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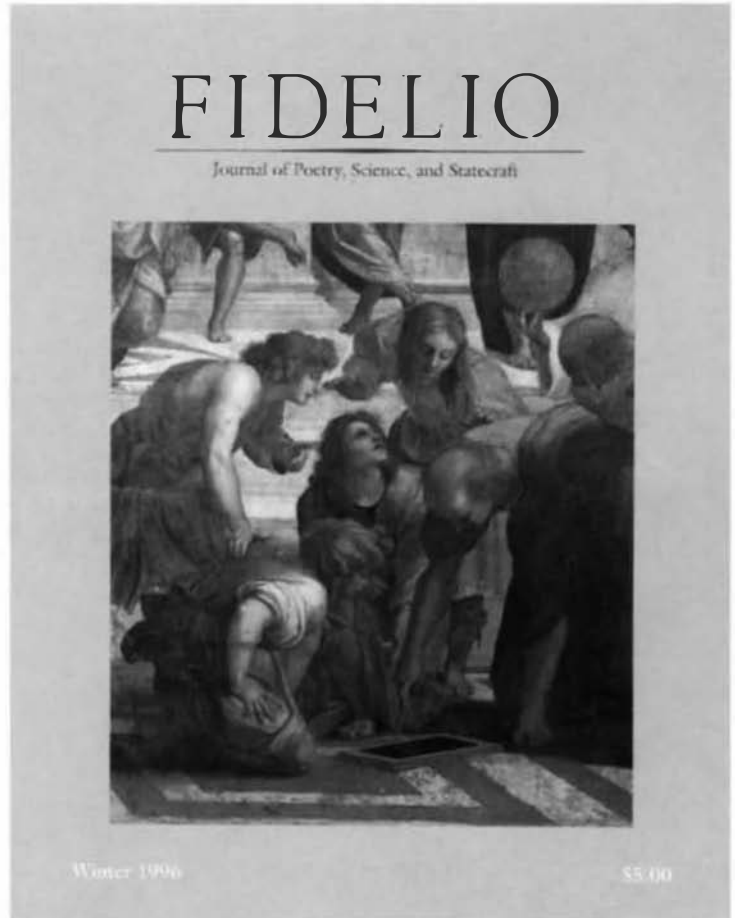
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From the Associate Editor

The photo on our cover is certain to cause heartburn at the British House of Lords and the New York Council on Foreign Relations. It shows Lyndon and Helga LaRouche meeting in Sudan, in December 1996, with Dr. Hassan al-Turabi, the Speaker of the National Assembly, and a man who has been unjustly demonized by the enemies of Sudan. This picture alone, is a blow against the “clash of civilizations” scenario, with which the British oligarchy hopes to set the Islamic world against the United States.

As our *Feature* was well along in the production process, the situation in Sudan escalated sharply, with the British-backed military invasion of the country by Eritrea and Ethiopia. *EIR* correspondent Muriel Mirak Weissbach, who accompanied the LaRouches on their trip and has been a frequent guest in Sudan, rewrote her article to bring you the most up-to-the-minute report.

What is at stake in this strategic conflict? Look back to *EIR*'s cover story of June 9, 1995, “Republic of Sudan Resists British Genocide.” In his introduction to that report, Lyndon LaRouche emphasized that the survival of all of sub-Saharan Africa depends upon whether Sudan, Nigeria, and the Republic of South Africa can defeat the British plan to destroy the nation-state. Sudan is a particular target, because of its history of defiance of the British Crown. It has the largest territory of any nation in Africa (over one-fourth the area of the United States). Although poor, as a result of colonial rule by the British, it is a natural breadbasket, capable of growing enough food for its own needs and for export. It is a nation committed to the development of its people, as shown by its aggressive program of building schools and universities.

Commenting on the invasion of Sudan, in an interview with “EIR Talks” on Jan. 15, LaRouche underlined the abysmal ignorance of Americans—including African-Americans—about Africa. “Fools in the United States government,” he said, “who want to make peace with the British, will often seek peace with the British by betraying the human rights of the Sudanese people, and the rights of a nation to its own sovereignty, in the case of Sudan.” It's time to wise up, and stop falling into London's geopolitical traps.

Susan Welsh

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Governments scramble, as panic hits Tokyo markets

by William Engdahl

Despite the 815-point recovery of stock prices on the Tokyo Nikkei Dow index on Jan. 13, there is still concern in international financial circles that the Japanese financial situation could serve as detonator to a global systemic financial and monetary crisis in coming weeks. A critical date is March 31, the end of the Japanese fiscal year.

With the Nikkei Dow index hovering precariously near the 18,000 level as of this writing, at least two large Japanese banks are reliably reported to be technically insolvent. But the government of Ryutaro Hashimoto, by all indications, is in a state of policy paralysis, amid what is now the seventh year of Japan's most severe financial and economic crisis of the postwar period.

Having recently unveiled a program calling for financial market deregulation in many areas by 2001, as a keystone of his policy, Hashimoto has committed himself to lift the famous Japanese "market supervision" mechanisms, which in the past always meant that the government would help private banks or financial markets in trouble. Indeed, as the Nikkei continued to fall, Finance Minister Mitsuzuka told press on Jan. 9, "There's nothing we can do about it." His comments prompted even worse panic selling the next day, driving the Nikkei to 17,300, the lowest since August 1995. But the situation has deteriorated so severely in recent days, that those promises of non-intervention have already been shoved into the background.

For the first time since the crisis days of April 1995, when Japan's entire financial and economic system threatened to implode in an uncontrollable deflation spiral, some analysts, including Mitsubishi Research's chief economist, Takahashi,

are predicting that the Nikkei could again fall, to 14,000 or lower before March.

Japan's exception haunts banks

Why should the stock market have such influence on banks and the world financial system?

Japanese banks, today among the world's largest, enjoy what has become a perverse linkage to the fate of the Tokyo stock market. In the late 1980s, the central banks of the industrialized countries, through their chief lobby organization, the Bank for International Settlements (BIS), hammered out a set of rules, defining for the first time common standards of minimum bank capital and risks for different types of cross-border lending.

Growing concern over reckless bank lending, which was pouring funds into real estate speculation, junk bond investments, and such, prompted the central bankers of the BIS to agree to impose uniform strict capital requirements on BIS member-country banks doing business internationally. Since the BIS rules took effect in 1992, all such banks must show a "core capital," in terms of reserves, equal to 8% of its total loans. Japan alone managed to get an "exception" from the BIS rules, and was able to count bank holdings of stocks in other Japanese companies as part of their 8% "core capital" for BIS purposes. Their argument was that Japanese banks uniquely had large cross-holdings of stocks in related industrial companies, which were regarded as core or permanent bank assets. At the time, the Nikkei was rising.

Under the BIS rules, at the end of every Japanese fiscal year, March 31, the banks must declare the market value of

their stock holdings on that day, their so-called hidden reserves.

The exception has now become an albatross hanging around the neck of the entire international financial system, notably that of the United States and a large part of the European Union. As one senior Swiss banker characterized it, "The Japanese situation has the real potential to provide the critical mass which could turn a Japanese problem into a full-scale systemic crisis of the international financial system."

Here is the nub of the present dilemma: The more the Nikkei falls in the run-up to March 31, the lower the book value of banks' reserves falls. To compensate, banks can only issue new stock (further depressing the Nikkei), or cut their loans (further depressing the economy), to hold the 8% rule. Both are already taking place, aggravating the crisis.

According to calculations by the London rating agency IBCA Ltd., at a level of Nikkei of 18,000, one major bank, Nippon Credit Bank, has a deficit in its hidden asset value, i.e., a negative worth. At 17,000, NCB is joined by three other of Japan's 20 biggest banks—Hokkaido Trust, Long-Term Credit Bank, and Yasuda Trust. And at 14,000, fully 16 of the top 20 banks have negative hidden asset value.

Compounding this problem is the overhang of bad loans from the late-1980s lending binge in Japan, in which banks flooded the market with dubious real estate loans and stock purchases. In late 1990, the Bank of Japan intervened to try to deflate the speculative bubble, as it reached, on paper at least, a total market value of stocks in Japan exceeding that of any other nation, the United States included. The Nikkei had hit its all-time high of 38,000 in December 1990, before the "correction."

Only in the past 15 months or so had Japanese banks even begun concerted efforts to write off their estimated \$800 billion to \$1.1 trillion in bad loans. Most of those loans are still counted on the books of Japanese financial institutions as "performing" loans, a dangerous accounting fiction that now threatens to come unraveled.

The few write-offs of bad loans that have taken place, perhaps 10-20% of the total, became possible only when the Bank of Japan and Ministry of Finance, beginning May 1995, realized that they were facing a total meltdown of Japan's banking system, as well as its economy, and that of much of the world with it.

At that point, with strong support from U.S. Treasury Secretary Robert Rubin and Federal Reserve Chairman Alan Greenspan, the Japanese government implemented the most dramatic bailout effort in the postwar period. Official interest rates were brought to the unheard-of low of 0.5%, where they remain today. Banks were able to borrow at this ludicrously low level, and were encouraged to use the funds to invest in risk-free state bonds abroad, especially in the U.S. Treasury market. They would earn huge profits on the higher interest in the United States, as well as profit from a currency gain. The capital outflow from yen into dollar bond invest-

ment by the banks, together with an agreed joint U.S.-Japanese central bank strategy to push the dangerously high yen down, gave the banks record profits over the past 20 months. Banks for the first time began cautious write-offs of bad debt.

Continuation of bad loan write-offs sufficient to wipe out some \$1 trillion in bad loans, however, required something more. It needed a huge boost in the Nikkei, to give banks an inflated core capital against the required write-offs. A rise in the Nikkei to something like 25,000 to 28,000 would be required to stabilize the overall bad loan crisis, by informed estimates. Solving the problem only through low interest rates would take years, and would so damage the liquidity of pension funds and insurance companies dependent on interest income, that that alone would detonate a systemic crisis.

'Damned if we do, damned if we don't'

This was the deadly dilemma Japanese authorities and banks faced this past December, when foreign investors began to sell their stocks, seeing the weakening prospects for Japanese economic and banking recovery. Last June, the Nikkei had slowly climbed to 22,700 as confidence in rising exports, boosted by the 42% fall in the yen over one year, created the first hint of optimism among foreign fund managers. By Dec. 5, that optimism had evaporated, and foreign funds began to sell, to get out before the year's end. But, while they sold, no Japanese pension funds or large investors stepped up to buy. In fact, the banks, too, were selling their Nikkei stock.

Beginning early in January, that selling took on panic dimensions, coupled with aggressive derivatives options betting on the further drop of the Nikkei. By Jan. 10, the Nikkei had dropped 24% from last summer. At this point, Japanese authorities have reportedly been forced to secretly intervene to support the Nikkei, in a so-called "Price-Keeping Operation," buying from a large public pension fund, the source for the 815-point "recovery." Few are convinced, and more sharp falls, especially of bank stock, appear pre-programmed as March 31 nears.

The yen trap

Little-understood is the role which the Ministry of Finance has played, both in aggravating an already serious financial crisis, and now, in trying to contain it. The International Finance Bureau head of the Finance Ministry, Eisuke Sakakibara, who has been dubbed in Japan "Mr. Yen," has overseen a 43% drop in the currency against the dollar since the April 1995 record high of Y 79 to the dollar. Today it hovers around Y 116.

Left unsaid, however, is that the Ministry of Finance, with the Bank of Japan, deliberately pushed the yen dangerously high from 1992-95, as part of an ill-conceived strategy of forcing Japanese companies to relocate a large chunk of their manufacturing to low-cost Asian or other areas.

Major relocation indeed took place—and almost destroyed Japan. In addition to threatening the social fabric of “lifetime” employment security in Japanese companies, the high-yen tactic had a short-term devastating impact on export companies’ profits, leading the Nikkei to a dangerous low of 14,500 by April 1995, and threatening a meltdown of the Japanese banking and financial system.

As *EIR* has detailed, that was the context for an emergency Group of Seven agreement, spearheaded by Rubin and Greenspan, to avert a systemic disaster by cooperation among major central banks to sell yen and buy dollars. In addition, to restore international confidence in the interbank lending market, the United States revealed that an extraordinary \$500 billion potential line of dollar credit had been made available to any major Japanese bank in liquidity trouble. The line was never drawn on; its mere announcement served to calm bankers’ fears. Japanese banks in October-November 1995 were being forced to pay up to 1% over normal to refinance their interbank credit lines. That Japan “risk premium” threatened to freeze the banks out of access to urgently needed liquidity.

By December 1995, as a result of impressive international efforts, the yen was falling sharply, Japanese exports were increasing significantly, bank profits began to recover, and the risk premium on banks all but vanished. The crisis seemed on the way to resolution.

These clever manipulations of the yen by the Japanese and U.S. authorities, however, created other problems, potentially as serious—if not more so. With the near-zero interest rates of the Bank of Japan, and the official Japanese policy to lower the yen, Japanese insurance companies and others, as well as banks, were encouraged by the Ministry of Finance to further weaken the yen, by taking money out of Japan to invest in low-risk government bonds, especially in the United States and Europe. The sums have reached reported record levels in recent months, with no sign of abating. The Ministry of Finance estimates total foreign investment by private Japanese firms today at some \$100 billion.

But, as the yen continued to fall against the dollar, Japanese and foreign investors in Japan began to become alarmed about losing money on the currency. Over the past 12 months, the volume of capital flight out of Japan began to snowball to where, today, it has reached such alarming dimensions it threatens the Japanese economy. Already last November, Sakakibara tried verbally to stop the yen fall, but to no avail. Again on Jan. 6, Deputy Finance Minister Tadashi Ogawa tried, also with no effect.

This underscores the problem on the currency front. Japanese authorities are in a “damned if we do, damned if we don’t” box. Each week longer with ultra-low interest rates in Japan, forces large funds or foreign investors to leave for foreign markets to earn more, forcing the yen lower still. Already, large Japanese pension funds have begun pulling their money out of life insurance companies, because interest

rate earnings are too low. Yet, if Japan were to raise interest rates to try to reverse the capital flight, and push the yen back up, that rate rise could trigger a stock market collapse, and devastate bank earnings.

The systemic threat

Underscoring the global nature of the Japanese problem were the surprise remarks on Jan. 13 by U.S. Treasury Secretary Rubin. Despite growing protest by U.S. export companies over the high dollar, Rubin told the press that a “strong dollar is in America’s interest,” dashing hopes the yen’s fall might end. “Rubin’s comment tells volumes about the level of concern by international authorities, especially in America,” said City of London investment strategist S.J. Lewis to *EIR*. “He fears that in the present unstable situation, were the dollar to unwind, the Japanese financial system could get out of control, leading to Japanese liquidation of U.S. Treasury securities in the process.”

In addition to some \$100 billion of private Japanese investment in U.S. and European markets, the Bank of Japan, in order to push down the yen, has intervened massively over the past two years to buy U.S. Treasury securities. As a result, Bank of Japan holdings of U.S. Treasury paper have climbed from \$70 billion less than three years ago, to \$212 billion by the end of last year. The Bank of Japan is the largest foreign holder of U.S. Treasuries today as a result.

Largely because of such Japanese buying of U.S. Treasury paper, interest rates in the critical U.S. bond market have fallen significantly. The falling interest rates, driven by the flood of cheap Japanese liquidity, in turn made it highly profitable for investors to borrow money to buy stocks. This has been a significant, if unspoken, factor in the wild rise of the U.S. stock market in the past two years, to a level where total stock market valuation, well over \$7.8 trillion as of Dec. 31, exceeds the nominal size of the entire U.S. Gross Domestic Product, for the first time in history. This reportedly was behind the Dec. 5 remarks by Alan Greenspan about possible “irrational exuberance” in the stock markets.

Were the Bank of Japan, or Japanese insurance firms and banks, to sell their U.S. Treasury securities, that would trigger a collapse in the U.S. bond markets, rising interest rates, and, very soon, a likely free fall in the U.S. stock market. Lewis estimates that the Dow could quickly “drop as much as 2,000 points” in such a case, or some 30%. If so, a systemic chain reaction in world financial markets could not be ruled out. Even a hint by a Wall Street analyst that Japanese buying might end, was enough to trigger a bond market mini-panic last December.

Ominously, in this regard, reliable reports out of the Tokyo financial sector in recent days are that, to stop the falling yen, the Ministry of Finance has privately encouraged Japanese insurance companies to begin selling foreign bonds and buying yen. These are some of the dynamics of the fragile world financial system as March 31 approaches.

Resistance grows to managed-care attack on patients, U.S. medical system

by Marcia Merry Baker and Patricia Salisbury

Even before some U.S. states have officially convened their legislatures for the 1997 session, already several actions intended to curb the practices of health maintenance organizations (HMOs), which are harming and killing people, and dismembering the U.S. medical system itself, are under way. Individual activist lawmakers on the state and federal levels differ greatly in their motivations, and their understanding of how deep the threat goes. Some think the HMO system can be policed, and thus made to “work”; others know it must be rolled back. The group representing HMOs, the American Association of Health Plans, is also highly mobilized, promoting fig-leaf “reforms” that will not cut their profits.

At a Nov. 9, 1996 policy forum in Washington, D.C., sponsored by the FDR-PAC, entitled “Managed Care Commits Crimes Against Humanity” (available in print and video), at which doctors and nurses from Pennsylvania, New York, and Washington, D.C. participated, Lyndon LaRouche outlined the need to organize for twofold legislative action: First, to enact measures to define the “civil requirements” that must be met for standard medical care provision (ratios of skilled staff, beds, diagnostic and therapeutic equipment, screening, follow-up, and so on), which requirements should be set by experienced medical experts. Second, to enact legislation defining “criminal penalties”—specifics of punishable practices, and codes for enforcement and sentencing.

Here, we review some of the recent state initiatives. In past issues, we have reviewed the core nature of the HMO/managed-care system, and how it came about over the past 30 years—an understanding of which makes clear that the task now is to not merely curb “abuses,” but to replace managed care with public-interest health care policies. The interview with Dr. Bryant Welch (see p. 10) makes this point clear, in terms of mental health care.

In essence, the managed-care system is based on a swindle that allows private, for-profit entities and persons to delimit health care and medical treatment, and to take over, make use of, and shut down hospitals, specialty services, public health clinics, and other community facilities, for private gain. This process has reached the point of causing harm and loss of life for whole categories of people, in particular, the poor and elderly; and whole classes of patients, in particular, the men-

tally ill and those needing medically advanced treatment, such as heart surgery. By the criteria of the Nuremberg Tribunal, those individuals imposing managed-care practices are guilty of crimes against humanity (see *EIR*, Oct. 25, 1996, “‘Managed Health Care’ Is a Crime Against Humanity”).

‘Patients’ rights’ bills

On Jan. 13, members of legislatures from nine states held a press conference in Washington, D.C., to announce a drive for coordinated state enactment of a model bill, the “Managed Care Consumer Protection Act.” They said that versions of the bill would be introduced in New Jersey and Texas on Jan. 12, and soon thereafter in Colorado, Georgia, Delaware, Kansas, Ohio, Oregon, and Tennessee. The group said that their intention is to protect “the rights of managed-care enrollees.” There are now over 60 million Americans who have managed-care health insurance.

Among the backers of the drive (perhaps spearheading it) are several Republican legislators who are working in tandem with the managed-care industry, writing legislation that would prevent people from demanding that legislators throw out managed care altogether. The HMO trade group, the American Association of Health Plans, has a campaign called “Patients First,” which is promoting HMO-friendly “reforms.”

The proposal was developed with heavy input from Women in Government, a non-partisan group working with women policymakers at the state level. In a Jan. 13 press release, Joy Newton, the executive director of Women in Government and the former director of corporate relations for the Republican Governors Association, stressed that managed care is a fact of life that must be respected. She said, “The development and introduction of this bill sets an important precedent for legislatures that are both pro-consumer and pro-business in the age of managed care. These nine legislators saw beyond the current patchwork of legislation to regulate the rapidly growing managed-care industry and fashioned a comprehensive bill that protects consumer rights without hobbling managed-care plans with mandates and micromanagement.”

On Jan. 13, some state legislators echoed this HMO-defer-

ential approach. "The bill can be as valuable to the business of managed care as it is to consumers," said New Jersey Assemblywoman Barbara Wright (R). Others differ.

The draft bill would require that an HMO let patients use an outside doctor, if the patients agree to pay an additional fee; require that HMOs give clear definitions of coverage rules for experimental treatments, and timely written explanations to the patient if such treatments are denied; require HMOs to ease their rules restricting coverage of emergency care, and a physician's choice of prescription drugs (both severely limited under managed care).

In Congress, Reps. Rosa DeLauro (Conn.), Fortney Stark (Calif.), and John Dingell (Mich.), and Sen. Edward Kennedy (Mass.) are working on legislation on the Democratic side, while Reps. Marge Roukema (N.J.) and Susan Molinari (N.Y.), and Sen. Alfonse D'Amato (N.Y.) are working on legislation on the Republican side.

The summary description of the "consumerrights" movement, according to Tennessee State Representative Kathryn Bowers (D), is, "We're hoping this bill will give other state legislatures a template for drafting their own consumer protection legislation."

But, as the 1996 legislative year shows, there is a revolt against the HMO system.

States revolt against HMOs

In 1996, at least 30 states took some form of action to curb and redress managed-care practices. For example, 16 states passed measures requiring HMOs to "un-gag" doctors, that is, to cease compelling physicians (through financial and other threats) to withhold information on treatment options from a patient.

This growing state revolt prompted the Clinton administration to announce on Dec. 5, 1996, that a letter had been sent to the 300-plus managed-care companies nationwide, banning use of these so-called "gag" rules.

Congress passed a law in 1996 to prevent "drive-through" childbirth, referring to the HMO practice of not allowing mothers and newborns hospital-stay time. Representative DeLauro has drafted a bill to prevent "McDonald's mastectomies" ("breast surgery to go"), referring to the HMO-asserted medical "standard" that a breast removal should be an outpatient procedure.

However, implicit in the one-by-one approach of listing and proscribing abuses of HMOs, is the problem that thousands of items could be banned, even "Jiffy Lube" heart surgery, and you still would not get at the root of the menace. The managed-care system itself is based on profiting from denying care, undermining facilities, and even stopping medical science and training. Local communities and states are battling this take-down of public assets in many locations.

On Jan. 15, a New York Supreme Court judge in Queens, New York issued a ruling blocking the turning over (on 99-year lease) of the public Coney Island Hospital, to the man-

aged-care company Primary Health Systems of New York—a deal which New York City Mayor Rudolph Giuliani favors, to pave the way for privatizing the city hospital system. The community and medics are fighting Giuliani. The judge ordered that any such takeover (of a non-profit hospital, by a for-profit company) must have the approval of the city council and state legislature.

In Nebraska in the spring of 1996, the legislature passed the Non-Profit Hospital Sale Act. It went into effect immediately upon the governor's signature, and allows the state to stay takeovers of non-profit health centers by for-profit entities; and otherwise, to set conditions of operation if the state does approve a takeover.

A particularly vital resource targeted for shutdown in the managed-care era of 1997, are the medical teaching hospitals. In Illinois, a consolidation move, occasioned by federal cuts in medical services for veterans, is now threatening medical training at the University of Illinois at Chicago, which works with the West Side veterans' hospital, and at Northwestern University, which works with the North Side veterans' hospitals. In Boston, there is a pitched battle to save medical education.

Massachusetts vs. Columbia/HCA

On Jan. 6, Massachusetts State Senator Mark Montigny (D-New Bedford), co-chairman of the Joint Committee on Health Care, filed a bill which calls for a moratorium on conversions of acute-care hospitals, from non-profit, to for-profit status. The bill seeks to halt any further conversions before the legislature can act on a separate bill that would regulate such conversions.

In filing the bill, Senator Montigny was responding to public outrage generated by a *Boston Herald* series on the threat to teaching hospitals. The *Herald* reported the impending move by the world's largest for-profit hospital owner/manager company, Columbia/HCA, to purchase the famed New England Medical Center.

The modus operandi of Columbia/HCA is to move into a region, buy out facilities, shut down services, and profiteer off remaining operations. Acquisition of the New England Medical Center would represent the first acquisition of a large-scale teaching institution, undermining the training of physicians and nurses, and ongoing medical research.

Montigny has made his call for a moratorium an emergency measure, by attaching it to the first bill to be taken up by the legislature. A regulatory bill, which was also filed by Montigny and Sen. John McDonough (D-Boston), would include a provision that would require the hospitals, if approved for takeover, to continue to provide the same level of free care as had been given in the past.

Warnings against a Columbia/HCA takeover have come from all parts of the medical community and the public. Dr. Arnold Relman, former editor of the *New England Journal of Medicine* who teaches at Harvard Medical School, was quoted

in the Jan. 6 *Boston Herald* calling the arrival of for-profit health care “a very troubling new development. They play hardball. They’ll do everything to take patients away from the other hospitals, and doctors away from other hospitals, and they don’t have the same sense of commitment to the community services and research and education the others have.”

Michael Miller, of Health Care for All, a consumer advocacy group opposing the takeover, issued a call in early January for a moratorium on any new conversion of non-profit hospitals until safeguards are put in place to protect the public interest. On the Columbia/HCA takeover, he is quoted in the Jan. 4 *Washington Post*: “Do we want an institution with a profit-driven philosophy in the middle of Boston with deep pockets ready to drive other institutions out of business?”

Boston has been a traditional world-class center of medical research, training, and treatment. Under the managed-care onslaught, its network of facilities and staff is being rapidly dismantled. In 1993, there were 55,000 people in Boston employed by hospitals. Today, the estimate is 40,000, because of the layoffs, mergers, and downsizing.

