pm

NEW YORK

- AMSTERDAM—Ch. 16
Fridays—7 pm

DEARBORN HEIGHTS

- DEARBORN HEIGHTS
MediaOne Ch. 18
Thursdays—6 pm
- GRAND RAPIDS
GRTV Ch. 25
Fridays—1:30 pm
- PLYMOUTH—Ch. 18
Thursdays—6 pm

MINNESOTA

- ANOKA—QCTV Ch. 15
Thu.—11 am, 5 pm,
12 Midnight
- COLUMBIA HEIGHTS
MediaOne Ch. 15
Wednesdays—8 pm
- DULUTH—PACT Ch. 24
Thu.—10 pm; Sat.-12 Noon
- MINNEAPOLIS—Ch. 32
Wednesdays—8:30 pm
- NEW ULM—Ch. 12
Fridays—5 pm
- PROCTOR/HERMANTOWN
Ch. 12
Tue.: betw. 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

MISSOURI

- 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

MONTANA

- MISSOULA—Ch. 13/8
Sun.-9 pm; Tue.-4:30 pm

NEVADA

- CARSON CITY—Ch. 10
Sun.-2:30 pm; Wed.-7 pm
Saturdays—3 pm

NEW JERSEY

- MONTVALE/MAHWAH
Time Warner Ch. 27
Wednesdays—5:30 pm

NEW MEXICO

- ALBUQUER.—Ch. 27
Wednesdays—10:30 pm

NEW YORK

- AMSTERDAM—Ch. 16
Fridays—7 pm

BROOKHAVEN

- BROOKHAVEN
(E. Suffolk)
Cablevision Ch. 1/99
Wednesdays—9:30 pm
- BROOKLYN—BCAT
Time Warner Ch. 35
Cablevision Ch. 68
Sundays—9 am

CORTLANDT/PEEKS.

- CORTLANDT/PEEKS.
MediaOne Ch. 32/6
Wednesdays—3 pm
- HORSEHEADS—Ch.1
Mon., Fri.—4:30 pm
- ILION—T/W Ch. 10
2nd, 3rd Sun.-1:30 pm
- IROQUOIS—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
Sun., Mar. 12, 26: 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*
Ch.58: Mar. 12—8 pm
Ch.58: Mar. 23—1 pm
- QUEENSBURY—Ch.71
Thursdays—7 pm
- RIVERHEAD—Ch.27
Thursdays—12 Midnight
- ROCHESTER—Ch. 15
Fri.-11 pm; Sun.-11 am

BROOKLAND—Ch. 27

- BROOKLAND—Ch. 27
Wednesdays—5:30 pm
- SCHENECTADY—Ch.16
Wednesdays—10 pm
- STATEN ISL.—Ch. 57
Thur.-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
- UTICA—Ch. 3
Thursdays—6 pm
- WATERTOWN—Ch. 2
Tue: betw. 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. 37
Saturdays—3:30 pm
- YORKTOWN—Ch. 34
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
- OBERLIN—Ch. 9
Tuesdays—7 pm
- REYNOLDSBURG
Ch. 6: Sun.—6 pm

OREGON

- CORVALLIS/ALB.
AT&T Ch. 99
Tuesdays—1 pm
- PORTLAND—AT&T
Tue.—6 pm; Ch. 27
Thu.—3 pm; Ch. 33

RHODE ISLAND

- E. PROVIDENCE—Ch.18
Sundays—7 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

- CHESTERFIELD
Comcast Ch. 6
Tuesdays—5 pm
- FAIRFAX—Ch. 10
Tuesdays—12 Noon
Thu.-7 pm; Sat.-10 am
- LOUDDOWN—Ch. 59
Thu.-7:30 pm, 10 pm
- P.W. COUNTY
Jones Ch. 3
Mondays—6 pm
- ROANOKE—Ch. 9
Thursdays—2 pm
- SALEM—Ch. 13
Thursdays—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.laroucheub.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.

FIDELIO

Journal of Poetry, Science, and Statecraft

Publisher of LaRouche's major theoretical writings

Winter 1999

The Birth of the Sovereign Nation-State: From the Council of Florence to the Discovery of America

William F. Wertz, Jr.

The Aesthetical Education of America

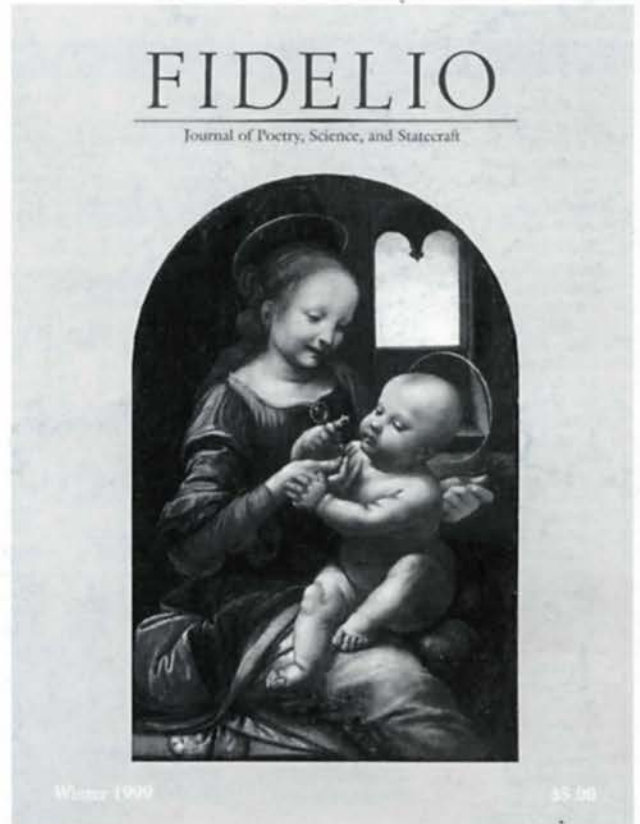
Robert Trout

After the success of the American Revolution, republicans everywhere were inspired by the possibility that similar republics could be established throughout the globe. But, when the French Revolution failed, Friedrich Schiller wrote his *Letters on the Aesthetical Education of Man*, to argue that a people would be successful in establishing republican government, only if they had first undergone a process of aesthetical education. *Was it the 'aesthetical education' of the American colonists, which allowed the American Revolution to be a success?*

Pope A Metaphysician!

AN ANONYMOUS PAMPHLET IN DEFENSE OF LEIBNIZ

Gotthold Lessing/Moses Mendelssohn,
translated by Paul B. Gallagher



Sign me up for **FIDELIO** \$20 for 4 issues

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

TEL (day) _____ (eve) _____

Make checks or money orders payable to:

Schiller Institute, Inc.

Dept. E P.O. Box 20244 Washington, D.C. 20041-0244