The situation is so critical, that Boston leaders are calling for government intervention. Boston University Professor Alan Sager warned in January, “Government has to come in, set up a structure and give it a push. Without government, you end up with cartels and monopolies. It is crazy to allow the free market to destroy our trust in the health-care system.”

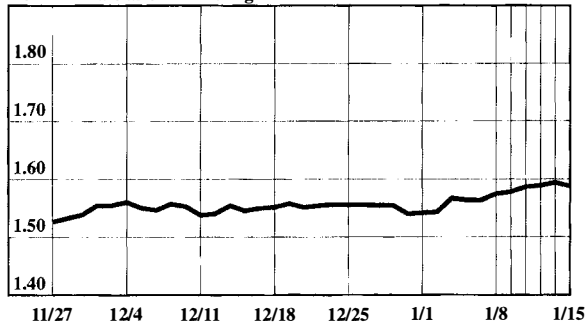
For research funding specifically, in the past, Boston and other U.S. teaching hospitals received some funding from hospital-imposed surcharges on patients’ bills; and most patients were covered under traditional insurance plans that paid hospitals for each service provided. Now, the HMOs pay cut-rate for even the bare minimum services; no money at all goes for research.

Columbia/HCA Corp., the largest U.S. operator of for-profit hospitals, is the result of the February 1994 merger of Columbia Hospital Corp. with Hospital Corp. of America (HCA). Columbia was founded in 1987 in Texas, by circles associated with the Bass family fortune (and Bush family), which proceeded to buy up hospitals, impose selected shut-downs, and monopolize the remaining services available to a community. HCA was founded in 1968, in Tennessee, by circles connected to current U.S. Sen. Thomas Frist, Jr. (R-Tenn.); by 1983, HCA owned 376 hospitals in the United States and seven other countries. By the end of 1994, Columbia/HCA had 42,357 beds; revenues in 1995 were \$17.695 billion, with profits of \$961 million, a profit margin of 5.4%. The Oct. 14, 1996 *Wall Street Journal* expressed worry about “Columbia/HCA’s desire to buy more bricks and mortar,” because “America has too many hospitals.” But, of course, Columbia/HCA specializes in buy-ups, to then create scarcity, and soak the community. To this looting, the Massachusetts moratorium backers say, “No.”

Currency Rates

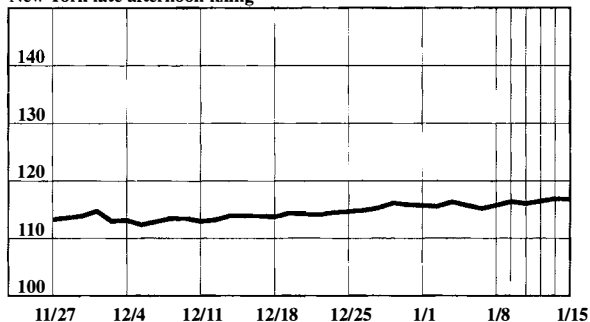
The dollar in deutschemarks

New York late afternoon fixing



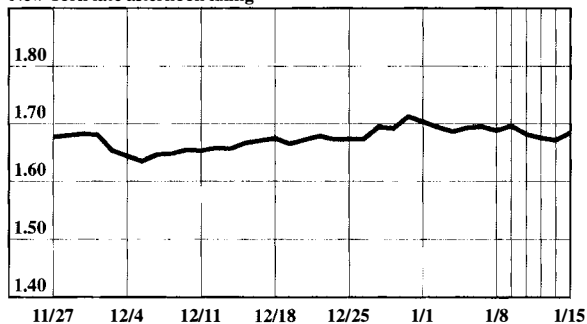
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New York late afternoon fixing



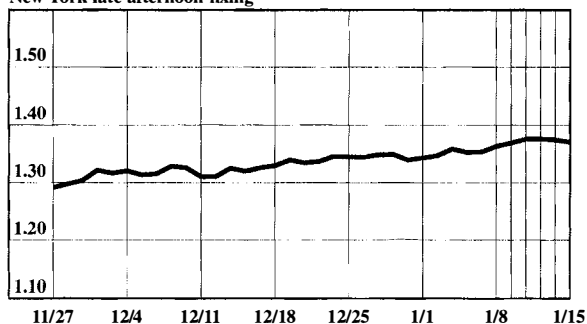
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing





Managed care has devastated the U.S. mental health system

Bryant L. Welch, J.D., Ph.D., is a clinical psychologist and attorney in the Washington, D.C. area. His law and consulting firm specializes in managed care malpractice, mental health advocacy, and trial consulting. He is a senior policy adviser (since 1993) to the American Psychological Association, responsible for development and implementation of all aspects of psychology's campaign for inclusion in national health insurance and subsequent reform efforts. This interview was conducted on Jan. 8 by Marianna Wertz.

EIR: I understand there was a “60 Minutes” segment on the question of managed care and psychology on Jan. 5.

Welch: Right. One of my clients was kind of the featured patient/victim in that, a woman named Lynne Mizel. I thought they did an excellent job.

EIR: Could you tell me about the litigation that you’re involved in?

Welch: The fundamental flaw with managed care is that the managed-care company is pre-paid, and then they have to make decisions about how much of that money they want to pay in patient care and how much they want to keep in corporate profits. So, the incentives are just *overwhelmingly* in the direction of undertreating.

That’s particularly pronounced in the mental health field, for a number of reasons. The mental health patients are less able to protect themselves and fight for themselves. It’s harder for them to go in to their employers and protest at being denied mental health treatment.

EIR: Because they have to admit they’re under care?

Welch: Yes. And the other thing is that mental health is more subjective, I think, than some of the other treatments. So, it’s easier to come up with some squishy rationale of why the care isn’t needed, and it’s harder then to argue against that. So there are a number of reasons why mental health has just been devastated.

EIR: When you say devastated, what do you mean?

Welch: I’ll give you an example of a client I have in Baltimore. It’s a woman who’s in her late 30s-early 40s. Her 13-

year-old son needed residential treatment. His father died when he was seven; he’d been seriously depressed. When these kids hit adolescence, that’s when all hell breaks loose for them. They can start acting out, turning to drugs, or constant need for stimulation to kind of stave off the depressed feeling. So he was doing a lot of dangerous things—stealing her car late at night and joy-riding. This was a very sweet, good kid. But he just fell apart.

He needed hospitalization. He was a dead ringer for a kid that I treated about 20 years ago in North Carolina, and we had him in a residential facility for about 15 months. We totally turned his life around. When he started out, he was angry, he wouldn’t talk to me. You stick with these kids and gradually they understand that, unlike other adults, you’re not going to be someone who’s left him, the way his father left him, in effect. So you develop trust with him and then you start working through some of the problems. This kid now is a very successful professional person.

The boy now, with the new managed-care system, they gave him two days of hospital care. They denied residential treatment. The only reason you ever put adolescents in residential treatment, is if they’re out of control. What the managed-care company said is that we’re not going to give this boy residential treatment, because he didn’t cooperate with his outpatient treatment! When you use that rationale, you never use residential treatment. This is the kind of sophistry you see.

So, they let him out over the objection of his outpatient therapist and his mother and his psychiatrist. Five days later, he was dead. He took the mother’s car late at night. To this day, she has nightmares. You can just imagine how devastated and wracked this woman is, with what she went through. She lost her husband seven years ago, and she’s been working a full-time job with two young children, and thought she had good health insurance. The one time she really needs it, it’s not only that they refused to cover; it’s that what they’re saying is, that it’s not necessary.

EIR: Is this one of your suits?

Welch: Yes. This one will be filed in about six weeks. About a third of the people I represent are dead children.

EIR: How many is that?

Welch: We're talking about four or five. The numbers fluctuate with the caseload. A good other third are people with very serious suicide attempts. I've got one, who was going to be the lead story in "60 Minutes." She's a woman who had an eating disorder and she was in a general hospital, they wouldn't put her in a psych hospital. She did hang herself, and someone just by chance walked in and cut her down. The hospital discharged her a day and a half later, and said that it could be dealt with on an outpatient basis.

When the husband called me, he and his three kids, ranging from 6 to 15 in age, were doing a 24-hour vigil around the mother's bed at home, to make sure she didn't kill herself. He had, of course, totally stopped working to just attend to this. And he can't get the wife treatment. On that one, it had kind of a happy ending, because I called the "60 Minutes" people and said, this is one you can capture *in vivo*—you can go out there and watch it unfold. So, they just spent the day with the family. This company was Merit, one of the early managed-care companies.

EIR: Which is owned by Kohlberg Kravis Roberts.

Welch: You got it. It was bad before, and what KKR is doing is bleeding it. My understanding is that the peer reviewers, who were never terrific to begin with, and were making maybe \$50,000 a year in New York, have now been replaced by \$28,000 a year clerks. And \$28,000 in New York City is not attracting a high level of professional expertise.

What happened is, when "60 Minutes" filmed it, they then called Merit, and since that time, Merit just completely backed off and has now been paying everything.

EIR: There does seem to be a pattern, that at the point that you threaten suit, these companies tend to pay up. Has that been your experience?

Welch: Increasingly. What the managed-care companies used to say, was they didn't want to find themselves on "60 Minutes." I've found that the more I get clients in the media, the more I can then pick up the phone and jawbone around other clients, like the Baltimore case I told you about got some media attention. She was on "Nightline." That was Greenspring HMO. I then had another complaint that was fairly similar to Greenspring, so I wrote them a letter and said that I was dealing with the deceased client and I hoped that we could avoid this, and they immediately gave her the residential treatment she was asking for.

EIR: Are managed-care companies attempting to exempt themselves from any responsibility, and putting it only on the doctors' shoulders?

Welch: There are two ways in which they've done that. Early on, they argued that they were just insurance companies and that they made no treatment decisions. Traditionally, with the way insurance worked, that's what the courts

had held. Increasingly now, courts will hold managed-care companies liable for what happens, under a variety of theories.

Some of the insurance bad-faith laws say that if an insurance company turns down your claim "in bad faith"—in other words just to make it more difficult for you to collect, to force you to go to court to collect—then you can sue them, not only for the amount of money they owe you, but for punitive damages. Those laws have been designed to discourage insurance companies from denying claims across the board.

The insurance bad-faith laws have been a pretty powerful weapon against the insurance industry. In some cases, we've been able to use those laws against the managed-care companies, and in addition, we have been able to show that a lot of the HMOs, where they have doctors and provide services, are guilty of malpractice. So those have been the two standard weapons.

EIR: What about the use of the Employee Retirement and Income Security Act law?

Welch: ERISA has just played havoc with those two fundamental protections. ERISA was passed in 1974 and it was a very innocuous, pro-consumer law that was really designed to regulate large, private pension plans, because in the '60s, some of them went belly-up. The federal government stepped in to set up reporting requirements and so on. What big business and big labor said is, look, if you're going to set up federal regulations, then you really ought to stop regulating us from the state level as well, because we've got 50 different sets of regulations that we've got to meet. If you take General Motors, we've got plants in 20 states, we've got to have 20 different employee welfare plans. That's all well and good. That was kind of a *quid pro quo*.

So, what they did, was put a phrase in there that said that state laws that were regulating these private, self-funded employee benefit plans were preempted; that the states couldn't regulate them. Then, what happened is that everyone, to get out of state regulation, switched their health plan away from traditional insurance and became some type of self-funded plan, using the insurance companies to administer the plans, but not to be laying off all the risk on them.

Then ERISA got interpreted to mean that you could not sue those plans for malpractice; you couldn't sue them for insurance bad faith. It got so bad that there was a case in Louisiana, the *Corcoran* case in the Fifth Circuit, where they denied a woman care and her fetus died: clear negligence. The interpretation of ERISA was that she couldn't sue them under any of the state theories that I just described. All she was allowed to do under ERISA was to sue for the value of the services—in this case it was an ultrasound—that had been denied her. So she'd get \$168 for the death of her child!

ERISA affects all the private, self-insured plans, which

is better than half the population. That has been a huge problem. Keep in mind that public employees—school teachers, police, state and county employees, federal employees—have not been vulnerable to ERISA.

I just filed a motion on an ERISA case, basically arguing that ERISA should not apply—this was in the Mizel case that was on “60 Minutes.” I was flabbergasted when the other side just capitulated on it.

ERISA is slowly eroding. The Supreme Court in 1995, in the Travelers case, said this thing is crazy. Congress did not mean to preempt all state regulation of health care, and we’re going to greatly restrict ERISA. Since that time, what’s happened is, the federal circuit courts have said there are two kinds of things that go wrong here. One is benefit denials and the other is malpractice.

Now, this becomes very convoluted. If you’re denied benefits, you can’t sue under state law. If, on the other hand, you’re the victim of malpractice, you can sue the doctor, the hospital, and the managed-care company, because it’s their agents who commit the malpractice. So that’s been a huge opening in the ERISA law, and that’s what I’m doing in a number of cases. Where the hospital or the doctor commits malpractice, you can sue the managed-care company under a theory of vicarious liability.

I believe that we’re going to see further erosion. The Department of Labor has been terrific on this issue.

EIR: Yes, I saw Secretary of Labor Robert Reich speaking on this.

Welch: He’s arguing, I think correctly, that ERISA shouldn’t protect the managed-care companies anyway, no matter what they do, that they are not the plan itself; they’re just someone who’s providing services to the plan. So why should they be protected by ERISA? I think this is precisely the correct rationale, and I wouldn’t be surprised that when it gets to the Supreme Court again, we have a decision like that. Because the Supreme Court in the Travelers case voted 9-0. There’s a little bit of a states’ rights issue involved in this as well. It also unclogs some of the federal docket. So there are a number of reasons why the Supreme Court would continue to restrict ERISA.

EIR: What is happening to the health-care professionals like yourself?

Welch: There’s a lot of pressure placed on providers. It used to be they would hound them to death with utilization review. But now what they do is what they call “provider profiling.” They keep a record of how many times different therapists see patients. And if you are above the average, you’re kicked off their panel. If you think of that statistically, what happens is, your average keeps going down.

The incredible thing about it, to illustrate how clever these people are: They then go out and sell that to employers, who say, we just take the most efficient providers, because

these people are able to do the work in a shorter period of time!

In fact, clinically, what’s going on with that, is when people go to a therapist and then don’t go back, generally what it means is that something didn’t click well with the therapist. It may be the therapist was a goof or what have you, but what they’re really doing is filtering out those therapists who aren’t able to establish a therapeutic alliance with the patient to work on their problems, and selling them as more efficient, knowing that, in fact, people aren’t going to use them much, because they go in, and meet them and go, “Yuck!”

EIR: And the managed-care companies want them to be used.

Welch: The companies are told that these are the more efficient providers. They do this in a shorter period of time! If you’re a production manager, that sounds reasonable. But these people who run these companies generally are mental health professionals, and they know that what’s really going on, is that these are people that patients just don’t go back to see.

When I practiced, it was not at all unusual for me to see people for two or three years, a couple of times a week. You can dramatically turn a person’s life around in that time. It’s tremendous what you *can* do. But now, we’re talking about an average of two to three psychotherapy visits. What they’re doing is providing the smallest amount of treatment, where they can still say they offer “mental health care,” but it’s worthless.

EIR: Our cover story on managed care was titled “Managed Care Is a Crime against Humanity.” Mr. LaRouche, who’s the founder of *EIR*, says we’re descending into a Nazi-like society with this kind of treatment. The question is, once it’s clear to the policymakers where we are, what are we going to tell them to do?

Welch: There are a number of things that can be done. To me, the fundamental thing is that you cannot have a safe system of health care where the decision-maker makes money when they deny care and loses money when they provide it. As a mental health professional, I’m certainly willing to have somebody oversee my utilization of private insurance dollars or federal health benefit dollars, but it ought to be somebody who does not have a financial incentive one way or the other. If we want to say that organized medicine was overutilizing, fine. There are biases when people can generate work for themselves and some third party will pay it. I can see that.

EIR: That was the rationale for bringing in managed care.

Welch: Right. But now, what we’ve done is we’ve just applied the same rationale in the opposite direction, where the incentives are for these business people to make a lot

of money. If you want to use a managed-care system, then you've got to have people who are making these decisions who truly are financially unconnected to the outcome of their decision.

I worry about liability. I don't know if you folks have focussed on the tort reform. It's something that the public does not understand. I think it's very important that these companies be held liable when they hurt people. If they deny care, the insurance bad-faith laws are very important, because you have a solitary individual trying to go up against an insurance company. You've got to have that equalizer, which is what the bad-faith laws are.

We're hearing a lot about frivolous lawsuits and tort reform and the McDonald's case, where the woman drove through McDonald's, spilled her coffee, and collected \$2 million. The advocates of tort reform are saying you shouldn't be allowed to sue, look at these ridiculous verdicts. The McDonald's case didn't happen the way people describe it. The woman got about \$10,000 in damages. She was severely scalded in her genitals and it really did a lot of damage. The jury heard document after document, where McDonald's officials were acknowledging that people were going to get burned, but they said if it's going to be more expensive for us to fix it than it is to just pay off a few of these minor lawsuits, screw 'em. There was just this arrogant contempt.

So the jury hit them for the \$2 million to say, we don't like this! To me, that's an awfully important mechanism to have, that people have to have the opportunity to hold business accountable that way.

Then there are some really fundamental free-market things that I think could be done. You put people in a situation where they always have some financial stake themselves in their health-care consumption. That could be a somewhat higher deductible, and it could be that at every point along the way, depending upon your income and your ability to pay, you have to be paying some part of your medical consumption. Until you get to catastrophic, where people don't consume catastrophic medical resources on a discretionary basis.

EIR: So some of the aspects of managed care, you would stay with?

Welch: I'm not eager to do it. I personally do not believe the insurance industry is contributing anything to society now! I know that's an extreme statement. I would be inclined just to turn them into public service corporations and be done with them. I just see them as gouging, in terms of profits and reserves, but most importantly, they're very poorly equipped to provide the safety net which is supposed to be their whole purpose. Because they have incentives to deny people's claims. So, I would come down more on the side of some type of public health-care system. It's better than the private one that we have now with managed care. So, if we can't afford the old system, then that's the direction that I would go.

Starving Bulgarians fight for existence

by Konstantin George

A mass strike process featuring daily demonstrations throughout every major city in Bulgaria, including the capital, Sofia, has been under way in that oft-forgotten Balkan country, since Jan. 8. It is a mass uprising against the catastrophic International Monetary Fund (IMF) "reform" policies, undertaken by a population that is utterly desperate, many facing outright starvation, and thus with nothing to lose. The tragedy of Bulgaria is not only that of its people's unspeakable misery, the worst of any population anywhere in the former socialist bloc. The deeper tragedy lies in the country's political leadership, be it the ruling former Communist Party, now the Bulgarian Socialist Party (BSP), or the opposition, led by the Union of Democratic Forces (SDS), which is exploiting the mass strikes to engineer its return to power. Both the BSP and the SDS are publicly committed to implementing the next phase of the IMF's plan for Bulgaria, thus ensuring that the crisis will get worse.

Given Bulgarians' extreme desperation, the protests have been remarkably peaceful. The one occasion of violence, when "demonstrators" stormed the parliament on Jan. 10, was carried out by several dozen agents provocateurs using the larger number of unsuspecting protesters for protective coloration. It was a crude, almost ludicrous attempt by the ex-Communist "businessmen nomenklatura" who dominate the BSP, to discredit the mass movement.

Bulgaria is staring at a crisis of existence. In a country of 8.5 million, hundreds of thousands are close to starving, and survive, barely, only through a meager daily food ration provided by state soup kitchens. The average monthly wage for a family is between \$16 and \$20. A loaf of bread costs 50¢. To simply provide a family with one loaf of bread a day for a month requires \$15. The large majority of Bulgaria's 1 million pensioners earn far less than this average, and most stay alive thanks only to the soup and crusts of bread they receive every day at the state kitchens.

A key index of the profound damage to Bulgaria caused by seven years of IMF measures is the emigration rate. Last year, fully 10% of Bulgaria's actively employed population left, most of them younger men and women, from the best-educated and skilled sections of the country's workforce. Recent polls showed that 28% of Bulgarians declared they wanted to emigrate. If this continues for another year or two, Bulgaria will die through depopulation.

The present tragedy can be compared to 1919, after its defeat in World War I, when Bulgaria, like Germany, became a victim of the Versailles reparations policies. This caused a complete economic breakdown and mass hunger.

Political strikes

Thus, a population which has decided it can't go on living as it has, is protesting and will keep protesting until things change. Minimally, that means fixing a date for new elections.

As of Jan. 13, the protests began taking on a new form—political strikes. The first indefinite strike was begun by the workers at Bulgaria's largest oil refinery, in the Black Sea port of Burgas, and warning strikes were begun by dock workers at Burgas and Varna. Also, on Jan. 13, the country's trade unions, which have broken with the ruling BSP, announced they were considering a general strike for Jan. 15 or Jan. 16. This strike would include industry, transportation, telecommunications, urban transport, and all state employees. As of this writing, the general strike has yet to materialize, but it could occur any time; it is almost a foregone conclusion, should the BSP continue to stall on fixing an early date for new elections. The situation was building toward a general strike, with or without trade union blessing, as became clear on Jan. 15, when reports came in that the strike wave had been extended to include the mining, steel, and weapons sectors.

The question of early elections

Certainly, the situation is moving toward early elections, but the big question is, when, and what type of transitional government will there be in the meantime? On Jan. 12, BSP Chairman Georgi Parvanov appeared on TV and agreed in principle to early elections. However, he insisted that the BSP would have to continue ruling for "at least one year" in order "to stabilize Bulgaria."

Under normal circumstances, the next election would be in December 1998. The SDS, which takes over the Presidency when Petar Stoyanov is inaugurated on Jan. 22, first said it wanted elections "soon." On Jan. 13, Stoyanov said a June date would be agreeable, thus indicating that a compromise can probably be found. Since then, with the escalation of the mass strike process, the position of the BSP has drastically weakened.

Barring an agreement on early elections, Bulgaria will continue to have no government—which is already the case. While the BSP has designated Nikolai Dobrev, who was interior minister until the government of Zhan Videnov resigned, to act as prime minister, his credentials have been rejected by outgoing President Zhelyu Zhelev, the "anti-Communist" non-party figure.

This stalemate will remain after Jan. 22, when Stoyanov will continue to make appointing any new government conditional on an agreement for early elections and an "anti-

crisis program."

The same paralysis exists in the legislative branch. Parliament reconvened on Jan. 15, for the first time since provocateurs stormed the building on Jan. 10. However, the SDS boycotted the session, leaving, of a total of 240 parliamentarians, only 123 deputies from the BSP and its coalition partner, the Bulgarian Economics Party (BBB), to meet. The BSP could continue ruling, even in a transitional capacity, only if the BBB, with its 13 seats, continued as coalition partner. That prospect ended on the evening of Jan. 15, when BBB chairman Georgi Ganshev, declared his party would no longer support the BSP, because "their economic policies have been proven wrong."

Timed with this, the "reform" wing of the BSP joined in, for the first time publicly, calling on the BSP to allow parliament to be dissolved in order to speed elections. The call was issued by Nikolai Kamov, one of the most influential figures in the BSP's reform wing. The BSP executive met on the evening of Jan. 15, and offered to hold elections at the "end of the year," saying it was prepared to meet with the opposition and set a date. There is little chance the BSP will be in power that long.

What is probable is that a technocratic government would bridge the transition, followed by elections that bring the SDS back to power.

The IMF currency board

The SDS is publicly committed to one of the IMF's fondest projects, the imposition of a currency board to replace the central bank. This currency board would "control inflation" by simply limiting the emission of money, based on the level of foreign exchange reserves; drastically cut the budget; and increase the tempo of privatization and forced closure of industries. Such a program would add hundreds of thousands to Bulgaria's 1 million unemployed.

Since the BSP was also committed to the "currency board" and increased privatization, there is clearly not a dime's worth of difference between the two parties. The SDS, however, claims that it can implement the IMF program "much more effectively" than could the BSP, which may be true—and that is the stuff of true tragedy. President-elect Stoyanov admitted on Jan. 13, that the IMF program would "worsen" Bulgaria's situation, but then hastened to interject that Bulgaria has "no choice."

Throughout eastern Europe, the IMF is killing populations. If the IMF butchery is allowed to proceed, Bulgaria will become the first to "kiss the axe." Further, the tragedy of Bulgaria is testimony to the criminally negligent policies of the Maastricht-fixated European Union. It is a sad and bitter truth that, so far, in a situation where the population of a European country is facing starvation, not one European head of state or government has even had the decency to propose an airlift of food and fuel to fellow Europeans who are desperately hungry and freezing in Bulgaria.

What future for space exploration?

Marsha Freeman reports on a meeting of the American Astronautical Society, which discussed the steps to be taken "Beyond the Space Station."

Sometime in February, the White House will host a bipartisan summit with the leadership of Congress to discuss the future of the U.S. space program. The way the budget now stands, funding for the civilian space program, managed by the National Aeronautics and Space Administration (NASA), will decline by about 25% over the next five years. Neither a majority of Republicans nor Democrats considers this a viable future for the space program, and it is hoped that a more reasonable funding level will be agreed upon at the summit.

Although, as many observers of the space effort are saying, the best that can be expected from the summit is a flat budget that simply holds the line on cuts—enabling NASA to fly the Space Shuttle, begin construction of the International Space Station, and continue a modest space science program—it is the understanding of everyone involved in space exploration, that without long-term planning and visionary goals, the space program has no real future.

The focus of the 43rd annual meeting of the American Astronautical Society (AAS), held in Houston, Texas on Dec. 9-11, 1996, was a discussion among NASA scientists and engineers, government managers, industry representatives, and university professors involved in the space program, on what the next steps should be. The conference was entitled: "Space Exploration and Development: Beyond the Space Station."

Many of the conference participants have worked in the space program for more than 30 years, including sporadic work, since the early 1960s, on long-term plans for space exploration. They have seen one and yet another study recommend returning to the Moon and then going on to Mars, but a political commitment to these goals has not been forthcoming. So, an important debate that occurred at the AAS conference concerned what goals these space professionals should promote, and how to try to enlist public support to accomplish them.

Getting to Mars on the cheap

From the beginning of the manned space program, visionary planners have consistently proposed that, after gaining experience working in Earth orbit, the Moon should be the

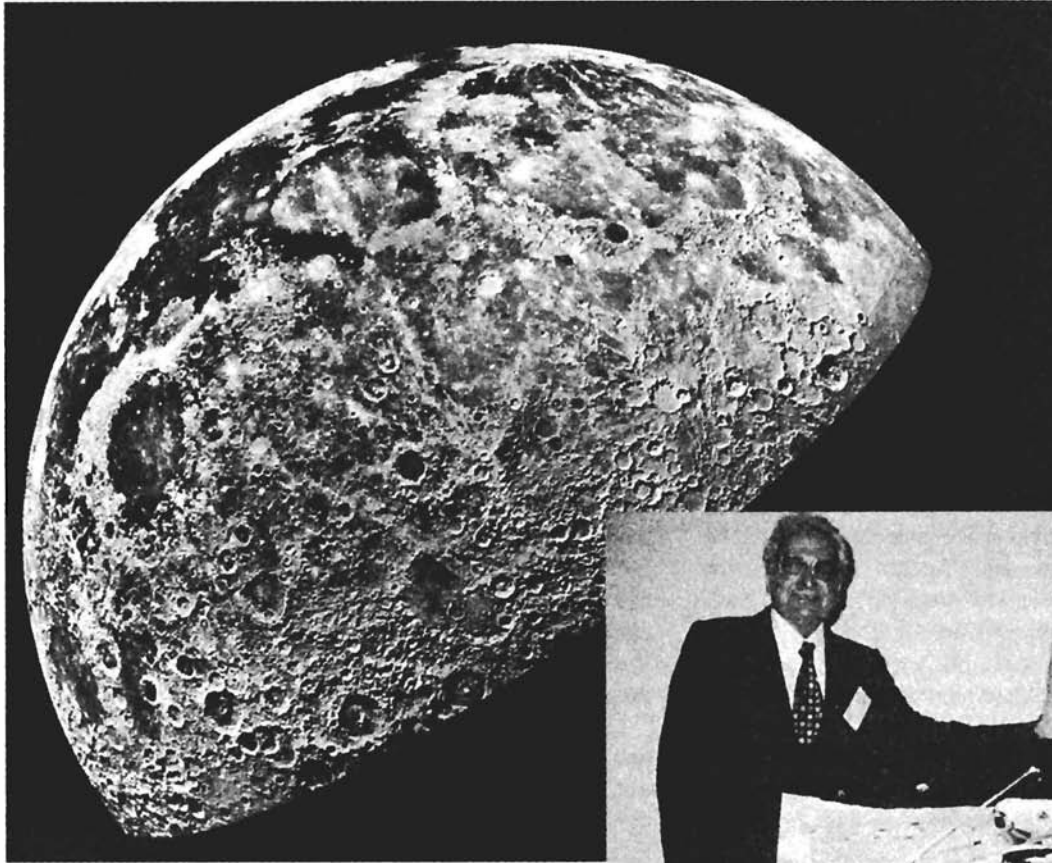
target for exploration and development. Lunar resources could be exploited to build a manufacturing base on the Moon, and to function as a way station, providing fuel, and possibly other supplies, to space travellers heading farther away from Earth. Also, it has been assumed that any mistakes in technology design, development, or testing, should be made under circumstances in which the crew can be brought back to Earth in a couple of days, not where they are millions of miles and months away from Earth, such as on Mars.

Over the past few years, however, a new school of thought has gained popularity, which proposes that man go directly to Mars without first learning to live in space or developing the Moon. This view has been most energetically promoted by Dr. Robert Zubrin, a former engineer for Martin Marietta, who spoke at the AAS conference on his "Mars Direct" plan. In this scheme, virtually no new technologies, such as nuclear or fusion propulsion, would be developed. Astronauts would go to Mars using 1960s chemical rockets; they would have to spend more than a year traveling there and back, and up to 500 days on the surface of the planet. They would not carry their return fuel with them, but would be dependent on an automated fuel production factory that would have arrived on Mars earlier. Zubrin admits that this is a very high-risk mission profile.

Even so, this plan, which has been relentlessly promoted by the media, has gained some support among space planners, because they have been demoralized by the fact that the United States has had no serious long-range exploration plan for nearly three decades. "Mars Direct" is put forward as a quick, cheap, "exciting" way to revitalize interest in the space program. That some have fallen for this siren song was evident in a few of the presentations at the meeting.

For example, Elric McHenry, who has been at NASA's Johnson Space Center in Houston since 1963, said that "after the space station, we must be ready to make a 'go/no go' decision to send people to Mars." The Mars plan should be completable in eight years—that is, within the timeframe of a President's two terms, he said.

Zubrin, in his presentation, insisted that because the interest of the President or Congress cannot be sustained for long, "you cannot get to Mars in 30 years, or 20 years. It has to be



A view of the northern regions of the Moon taken by the Galileo spacecraft's imaging system on Dec. 7, 1992. Inset: Dr. Michael Duke (right), who spoke at the AAS meeting, presenting a painting of lunar exploration to the late Krafft Ehrlicke (left), at an October 1984 NASA meeting on a manned return to the Moon. Ehrlicke drafted a comprehensive program for industrializing the Moon.



in 10 years or less. . . . We've got to get there quick."

Although NASA Administrator Dan Goldin has promoted the goal of manned missions to Mars, particularly in response to the excitement after the Aug. 7, 1996 announcement that there is evidence that life may have developed there, the space agency, so far, has held to its plan for a rational progression of exploration, proposing that lunar development should be a precursor to sending people to Mars.

Back to the Moon with robots and people

The plan of the space agency was presented to the AAS conference by Michael Mott, deputy associate administrator of NASA in Washington, who stressed that after the completion of the international space station in 2002, "We're going back to the Moon and on to Mars."

We need a long-range commitment to space exploration, he said, to increase our knowledge of the universe, learn and discover, and "excite kids to study." Mott said that the United States should have "preeminence in technological innovation and space leadership"—which was a breath of fresh air, after years of blather from Washington that the United States can't expect to be "preeminent" in science and technology.

Rejecting the "Mars Direct" proposal, Mott said that on the Moon, we will learn the lessons we need to go to Mars.

We will use the Moon as a "technological test bed, tap lunar and solar energy resources, and use it as a way station for exploration." We are not going to go "rushing off for Mars," he said.

During the question period, when asked his opinion whether the next step should be to develop the Moon or to go directly to Mars, Mott said that going to Mars without going to the Moon first would be "totally illogical." The United States has "72 hours of total experience living on another body," from the Apollo Moon flights, he said, and that is not enough of a basis for sending crews to live on Mars for 500 days.

This view was also expressed by European, Japanese, Russian, and other American participants at the AAS conference.

In a paper submitted by Mikhail Marov from the Russian Space Agency, the view was put forward that "both an International Space Station and a lunar base" are needed "as intermediate platforms" before manned missions are sent on to Mars. "This collective effort of the whole [of] mankind should match the long-term strategy of space colonization and the utilization of extraterrestrial resources . . . rather than to be simply an adventurous journey," Marov states. "This is why, quite logically, this expansion should not miss the celestial body closest to the Earth."

Marov described the dreadful state of the Russian space program, which does not, at the present time, include missions to the Moon. "Russia is currently undergoing the experience of three simultaneous, traumatic changes: the breakdown of the Soviet Union, free market reforms, and democratization," he explained. "The resulting massive social, economic, and political turmoil [has] had a substantial impact on the Russian space infrastructure and space program, which currently continues, although [on] a much lower level."

The Japanese program

But, in Japan, two unmanned missions are being developed, which are part of a multi-decade lunar program that will culminate with manned missions to the Moon in the next century.

At the AAS conference, Junichi Haruyama, from the Tsukuba Space Center of the National Space Development Agency of Japan (NASDA), described a mission under development in Japan called Selene, for Selenological and Engineering Explorer. Selene will be an ambitious space science project, requiring the use of a new, high-capacity H-IIA launch vehicle powerful enough to send a two-ton spacecraft to the Moon.

Selene will be launched in 2003, Haruyama said, during a solar maximum phase of increased activity from the Sun. It will be a unique opportunity to study the Earth's plasma environment from outside. Instruments on Selene will take magnetospheric and plasma measurements of the cislunar space (between the Earth and the Moon), imaging the Earth in wavelengths from the extreme ultraviolet (UV) to visible radiation, to contribute to clarifying the global dynamics of the terrestrial magnetosphere. Selene will obtain scientific data concerning the origin and evolution of the Moon. (Even though men have brought back pieces of the Moon, it is still not known where the Moon came from.) A most important goal of the Selene project is to develop and test technology for future lunar exploration. The scientific data will also be used for exploring the possibility of future utilization of resources on the Moon.

More than 200 Japanese scientists and engineers are involved in the mission, Haruyama reported. Selene will consist of a lunar polar orbiter at a 100-kilometer altitude, a lander designed to survive for 20 days, and a small relay satellite. The instruments include an X-ray spectrometer, gamma-ray spectrometer, camera, radar sounder, laser altimeter, magnetometer, dust analyzer (plasma detector), plasma imager, and charged particle spectrometer. The relay satellite will help determine the gravity field and the remnant magnetic field of the Moon.

Already completed, and nearing its summer 1997 launch date, is Japan's Lunar-A spacecraft. It is aimed at studying the internal structure of the Moon. Lunar-A weighs 1,200 pounds and will be launched on a smaller M-5 rocket. The Lunar-A orbiter will fire three surface penetrators into both

the near and far side of the Moon, to obtain seismic and thermal data. These will be the first surface investigations of the Moon since Apollo 17.

Each penetrator has an individual solid rocket de-orbit motor and attitude control system, so that it can be precisely aimed. The penetrators will impact the surface at speeds of 825 to 990 feet per second, and should be able to penetrate several feet below the surface. Each penetrator carries a seismometer, heat flow sensors, two batteries, a data-processing unit, transmitter-receiver, and UHF antenna. This network of penetrators will provide a precise plotting for moonquakes and heat flow characteristics, which could help determine if the Moon has a molten core.

The Moon is special

The European Space Agency (ESA) also has lunar exploration on its agenda. Geraldine Naja, from ESA headquarters in Paris, told the AAS conference attendees that "the Moon is a very special place and object. It is close, everyone can identify it in the night sky. It takes three days to get there; it is special in European activities."

She described the Moon is a "natural space station," and observed that an important advantage of manned missions is that the crews are exposed to zero gravity and radiation hazards for manageable periods of time. A return home in case of problems, such as hardware or health, is only a question of days.

European interest in lunar missions started in 1994, Naja stated, and they have planned out a four-phase strategy. Phase I focuses on unmanned explorers and surface operations, to inventory lunar surface features and resources by remote sensing and orbiters; this could start in the year 2000. Phase II includes a permanent robotic presence, and makes use of the Moon for scientific operations. In Phase III, the Moon will be exploited for resources such as oxygen, and robots would deploy scientific instruments. Phase IV would involve establishing the first human outpost, in about 2020.

ESA is considering development of a mission called Elspex, or European Lunar South Pole Expedition. Naja described it as a "no frills" program, which should be within the range of what the European nations can afford. Elspex would include a lander and an orbiter, and could be ready for launch in the year 2000, if there is a go-ahead next year. The plan is to land on the western rim of the south polar crater in the Aitken basin, in "eternal light." This is the region where scientists interpreting data from the Clementine spacecraft believe they have located ice.

In addition, the United States plans to launch the Lunar Prospector orbiter on Sept. 24. It will carry neutron spectrometers, which will take precise readings that could confirm or contradict the existence of ice at the lunar south pole. The primary task of Lunar Prospector is to obtain precise data on the composition of the lunar regolith and to search for volatiles, such as oxygen. The exploitation of such resources

would allow human prospectors to “live off the land” in the next century.

Preparations for lunar colonization

While these lunar missions from the United States and Japan are being readied for launch, industrial concerns in Japan are developing hardware and conducting preliminary experiments, in order to be ready for lunar colonization. Tetsuji Yoshida, from the Shimizu Corp. in Tokyo, outlined the work his company is doing in space development.

Shimizu is an architectural and engineering company established in 1804, which started looking into space technology in 1984. It aims to utilize construction technology developed for use on Earth in space, and to develop new techniques for space construction that can also be used on Earth. In the last 10 years, the firm has developed a concept for a lunar base using concrete modules produced from lunar materials. The modules are hexagonal shaped, which allow multi-directional extension of the base. They are self-assembling structures using membranes and air-inflation systems. Shimizu has carried out several joint studies on lunar base reference designs with McDonnell Douglas.

Shimizu is also developing technologies for lunar resource utilization. Yoshida explained that his company is looking at lunar oxygen production, and that it has a small experiment using a simulated lunar oxygen plant. Since 1991, Shimizu and Carbotek in the United States have been conducting joint studies on lunar oxygen production, focussing on hydrogen reduction of ilmenite as one of the most realistic processes. More than 30 grams of lunar soil samples (from Apollo 17) have been supplied by NASA for their studies. Tests have been performed using NASA’s KC-135 variable gravity aircraft to study the behavior of solid particles under lunar gravity conditions.

Shimizu is also looking at construction materials that can be produced from material on the lunar surface, such as ceramics, glass, metals, and cast materials. Because NASA has only a limited amount of lunar soil to provide to researchers for experimentation, simulants of lunar soil are used. Near Mt. Fuji in Japan, scientists at Shimizu found a good lunar soil simulant of basaltic rock. They are melting the samples to examine their characteristics for use as construction materials.

Yoshida explained that Shimizu has also been thinking about the construction of hotels and other large-scale structures on the Moon. Japanese scientists and industry are planning for manned lunar operations in the next century.

The prerequisite technology for Mars

While the debate is continuing in the space community over whether returning to the Moon should be put off until after an eye-catching mission to Mars, the space agency is embarked on an outreach effort to develop the new and even

revolutionary technologies that should be prerequisite to sending people to Mars.

John Mankins, program manager in the Advanced Concepts Division at NASA headquarters in Washington, told conference participants that “enabling a first human expedition to Mars that is affordable will require both revolutionary new technologies and innovative new systems concepts.” Low-cost orbital transportation systems for lunar and Mars missions, and affordable transportation between low Earth orbit and lunar and Mars orbits, are the priorities.

For trips to Mars, where the distance to Earth is measured in the tens of millions of miles, we need “exceptionally reliable, almost fully autonomous in-space operations,” Mankins said.

What is required includes advanced propulsion for lunar and Mars vehicles. Options for development include nuclear thermal rocket propulsion, based on the 1960s NERVA technology; magnetohydrodynamics, or MHD; and fusion. The use of tethers in space, to provide artificial gravity, should be further investigated, Mankins said.

Advanced life support systems, including greenhouses, will be needed to recycle the liquid and gaseous human wastes. Highly robust surface mobility systems must be developed, and *in situ* resource utilization will increase the economy of the missions. Space exploration will require high levels of electrical power, Mankins stated—which is also true on Earth. “As the new century approaches, population growth is driving the demand for new energy and various concepts and technologies,” he said.

Gary Lyles, from the Marshall Space Flight Center in Huntsville, Alabama, told conference participants that NASA is also looking 25 years into future, at more “revolutionary” technology options. “The leverage in reducing cost is in technology,” Lyles said, in juxtaposition to the “Mars Direct” idea that reducing cost is achieved by increasing the risk to the astronauts.

Proposals for examining the possibility of using magnetic levitation, MHD, pulse detonation engines, and fusion energy are being considered, Lyles reported. “Fusion propulsion is nearer term than a power generation system, and it is possible that it’s nearer than we think it is,” he remarked. Some experimental data from astronomy, astrophysics, and other fields are yielding information not consistent with currently accepted theory, Lyles said. He mentioned that NASA is supporting work on gravity modification at the University of Alabama, in Huntsville.

Steven Broday, Executive for Strategic Planning, Education, and Outreach in NASA’s Office of Space Science, outlined the advantages of an early return to the Moon: First, to build confidence in the area of autonomous operations in space. Second, to establish the “international strategic interdependence for human exploration” with potential international partners who are already interested in the Moon

(i.e., Japan and Europe). Third, to engage the private sector in reducing the cost. And fourth, to engage the public in the missions of space exploration. "Lunar activities would sustain interest and is nearer term," Broday said. He suggested that there could be a "lunar globe program," with young people in different countries having charge of a robot on the lunar surface, which allows them to map a part of the Moon.

"We need a sustained, incremental program, not a big push to Mars," Broday said.

The synergy between the Moon and Mars

The final session of the AAS conference explored the synergy between lunar and Mars missions, to see how each could enhance the other. Mike Duke, for years a scientist at the Johnson Space Center and now with the Lunar and Planetary Institute in Houston, stated, "For the past 10 years, the challenge has been to link the exploration of the Moon and Mars, and this has not been successful, largely because the lunar missions were done as cheaply as possible, without the development of much new technology.

"You can go to the Moon with existing vehicles," Duke explained, "but this is not true for Mars, which needs new propulsion" systems. He suggested that we should build on common technology, in life support, surface operations, power, resource utilization, and heavy lift vehicles, and create complementary infrastructure which will be needed to develop both the Moon and Mars.

There are certainly "synergisms in the approach to fundamental science problems, such as the origin of life, origin of the planets, and evolution of the atmosphere," Duke said. "We can link the science and exploration goals, such as the discovery of ice on the Moon. . . . Perhaps it is possible to make propellant for the Mars trip from the ice on the Moon," or for lunar trips from Martian resources.

NASA is now doing a Moon-Mars study to emphasize the shared development of technologies, Duke reported, and international organizations are doing similar studies.

George Morganthaler, who has been involved with space exploration since the 1960s, reported on the work that the International Academy of Astronautics has been involved in. In 1990, IAA published its Lunar Cosmic Study, "The Case for an International Lunar Base." Then, in October 1991, at the 41st World Space Congress in Montreal, a subcommittee on the International Exploration of Mars was established. It is now completing its report, "International Exploration of Mars." The study involved 87 members of the IAA from 13 countries.

The experts participating in these studies believe that there is no question that a lunar base will greatly help to develop extraterrestrial technologies and operational procedures required to live and work on Mars. They have also found that there is a great deal of commonality with respect to the

space transportation systems required to logistically support lunar bases and Mars missions. Finally, according to the executive summary which was released in 1996, they conclude that "the financial burden of lunar-based development and crewed Mars programs cannot peak at the same time, so that one has to come first and the other must come later, and be adjusted in such a way that a nearly constant financial burden results."

According to Morganthaler, the IAA is forming a new committee on lunar-Mars exploration to produce a cosmic study with three scenarios: going to the Moon, and then Mars; missions to Mars, and then the Moon; and, doing both with synergy. The IAA is trying to examine the synergistic benefits, and possible negatives, that would result from collaboration between these two major astronomical efforts of the 21st century.

There is a natural order to the placement of the bodies of the Solar System, and there is a natural progression according to which they should be inhabited. An attempt to perform a spectacular and dangerous high-wire act to catch the public's attention, is not a viable substitute for a difficult, challenging, well-planned, and long-term movement of human civilization into space.

What it will take to get a national commitment to such an effort, was addressed during a luncheon at the AAS meeting by Rep. Sheila Jackson-Lee (D-Tex.), whose district does not include the Johnson Space Center, but the city of Houston. She called on the space community to educate the new 105th Congress. Research and the space program are "the work of the 21st century," she said. As a member of the House Science Committee, she worked to ensure that, in the 104th Congress, NASA's budget was not cut as much as some members wanted, she reported.

Forty-three members of the incoming 105th Congress are freshmen Democrats, the congresswoman said, and they will have to be reeducated. The space program has a major responsibility for creating highly skilled jobs for the nation, she said, quoting from the 1958 act that created NASA: "Congress declares that the general welfare of the U.S. requires that NASA seek and encourage, to the maximum extent possible, the fullest commercial use of space." We have to work, along with the President, to create the jobs of the 21st century, she said.

In her appeal to the scientists, engineers, and industry representatives at the meeting, Jackson-Lee said that "space and its related technologies" can be "the ignition for the economic engine that takes us into the next century." If policymakers in the space community heed Jackson-Lee's advice on the educational effort needed in Washington, the excitement of the recent scientific discoveries, including the possibility of past life on Mars and water on the Moon, will inform the decisions that the White House and Congress will be making at the upcoming space summit.

Business Briefs

Economic Policy

'Free market' is cause of problems, says banker

Erik Hoffmeyer, who stepped down as head of the Danish National Bank (central bank) in 1996, attacked the *Zeitgeist*, or today's fashion of "bowing before the free markets," as the cause of increasing social problems. He was writing in an article in the conservative Danish newspaper *Berlingske Tidende* on Jan. 5. It is the free market, and not the welfare state, that is the cause of the problem, he said.

"Markets will not do social work; we knew this in the 1950s, and we should still know it today," Hoffmeyer said. "The welfare state is not the cause of the problem today; but rather, market mechanisms have created human problems. The postwar attitude toward creation of the welfare state was created by the social polarization we experienced in the 1930s, together with the broad public debate we had on economic policy. The two go together. . . . Now I think there is a basis for people to begin to wake up. I don't want to be a doomsday prophet, but I clearly see parallels to the 1930s. Today we have a high level of welfare state, but market mechanisms are very brutal toward an ever-growing part of our population."

Finance

Japanese markets a 'wall of fire'

A "Japanese wall of fire" is threatening world stock markets, according to the weekly review on global stock markets in the Swiss financial daily *Neue Zürcher Zeitung* on Jan. 11. "A fire has broken out in the roof of the Japanese stock exchange," causing panic among investors. "If the fire cannot be put under control by next week, the fire will spread, according to expectations of market observers, toward European and U.S. markets."

The paper presents "one of the blackest scenarios," which is a further collapse of the Nikkei, the Japanese stock market, "turning the Japanese financial sector—and not only

the small institutions—into a state of financial disaster," causing "the liquidation of foreign assets by Japanese investors and banks, in particular in the U.S."

"What this would mean for the world stock exchanges," the paper said, "is hardly imaginable."

Thailand

Infrastructure to be sacrificed in privatization

Thailand's Minister of Transport and Communications, Suwat Liptapallop, announced on Jan. 8 that the Chavalit government plans to privatize a list of projects, including inter-province bullet trains, highways, a second national airline, a new Bangkok airport, and the telephone company, as pressure builds for the government to figure out how to cool off the overheated economy, including a forced shakeout of the overexposed financial sector.

The sell-off includes the Electricity Generating Authority, the Telephone Organization, and the Communications Authority, which together generate well over \$1 billion in profits per year. The three strategic industries have historically been run by the military or military-approved directors.

Meanwhile, the fight is escalating over whether Thailand should "go nuclear." The National Energy Policy Office, relying on a World Bank report, has come out against nuclear power, saying it will cost four times as much as other options. NEPO's director of Energy Conservation told a Jan. 3 meeting at Bangkok Town Hall that "private companies tend not to be interested in nuclear power plants, because they are too risky." He was seconded by Bangkok's governor, who told the meeting that a positive attitude is as important as effective utility services.

In mid-December, Deputy Prime Minister Samak Sunthorawet warned that Thailand faces a severe energy crisis within the next decade. He has the support of the Electricity Generating Authority of Thailand, whose officials announced, at the Bangkok Town Hall meeting, the selection of four possible sites for the country's first nuclear plant.

Health

Crisis is overwhelming the British system

The British National Health Service (NHS) is in its worst crisis in a decade, because of chronic underfunding and a shortage of resources, according to a paper leaked by the British Medical Association and reported by the Jan. 10 London *Independent*. What is immediately shaping up, is "a winter crisis of delays to operations and hospital closures," the daily said.

This was all reported at a very sensitive time, "as Britain experienced snow and freezing conditions, with accident and emergency centers across Britain reporting rapid increases in demand, leaving many stretched to the limit, and unable to cope. Hospitals are telling general practitioners not to refer any more patients until April, when money comes available for the next financial year. . . . The flu epidemic has also added to the strain on the NHS, with more patients and staff going down sick at the busiest times," the paper said.

A BMA spokesman says that the group is taking the situation "very seriously. Last October, we warned that the light was at amber, and if it gets worse, it would be at red. The red lights are now on. People are waiting in ambulances, because there are no beds. In Nottingham, the shortages are in crisis proportions. Letters have gone out, virtually stopping everything. We are getting reports of crisis in other parts of the country, almost daily."

Trade

Iran, Turkey sign economic agreements

Seven deals were signed during Iranian President Ali Akbar Rafsanjani's visit to Turkey, in December, according to *Iran Report* on Jan. 3. The first was signed by Iranian Minister for Roads and Transportation Akbar Torakan and Turkish Minister of State Resa Gonari. The others deal with the environment, each country's investments in the other, and

Briefly

trade. A protocol on the founding of a joint Turkish-Iranian chamber of commerce was signed. They discussed reviving a rail link formerly functioning between the two countries, and facilitating travel of Iranian pilgrims through Turkey to holy sites in Syria. "They also made agreements on introductory measures for the reconstruction of the Silk Road," said *Iran Report*. They agreed on energy transfer to Turkey, and reactivating an electricity grid from Basargan to Turkey; and implementation of projects for the development of overland transport among the members of the Economic Cooperation Organization.

In a press conference, Rafsanjani said the deals were not an anti-U.S. gesture. He said that in his private talks with Turkish President Suleyman Demirel, they found identity of views on various issues.

Demirel praised the great economic advances made by Iran in recent years, and said that the Iranian engineers and specialists deserved recognition for their construction of the Mashhad-Sarakhs-Tajan rail link. "To those who criticize Turkey for purchasing Iranian gas, we can only respond that Turkey is an independent country. We are determined to develop our cooperation with Iran further," he said.

Europe

Britain blackmailed EU on 'Mad Cow' disease

Britain is "the main subject on which most of the responsibility lies" for the bovine spongiform encephalopathy (BSE) epidemic, according to a draft report on the handling of the BSE crisis by a cross-party committee of members of the European Parliament, the London *Guardian* reported on Jan. 10. The epidemic among British cattle, which spread to the continent, has cost billions of dollars of damage so far, and fears remain that the fatal disease may be transmissible to humans.

British ministers are accused of failing to supervise measures taken to control the disease adequately and of trying to play down the potential dangers. "The problem does not reside in the lack of appropriate leg-

islative measures, but in the attitude of the government which has not guaranteed their correct application or carried out the necessary checks," the report said. "In addition, probably giving way to the influence exercised by the meat industry, the British government has influenced the veterinary services of the Commission for the purpose of trying to keep the matter within the national sphere and thus prevent Commission inspections and the disclosure of the extent of the disease.

"The impartiality of British experts cannot be trusted," the report said. "British experts on the European Union's committee investigating the disease were under Ministry of Agriculture control."

Petroleum

New deal sets pace in Central Asia

Turkish Prime Minister Necmettin Erbakan and Iranian President Ali Akbar Rafsanjani have quietly secured a deal with Turkmenistan, to transport its natural gas through Iran and Turkey. The deal potentially overshadows all others of its kind. It would potentially evade a rival agreement to transport Turkmenistan gas via Afghanistan and Pakistan, as proposed by Unocal, and endorsed by the Taliban.

The agreement was signed without fanfare in Teheran on Dec. 30, by Turkish Energy Minister Recai Kutan, Iranian Petroleum Minister Gholam Reza Aqazadeh-Khoi, and Turkmenistan Vice President Batir Serjaye. Eight billion cubic meters of natural gas from Turkmenistan and 10 billion cubic meters from Iran are to be piped through Turkey. A protocol was also drawn up to transport oil from Iran's Caspian Sea region to Ceyhan, Turkey, on the Mediterranean. Iran currently transports its oil from the Caspian in tanker trucks.

A Turkish Foreign Ministry official commented: "The transportation of Iran's oil to Ceyhan at a lower cost, and the rapprochement between Turkey and Iran, may cause a very cold chill between Turkey and Western countries. I hope Prime Minister Necmettin Erbakan is aware of this state of affairs."

ROMANIAN consumer and energy prices jumped on Jan. 1, based on the International Monetary Fund's recommendations to the government. The prices of bread and milk increased 20%, meat prices 50%, and gasoline prices doubled. Electricity prices will triple starting Jan. 15, and the price of gas for heating and cooking will increase 50%.

INDIAN economists, including former Finance Minister Manmohan Singh, have cautioned against full convertibility of the rupee, because that will expose the country to serious financial risks from international capital. The economists spoke at a symposium organized by the Sukhamoy Chakravarty memorial trust.

MYANMAR may get help from Iran in developing its oil, *Asia Times* reported on Jan. 3. Iran's use of islands in the Andaman Sea as a permanent staging area and transshipment point for South Asian sales, may be part of a deal.

A PHILIPPINES court has given the green light for privatization of Manila's waterworks, valued at \$7 billion and serving a population of 10 million, the London *Financial Times* reported Jan. 4. Lining up at the trough are France's Compagnie Générale des Eaux, Bechtel of the United States, and Britain's North West Water and Anglian Water.

UKRAINE'S grain production in 1996, excluding rice, collapsed by 40% compared to 1995 levels, down to 19 million tons. The reasons were a drastic reduction of yields and a reduction in the area planted. Rice yields fell 35%.

ARMENIA signed 12 agreements with Iran, during the recent visit to Armenia by Iranian First Vice President Hassan Habibi. The deals are in economic, trade, and cultural relations. Cooperation in pharmaceuticals, telecommunications, electricity and gas supply, environment, mining, transport, banking, customs, and education were agreed upon.

British oligarchy launches new war against Sudan

by Muriel Mirak Weissbach

On Jan. 13, Ethiopian forces, together with guerrillas of the Sudanese People's Liberation Army (SPLA), launched an invasion of Sudan, from Ethiopian soil. The advance against the cities of Kurmuk and Qasan in the southern Blue Nile district, along the Ethiopian border, is intended by the aggressors as the first step toward an assault on Damazin, which controls about 80% of the water supply for the capital, Khartoum. From there, the next step would be an assault on the capital directly, combined with orchestrated uprisings against the government.

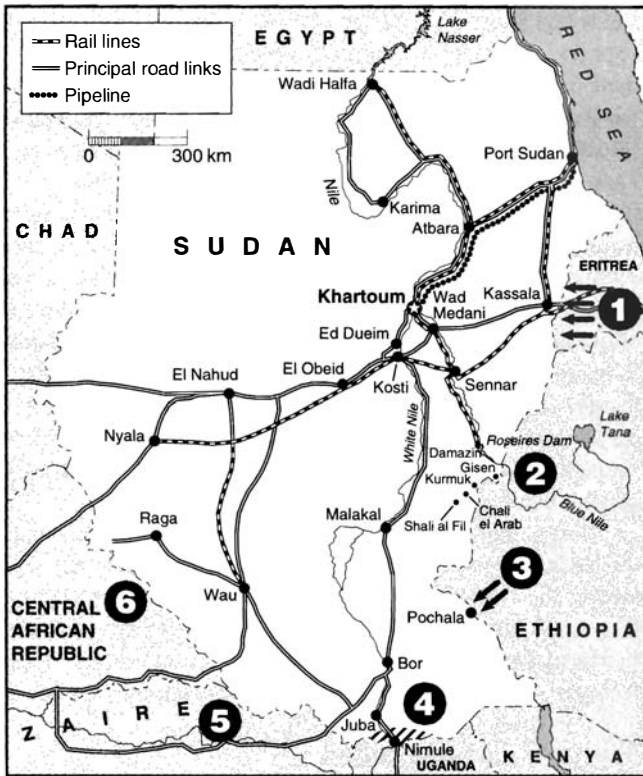
With this invasion, a new phase in the war of the British against the sovereign nation of Sudan has begun.

There can be no doubt that the entire operation has been planned, guided, financed, and executed by the British directly. As *EIR* has documented, it was Baroness Caroline Cox, deputy speaker of the House of Lords and head of the so-called Christian Solidarity International (CSI), a front for British intelligence, who organized a conference of the opposition political parties, the Democratic Unionist Party and the Umma Party, in the Eritrean capital of Asmara, in June 1995. At that conference, a strategy was mapped out for redirecting the civil war, primarily fought in the south, toward the east, and to extend hostilities into the north, in an effort to move against Khartoum and overthrow the government of Gen. Omar al-Bashir.

It was Baroness Cox, who organized a session at the House of Lords at the end of November 1995, which brought together those opposition parties, as well as representatives of the IGADD (Intergovernmental Authority on Drought and Development, a grouping including Sudan, Kenya, Uganda, Eritrea, and Ethiopia), and their British masters, to carry the strategy further. At the House of Lords meeting, a resolution was voted up, explicitly endorsing the Asmara call for war, and pledging aid to organize the belligerent forces: "In the struggle for the overthrow of the NIF [National Islamic Front] regime and the struggle for the restoration of democracy and the rule of law, the opposition forces need unity and solidarity.

FIGURE 1

More British-directed operations against Sudan



- 1** Eritrean forces, under cover of the only remaining faction of John Garang's SPLA, invade Sudan on Jan. 12, and seize garrison town of Gadamyeeb, heading for Kassala. Targets are the transport lines linking Khartoum to Port Sudan. Asmara, Eritrea, is headquarters for National Democratic Alliance, anti-Sudan coalition organized by British Baroness Caroline Cox.
- 2** Ethiopian forces, under same cover, invade Sudan on Jan. 12 and seize border garrisons of Al-Kali, Daimonsour, Shali al Fil, Gisen, and town of Kurmuk. Target is city of Damizin, and Rosieres Dam on Blue Nile River, which supplies Khartoum with 80% of its electricity, and supplies both Sudan and Egypt with water for irrigation.
- 3** Ethiopian forces seized Pochala garrison town in fall 1996
- 4** SPLA remains holed up in enclave in southern Sudan, holding the fortified town of Nimule.
- 5** British-backed invasion of Zaire from Uganda and Rwanda brings Zairean fake rebel force up toward border with Sudan, creating possible renewed threat from the south.
- 6** Destabilization of government of Central African Republic, which maintains friendly relations with Sudan.

The conference resolves that the unity of all the political groups opposed to the fundamentalist National Islamic Front (NIF) regime is of paramount importance and measures should be taken to promote this unity” (emphasis added). Further “debate” took place at a British Foreign Office seminar on June 3, 1996, while concrete moves were being made to implement the plan to open the eastern front.

During Jan. 7-15, 1996, Baroness Cox and her CSI cohort John Eibner went to Eritrea, to bring President Isaias Afewerki into the operation. Eritrea, like Ethiopia and Uganda, was granted debt relief and new credits, in payment for its services to the British. On Feb. 2, 1996, Afewerki delivered the former Sudanese embassy to the National Democratic Alliance (NDA), the gaggle of opposition groups under Cox’s umbrella, to serve as their headquarters. With that move, the political center of operations against the Sudanese government was officially moved to Eritrea. Militarily, too, the Eritreans promised assistance; Afewerki was quoted by the London-based Arabic newspaper *Al Hayat* on Jan. 25, 1996, saying, “If the alliance needs weapons, we will support the Sudanese opposition without any hesitation.” Eritrea started arming and training Bija tribesmen in the north for actions against Khartoum. At the same time, it offered its port of Mussawa to Israeli experts, to train 200 Sudanese ex-naval officers for planned operations against Port Sudan.

In this section

The author visited Sudan on Dec. 17-23, 1996, with Lyndon and Helga LaRouche. They met with President Gen. Omar al-Bashir and other leaders of the government and parliament, as well as with a dozen former rebel leaders.

On Dec. 22, Lyndon LaRouche gave a lecture at the Friendship Hall in Khartoum, which we publish here. He also spoke at the University of Khartoum.

Concluding this *Feature* are interviews with former Congressman James Mann (D-S.C.) and State Delegate Thomas Jackson (D-Ala.), members of a delegation of U.S. elected officials who visited Sudan last fall, on the initiative of the Schiller Institute, to investigate the allegations that have been made against that country’s government (see *EIR*, Oct. 11, 1996). The delegation found that the charges of slavery and other crimes were without foundation. In future issues, we will hear from other members of the delegation.

Throughout 1996, Cox led the British campaign to impose sanctions on Sudan, for alleged harboring of terrorists, as part of the overall war strategy to deny the country the means to defend itself. At the end of January 1996, the first United Nations Security Council resolution against Sudan was passed, and the U.S. State Department announced that the American embassy would move from Khartoum to Nairobi, for fear of terrorist attacks. Later in 1996, diplomatic sanctions against Sudan were imposed. Cox et al. escalated their propaganda campaign, with massive press coverage of alleged slavery in Sudan and so forth.

In late summer to early autumn of 1996, activities were stepped up, and the drumbeat for war became louder. Under the direction of the Eritrean government, which was hosting them, the members of the NDA voted to accept SPLA leader John Garang as their military chief. This signalled the consolidation of the military and the political opposition forces, under the British. On Dec. 11, 1996, Sadiq al-Mahdi, the leader of the opposition Umma Party, left Khartoum, to take up his post in Eritrea. In November 1996, it was reported in the press, though denied *pro forma* by the U.S. State Department, that Washington was providing \$20 million to Uganda, Eritrea, and Ethiopia, which it had designated as the “front-line states,” in a war to be fought against the Sudanese central government.

The president of the Sudanese National Assembly, Dr. Hassan al-Turabi, told the London-based Arabic language newspaper *Al Qods al Arabi* on Jan. 6, that al-Mahdi’s departure to Asmara signified war. It “exposed the Sudanese people to an international and regional threat,” he said, as the backers of al-Mahdi “have now opened the gates for war.” The leader of the DUP, the other half of Baroness Cox’s NDA opposition grouping, Muhammed Uthman al-Mirghani, told *Al Sharq al Awsat* on Jan. 9, that Sudan was “on the verge of a popular uprising.” He predicted that “fundamental changes in the Armed Forces and in the popular defense ranks” would be seen soon, in support of the opposition. Mirghani was confirming the British war plan: Exert military pressure from Ethiopia and Eritrea, then orchestrate a political uprising in the capital, to overthrow the government.

What occurred on Jan. 13, was that the first shot in that war was fired. It is no coincidence that Baroness Cox, according to reports in the London *Financial Times* and Germany’s *Süddeutsche Zeitung* on Jan. 15, was *precisely in that area of eastern Sudan, just one week before the invasion took place.*

Regardless of what the immediate outcome militarily may be—whether or not the invading forces succeed in holding the positions they have occupied—the situation must be considered extremely grave. The Sudanese President, General al-Bashir, announced a general mobilization of the military, and the Osman Digna brigade of the People’s Defense Force was reported on Jan. 14 to be preparing to leave for the war zone.

Turabi, in the *Al Qods al Arabi* interview, pointed out that

in the east, “there is only a plain with no forests, no swamps, and no mountains on the border between the neighboring states and Sudan.” Referring to Sudan’s earlier humanitarian support for Ethiopians, he said, “yet here they are now aiming their missiles at us and, as long as they continue doing this, we should reciprocate, particularly in view of the fact that in Sudan there are hundreds of thousands of Eritrean fighters.” This is a reference to the Eritreans who sought refuge in Sudan, and who oppose the current government in Asmara. Turabi made clear that the Sudanese “do not want to turn Africa into an area of conflicts such as those of the Great Lakes area, with everything that is happening between the Hutus and the Tutsis. . . . This is what the Westerners want and they are backed by agents who indeed want this to happen.” Turabi said that these forces “want it to happen in southern Sudan and Zaire,” and added that the Sudanese would be “capable of defending themselves in the south, in the east, and anywhere else.”

Unless the invasion from Ethiopia can be stopped—and the Sudanese government has demanded an emergency session of the United Nations Security Council to move in this direction—there is a real danger that the British will succeed to spread war throughout the Horn of Africa, and engulf Sudan from the south as well, in the hell of the Great Lakes genocide.

The civil war has ended

It is crucial for policy-shapers and the general public to understand that none of the fighting which has broken out was necessary or inevitable. None of the fighting has been the expression of any dynamic internal to Sudan. In fact, the leading reason why the British have accelerated their drive to expand the war and overthrow the Khartoum government over the past months, despite their failure to impose wide-ranging sanctions, is that *they feared that the Khartoum government would have succeeded in negotiating a peaceful solution to the conflict.* To prevent this at all costs, they have jumped the gun and opened the eastern front. At the same time, they have censored any and all reference to the peace negotiations in the mass media.

The simple facts of the matter are the following: Since April 1996, the Sudanese government of General al-Bashir has been succeeding in negotiating with various rebel factions, formerly associated with Garang, to bring about a durable political solution to the civil war. What has unfolded over the last ten months is a peace process in Sudan, whereby recognized political and military leaders of the movements once at war against Khartoum, have signed a Peace Charter with the government. The Charter (see *Documentation*) is a document outlining the principles upon which a final peace treaty is to be worked out. As of the end of 1996, leaders representing 80% of the former rebel movements had signed the Peace Charter. In essence, it is only Garang and his motley following, which has refused to come to the negotiating table.

Considering that this war has ravaged the country since 1956, when the departing British occupying forces threw a hand grenade over their shoulders, so to speak, to ignite the hostilities, and has continued, with brief respite between 1972 and 1983, to cause suffering and death to hundreds of thousands of human beings, one would expect the "international community" to stand up and applaud the successes of the Sudanese government, in opening a prospect, finally, for peace. Recalling the enthusiasm with which the news of a Palestinian-Israeli peace agreement was welcomed in September 1993, and the energies rightly deployed in the search for peace in Bosnia, and in Northern Ireland, one wonders why there is no cheering for the cause of peace in Sudan.

Former rebel leaders meet LaRouche

During a visit to Sudan in December 1996, Lyndon LaRouche had the opportunity to meet at length with a large group of political and military leaders of the rebels, who have since joined the peace process. They included military commanders and executive officers of the South Sudan Independence Movement (SSIM), the Sudanese People's Liberation Army (SPLA), and the Sudanese People's Liberation Movement (SPLM). It also included commanders from the Nuba Mountains SPLM/A. Many of them had been formerly, intimately associated with Garang; some came from his tribe, the Dinka, and were even related to him by marriage. They had

been his comrades-in-arms, and had fought as part of his movement over a decade. Now they were signators, or representatives of signators, of the April 10, 1996 Peace Charter and related documents.

The picture they painted was one of hope: that the war which had cost so many so much, could be brought to an end, under terms which satisfy the aspirations of those who pursued hostilities for so long. As one spokesman presented the case, there are five reasons why they opted for peace:

1. War was not an end in itself, but a means to obtain certain political aims; therefore, if it were possible to achieve the aims through non-belligerent means, so much the better.

2. The current government was ready to negotiate, and had initiated contacts for talks as soon as it had come to power in 1989.

3. The Sudanese economic crisis, which was caused by the war, was hitting the southern Sudanese population, displaced persons, and refugees, more than any other social strata. These were the same people whom the rebels had taken up arms to liberate, and their condition must be taken into account.

4. Sudan is besieged by many enemies, and the central authority is being targeted. If no central authority is maintained, then scenarios like those in Afghanistan, Somalia, and Liberia could be repeated. If this were to unfold in Sudan, if the central authority were to be destroyed, with



The LaRouche delegation meets with former Sudanese rebel leaders, December 1996. Leaders representing 80% of the former rebel movements have now signed a Peace Charter with the government.

the country's vast area of 1 million square miles and 500 different tribes, then no power under the sun would be able to put it back together again. There would be no hope for peace.

5. There have been internal problems of the movement; the SPLA, which had been a unified movement under Garang, disintegrated into eight different factions, which fell into conflict among themselves, in fratricidal, inter-tribal warfare. This self-destructive process, which resulted from a failure in Garang's leadership, had to be stopped.

Just how the splitting process occurred, is documented in the case of the SPLA contingent from the Nuba Mountains, which has also, recently, joined with the Peace Charter. As a leading representative and signator of the separate Nuba Mountains "Declaration of Principles" (see *Documentation*), explained, these forces had joined the SPLM/A-led rebellion in 1984. They believed, however, that they were fighting for a united Sudan, according to a political manifesto issued at the time, in which their rights would be protected. By 1994, at the SPLA's first national convention, Garang, however, decided to annex parts of the Nuba Mountains to Bahr al Gazal, and there are reports that Garang arrogated to himself the right to sell off or mortgage land under his military control, to outsiders, in exchange for weapons. In December of that year, Garang signed a declaration with Sadiq al-Mahdi's Umma party, which gave the SPLA the right to self-determination, and the option of a federation or confederation, but did not acknowledge the rights of the Nuba Mountains.

With the Asmara agreement of July 1995, the process of disenfranchisement was furthered. In June 1996, the Nuba Mountains group split from Garang, and, a month later, opened negotiations with the government, for peace.

Thus, the leaders explained, they opted for negotiated peace. Once having signed the Peace Charter, they realized, however, that the work had just begun. They had to go back to their constituents, both military and civilian, and explain to them what they had done. This work has not been limited to the south; on the contrary, leading figures from the factions which have opted for peace, have travelled to Khartoum and other areas in the north, to talk to northerners, who, they said, had also been part of the problem.

To the extent that the whole population is not informed of the causes of the war and the perspectives for real peace, there can be no progress. The southern leaders have also travelled to camps where persons from the south, displaced by the war, are living, to bring them the news of the Peace Charter as well.

They report that the Peace Charter, which is to be further developed into a peace agreement, has created confidence between the north and the south, because it addresses all the problems of southern Sudan. The Nuba Mountains leaders pointed out, that the document they signed acknowledges—for the first time in 40 years—that there were problems in the region which prompted people to take up arms against the government. The documents signed, are open-ended docu-

ments, which can accommodate those who have not yet signed. The Peace Charter, all the signators agreed, is a document which does not aim at excluding anyone; even John Garang could sign it.

Remaining obstacles

The obstacles which the former rebel leaders have encountered have been significant and must be overcome. Objections to the Peace Charter have come from two crucial quarters: remaining rebel political leaders in the south; and representatives of the U.S. government and the "international community" more broadly.

Southern politicians still loyal to Garang, have posed two objections in particular: that the Charter had been signed with an "undemocratic and fundamentalist government." To this, the former rebel leaders have replied, that Sudan has moved over the last six years, to constitutional legitimacy, under General al-Bashir, whereas Gaafar Nimieri, who ruled with an iron fist for 16 years, never excited their passions for protest. Regarding the "fundamentalist" nature of the current government, they have pointed out, that it was not the current government, but that of Nimieri, that introduced Islamic law (*Sharia*) in 1983, thus rekindling the conflict. A further point stressed in discussion with the anti-Charter front, is that if one wants to make peace, one must do so with the government in power, not with an opposition. Furthermore, the opposition leaders, such as Sadiq al-Mahdi (and Muhammed Uthman al-Mirghani), when they were in government under a "democratic," multi-party regime, did not make any moves to initiate peace talks to end the war. Sadiq al-Mahdi, said one former SPLA rebel, "would have solved the problem, if he had wanted to, when he replaced Nimieri in government, but he had no solution." As for the leading spokesman of the rejectionist front, Garang, the government has made overtures to him, but to no avail. Garang has made no comment on the Peace Charter.

The response of the "international community" has been, at best, to ignore the moves toward peace, and let the British run amok. The British, under the leadership of Deputy Speaker of the House of Lords Caroline Cox and her Christian Solidarity International, have responded to the existence of the Peace Charter, by beefing up support for the war party of Garang.

The U.S. response has been two-faced, at best. There have been contacts between the signators of the Peace Charter and Washington. In fact, since last April's signing of the Peace Charter, at least two delegations of southern Sudanese have visited the United States, in an attempt to explain the peace process and organize support for it. What transpired was something quite different. In discussions, the Americans have brought up objections to the Peace Charter, some of them curiously close to those of the rejectionist front. First, it is said, the National Islamic Front government is not the right government to make peace with, and is a government that supports terrorism. Furthermore, it is said that political parties

must first be established, before the problems of southern Sudan can be solved. And, finally, it is said that self-determination for southern Sudan can come about, only through the work of such political parties (those in the National Democratic Alliance based in Asmara). Responses from the signatories from southern Sudan, to the effect that, indeed, the Peace Charter *does* include provisions for self-determination, appear not to have impressed Washington's representatives.

One delegation which visited Washington, and was received by the National Security Council twice, as well as members of Congress, challenged the Africa experts present, by asking them: What would happen if, indeed, the Bashir government were overthrown and the north/south conflict were *not* solved? The response they received indicated that the Africa experts "were not concerned with solving the southern Sudanese problem. They have a different agenda."

The consensus expressed by the group of former rebel leaders who met with LaRouche, was unequivocal: If political executives and military commanders representing 80% of the forces who had been on Garang's side, have signed documents establishing the principles on which a peace treaty can be hammered out, then the United States, first and foremost, should promote this process in every way imaginable. "We say to the U.S.," said one, "that by besieging Sudan and isolating Sudan, you are doing us, the Sudanese people, a great disservice." Another put it this way: "The U.S., as a superpower, certainly has a right to safeguard its national interests, and to look after what it believes to be most urgent; but, it has a moral responsibility to help peace *in any country*. We need the international community, and *especially the United States*, to stand with us. Our priority is peace, democracy, and development; we cannot understand why the U.S. does not support us." Another said succinctly, "The U.S. should help solve the problem, rather than help continue the war."

The Sudanese Peace Charter is a reality, and is fast being transformed into a peace treaty, which is to be put up to the vote of the people in a referendum. If the Sudanese war can be ended, a process of stabilization can begin, which is urgently needed in a region that is being turned into an inferno, by the British and their puppets in Uganda and Rwanda. Peace for Sudan means, immediately, the opportunity for the government and people to turn their energies and resources to the task of economic reconstruction and development, which can only benefit the entire continent.

The crucial factor, determining whether peace prevails in Sudan, or whether the British plan to spread war throughout the region, succeeds, is the American factor, as the protagonists of the Peace Charter know all too well. They are doing their part, and fighting an uphill battle, to bring the good news to the world at large. The question that awaits an answer, is: What will the second Clinton administration say to the peace process in Sudan?

Since Jan. 13, that question has gained in urgency: Will Clinton let the British-led war inflame the entire continent?

Documentation

'Political Charter, April 1996'

Below is the declaration signed by the Sudan government and southern rebels, called "Political Charter, April 1996":

This charter has been concluded between the: 1) Government of Sudan; 2) South Sudan Independence Movement/Army (SSIM/A); and 3) Sudan People's Liberation Movement (SPLM/A Bahrel Ghazal Group—BGG).

In recognition of the series of previous peace talks, the parties have pledged to put an end to the ongoing civil war in the Sudan. They agreed on the provisions mentioned below in this charter:

1. To resolve the conflict of Sudan through peaceful and political means.

2. The unity of the Sudan, with its known boundaries, shall be preserved, its entity shall be secured against all internal and external threats. The parties shall endeavor to keep peace, justice and supremacy of values of right, goodness and virtue.

3. After full establishment of peace, stability and a reasonable level of social development in the south, and at the end of the interim period, a referendum will be conducted by the people of the southern Sudan to determine their political aspirations.

4. Recognizing the constitutional development, implementation of the federal system and political practice based on the values of participatory democracy, the two parties shall endeavor to boost the progress in these fields in the light of changing situations.

5. Citizenship shall be the basis of rights and duties in furtherance of the values of justice, equity, freedom and human rights.

6. *Sharia* and custom shall be the sources of legislation. However, states may enact legislation complementary to the federal law in matters peculiar to those states.

7. Cultural diversity in Sudan is recognized; Sudanese people are encouraged to freely express the values of this diversity.

8. Freedom of religion and belief shall be observed and a suitable atmosphere shall be maintained for practicing worship, *dawa*, proselytization and preaching. No citizen shall be coerced to embrace any faith or religion.

9. Social development is an extreme priority for the achievement of which the government shall plan for confidence-building and expediting the process of alleviating of poverty, ignorance and illiteracy. The states shall also work for the spread of knowledge and achieving self-sufficiency.

10. Power and national wealth shall equitably be shared for the benefit of the citizens in the country. The details shall be worked out by the two parties.

11. A coordination council shall be formed between the southern states for better implementation of this agreement.

12. The two parties will work together for stability and improvement of living conditions in the affected areas according to the provisions of the subsequent Peace Agreement. Both sides shall carry the duty of implementing the security arrangement, resettlement, reconstruction, development and preservation of rights and duties.

13. Sudan shall interact with African and Arab nations and the world community on the basis of the effective Sudanese identity for the benefit of Sudan.

14. Sudanese in general, and the southerners in particular shall be mobilized to rally behind and support the subsequent peace agreement.

Signed, 1) Maj. Gen. (Brig.) Al Zubair Mohammed Salih, First Vice President of the Republic of Sudan; 2) Cdr. Dr. Riak Machar Teny Dhugon Chairman of NLC SSIM and Commander-in-Chief of SSIA; 3) Cdr. Kerubino Kuanyin, Chairman of SPLM/A (BGG).

Dated 10 April 1996, Khartoum

Nuba Mountains 'Declaration of Principles'

Below is the text of the Declaration of Principles for the Resolution of the Nuba Mountains Problem (Sudan), signed on July 31, 1996 in Nairobi, Kenya, by Engineer Ismail Ali Saadeldin, deputy chairman of the central committee of the Sudan People's Liberation Movement and Sudan People's Liberation Army, Nuba Mountains, and chairman of its negotiations team; and by Ahmed Mohamed Haroun, director general of Peace and Resettlement Administration, South Kordofan, and chairman of its negotiations team.

In the Name of Allah, the Merciful and the Compassionate
Declaration of Principles for the Resolution of the Nuba Mountains Problem (Sudan)

Out of our conviction that both peaceful and political dialogues are the ideal, and appropriate means for resolving all the Sudan's conflicts and problems. Having realized and acknowledged the fact [that the] Nuba Mountains state problem is one of the Sudan's historical and longstanding problems that requires a solution through an objective and constructive dialogue between the concerned parties so as to create a conducive atmosphere and a peaceful coexistence as well as achieving a prosperous future for the Nuba Mountains state.

And in recognition of the parties to the peculiarity and the unique nature of the solution of the Nuba Mountains state problem in comparison to that of any other regions in the Sudan.

And in recognition of those efforts exerted by the region's sons internally and externally, the parties referred to hereafter declare, therefore, their commitment to the following principles as means for reaching a final and everlasting just solution for this problem in question:

1. To recognize that there has been a longstanding problem in the Nuba Mountains state which has led to the armed

struggle since 1984.

2. The parties, therefore, confirm their commitment to the peaceful and political solution channelled through constructive dialogue as an ideal means to solve all the Sudan's problems, conflicts and disputes.

3. The two parties have acknowledged their abiding and observing the unity of the Sudan with its geographical and political borders of 1956.

4. The parties have acknowledged the importance and necessity of taking [a] stand and a vision of the problems from [a] regional perspective and within the frame of a united Sudan as the ideal means for solving the Nuba Mountains state question far from that of the SPLM/A of Dr. John Garang's faction.

5. The parties have agreed to consider the political charter "10th of April 1996" as a general frame for solving and as a ground for embodying the rest of Sudan's problems and questions of a national nature.

6. The *Sharia* and the customary laws shall both be equally the legislative sources of the Nuba Mountains state, in addition the region has the right to legislate complementary laws to those federal ones on questions and problems peculiar to the Nuba Mountains state.

7. Citizenship shall be the basis for the rights and duties that include freedom, equality, justice and human rights.

8. The parties acknowledge, and are self-committed to principles of the religious and faiths right, including creation of a peaceful, satisfactory and conducive atmosphere for worshipping, preaching and practices. Without forcing any citizen to believe/accept any faith or religion contrary to his/her will.

9. The parties acknowledge the federal system as a vehicle of governance that can provide the region's citizens with their rights to participate in the administration of their region's affairs and its development, together with their balanced and full participation in the federal power.

10. Powers and resources are shared on [an] equal and just basis between the Nuba Mountains state and the federal government, details shall be worked out by the two parties in separate protocol.

11. Eradication of any and all kinds of socio-economic, cultural injustice and grievances. That includes any agricultural, non-agricultural and other lands which have been unfairly distributed or owned, headed by agricultural schemes, reforms and redistribution in a way that preserves respect of the natives and avails greater opportunity and priorities for the indigenous people of the area to invest and develop their land.

12. To join efforts for eradication of all kinds of backwardness, illiteracy and ignorance which have caused such situations of injustice and grievances. This alongside with the designing, implementation and execution of a special development program for the Nuba Mountains state in such a way that achieves equitable development between the Nuba Mountains state and other regions in the country for a purpose of achieving the region's welfare.

13. The government of the Sudan shall abide and undertake a special humanitarian program for relief, reconstruction, rehabilitation and resettlement for solving and dealing with all kinds of negative effects [and] shortcomings resulting from the war. This shall also include an emergency crash program for facing the humanitarian urgencies and needs, such as the relief, and otherwise as appropriate.

14. To acknowledge the local cultures and their development as well as to support equal opportunities to reflect them and be expressed within other cultures of the people of the Sudan in all fora mass [sic] of expression accredited by both the Nuba Mountains state and federal government.

15. The war has badly and effectively led to the destruction of the natural resources, environment and gross violation of human rights in the Nuba Mountains state. The two parties, therefore, undertake to deal with these negative effects resulted during the twelve-years war.

16. The parties have asserted the unity of the Sudan, condemnation and rebuff of the tribal acts and practices. The parties, therefore undertake assurance of the democratic rights of the people of the Nuba Mountains state for achieving and gaining their national and regional just rights, equal and identical within the framework of the united Sudan. This in the event of any political changes without having any influence from internal and external forces.

17. There are some issues outside the armed conflict and

disputes which has been agreed upon by the parties. Such issues have been dealt with in a separate document attached to this declaration.

18. The two parties shall work together in developing a detailed program for the general principles mentioned in this declaration. This shall be implemented by joint efforts which shall be required for mobilization towards achieving of these principles ending the war in order to realize the comprehensive peace and stability.

Note: Attached is the document referred to in article 17.

In the Name of Allah, the Merciful and the Compassionate The Sudan government delegation in its negotiations with the SPLM/A Nuba Mountains central committee has taken notice of the report which has been prepared by Dr. Abdul aati Badr Suleiman, deputy chairman of the production unit of the International Atomic Energy Agency (report attached in two languages) about the existence of an atomic radiation in Miri dam and its extensions around Kadugli town.

On this respect, the Sudan government delegation declares its undertaking to work side by side with the SPLM/A Nuba Mountains central committee and specialized authorities for all necessary arrangements and procedures dealing with that report. The delegation, therefore, values very much the tremendous effort made by the members of the SPLM/A Nuba Mountains central committee, for finding and acquiring this important document.

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Situating Sudan's future in the development of world history

by Lyndon H. LaRouche, Jr.

Mr. LaRouche gave this speech on Dec. 22, 1996 at Friendship Hall in Khartoum, Sudan. In his introduction, the panel moderator expressed the hope that the guest speaker would elucidate the hostile policy of the Western countries toward Sudan.

I look at this from the standpoint of the United States, and invite you to try to adopt the standpoint of *me*, in the United States, looking outward to understand what is happening in the world today.

But, I ask you to go back 500 years, because, as Leibniz insisted, the incompetence of mathematics, as still taught today, is, it ignores the fact that a line does not exist; it exists in a situation. Except to the World Bank! I might add, the World Bank might be approached by a certain country, saying, "We understand that you're supposed to deal with infrastructure projects." And, the World Bank would look solemnly at them and say, "Yes." "We have a list," the country would say, "of infrastructure projects." And the World Bank would say, "Submit your list."

And you read the list, and pass it to them. And, they come back, later, months, years later, and they say, "We have turned you down on *everything*." "Oh, yes?" "Except one thing." "What?" "We gave you 50 kilometers of road." "When do we get it?" "Oh, we already gave it to you." And you say, "Where's the road?" And they go to the map and they point it out, and you say, "What? It's a road from nowhere to nowhere!" "But, we gave you a road."

Now, that's like the modern mathematician, who tells you where the road is, how long it is, but doesn't tell you *where it is situated*. And, therefore, to deal with problems of international policy, you can not talk in algebraic terms. You can not say, "Here are the facts," "Here's the length of the policy," "Here's the man who did it"—it really doesn't mean anything. You have to determine what situation, it's situated in.

The oligarchy versus the nation-state

Now, European civilization began to emerge as a dominant civilization in the world about 500 years ago. It occurred in the context of a great ecumenical conference convened in Florence in 1438-1440, which launched a long-pending effort

to free mankind from forms of society, from all kinds of forms of society, mostly inferior, in which more than 95% of mankind was condemned to a life somewhat like that of human cattle: slavery, serfdom, or worse conditions, conditions which still exist in parts of the world today, and seem to be rather on the increase of late, rather than on the wane.

The basis for this new form of society, which was known as the nation-state, was education. The education of young boys, at that time—orphans and other young boys from poor families, and others—to form the nucleus of a national intelligentsia, through what was called a humanist form of education.

By "humanist form of education," one *should* mean that the child is put through the process of reenacting, in his or her own mind, the original act of discovery, of important discoveries of the past. Therefore, the child, in such an education, instead of being able to *describe* the result of a discovery, is able to *reenact it to others*, in discussing it. Of such a child, we say, the child *knows* what he is talking about, while the other one has merely passed a university examination, and knows nothing. He was too busy passing examinations.

That kind of education produced a number of geniuses, famously typified by Leonardo da Vinci in that period. And, around these geniuses, the modern nation-state was built. The first one was France, under Louis XI, between 1461 and 1483. It was the first state in Europe in which, instead of the people belonging to the monarch, and the overlords, the state was presumed to belong to the people, at least in principle. This idea spread; and, the conjunction of education with technological progress, a commitment to scientific and technological progress, resulted in a new form of state, which was able to successfully challenge both the feudal forms of society, and another form, then in Europe, typified by Venice, of a society based on pure usury, that is, financial usury: Venice, which dealt in slaves, which dealt in usury of all forms, and was a maritime country.

Out of this, there came a great challenge to the old forces that had ruled society: oligarchs, a few powerful families, who ruled over entire nations and groups of nationalities, with the aid of lackeys, their servants: soldiers, justices, other people who were essentially servants, lackeys, of an oligar-



Lyndon and Helga LaRouche in Sudan, December 1996. Mr. LaRouche gave his audience at Khartoum's Friendship Hall a briefing on the financial-economic and strategic crisis the world confronts. "I welcome the revolutionary implications of this crisis," he said. "But, we will not enjoy the revolution unless we succeed. And, therefore, we have to prepare the measures we must take to get us through the crisis."

chy. The oligarchy did not like this, so there was a great war that broke out in Europe between the forces of nation-state and oligarchy; we might say, otherwise, "between the forces of *freedom* and oligarchy."

Because, every man is made in the image of God, born with that, made to exert dominion over the Earth. Every child that's born must be seen—in the eyes of that child—as having that potential, that divine gift. The child must be developed, through family nurture, in education, in society, to bring forth the fullest possible fruit of that potential. Then, society must provide the opportunity, through the security of the family, and the securing of opportunities for that child as an adult, to utilize its developed talent to the benefit of society, so that, as one great poet says in Islam: "Every man who lives so, may go to his grave with a smile on his face."

And, that is the right, the true right of freedom of every person: to go to their grave with a smile on their face, knowing that their life has been a mission given to them, and that they have served and fulfilled that mission as it was determined they should. Therefore, they can smile, "My life has fulfilled its meaning." And that is *true* freedom. That was the fight. The oligarchs said, "No."

And, because of corruption in the forces which were fighting for the nation-state, Venice survived. And, there was a movement to crush the nation-state.

But, a nation-state is a funny instrument, in economics and politics. Technology, the elevation of people to higher mental qualities, as a modern nation-state tends to do, means that that nation-state has a per-capita fighting potential above

that of the poor serfs, the human cattle, that live in society. Therefore, the enemy could not continue to try to eradicate the nation-state. The enemy turned to subversion and corruption.

This introduced a movement which was called "The Enlightenment," which, formally, was begun by a Venetian monk by the name of Paolo Sarpi. And, Paolo Sarpi instituted what today is called "liberalism," philosophical liberalism. And that satanic doctrine, which is literally satanic, was later called "free trade." It was against that satanic doctrine, of free trade and liberalism, that the United States was created.

What has happened to the United States?

A group of people from Europe founded colonies in the Americas with the intent that they should be quasi-independent republics. In the course of time, it became apparent, after 1714, that the British Empire, then called the United Kingdom, was the mortal enemy of everything we were trying to do in North America, and it would come, sooner or later, to a struggle for survival: Which would survive?

At a later point, by 1763, it became obvious that we were going to have to fight a war against the imperial power of the British monarchy. We fought that war. The leaders of that fight were enemies of the thinking of John Locke, and followers of the influence of Gottfried Leibniz. The influence of Adam Smith, whose second book was published in 1776, on "free trade," was that against which we fought. The liberalism of John Locke, the philosophy of slavery, was that against which we fought.

But, we were a smaller country in numbers; the European

powers were great. After the French Revolution and the victory of Britain and its allies, in the course of that time, we were isolated. We had to wait until we had more power. In the meantime, the enemy planted seeds of evil among us. The slave tradition was one; a group of people tied to the opium trade, the British East India Company opium trade—in Boston, and the founders of Yale University, for example, were among these, and they grew in power. A slave conspiracy was organized in the Southern states, by Britain, to destroy the United States, particularly under the direction of Bentham, first, and Palmerston, later.

We had a leader, Lincoln. We won that war, with the help of our allies in Germany, and our allies in Russia, Tsar Alexander II. Russia was, in that period, from 1850 until the end of the Nineteenth Century, an ally of the United States against Britain, and as France was our enemy during most of the Nineteenth Century, was also our ally against France, particularly the France of Napoleon III, that France that came to power particularly after Fashoda in 1898, again; that evil France, France of the Entente Cordiale.

We were determined to destroy Britain and the British Empire. At the beginning of the century, a change occurred. There was the election of Theodore Roosevelt, whose mother was a part of the Confederacy, whose uncle was the intelligence chief for the Confederacy, based in London during the Civil War. Teddy Roosevelt was evil, he was British.

We had Woodrow Wilson, later, a man who also represented the Confederacy, a great admirer of the Ku Klux Klan, a man who played a leading part in reviving the Ku Klux Klan in the United States, *while* he was President of the United States, a complete British agent.

Coolidge, the man who followed him, after Harding, was, again, a degenerate, an evil, treasonous man. Hoover was not so bad, but the party he controlled was not very good: the party of Mellon, very close to the British royal family.

Franklin Roosevelt was a *better* man. Not a perfect man, but he was determined, during the war, that at the end of the war, as he told Churchill, we were going to destroy the British Empire with the conclusion of hostilities from World War II. We were going to destroy the French Empire—which was why de Gaulle was an enemy of the United States during that period. We were going to destroy the Dutch Empire; and the Portuguese would be easier to deal with, not such a big deal; the Belgian, also. Because it was our view—and I shared this view, even though I didn't know it was Roosevelt's view at the time, when I was serving overseas I saw the conditions in the British Empire. I saw them in India. I saw what the British did in India, and I was determined, that it was impossible for us to return to the United States in peace, if we left the world under the control of such empires. The condition of oppression to which man was subjected in these places, must lead to great violence, unless justice were done. And, Roosevelt was committed to do that. And I was happy to learn that, later on.

But, in the meantime, he died. And, he was succeeded by a silly little man, called Harry Truman, as President. And Harry Truman was a typical, silly little man, who was a complete tool of Winston Churchill, and Winston Churchill's tools in the United States, such as Averell Harriman. Churchill launched the Cold War, but Harriman did it, by dropping two bombs on Japan, for which there was no need, no military purpose whatsoever. Peace had already been agreed to by the emperor of Japan. There never would have been an invasion of Japan by the U.S. military forces. It was *not necessary*. Japan was totally blockaded, the naval blockade. A nation dependent upon imports, even to exist, could not import anything, not one ship. The Japanese economy was at collapse. There was no need to kill anybody: Wait until they, in their good time, agreed to the offers—that was MacArthur's policy.

Truman, on orders from London, intervened, dropped the two bombs we had in our arsenal on the civilian populations of Hiroshima and Nagasaki, in order to inaugurate the Age of Nuclear Conflict. Russia, at that time, the Soviet Union, had already begun to develop the nuclear weapon. It had been done under this great Russian scientist Vladimir Vernadsky, whose protégé, Kurchatov, is famous for developing the Soviet bombs. So, what Britain did, through Churchill and this crowd, was to set up the Soviet Union, with which Roosevelt had tended to collaborate, as with China, to *crush* imperialism on this planet, to eliminate the last vestige of colonialism, as a necessary condition to eliminate the last vestiges of free trade from international trade, to eliminate the influence of British liberalism from its dominant role in international affairs.

So, Truman's treason against our tradition, this stupid little man's treason against our tradition. And then he was followed by Eisenhower, who was owned by financial interests. (We used to refer to him, because some days he had a good day, some days a bad day, I used to call him "President Eisenhower.")

Then he was succeeded by a fairly good President, Kennedy; but, they killed him. And, that was not done by a lone gunman, that was done by a British intelligence operation. The details are well known, they're just not spoken about publicly.

Johnson was not a bad man, but he was a frightened man. If your predecessor had been shot down by three snipers in the streets, arranged by British intelligence, with collaboration of part of the U.S. intelligence services, you'd be frightened, too. He resigned.

He was followed by Nixon. Nixon was already dead morally by the time he became President. He was given an overseer, who was called Henry Kissinger, a British agent, who was stuck on him from the first day—*before* the first day he was in office. Actually, the Nixon and Ford administrations are properly called the Kissinger administrations. Fundamental changes in U.S. institutions, particularly in intelligence

institutions, in foreign policy, and so forth: a complete change. If you go back in the history of Sudan, you will notice the relationship of Kissinger to Sudan, as to Ethiopia, as to Somalia, and so forth, during that period. Look at those records and you see how U.S. policy in this area *changed* fundamentally under Kissinger. He's a madman. He's still a madman. We hoped he would have retired a long time ago, but we haven't been able to get rid of him.

So, the killing of Kennedy; the Nixon era; the pluses and minuses (mostly minuses) of the Reagan years; the Bush collaboration with Margaret Thatcher, while Bush was vice president, in spreading the holocaust across this planet; and what has followed since, has been a disaster.

The present President, Clinton, is not personally a bad man. I don't give you much for his vice president, Gore, who is not a great man. But, Clinton is a man who thinks, but he has the weakness of pragmatism. He is able to successfully divide what he thinks, from what he does. It's a great American achievement, it's called pragmatism: You think one thing, you have your principles, which you believe in private; but, what you do in public, you do out of expediency, out of short-term, pragmatic expediency. He's a man who believes in compromise. He didn't serve in the war, which is bad, bad for America. Because sometimes, you know, the experience of actually having to fight war, and having to think about justified, as opposed to unjustified, warfare, is an idea which every statesman must have, particularly at the highest level. If a statesman can not think in those terms, then the statesman will negotiate submission, when he should not submit. I'm not advocating war, but one has to know that that dividing line exists between justified war and unjustified war. One has to know the difference between a justified victory, and an unjustified one, as in the case of Iraq, where the war itself was unjustified against Iraq, and the victory was even more unjustified. It was mass murder. It was genocide of the type for which we hung people at Nuremberg after World War II; and, it's *still* genocide, and must be so seen.

So, that's the situation we came to.

British drive to eliminate the nation-state

Now, the agreement between the Soviet Union and the United States, in the wake of the 1962 Missile Crisis—in which Bertrand Russell was a key figure, and the British were the key agents—created a new situation in the world, in many respects. First of all, it created a situation in which the likelihood of general nuclear warfare was believed to be eliminated. There could only be surrogate war or local war. Or, like the war in Vietnam: a diplomatic war, where the diplomats would stop the war, tell the soldiers to wait, while they negotiated. And, then go back and tell the soldiers to shoot any soldiers around, and then quit, and go back to the negotiating table to see if the other side was willing to give way on the bargaining chips.

And, in that way, Indochina was used as a bargaining chip from 1964 to 1971-72, for the United States to negotiate refinements in détente with the Soviet Union, and to negotiate détente with China. Once those negotiations were reached in 1971-72, the war in Vietnam was called off. It was purely a diplomatic exercise for the age in which conflict below the threshold of nuclear weapons was commonplace.

In 1989, the Soviet system began to crumble. And, those in London, and those who thought alike in New York and Washington, said, "Now is the time we can establish what we wanted to do: We can now eliminate the nation-state. Because the factor of the nation-state economy, as a factor in general warfare, is no longer one we have to respect. There will be no general warfare, because *we* control the planet. Therefore, there is no need for an emphasis on scientific and technological progress, and there is no more need for nation-states. So, now we're going to simply eliminate the nation-state and establish, as Bertrand Russell proposed in 1946, a One World government, using the United Nations as the world government, as you saw in the case of Iraq in 1990-91. And we will establish supranational agencies to administer different regions, all under the control of the One World dictatorship, called the United Nations Security Council. Instead of votes—you won't vote anymore—an NGO will come and tell you what your destiny is." You may have seen some of that.

The worldwide economic breakdown

That's the kind of world we have come into. And, as a part of that, they've destroyed technological progress. As a result of that, the United States itself, since the last 25 years, has collapsed to *half* of the per-capita wealth that it had 25 years ago. The United States has not grown, its economy has not grown, in any year since 1970, contrary to all newspaper reports.

That is, if you measure output, in terms of physical output and input, of products, plus education, science, and health care—forget everything else; everything else is pure administration; the inputs to production of products, education, science, and health care.

That is what the productivity of a nation and its population depend upon—its physical productivity. Compare the inputs of this type with the output per capita of labor force, per square kilometer of land area, and per family household. By those standards, the United States has been shrinking at 2% or more per year every year for the past 25 years. The rate of collapse has now accelerated to about 5% per year, or higher.

You have a similar situation in Britain. Now, even an ashecan would shun Britain, it's such a piece of wreckage. Of course, Margaret Thatcher had a great deal to do with this; Wilson started it, and Margaret Thatcher finished off what's left of the place. Europe? Similarly, the rate of collapse in continental western Europe is enormous.

The greatest suffering has been experienced in the developing sector. Despite some parts of the world people like to talk about, there is no part of the developing sector, in general, that is, national areas, which has not shrunk in the past period. Sudan has had a better performance than most developing nations, if you look per capita and per square kilometer, in terms of physical improvements and the welfare of the people, especially recently. It's not much, you say, but, it's something.

In most parts of the world—Argentina has been destroyed. Argentina once had the fourth-highest standard of living in the world. That was about 50 years ago, 55 years ago. It's now been disintegrated. Colombia's virtually destroyed. Mexico has been in a process of collapse, especially since 1982. There has been *no improvement*, but a constant deterioration, in life, in Mexico, every year, since 1982. Peru: weaker. Chile is like a corpse: It's neatly embalmed, so you don't notice the fact that it's dead. Brazil is being destroyed. Other countries, similarly. You know what the situation is in Africa. In Asia, it's generally the same.

The only bright spot, in terms of general growth in the world today, is China. Iran has made some improvements recently; but, China is the only nation that has any really substantial growth per capita. And, the rate of improvement in the past ten years is spectacular; even though there are many flaws in the development, nonetheless, there is development. It's the only nation which has that.

You saw what happened to the former Soviet Union. It's now a wreckage, it's ready to explode. Eastern Europe has been looted, because these people were determined that "never again, would it rise again."

Now, what does this all mean? This means that the world is bankrupt. That is, the rate of production, globally, presently, is not sufficient to maintain civilization. Worse, under this condition of bankruptcy, the rate of indebtedness has spiraled. This started about 1971, with the introduction of the floating exchange-rate system after the 1971 crisis. But, worse, we've gone through a whole series of phases of large speculation, the worst beginning in 1988, after the 1987 stock market crisis, the so-called derivatives crisis.

A financial earthquake

Let me just give you some key figures. Between 1956 and 1970, in the United States, of 100% of our foreign exchange turnover, 70% was accounted for in trade in exports and imports—consistently, plus or minus a half a percentage point or a percentage point each year. Seventy percent, consistently, 1956 to 1970. After 1971, by 1976, the percentile of foreign exchange accounted for by trade was down to 23% or so. In 1982, down to 5%, from 23%. In 1992, down to 2%, from 5%. Today? Less than one-half of 1%.

The British are the worst case. The British have the highest financial turnover, and the worst performance, in terms of

ratio of trade and substantial production to financial turnover. In terms of domestic figures, you get similar results. The rate of financial turnover, inside economies, is zooming relative to a shrinking per-capita value of physical output. This is generally a worldwide trend. The amount of financial turnover per day, today, 365¼ days a year: over \$3 trillion a day in financial turnover. Most of this is pure speculation. The greater part is not shown on balance sheets.

As a result of this, with the shrinking of the base—remember, the base is your assets. The production base is the assets for your national currency. If your national currency is increasing against your production base, you have a disease called inflation. So, the rate of inflation has increased. Not only that, but the assets, the physical assets of production, are not sufficient to cover even the financial debt of countries. And, that's the case in most countries.

Worse, *the financial debt is increasing chiefly to increase financial turnover in areas of pure speculation, where no assets are generated, except nominal ones.* Therefore, we're in a situation, which, as described by Michel Camdessus, both at the G-7 conference, or before the G-7 conference, this past spring, and more forcefully at the September Washington conference: that we are now in a period when entire national banking systems are expected to collapse. Not only that, but *groups* of national banking systems may collapse in a chain reaction, exactly as the case of France, in which *Crédit Lyonnais* is a bottomless pit, into which all of France could be sucked, with nothing left over. The entire state banking system of France is in a condition similar to that of *Crédit Lyonnais*. The German banking system is in a similar situation, because of speculation in derivatives. Italy? You know the story, it's publicized. The United States is in a similar condition.

So, therefore, we're in a period where the characteristic feature is not whether or not there is going to be a financial crisis. We have been in a collapse cycle for the past two years, nearly two years, since about January 1995. The pattern is blowouts. Major financial houses go under. It's an epidemic, it's not an isolated case. Major banks go under. In Japan, one financial institution after another, of trillion-dollar dimensions, collapse: bang, bang, bang! Constantly. In Europe, the same thing is going to happen. We're now in a period like an earthquake period, where you have earthquakes, financial earthquakes: 3, 5, 7, and, ultimately, 10, on the Richter Scale, of financial earthquakes.

When this bubble of speculation begins to unravel, it would take three to five days, and no longer, to virtually *vaporize* every existing financial institution on this planet. Because the collapse of a bubble of that magnitude, relative to an almost non-existent asset base, means you don't have bankruptcy, because there are no assets to peddle off in the bankruptcy. You have vaporization of institutions, whose assets in large part are fictional. Their chief assets are the debt

of other financial institutions that are in the same condition. Therefore, if somebody tries to collect on their assets, their financial assets, they'll find there's nothing to collect. And so, the system simply breaks down. There's no way it can be resolved.

And, in the major centers, most transactions are *not* in currencies. They're in electronic surrogates for currency, where the electronic chain connection breaks down and the system goes into a downward spiral.

So, that's the situation. That's our basic strategic situation. We have come to the end of a system: The system is about 400 years old. It is a system of symbiosis between the nation-state, and the parasite which has been on its back, the oligarchical system of finance capital.

Genocide against Africa

What has happened, therefore, is that the oligarchs know this. There is no leading financial center in Europe which is not discussing the inevitability of a general financial collapse. They're not merely discussing it. You see blood on the soil of Africa, as a result of this perception.

Take the case of Kivu Province in Zaire. A short time ago, a group, a firm in Canada, a Commonwealth firm, headed by a gangster by the name of Peter Munk, called Barrick International, which is the third largest trader in gold-mining assets in the world today, contracted a concession from Zaire, in Kivu Province, covering about 80,000 square kilometers, which contains what was detected to be, by satellite, a large oil reserve, what was identified to be gold mines, already there, and, other strategic minerals.

This is in addition to what people like Anglo American [Corp.] have picked up all over Africa. If you look at the map of Asia, what used to be Soviet Asia, and you look at where the assets are located, in Kazakhstan, in Turkmenistan, and so forth—where is the gold? Where is the petroleum? Where are the other strategic minerals located? Who owns them, today? Who bought them up at bargain prices, in the wake of the 1991 collapse of the Soviet system? Who owns Kazakhstan? And so forth and so on.

Now, what is this Barrick firm? The chief of the board of directors is a former President of the United States, now known as Sir George Bush. . . . Number-two on the board of directors is the former prime minister of Canada, Brian Mulroney. The problems in Kivu Province are *not* caused by "rebels"; they are caused by Museveni, Baroness Lynda Chalker's pet tyrant in Uganda, whose forces first invaded Rwanda, caused a chain reaction of butchery there, which was nothing but the Ugandan Army, which marched into the mountain gorilla preserve, took off their Ugandan insignia, and continued to march, after staging in the gorilla preserve, and *invaded* the country. A straight invasion of Rwanda, with the help of Prince Philip, who controlled the game warden, otherwise known as mercenaries, who manage the mountain

gorilla preserve. And then they marched on, after doing as much damage as they could in Rwanda, and after taking over Burundi in a coup, marched on, with the help of hired mercenaries, leftovers from the wars in Angola and other places, who are not known for their delicacy in the way they deal with military conflict. They committed atrocities.

And, now we see the march of millions of people, people in batches of 1 million, trekking to death and genocide, and nobody seems to care. Well, who stepped in on the genocide, to *administer* it? Why, the government of Canada, of course! And, to whose benefit is this? Well, it's to the benefit of the Anglophone countries against the Francophone territory, which is the game being played in Africa. It's called "Greater Horn of Africa," which now extends to the middle of Zaire. And, who knows where it'll be tomorrow.

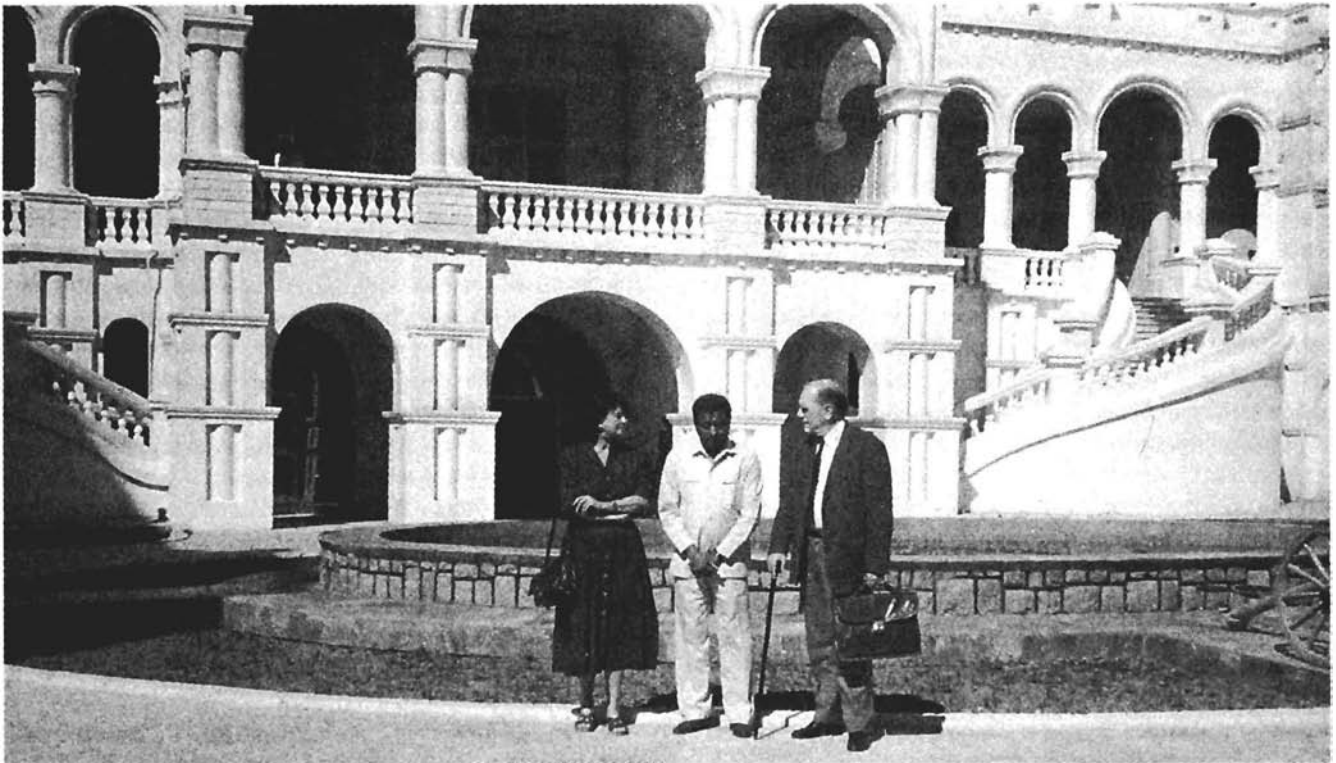
That's the game. Because, if you take the mineral resources of Africa from this part of the world down, the mountainous area here, down through Shaba Province into the South African Shield; combine that with what is controlled by similar forces—including George Bush, again—in Central Asia, and you have a monopoly upon strategic minerals (or at least a near-monopoly) of the world.

If you add to that the British control over the international food trafficking, in a hungry world, that means that on the day that money goes out of existence, the British don't give a damn, because they control the strategic minerals and food supplies, upon which much of the existence of nations then depends. Therefore, they can dictate terms to create the new world order they desire—unless we prevent them. And that is the crux of the strategic situation.

What the U.S. President must do

So, what do we do about it? Well, this poses a problem to the President of the United States, because the solution to a collapse of the international financial system is what might be called, in loose terms, a new Bretton Woods. That means, essentially, that, if the President of the United States supports such a move, it is likely to be made. If the President of the United States does *not* support such a move, it is not likely to succeed, even if made. So, therefore, the crucial position, the importance of the United States, here, is the fact that *I must somehow find a way to make sure that the President of the United States and other forces there are prepared to take this course of action for the sake of the human race as a whole: a new Bretton Woods.*

Which means the use of governmental authority, to declare bankrupt financial institutions bankrupt, and put them into government receivership. The purpose is to save institutions which, although bankrupt, may be serviceable to the nation, because there's banks, and we have the bankers, we have the people there, they can administer new forms of credit, even if they're bankrupt, under government rules. And we may need those banks to help distribute credit.



Lyndon and Helga LaRouche with Dr. Shingeti, representing Sudan's Office of the President, in front of the Presidential Palace in Khartoum, December 1996.

We also must assure social stability; therefore, we must intervene with bankrupt financial institutions to assure our social stability. We must always protect the ongoing operations of firms and farms which are essential to national security, and national stability. But, we must do something else: We must quickly create a new international monetary, credit, and trade system, which is why I use the term "new Bretton Woods."

We must quickly establish currency, credit, new trade rules which are protectionist in nature. You can not provide for economies under free-trade conditions. You must have protection for essential industries. Because the objective is to have the governments process credit through special financial channels to make sure the credit goes into, not only maintaining the flow of operations of the essential industries, but also to generate new ones. We must go into a global expansion. We can do that.

But, we need the nation-state to do that, and we must have guarantees that those industries will not be victims of dumping, foreign dumping; therefore, we must have protectionist rules. And, international agencies must recognize the need for protectionist rules, and grant them.

We must have stable parities of currencies, otherwise, we can not have cheap flows of credit and investment across national lines. Because, if currencies are fluctuating wildly in

value, as we have seen since 1971, you can not have equitable relations in international financial and trade relations.

So, therefore, we must scrap the IMF conditionalities; we must scrap the free-trade agreements; we must scrap the WTO; we must scrap a great number of other things; and, go back to the kind of system, in many respects, that we had prior to 1967, prior to the crisis in pound sterling of November 1967, the Wilson crisis.

And, we *can* do that, and we *must* do it; because, in doing something like this, which is revolutionary in its implications, and must be done on short notice, you must appeal to valid relevant precedents in order to get quick agreement. You must take something which is proven to work in the past, and utilize that as a model for what you're going to do now. On that basis, you can get panicked people to agree to do it. You've got to get people to believe in lifeboats when the *Titanic* begins to sink. That sort of thing.

A program for development

Now, what do we do, to revive the world economy? What are the prospects? Well, you generally find that when you come to a crisis, the thing that will get you out of a crisis, is something that's always there, whose value you may not have appreciated. We approached this crisis of 1989-90, my wife and I, and others, with a proposal which became known as

the “Productive Triangle” proposal. This is based on the fact that the area from Paris, to Vienna, to Berlin, and back to Paris by way of Lille, represents an approximate triangular area in Europe, which, for historical reasons, has the greatest concentration in machine tool potential on this planet.

The idea was to use that, to energize and activate that, in order to feed technology through what we call spiral arms, like the spiral arms of a galaxy, across Eurasia, and down into Africa and elsewhere, to use the technology concentrated there, in order to foster rapid infrastructure and industrial development and agricultural development, throughout the world, concentrating on corridors which would be approximately 100 kilometers wide.

That is, if you build a railroad, you put a pipeline beside it, and a power line beside it, or a system of power lines beside it, you’ll find about 100 kilometers, or 50 miles on either side of that spine, is logistically a very suitable area for high-density development. So, rather than trying to spread development over a wide area, you concentrate it along the line where you have the best logistics, and can maintain it. By building these beltways, then you create the conditions within the territory as a whole, to build *new* corridors, and go sideways, and criss-cross your territory, and develop it, rather than the random kind of thing that’s done in many areas.

So, we made that proposal. The idea has been taken up in a large way in China, which is committed to what it calls the Silk Route or the land-route Silk Road of development, across Eurasia. In the past several weeks, Sharma, the President of India, met with Jiang Zemin, in a series of meetings, and it was announced that India would provide support for a *southern* part of the land-bridge, which is the part that runs from Jakarta, up through Malaysia, through Burma, into India, across Pakistan, up to Teheran, and across to Cairo. That’s the route.

Iran has already collaborated with China significantly in this. The first Silk Route connection to Teheran and to the Indian Ocean, was established in collaboration between China and Iran. That was the subject of the reports at a May 7 conference that Helga attended, this year, in Beijing. Pakistan has recently made some moves to clear the pipeline running through Pakistan into India. Iran is extremely interested. Erbakan in Turkey, who is a very interesting fellow, in my view, has made moves in that direction, following, actually, in the footsteps, so to speak, of Mustafa Kemal Ataturk, the first man to defeat the Entente Cordiale, at the end of World War I, who is a hero of mine, for that reason, among others.

So we have a potential, in the fact that large-scale projects, which are global, exist, in which most parts of the world can directly participate; into which consolidated credit can be issued, benefitting the countries along the routes so indicated: a joint project to unite the human species, to get out of the mess which has been created by the legacy of a collapsed society.

The U.S. political situation

Inside the United States, from this standpoint, we have a problem, I’ll deal with this finally. Then you can ask questions about other matters that have been raised. But, as I say, President Clinton is a fellow toward whom I have friendly inclinations. He’s sort of like a son, a prodigal son, you might say, at times, who we wish the best for, but you *do wish* he would come home, and get out of the places he’s cohabiting now. He’s a man of intellectual capability, of sorts; he is unfortunately a baby boomer, doesn’t understand what my generation understood from bitter experience. He’s got a vice president who is a problem, as far as I’m concerned, a very serious problem for this part of the world, as well as elsewhere.

And, an unfortunate thing happened: We were going to win, retake, the lower house of the Congress, the House of Representatives. It was assured that we could do that, no problem, and probably take the Senate back as well. But, unfortunately, some people in the Democratic Party wish to have Al Gore as President of the United States in the year 2000. His chief rival is the minority leader, the leader of the Democrats in the House of Representatives, Richard Gephardt. Now, if the Democrats had won the House of Representatives, Richard Gephardt would have replaced Gingrich as Speaker of the House of Representatives. Under those conditions, the policies of the United States would *change* from what they have been recently, and Gephardt would be the most likely candidate for nomination, and election, come the year 2000, which would change the policy of the United States in the meantime.

So, therefore, a section of the Democratic Party, preferring Gore to Gephardt, *literally threw* the Democratic election for the lower house of the Congress, in order to ensure that Gephardt would not be Speaker of the House.

This has created a mess. The margin in the Congressional elections between the Democrats and the Republicans, is the Republican vote is about 10,000 more votes than the Democratic vote. And this is the result of the Democrats throwing, deliberately throwing, the elections—or some of them—in order to prevent Gephardt from becoming Speaker of the House. This, nonetheless, creates a problem for us, particularly because the President is pragmatic, and the President will tend to compromise with the Republicans, when he should fight them. Because if the Republicans control the policy—that is, the Gingrich-type, Lott-type Republicans, the new radicals—then the world is in a very serious situation. Because the crash is already on. The date the ship sinks is not certain, but the ship *is sinking*, and it will sink. Nothing can save the present world monetary system. It can not be saved. The present world financial system can not be saved, it’s gone.

The question is, do we have a lifeboat? That’s the only important question. If we don’t have a lifeboat, *we’re in trouble!* And, therefore, the role of the United States Presidency becomes crucial. . . . Madeleine Albright is bad news—you may know that already. Other people are bad news. Anthony

Lake is not as bad as Madeleine, but nonetheless, for Sudan, he's bad news. He's bad news for Africa, in which he's a specialist, ever since he was trained under Kissinger. So, that's not surprising.

So, we have to fight that fight in the United States, in large degree. In the meantime, I would hope that there are many things that we can do, including things which might, in the short term, be useful to Sudan, particularly over the coming six weeks, whose significance is not unknown to you, which might adjust things in a better way.

But, down the line, we've got to make a fundamental change. I would hope that the fundamental change would come when the shock of some of the minor earthquakes causes people around the White House and elsewhere, to perceive that they've got to stop the nonsense in which they're presently engaged, and get serious. Because what we need in the United States, is a set of plans and procedures, to go into action the minute the crisis creates the political situation in which you can get popular support for the kind of actions which must be taken. And, also, *other nations*, including Sudan, of course, even though it's not a big player in the world financial market, must be prepared for this crisis, and must have measures taken, on its drawing boards, ready to act, at the time of crisis, to protect the nation and to collaborate with other nations who are friendly to this purpose, in measures to defend this part of the world from the shocks of this type of crisis.

So, thus, the political situation in the United States, becomes of a strategic significance. And minutiae, such as the ambitions of the Gore supporters as against the possible candidacy of Richard Gephardt, become a strategic factor in history.

Sometimes, apparent accidents become significant; but they become significant, not because of what they are in themselves, but because, as I said at the beginning, of *their situation*, that is, *the situation that they occur in*. And, as you might imagine, a man of my age and activities and capabilities would act like a senior figure in this picture, and try to do what we can from within the scenes, and behind the scenes, to orchestrate events globally and in the United States, to cause the things to happen which *must happen* to get us out of this mess.

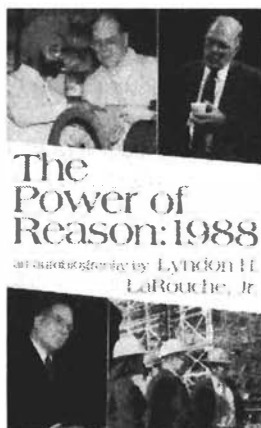
The problem is not merely to solve the mess. I do not regret the passing of a 400-year rotten compromise between the oligarchy and the nation-state. The sooner we get rid of the oligarchy in the crisis, which is necessary—and, like justified war, to get rid of that oligarchy, I welcome it. I welcome the revolutionary implications of this crisis. But, we will not enjoy the revolution unless we succeed. And, therefore, we have to prepare the measures we must take to get us through the crisis.

If we get through the crisis, we will be rewarded by having a better world in which to live, than we have had before. And, that, I think, sums up, from my view, the strategic situation at present.

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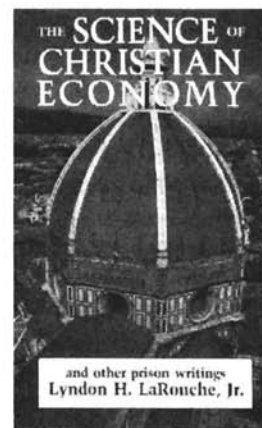
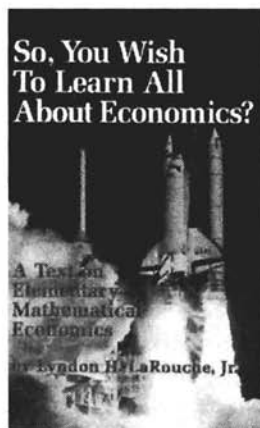


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‘Sudan’s progress in recent years has been remarkable’

Debra Hanania Freeman interviewed former Congressman James Mann (D-S.C.) by phone last November, regarding his Sept. 13-23, 1996 visit to Sudan as part of a fact-finding delegation with the Schiller Institute.

EIR: I understand that from September 13th to Sept. 23rd, you went on a fact-finding tour of Sudan with some other elected officials. Now, I know that one of the things that you were told, prior to that visit, was that Sudan was a military dictatorship, probably one of the most dangerous countries in the world, for Americans to visit; and that the government is guilty of widespread human rights violations, ranging from forced conversions to Islam and persecution of Christians, to child abduction, genocide, and slavery. What were your impressions when you first arrived in Sudan?

Mann: My impressions were that that’s ancient history. I think Sudan has made tremendous strides. I like to tell my friends, that as I moved around Sudan in various areas, including downtown markets and the like, I never got a hostile look—and, you can’t walk down a main street in South Carolina without getting a hostile look from somebody. I was just astonished at the pleasant attitudes of all the people that we were in communication with. Of course, we didn’t get out on the Ugandan border, where apparently John Garang and his forces still have some irritations, but, generally speaking—when I say *we*, I think our feeling was unanimous—we concluded that Sudan was making tremendous strides; they have a people’s republic, a democracy that is more democratic than ours. One feature I liked about it, is that there are no political parties; but, they do have a wonderful political organization. They’ve divided themselves into 26 states; each state has its local assembly, or parliament. They have a National Assembly, which is kind of an ombudsmen’s gathering; then they have National Parliament, with a Speaker of the House, and all that kind of business; and they have departments in government, dealing with all the various problems.

And I brought home with me a lot of literature, wherein they were attacking the problems of a society that, I would describe, is a growing one, which wants to be not-primitive. That’s why they improve the technical education of their people, so they can meet the demands of a modern technology. They have tremendous agricultural potential, and they’re

working on it. They have Experimental Stations working on the production of agriculture.

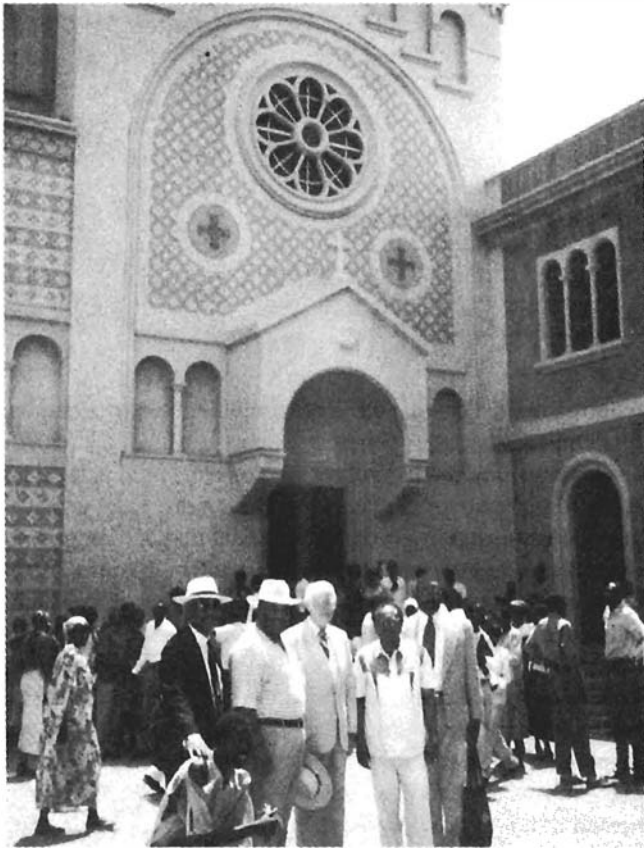
I was astonished to realize how important the Nile River is to a large part of the world. It’s fantastic what effect it has on Sudan, and its potential: After all, they’ve got gravity irrigation, where, in my state, we’d have to spend a lot of money to buy a tractor and a big pipe, and all kinds of junk; but, they’ve got that gravity irrigation, which can cover millions of acres. And, they are beginning to organize their agricultural production, which includes really all of the crops that one might grow down South in the United States, but it includes a great cattle-raising potential, sheep, goats—and donkeys, of course. But it’s hard for me to contain myself—that’s how impressed I was about what they were doing.

And, only in the last few months they have published their goals and aims about improving their educational systems. Back in April, they reached an agreement with the primary rebellious crowd in the South: the FSIMA—Dr. Rick McCarthy—and then they went into an agreement which covers most of the opposition. There’s still, apparently, some rebellion down along the borders. You know, when you’re surrounded, when you have nine foreign countries bordering you, it’s kind of easy to understand how you might have a little trouble on some borders, somewhere. But, John Garang, I think, is losing his influence; and, hopefully, he will go away soon.

But, the potential is what amazes me. You know, that the analysis was that, fully developed, Sudan agriculturally can feed the total of Africa, and the Middle East as well.

EIR: You also had the opportunity to visit an agricultural experiment that they’re conducting, called the Gezira Scheme.

Mann: That’s right. The fact that it’s irrigated (all of us in the States who know what that means), that it’s irrigated without limit, to whatever extent the particular crop requires, means that they’re getting the maximum production. We pulled up peanuts and looked at them. We checked the sugarcane, and cotton, and other crops, and they’re making the most of what they’re experimenting with. If it can now be applied, spread out more throughout the countryside, it can be tremendous:



The Schiller Institute delegation outside the Catholic cathedral in Khartoum, in September 1996. From the left: Del. Ben Swan (Mass.); Ben McGee, Assistant Speaker Pro Tem of the Arkansas State Legislature; former U.S. Rep. James Mann (S.C.), and Alabama State Del. Thomas Jackson.

There was no indication that anybody was going hungry anyhow, but the potential is *just fantastic*.

EIR: Despite the fact that it's a poor country, it does seem that people have access to food.

Mann: That's right, and that situation has got to be improving, it oughtn't to do otherwise, now that the government is adequately organized, to maintain peace and to produce some of the education—a lot of education is required to do farming, too—for farming, and for developing technical education, to take advantage of the by-products of farming, which can be in various industries; and mining and oil, and things of that sort. They're undereducated, but they're *working on it*.

EIR: And, in this area around the Gezira Scheme, they are not only growing the food, but they also are engaged in some food-processing, and things like that.

Mann: Yes, they are, and that's part of their technological shortfall which can make a big difference, but they're making good strides in it. I don't know where they have been getting their advice, but they're making about as much progress as

one can imagine over a short period of time; and, it's bound to increase.

EIR: It's amazing to find an African country that's in the position to actually start exporting food.

Mann: Isn't it true? But, we did observe one problem: There are approximately 40,000 refugees from down South, that are in an encampment with huts and the like, just a few miles from Khartoum; but they are being fed, clothed, and receive medical treatment, from the central government.

EIR: You actually did get to visit that displaced persons camp?

Mann: Yes, and we talked to some of the leaders. Incidentally, a great many of them speak English. It's a carry-over from the English occupation. But we found very few situations where there wasn't somebody who would step up and speak English. In this case, we met in a little hut, with two or three leaders of the compound, and a couple of guys that had pretty good English. So, we were able to communicate very well. They were not totally satisfied with the medical care that they were getting, but, gracious, you find that out in the country around here.

EIR: One of the things that we are told, and, obviously, is a cause for great concern, was that there is religious persecution, because Sudan is identified as an Islamic republic. I'm assuming that most of the refugees in this camp were Christians. Is that true?

Mann: I am not aware that that was the reason for their being refugees. My information was that there was a rebellion, and they feared for their lives in the South, and I didn't detect in the refugee camp that they were primarily Christians.

I know, that in the general literature which I have read, that there is a governmental leaning toward Islam; however, the tolerance is remarkable. The first night we got there, we went to a Roman Catholic cathedral with a partially English service, and some of the others went to two or three other denominations.

EIR: So, as far as you were able to see, there *is* freedom of religion. People are free and able, if they're Christians, to participate in services of their own faith?

Mann: We didn't uncover *one* incident where anybody has been persecuted because they were a Christian.

EIR: Are Christians discriminated against in public office? Or, are they able to hold public office?

Mann: Well, we met with certain legislators, and there was a good sprinkling of them, and, we were told, that the National Parliament—we were told the numbers, and I don't remember them—but they were certainly not all Muslims. If my recollection serves me correctly, probably around 40% of them were non-Islamic, elected from all over the country.

EIR: Which is certainly different than the impression that we are given here.

Mann: Yes. When you look at what's going on in Afghanistan, and, if you try to compare that with Khartoum, then you might think that—but, there's *no comparison*. There was no indication that anybody had been coerced, pressured, or economically discriminated against: You know, we weren't there to fully analyze that problem, but what we saw, and what we read, and the services that we attended, and the groups that met with us, to talk about freedom and all that, were indicative of a substantial degree of tolerance.

EIR: When one hears about an "Islamic state," people immediately assume that women are not permitted to work outside the home, that they are not permitted to participate in the political process. Are women permitted in the National Assembly, for instance?

Mann: Absolutely, and I met with several women who were in the National Assembly, and some who were in the state assembly of Khartoum. And there are 26 states, and we met with a state legislators' group. As I recall, there was a woman who was the chairman, or the Speaker of that Khartoum group. And, what I saw in the paper this morning, where the [Afghan] Taliban make the women cover up their heads and all that—that does not exist in Khartoum. I didn't see a covered face. Not a one. They have these very thin little veils that hang off of one shoulder, but as far as binding up where you can't see anything but their eyes?—Oh, there might have been one out of every two or three hundred that was that way.

EIR: One of the most serious charges that's been raised against Sudan, and I know that it was one of the things that you gentlemen were specifically looking into in your mission there, is the charge that the government "systematically promotes and organizes the practice of slavery." Is there obvious evidence of slavery there?

Mann: Oh, absolutely not. I don't guess it's been fully analyzed as to where that accusation came from, but there's a suspicion that it came from down on the border somewhere adjoining Uganda, or Chad, or some other country. Part of our delegation went to the Nuba Mountains, where there's a claim there had been slavery. They went down and met with the leaders, and just couldn't detect any evidence on that, whatsoever.

So, there's a good many places in the world where you might find some kind of overbearing action going on, but we could not deduce, from what we saw, from what we heard, from what we investigated, and from where we went; certainly we *did* observe, it was not a governmental policy, nor that the government was tolerating it: It was not. I spoke of John Garang and other diehards down and around the southern border, that conceivably could have been involved to some extent. But, we certainly didn't develop that it was policy, or governmentally approved, or widespread for that matter.

EIR: One of the things that the U.S. Congress has been told, by some of the Christian leaders in the South who have visited the United States, is that, because of the fighting, that there has been a situation where people take hostages; but, that's significantly different from the practice of slavery. A prisoner of war is not quite the same as a slave.

Mann: Oh, sure. And, as I've indicated, I think that the peace agreements that have been reached with the *primary* dissidents has eliminated 99% of that.

EIR: It's starkly different from the story that most people have access to. Obviously, a retort that might come from someone who holds an opposing view, is that you were only allowed to see what they wanted you to see. Were you able to travel freely? Could you talk to whomever you wanted? Or was everything controlled?

Mann: Absolutely, it was *not* controlled. We determined where we wanted to go, and when; and we had the equivalent of a taxi-driver driving us, and he didn't try to influence us, so, we were *not* controlled. And, of course, we had the opportunity to talk to a great many natives, in various places. I'm going to repeat the statement I made earlier: That we didn't see anybody that appeared to be imprisoned; we didn't see anybody that appeared to be frightened; we didn't see anybody that appeared to be hostile—and I still go back to that word: You get hostile looks everywhere, but we didn't get any—they were a happy crowd. They have a good military, but the military's presence does not permeate the community.

EIR: So, there's not a big military presence in Khartoum?

Mann: Absolutely not. And the policemen are about as casual as any country I ever saw.

EIR: I know that some of the other members of the delegation have not really traveled extensively outside the U.S. Your tenure in the Congress was a long one. When you were there, you served on the Judiciary Committee; but, you also served on Armed Services?

Mann: No, I didn't; but, I traveled a lot with Armed Services. I have an extensive military background.

EIR: You have traveled extensively?

Mann: You would be hard put to identify any place I haven't been; but I did travel extensively, and, of course, just earlier this year, I went to Bosnia with a [Schiller Institute] group. And, I don't think I'm totally perceptive about what goes on when I'm only there for a few days, but, if there's anything serious, I would probably find out about it.

EIR: Have you ever traveled through a country under military dictatorship?

Mann: Yes. Zaire. And, also, Zambia; and Somalia. So, yes, I've been there.

We didn't see anybody that appeared to be imprisoned; we didn't see anybody that appeared to be frightened; we didn't see anybody that appeared to be hostile—and I still go back to that word: You get hostile looks everywhere, but we didn't get any—they were a happy crowd.

EIR: So, you recognize a military dictatorship when you see it?

Mann: Oh, yes.

EIR: Is the Sudanese population anti-American, or is the government anti-American?

Mann: No. Not only are they not anti-American, they have a large group with whom we met, "Friends of the United States." We met with them one evening, and they are reaching out to the world, understanding that their reputation needs some repair, and they are actively reaching out, which is a good sign.

EIR: There's a significant effort which is building, not only in the United States, but internationally, to impose sanctions on Sudan. There is a resolution which is currently before the Congress. . . . I don't expect you to be able, based on a ten-day tour, to know every detail of every aspect of the nation, but did you see any obvious benefit to be gained by imposing sanctions against this country?

Mann: No, I think it would be highly counterproductive; these people are *looking* for friends, and they are trying to be friendly. I understand that the United States' ambassador there recognizes their benign approach, and I think the reports that may have caused those movements *do not represent the actions of the government of Sudan*, or, the major business or religious leaders of Sudan. I just think they are incidents, perhaps. They have been blown up out of proportion.

EIR: So, then, your view is that Sudan does not consider the United States to be the "White Satan," but, actually wants to improve relations and expand relations.

Mann: You know, their attitude was more tolerant than we deserved. I was surprised when we were discussing with them, with the Speaker of the House, for example, which is a very powerful position. He very, very calmly dealt with the claims, and reasserted their interest in clearing up any such problems and having communicational relations with the United States and other countries. He was not as indignant, as I would have been in his position.

EIR: Do you think it would be worthwhile for some members of the U.S. Congress to travel over there?

Mann: Very much so.

EIR: Well, sir, I have to thank you for this: There are so few people in the United States, people in a policy-making position, who *have* had the opportunity to travel to Sudan. I think it's crucial to get this information out to people. Here in Baltimore, where I live, what most people know about Sudan, comes from the series that they read in the *Baltimore Sun*, which paints a picture of a terrible military dictatorship, where people can't walk the streets, where Christians can't go to church, and where the Christian population, in fact, is forced into slavery, and forced to convert to Islam—which is not a pretty picture.

Mann: No, it's not, and it's grossly overstated. You know, I heard two or three remarks which were trying to characterize Sudan: One of them was, that it could be the future United States of Africa, you know, which is a realistic statement, because of its potential for feeding the world, and for developing their technological capabilities.

EIR: It sounds like Sudan is certainly not a country without problems, but that the problems are typical of a young nation struggling to develop.

Mann: That's right. The progress they've made in the last four or five years is just remarkable. The popular government—we would call it a democratic government—I asked about the voting procedures. They keep the polls open about ten days, and they send the boxes up the rivers and through the jungles and everywhere, to reach everybody.

EIR: To get out into the bush?

Mann: That's right; they've got to go and find the people and give them the opportunity to vote, if they haven't. So, that is certainly not putting any roadblocks in the way of popular government.

EIR: Even the international observers who went over to observe the election, many of whom *were* hostile people, walked away and said that they thought the process itself was free and fair. I don't recall *any* allegations that it was a "mock" election.

Well, I thank you very much for this interview, and hopefully, we'll be able to expand this kind of fact-finding so that Americans can get an accurate picture, so we'll be able to shape our foreign policy on *fact*, not fiction.

Mann: I hope so, I'm doing whatever I can to help see to that.

Sudanese have the drive to be economically self-sufficient

In November 1996, Debra Hanania Freeman interviewed Alabama State Delegate Thomas Jackson, who was a member of the Schiller Institute-sponsored fact-finding mission to Sudan.

EIR: From Sept. 13-23, you were part of a fact-finding mission to the Republic of Sudan.

Jackson: Yes, I went with five other members of a delegation, most of us from the South. Four of us are elected officials, and we were assisted by members of the Schiller Institute. It was just great. We went into the Sudan looking for human rights violations, for the abduction of children, and the harboring of slaves. We had a very intense ten-day stay, and we came up with *no* significant evidence of abuse whatsoever.

EIR: When you were there, did you have freedom of movement? If you wanted to talk to someone in a hotel, or on the street, did you have the freedom to do that?

Jackson: Yes, we had complete freedom of movement: We talked to everyone—people just walked up to us. We went to church, and we talked to anybody that wanted to talk. Even at the hotel, the bellmen, and all of the employees, would talk to you about different things, and they shared information with us. And that's what's so significant about this trip. I felt, if the government was trying to hide or cover up something about this, we would have been in a controlled situation.

EIR: I'd like go through some of the different things that Americans are told about Sudan, because, as you know, on the basis of allegations of slavery, of human-rights violations, of discrimination against Christians, the U.S. Congress is preparing to vote on a resolution of sanctions against Sudan; the United Nations is scheduled to vote in middle of November, on the very same thing. [The UN vote was postponed—ed.]

Now, you just mentioned that the delegation went to church. We are told, that this is a fundamentalist Islamic republic, and that Christianity is not tolerated. So, when you say you went "to church," did you go to a Christian church,

or, did you go to a Muslim mosque?

Jackson: We went to a Catholic church; we went to an Episcopal church, All Saints Episcopal church of Sudan; we went to a Pentecostal Church that was right in the capital of Khartoum.

EIR: So, these are not underground congregations?

Jackson: No, these are wide open congregations, and, even some Muslims participate in the services. So, the bishop and the other pastors were very appalled when we asked some of their parishioners about them being persecuted, and children being taken from the streets, and put into centers and, I guess you would say, changed from Christianity into Muslims.

EIR: The so-called human rights groups say that there are forced conversions.

Jackson: Yes, but we could not find that to be true. There are some centers there, and some of them were owned or run by the Christian churches. And there's a center for children that the government operates, where they take orphans off the streets and take care of them, but, they don't try to convert them to Islam.

EIR: Are Christians permitted to hold public office?

Jackson: Oh, sure. There are Christians in the National Assembly. I think the Majority Leader is a Christian. They have it where everybody has an opportunity and everybody is involved. I suppose if you want to, you can call it "affirmative action." But, they make sure that the least of the people has representation, from the local, state, and national level.

EIR: So, they have Muslims and Christians in the National Assembly. Some people say that because this is an Islamic republic, that women are completely kept out of public life, and not permitted to participate.

Jackson: There are women in the National Assembly—and, we had the opportunity to meet with a female governor.

EIR: That's a rarity even here in the United States.

Jackson: Yes. I thought the same thing. You read so much, but when you go and see for yourself, you learn. And this

is what's so amazing about it: *We have to* know, we *have to* go, we have to investigate; we have to *see* and understand what is really happening in Sudan before we can deliver a punishment to them.

We've been there, we've seen it, and there's *no truth in all these allegations*.

EIR: We're told that Sudan is the most dangerous country in the world for Americans to visit. It's one of the ways that they persuade members of Congress to not go on these fact-finding visits. Did you feel that you were in danger?

Jackson: I feel more safe in Sudan than I do on the streets in the United States, right here in Alabama. There's danger involved in the cities of Alabama: Mobile, the port city; Birmingham; Montgomery. I feel more secure in Sudan than I do, really, in this country. . . .

EIR: You, and several other members of the delegation had a unique opportunity, something that no Americans that I know of have done, certainly something no elected officials have done: You traveled into the Nuba Mountains, which is where all of this "slavery" and all of these "human rights violations" have allegedly occurred. Is that indeed the case?

Jackson: We went into the Nuba Mountains. We met with the governor, with ninety-some tribal leaders there—very fascinating experience we had there.

EIR: Tell us a little about how you got in there. It's a rather remote area.

Jackson: I'll tell you, we went over a land route; it was about a 14-hour drive. We didn't know, the time the distance would take us: About four hours, we thought? It took us about 14 hours. We left at 4 o'clock in the morning from Khartoum, and it was late evening, dark, when we had to stop. We didn't even get to the mountains till the next day. But, we were on the road all day and part of the evening: We had to stop because the road was so bad and we couldn't see at night, so we spent the night in a little camp in Kordofan; I don't know exactly where we were, but the people were very nice to us, they put us up, they fed us, and we went on the next morning.

EIR: And, when you finally arrived at your destination the next morning, did they know you were coming?

Jackson: Well, yes; I felt that they did, because they were assembled together, the pastor of the church was there, and we met under a great, large mango tree, and then we went in for breakfast that morning. And, then we went back out under the mango tree, and we just talked about the things that were happening. People were seeing us coming in; after we got there, the word got out that, "Hey there's a delegation here. The Americans are here." And, the tribal leaders began to come in. The word got out and the leaders came in, and

I guess some 95 members met there, and they posed the question to us, concerning the Arab and the Nubian. We were asked if we could tell them apart.

EIR: We're told that there's total discrimination, that the Arab population rules over the Nubian population.

Jackson: Yes, and we were told that, and we were looking for that, and we questioned that. And they asked us a question: They pulled six gentlemen up from the audience, and they asked us to distinguish between the Arab and the Nubian. And, hey! we couldn't make the distinction. And then they pulled six more up and asked the same questions—and, they all look alike. You couldn't say who was who. One of the leaders spoke to us, and said: "Now who's selling whom? You said that you can't determine who was who, and we can't sell our brothers, you know. And who is the slave-master? Someone must have plenty of money if he's going to buy us a person." . . .

EIR: One of the things that you were able to do because of your visit—and I think that this is very important, because once we dispel the "problems" that everyone says Sudan has, and we see that they don't have *these* problems—I think it's worthwhile looking at some of the things they have accomplished, and accomplished *by themselves*. You were able to take a day trip to the agricultural complex, known as the Gezira Scheme?

Jackson: Yes, we went to the Gezira Scheme—and I thought I had left cotton country back home in Alabama, back there in the South, but I saw miles of cotton, corn, peanuts, sugarcane. . . .

They are very ready producers, and they want the opportunity to market their product. They can feed themselves, they know *how*, they have the *know-how*, and the agricultural engineer was telling us about how they had to come in and develop. The soil is so rich—and it's ready for the planting and the harvesting, but they need help.

EIR: So, although Sudan is a poor country, it's not a hungry country; the people not only have enough to eat, but that, in fact, they are beginning to export food now.

Jackson: Yes. What's so amazing is that *everybody* has something to eat: They have their own little garden, or little field; they have a few goats, or a couple of oxen. The minimum wage was around \$10 a week, but everybody's working—it's a poor country, but nobody's starving to death. The people have the initiative to want to be self-sufficient; they're not waiting for someone to come in and feed them, they're feeding themselves.

EIR: Do you think that the United States has anything to gain by imposing sanctions on Sudan?

Jackson: No. I think we're *losing* a lot, because that country

can be developed, and it's rich, and it's wide-open. It's just waiting for Americans to come in and invest. And that's what we need to do: Instead of *punishing* those people, we need to go in and help them raise their living standards, and make them a very prosperous people; I saw it the other day, that there's minerals in Sudan, and the *soil* is rich, and there's got to be something beneath the soil that would be even *more* productive for that nation.

EIR: Do you think they would welcome that kind of cooperation with the United States?

Jackson: Oh, yes, with open arms would they welcome that, and that was the message—one of the messages that they wanted us to tell the U.S. Congress, was to come in and invest in their country, and stop reading everything that—stop believing everything that they read from the British press: Come in. See what they are doing, and help them to make things better, for themselves and for their part of the world.

EIR: Mr. Jackson, I think that you have successfully dispelled an awful lot of the myths that have been spread about this country; and, it sounds, from what you're saying, that you would encourage a Congressional delegation to go in there and take a look.

Jackson: Yes, I would. I would encourage any number of Congressional members to go in, and, even cabinet department heads to go in and look at Sudan. I didn't know a whole lot about Sudan and the Sudanese people, until I got involved with this trip. I had no idea how independent these people are, how successful they can be. They're very intelligent people; most of them that we met speak three or more languages: They all spoke English fluently, and Arabic is the national language, and they all spoke their tribal language. And they use that interchange for their own messages within their own tribe, but they speak to each other in Arabic. And, they spoke to us in English.

It is very fascinating, and what you heard about these people, *is not true*. It is not *true*. It is *not* true. I am dumbfounded, that someone would go write that type of information about what they *don't know to hurt a country*, to punish a people as significant, and as progressive as the people of Sudan.

EIR: . . . Sudan is a nation with many, many attributes, and it's also a nation with problems. In your view, are those just the problems of a young country struggling to develop, or is there something inherent in the system that's a problem?

Jackson: I think it's a young nation—and within the nation, they had elections back in April, and it's a new form of government. I mean, you're talking about *democracy*, they have a form of democracy that we need to look at.

EIR: In their elections, they did elect a President, right?

Jackson: Yes, they elected a President. . . . Forty-one people ran for President, and they didn't have to raise \$200,000 or \$300,000 to qualify: They just ran, and they put their name on the ballot. And, that's the way it works. That's democracy. . . . Anybody can put their name on the ballot to run, in free elections. They had a *free* election: It was free—it didn't cost the candidates *anything*.

EIR: In order to be able to get out into the bush and give everybody the opportunity to vote, the Sudanese don't have *one* election day, but they ran their elections for more than a week.

Jackson: Over a week, because it takes that long to get the information out to all the people, the people are so far. Once you leave Khartoum, there's no cities on the Interstate or anything like that—there's no Interstate. The travel, the highways, the infrastructure, is really terrible; but, we managed to get out there: Bumpy and over a few hundred miles of rugged terrain, and there wasn't a highway once—it was washed out in several places. But, the people seemed to be quite happy out there; they hadn't been to the city, so they don't know what the city life is all about. Some have electricity even out there.

But, as we talk about this democracy: A government *of* the people, *by* the people, and *for* the people, they've shown us how to do it, to get out that vote. Here, I saw this young, developing nation, trying to be independent; and they're having sanctions placed on them: It's stifling their growth and their productivity. But, even through all of that, they are still able to overcome, they are still able to survive, they're still able to feed their people. They're still giving medical care for their people. And, that's what's so amazing: That you can't just stop them, because they're determined to be successful.

EIR: I think that's the problem that the British had with them a hundred years ago.

Jackson: Yes, I believe that's why the British still feel so aggravated—

EIR: They do seem to hold a grudge—

Jackson: And just because the Sudanese ran 'em out. . . .

Let me say something in closing. From the darkest to the lightest of the people, they say, "We are all Sudanese, we are Africans." And, they accepted me, and they accepted our delegation with open arms, and made me feel like a real person, a real, genuine human being. And, I felt that way, and then I got back home, and I started feeling this, the prejudiced-ness. You know how it is. I can't go here and there. I didn't find anything like that in Sudan! But, I really enjoyed this trip and I thank the Schiller Institute for giving me an opportunity to go out and see a Third World nation.

London is destroying the 'Asian Tigers'

by Kathy Wolfe

London's currently ongoing game, of looting and ruining the "Asian Tigers," reached South Korea this past Christmas. As a result, since Jan. 14-15, when 700,000 trade unionists took to the streets for the third time since Christmas, South Korea has been gripped by an ominous political mass-strike wave echoing the situation inside a growing number of European states, including, most recently, Serbia, Greece, and Bulgaria.

In the case of South Korea, the trigger for the explosion of political strikes was the government's enactment of a new, anti-labor law, which President Kim Young-sam forced through the Seoul Parliament, during a rump, pre-dawn session on Dec. 26. In Seoul, the law is attributed to demands made upon President Kim by the combined forces of the London-dominated International Monetary Fund (IMF), and economists of the Organization for Economic Cooperation and Development (OECD) in Paris.

The connection between the passage of the new Korean labor law, and the pattern of political repression against labor in Southeast Asia, was indicated by the ruling New Korea Party's chairman, Lee Hong-koo. Lee said openly, on Dec. 28, that Korea's labor law needed to be overhauled "to meet the demands of globalization and the 'Information Society.'" Similarly, Kim's Prime Minister Lee Soo-sung, in a televised speech of Dec. 30, said the law was needed to drag down Korean wages to global wage levels prevalent in poorer nations, to "keep Korean export prices competitive. . . . We chose the law to prevent our offspring from falling behind developing countries," where wages are half those in South Korea, he said.

In an interview on Jan. 15, James Gordon, a British economist at IMF headquarters in Washington, praised Korea's new labor law, and said of Korea's lifetime employment system, that "its usefulness has ended." The new labor law is good, he said, because "the unions don't gain anything until after the year 2000! Whereas the gains for employers, of being able

to lay people off, will apply immediately." Foreign bankers say it is "absolutely important" that Korea stop its lifetime secure employment, Gordon noted. He said that the OECD especially wanted freedom to fire workers in Korea. "The OECD wanted both greater democracy, and regarding the jobs-for-life policy, it may have served them well—but its usefulness has ended. . . . They have to move on, to more flexible work practices."

The key to the escalating political mass-strike character of the present situation, is a second law, rammed through the same session, which strengthens the hated Korean Central Intelligence Agency (KCIA), power center of Rev. Sun-myung Moon and other South Korean friends of Sir George Bush. Opposition parties say it is meant to be used to crush President Kim's opponents in Korea's December 1997 Presidential election.

Korea's new law allows mass layoffs for the first time since South Korea was founded in 1953; calls for "flexible" work hours, meaning workers must accept less than a week's work; outlaws collective bargaining; and gives employers the right to replace striking workers with scabs.

IMF, bankers diktat

The new labor law was demanded by the foreign "globalist" economists of the IMF and OECD, Seoul sources told *EIR*, as a condition for Korea being granted membership in the "rich nations" OECD club in early December. Japan and now Korea are the only Asian members of the racist OECD, which is headquartered in Paris, but whose economic bureaucracy was organized by British Club of Rome founder Sir Alexander King.

"Free trade globalization demands by the IMF and the OECD are behind the new labor law," one angry Korean patriot said. "Opposition congressmen in Seoul warned that Korea could not meet the demands of the rich nations without

too much economic suffering. We need protection for our industries and our agriculture. But foreign bankers want lower wages in Korea, so measures such as this new labor law have been IMF and OECD conditions.”

As a result, since the laws were announced, over 700,000 South Korea trade unionists have been in staged protests, on the icy streets of Seoul, South Korea’s capital. On Jan. 4, the strikes were declared illegal, a new outrage. Arrest warrants were issued on Jan. 10 for all union leaders, who were camped at Seoul’s Myongdong Cathedral, protected from police by a guard of 2,000 workers. On Jan. 8, Kwon Young-kil, president of the 500,000-member Korean Confederation of Trade Unions, told the press that there would be a mass strike, starting Jan. 15, unless the repressive anti-labor laws are repealed.

On Jan. 14, Kwon Young-kil joined with Park In-sang, head of the even larger Federation of Korean Trade Unions, and the heads of Korea’s main union groups with 2 million members, in a statement that vowed that, unless President Kim repeals the law, they will bring Kim down with “the biggest strikes in history.”

Kwon has accused President Kim of “trying to crush the whole democratic labor movement.” The strikes “go beyond a demand for higher wages,” said Yi Chong-kak, a union veteran. “It’s a political fight to prevent annihilation of the labor movement.”

“North Korea is agitating workers to topple the government,” South Korean state prosecutor Choi Byung-kook said Jan. 15, trying to blame Communism for his own government’s policy, and ordered the arrest of Kwon and other union officials. Riot police on Jan. 16 forced their way through the crowd of workers and students at Myongdong Cathedral, but failed in efforts to drag union leaders off to jail.

Those who see the IMF demands in their proper context, see this law as sending Korea to join the ranks of the already doomed “Asian Tigers” of Southeast Asia, who have adopted similar anti-labor policies, which, unless reversed, will lead to the early doom of their economic and political security. Notably, in Korea, as in the states of Southeast Asia’s so-called “Tigers,” as in Central Africa, former U.S. President Sir George Bush has put himself at the forefront of the IMF drive to loot and destroy nation-states and the living standards of their people.

Nasty echoes inside Washington

Thus, South Korea’s President Kim’s capitulation to the new law, as demanded by British-led financier circles, has become a source of political embarrassment to U.S. President Bill Clinton, and a liability to vital, global U.S. security interests. Clinton has been pressing, against British counter-measures, for peace agreements in the Middle East, Ireland, Korea, and other hot spots. Yet, President Kim has stalled North-South Korean talks with his constant invective against Pyongyang. Notably, in a Jan. 7 New Year’s national TV address, Kim coupled confrontation and ultimatums to the South

Korean unions, with provocative, gratuitous insults to the North.

Sir George Bush’s year 2000 election-plans for his son, Texas Governor George W. Bush, come into play. President Clinton is now faced with a new political threat to U.S. Korea policy from among Bush’s cronies inside the U.S. Congress’s Republican majorities. These Republican congressmen continue to operate as de facto allies of imperial London, with their persistent efforts to destroy stable relations with China, and their efforts to thwart U.S. efforts to secure peace in such areas of strategically ominous conflicts such as the Middle East and the Pacific and Indian Ocean rim of Asia.

As President Kim calls up the bogeyman of “Communism” from its grave, in the course of his political attacks and physical threats against trade-unions, he is appealing to the Reverend Moon-linked hard core of the Bush league on Capitol Hill; Kim’s utterances have the effect of daring these knee-jerk Bush-leaguers to accuse President Clinton of “abandoning our ally South Korea.” Republicans’ threats to cut U.S. funding for Clinton’s nuclear peace agreement with the North, would be repeated, threatening to collapse the agreement, which might lead to military conflicts, and would certainly ruin the efforts toward reconciliation of the two parts of divided Korea.

“Thatcherism,” not “Communism,” however, is the issue of these strikes.

U.S. AFL-CIO chief John Sweeney has led a worldwide trade union attack on President Kim’s new labor law. “On Dec. 26, the ruling New Korea Party, using completely undemocratic methods reminiscent of Korea’s former military governments,” Sweeney said in a Dec. 27 statement, “adopted a new labor law which turns back the clock on democratic reform and fundamentally undermines workers’ rights.” The AFL-CIO held a spirited rally against the new Korean labor law on Jan. 10 at the South Korean Embassy in Washington.

With strong AFL support, leaders of the International Confederation of Trade Unions flew to Seoul on Jan. 11 and visited South Korea’s strike headquarters at Seoul’s Myongdong Cathedral. Marcello Malantacchi, secretary general of the International Metalworkers’ Federation, attacked the law as “an offensive by the Korean government on human and trade union rights.” Guy Rider, who heads the Geneva office of the International Confederation of Free Trade Unions, attacked the bill as an assault on fundamental rights. “What we’re doing here is adding to worldwide reaction against the offensive by the Korean government on human and trade union rights,” Rider said. “It is very rare that an attack on unions brings the type of international reaction that we have seen here.”

The AFL’s Sweeney has vowed to send American trade union leaders to Seoul as well, “if the situation deteriorates.” Criticism by the U.S. AFL-CIO chief and European unionists of the Korean law has even forced OECD officials to back down. Paris-based OECD chief Donald Johnston said on Jan.

10 that he was “worried about the turmoil”; he had reminded Seoul’s envoy in Paris that the OECD is, after all, “committed to human rights.” An OECD statement said that Johnston, at his first meeting with the new South Korean envoy, had expressed the concern and dismay of other members. The OECD would review the law on Jan. 22. OECD members have previously protested against the imprisonment in South Korea of union leaders.

The OECD has now been forced to admit, that the free-trade demands it placed upon Korea, have resulted in such outrages against trade unionism that U.S. and European unions can’t tolerate it. “The Korean government undertook to reform its legislation in line with internationally accepted standards, including such basic rights as freedom of association and collective bargaining,” the OECD statement added.

‘No more Japans’

As London has always hated Alexander Hamilton, Henry Carey, Friedrich List, and Germany’s high-technology tool-making sector, so it has hated the so-called “economic miracles” of Japan and South Korea. However, as long as the nuclear balance of power between Moscow and the Atlantic powers persisted, the industrial potential of Japan and Korea, like that of post-World-War-II Germany, was tolerated, for strategic reasons.

From the time, in the middle of the Eighteenth Century, when Benjamin Franklin, personally, organized the first industrial development in England, there has never been any significant investment in scientific and technological economic progress inside the United Kingdom, except during those periods the British Empire was either fighting a major war, or preparing for one. Similarly, since British financier interests seized a dominant position, above government, inside the U.S.A., with the assassination of President William McKinley, the only periods during which the U.S. economy has not been in a deep recession, or depression, were those times the British Empire required large-scale military and related logistical support from its “American cousins.”

So, the 1989-91 dissolution of the Warsaw Pact and Soviet Union, brought to an end London’s, and George Bush’s wont to continuing tolerating the preservation of either nation-states, or viable national economies, within any part of the planet.

Just as Bertrand Russell wrote in his 1923 *The Prospects of Industrial Civilization*: “. . . the white population of the world will soon cease to increase. The Asiatic races will be longer, and the negroes still longer, before their birth rate falls sufficiently to make their numbers stable without help of war and pestilence. . . . Until that happens . . . the less prolific races will have to defend themselves against the more prolific by methods which are disgusting even if they are necessary.” Self-avowed British foreign-service agent Henry A. Kissinger, said much the same thing, as U.S. secretary of state, in his 1974 National Security Study Memorandum 200.

The “Cold War” is past. It is time for Kissinger and his London masters to become truly disgusting. Time to reduce the populations of the world’s “non-Anglo-Saxons.”

At the 1953 division of Korea, most industry was in the North, and the South was a peasant backwater turned into a rubble field by war. In the few years from 1960 to 1975, South Korean planners created a full industrial economy, publicly basing themselves on the writings of Germany’s Friedrich List. List, who worked with Lincoln’s economists in America, pioneered the use of government credit and protective tariffs to create new industries. With help from Japanese producers, Korea built steel, petrochemical, auto, ship-building, machinery, and construction sectors.

At first wages were low, but following the “harmony of interests” model of List’s U.S. ally, Henry C. Carey, there was lifetime job security. Gradually, wages rose, as employers moved to pay workers enough to buy the cars they were building. Since 1987, when South Korean workers first won the right to strike, Seoul’s unions have grown powerful enough to secure pay increases averaging 15% per year.

Since the “Plaza Accords” of the 1980s, the fellow-travelers of the Mont Pelerin Society-trained musical-hall nanny, Margaret Thatcher, have demanded that Japan and Korea give up the ideas of List. In the name of “competing with global wages,” the IMF now demands Korean workers experience the slave wages and total lack of job security of Mexico’s *maquiladoras* and the prostitution, disease, and the now-emerging financial and economic collapse spreading among the Southeast Asia “Tigers.”

To understand the willingness of powerful, London-coordinated forces, to force South Korea’s President Kim to risk political and economic suicide of the Korea peninsula, consider the exemplary role of the Sir George Bush whose principal current sponsors are the notorious, vastly rich cult of Korea’s notorious Reverend Moon, and the British Commonwealth’s Barrick Gold. In South Korea, as in Africa, and in Southeast Asia, Bush and his sponsors have no desire to perpetuate the continued existence of nation-states or national economies. As in Bush’s use of his political clout to bludgeon Indonesia into delivering an otherwise unearned rich colonialist concession to Bush’s Barrick Gold, in the genocide-stricken Great Lakes region of Central Africa, and in Asia generally, ex-President Sir George Bush and his sleazy get-rich cronies have been feverishly occupied in raw materials grabs of petroleum and strategic minerals, on a vast scale, in all continents.

Sir George, like his London buddies, is committed to seizing that power over international food supplies and strategic natural resources, which will ensure their pirate-like power over this planet during the early years ahead, when the present financial system, and most presently existing nation-states, have been wiped from the political map by the presently ongoing disintegration of the world’s financial and monetary systems.

RIP: The myth that RAF terrorists killed banker Alfred Herrhausen

by Rainer Apel

The official myth created about the unsolved assassination of German banker Alfred Herrhausen on Nov. 30, 1989 has now finally been buried, thanks to the contribution of four public radio stations in Germany. A special report compiled by Deutschlandradio Köln (DLR), WDR, Saarländischen Rundfunk, and Radio Free Berlin, was broadcast on Jan. 7, which consisted of a review of the many noteworthy peculiarities of the case over the past seven years. The forensic investigations immediately after the assassination of Herrhausen were already overloaded with serious mistakes. In the course of the ensuing investigation, the most remarkable developments concerned “state witness” Siegfried Nonne. The circus orchestrated around Nonne’s testimony that “RAF terrorists did it,” illustrates the methods of the official cover-up most drastically.

EIR, almost uniquely among the international news media, has insisted from the start that the Red Army Faction (Baader-Meinhof Gang) did *not* assassinate Herrhausen. Instead, we have pointed to the geopolitical stakes that made the Deutsche Bank chairman’s policies, and especially his idea of East-West cooperation for industrial development, *very dangerous* for the British oligarchy. Lyndon LaRouche has often pointed to the assassination of Herrhausen, as a crucial inflection-point in Germany’s history, ensuring that the reunified nation would do nothing to buck the controls of the City of London.

Holes in the ‘official’ story

The “Nonne case” first became public in July 1991, when Nonne testified to police that Red Army Faction terrorists had based themselves in his apartment in Bad Homburg at the end of 1989, and that they had prepared the Herrhausen assassination from that position over a period of weeks. One of the alleged terrorists cited by Nonne, whose names then appeared in August 1991 on the most-wanted posters, was one Christoph Seidler, who, in November 1996, went public with the surprising revelation that he had nothing to do with the RAF, and nothing at all to do with the assassination of Herrhausen. As Deutschlandradio reported, Seidler had turned himself in to German security authorities, and he was interrogated by an investigative magistrate for 10 hours on Nov. 22. Seidler’s name was removed from the most-wanted listings. Another most-wanted “terrorist” on the list, Andrea Klump, now living

in Peru, will probably also soon present herself to the authorities, as the DLR report implied, and her name will also have to be scratched off the list.

The claim that the RAF had carried out the hit on Herrhausen stood on clay feet from the beginning. The terrorist letter, which claimed responsibility for the assassination, did not pass muster for authenticity, nor did the text itself appear genuine. At that time, even the head of the Chancellor’s office, Wolfgang Schäuble, declared that he had doubts about the presumed responsibility of the RAF.

Later, an unnamed “ex”-official of the German Federal Criminal Office (BKA) told the editors of the television documentary program “Monitor,” after a broadcast on the issue in July 1992, that there had been a meeting of experts from several anti-terror authorities on Dec. 4, 1989, during which a certain official of the Hesse State Office for the Protection of the Constitution (Verfassungsschutz), whose code name was “Nordmann,” was instructed to ask his “ex”-informant in the radical networks, alias “Polker,” to find out something about the assassination of Herrhausen. This “Polker” was Siegfried Nonne, who had been put on ice as an informant since 1986 because the Hesse Verfassungsschutz considered his cover among the terrorist demimonde to be “blown.” Still, in 1989, this same Nonne was celebrated as a source with good contacts to the hard-core RAF. In any case, it took until June 1991 before “Nordmann” finally spoke with Nonne, and Nonne was offered DM 100,000 if he testified, as requested, about the role of the RAF. Nonne initially refused; after pressure was put on him, however, in July 1991, Nonne finally agreed to sign a prepared “confession,” according to which the indicated RAF terrorists had planned the assassination of Herrhausen from Nonne’s apartment.

In the course of their journalistic investigations, the “Monitor” team soon found out, among other things, that Nonne’s neighbors had never seen anyone frequenting his apartment at the end of 1989, except for Nonne’s half-brother, Hugo Foeller, who registered the apartment as his legal residence. None of the police investigators had ever questioned Foeller. In January 1992, Foeller lay in a hospital with a serious illness. It was only then that the first interrogation of Foeller took place, on Jan. 21, 1992—the very same day that the authorities presented their “state witness,” Nonne, together with his phony confession to the press. Foeller died on

What EIR said about the Herrhausen killing

In our April 3, 1992 issue ("New Evidence Emerges in the Herrhausen Assassination Case," Helga Zepp LaRouche analyzed the evidence provided by former Pentagon official Col. L. Fletcher Prouty, in an interview with Italian journalist Antonio Cipriani in *Unità*. She wrote: "The key to the motive behind Herrhausen's assassination lies in 11 pages of a speech he delivered in the United States only four days before he was ambushed. The speech contained Herrhausen's vision of a new kind of relationship between eastern and western Europe which would have fundamentally altered the world's future course.

"Colonel Prouty . . . said in the interview that Herrhausen, Kennedy,

former Italian Prime Minister Aldo Moro, Italian industrialist Enrico Mattei, and Swedish Prime Minister Olof Palme had all been killed for the same reason: They had not been willing to accept world domination by the Yalta condominium."

On July 17, 1992 ("Was Herrhausen Killed by Western Intelligence?"), we looked into the first German TV exposé on Siegfried Nonne. Colonel Prouty told us, "People like Alfred Herrhausen are killed for big reasons. The people that order such executions, at the highest levels, feel sanctified and justified when they order such an act. . . . Herrhausen . . . was not under the thumb of the City [of London]."



Alfred Herrhausen

Our Oct. 2, 1992 issue ("What Went Wrong with East Germany's Economy?") reported that the architect of much of Helmut Kohl's strategytoward the East in 1989 was Kohl's most trusted adviser on economic policy issues, Alfred Herrhausen. That strategy fell to dust when Germany's leaders caved in to the ferocious opposition from Britain and France, backed up by the terror killings.

Jan. 23.

Under the pretext of providing protective custody, Nonne was kept hidden in various psychiatric clinics. One "Monitor" reporter, nevertheless, managed to track him down. Nonne told him that his entire confession was a lie, and that it had been extorted from him. These facts were then reported by "Monitor" in a documentary on July 1, 1992, whereupon our "ex"-BKA official appeared, with the diary notes on the secret BKA meeting at the end of 1989.

In December 1992, a book-length exposé, *The RAF Phantom: Why Politics and Economics Needs Terrorists*, was published, containing plenty of unpleasant revelations. Reviewing all the other murder cases ascribed to the "RAF third generation," and analyzing them from the standpoint of both the motive and the forensically analyzable evidence of alleged proof, the authors showed that there is *no* proof that the perpetrators were an ideologically disoriented group of RAF terrorists who survived underground for 10 years, only to surface for the murder of banker Alfred Herrhausen. German authorities took no action on the *RAF Phantom* revelations, until, suddenly, in March 1994, the authorities searched the offices and homes of the three authors, Ekkehard Sieker, Gerhard Wisnewski, and Wolfgang Landgräber: They were indicted on charges of "revealing state secrets." The "secret," as it turned out, was the attempt of certain investigatory authorities to invent the "state witness" Nonne, and in the same breath, the alleged perpetrators as well.

In August 1994, the "state's witness" charade with Nonne, which had run its course to nowhere, was called off, and by September the indictment of the three authors for revealing secrets was also dropped.

The end of a phantom

Hardly anything happened in the "Herrhausen case" for the next two years, until Nov. 4, 1996, when Christoph Seidler showed up, in an interview with the DLR TV magazine "Der Spiegel," with even more embarrassing revelations for the investigators. Toward the end of the documentary, DLR reporter Paul Kohl posed the question, with which our readers have been quite familiar since December 1989: *If the RAF was not responsible for the assassination of Alfred Herrhausen, who was?*

The DLR documentary provided no answers, but did offer three hypotheses:

1. Herrhausen, the head of Germany's prestigious Deutsche Bank, had wanted a debt moratorium for the Third World, which would have caused problems for American banks, in particular, because they were very exposed, while Deutsche Bank had largely written these debts off, making it less vulnerable. At that point, the DLR claimed that some people have the hypothesis, that Herrhausen planned to ruin the American banks and then buy them up cheap. In any case, Herrhausen had made himself an enemy of American banks.

2. Even before the fall of the Iron Curtain, in the summer

of 1989, Herrhausen wanted to establish a Development Bank for eastern Europe in Warsaw, Poland, and that would have stepped on the toes of the World Bank, International Monetary Fund, and the Anglo-American banks, which were hoping to loot eastern Europe's industry as it became privatized. In this respect also, Herrhausen had made himself into an enemy of Anglo-American banking circles.

3. Herrhausen was killed three days after signing the purchase-contract for Deutsche Bank to take over the London investment bank Morgan Grenfell. With that move, Deutsche Bank was penetrating the world investment market, previously dominated by the Americans and Japanese, and threatened to achieve a dominant position in that market.

The beginning of the real debate

The three hypotheses presented by the DLR journalists finally situate the discussion about what truly lies behind the Herrhausen murder, the way it ought have been discussed, before the banker's body was cold, back in 1989. Since the mid-1980s, and especially in the weeks of the first large stock market crash in October 1987, Herrhausen had, in fact, argued for a broad debt moratorium for developing countries. Herrhausen's motivation for proposing such a policy would hardly have been the "free market competition" stratagems insinuated by DLR, for buying up bankrupt American banks. It was obvious, for an intelligent banker like Herrhausen, to warn against continuing unbridled financial speculation, with its utterly unreal demands for debt repayments. Such warnings were voiced at that time by other prominent bankers, including Roland Leuschel.

The crucial point at which Herrhausen was no longer "tolerable" for the Anglo-American world of financial speculation, was not the takeover of Morgan Grenfell by Deutsche Bank, as such; it was the proposal he launched in the summer of 1989 for an East European development bank, dedicated to the real economic reconstruction and infrastructural investment in eastern Europe. A number of Herrhausen's ideas at that time also appeared in a remarkable speech by Chancellor Helmut Kohl on Nov. 28, 1989, on the "10 Point Plan," a speech fiercely attacked by monetarists, free marketeers, and neo-liberals of all colors. That was the threat to the dominant world financial system, which has no interest in real physical investments or appropriate new financial institutions for such investments, and stakes its claim on every penny, which previously flowed into the real economy, for its speculative deals. The battle over money continues down to this day.

But, fortunately, there are apparently also those among the German elites who see no other way out of the global economic depression than to return to the year of optimism, 1989, and to the ideas Herrhausen had at that time. That is the explanation for the fact that the four public radio stations, which are all under tight political control, were given a green light to broadcast this special report.

India, Bangladesh lay basis to integrate East Asia

by Ramtanu Maitra and Susan Maitra

Indian Prime Minister H.D. Deve Gowda was in Bangladesh for two days on Jan. 5-6, to lay the foundation for a developmental hub which will encompass Bangladesh, northeast India, Nepal, and Bhutan, and work toward integrating South-east Asia with the subcontinent through a rail and road transportation network.

Prime Minister Deve Gowda's visit to Bangladesh, his first bilateral state visit since he became premier last July, was of vital importance strategically for the region and politically for Bangladesh Prime Minister Sheikh Hasina Wazed.

The Bangladesh prime minister just concluded a 30-year agreement on the thorny Ganga River water-sharing with India (see box). Earlier, Indian Minister for External Affairs Inder K. Gujral, who played an important role in bringing about the agreement, had announced that India's relations with its smaller neighbors will not be based upon "reciprocity," but on "New Delhi's generosity." The signing of the water agreement with Bangladesh—which opened the sluice gates to the Farakka barrage on the Ganga River, a step long demanded by Bangladesh—is acknowledged as a major success of the new-found "Gujral doctrine."

Even so, forces in Bangladesh hostile to India were in the process of orchestrating political unrest against her government, in the wake of the water agreement. Deve Gowda's visit assured a large section of Bangladeshis that the water-sharing agreement was signed by Delhi not simply as a sop to Dhaka, but as part of an overall economic development in the region which includes Bangladesh, northeast India, Nepal, and Bhutan.

Subsequent to the signing of the water-sharing agreement between Dhaka and New Delhi, the king of Bhutan has responded positively to the Indian proposal to join a sub-regional plan for sharing river water and power with India and Bangladesh. The sub-regional approach, Sheikh Hasina said, is "necessary to achieve faster cooperation in areas such as trade and commerce, production and transmission of power, and harnessing vast natural resources."

Aside from the water dispute, the relationship between Bangladesh and India has been severely impaired by the geopolitical manipulations of major powers in the area. As a result, a hostile Bangladesh, financially and economically de-

India, Bangladesh sign water-sharing treaty

On Dec. 12 in New Delhi, just four days before the 25th anniversary of the liberation of Bangladesh, visiting Bangladesh Prime Minister Sheikh Hasina Wazed and Indian Prime Minister H.D. Deve Gowda penned a 30-year historic pact which will ensure Bangladesh its required amount of water from the Ganga (Ganges) River. The issue had been a major obstacle to the improvement of relations between the two nations, especially since 1988 when a two-year treaty expired.

The 30-year treaty spelled out clearly that the two republics have reached the agreement "determined to promote and strengthen their relations of friendship and good neighborliness, inspired by the common desire of promoting the well-being of their people." Asked by a Bangladeshi journalist what India sought "in return for water," Indian Prime Minister H.D. Deve Gowda replied, "Peace and friendship with our neighbor."

The treaty became necessary when India inaugurated a barrage at Farakka on the Ganga in 1975 to augment the flow in the Hooghly River, with the purpose of desilting the port of Calcutta. An unintended result of the Farakka barrage was a reduction in the flow of water in the Padma

River (the Ganga becomes the Padma once it enters Bangladesh), which in turn caused the drying up of the fertile northwestern districts of Bangladesh. The problem has festered for 20 years, during which regional geopolitical equations prevented a solution.

Under the new water treaty, the sluice gates of the Farakka barrage were reopened on Jan. 1, 1997, to ensure the required supply of water to Bangladesh.

It is envisaged under the new regional development plan to build a dam some 25 kilometers into Bhutanese territory, so that the water of the Sankosh River can be discharged into the Tista River canal system. From there, a 143-kilometer-long feeder canal will be built which will end at Farakka. The funds for the project will be provided by Delhi under the Ninth Five-Year Plan. The additional water of 12,000 cubic feet/second provided by this diversion will be crucial during the "leanest of lean seasons" in April each year. The plan also calls for India to purchase power from Bhutan. Roughly 4,000 megawatts of electrical power are proposed to be added to the Indian national grid for the benefit of the power-starved northeastern region.

Sheikh Hasina's triumphant return to Dhaka following the signing of the agreement indicated that despite efforts by disruptive forces within and outside of the country, the water-sharing agreement has strengthened her government.

pendent on distant donor nations and the World Bank-International Monetary Fund duo, had blocked infrastructure contacts between the sparsely populated, and decidedly independent, mountainous northeastern states and mainland India. Lack of railroad and highway connections with northeast India, which led to poor economic development, made the area a breeding ground for secessionists and terrorists trying to carve out independent nations.

Development on the agenda

From the very outset of the visit, both prime ministers kept the focus on larger issues. The Indian prime minister, who was accompanied by a high-level delegation that included External Affairs Minister Gujral and Home Minister Indrajit Gupta, told newsmen that he had not come with "a bagful of demands or concessions," but to develop "a long-term partnership between our two countries" and to look at the "nuts and bolts of establishing a better infrastructure and ways to encourage commerce."

On infrastructural linkages, better transportation and telecommunications were given priority. Bangladesh welcomed India's backing for the Trans-Asian Railway and Trans-Asian Highway, plans that have been under consideration by the

Economic and Social Council for Asia and the Pacific (ESCAP) for decades, which would integrate East and South-east Asia with South Asia, providing an opportunity to boost the economic activity of a sub-region consisting of Bangladesh, northeast India, and Myanmar (Burma). "We intend to take further steps to facilitate trade and economic contacts between Bangladesh and the contiguous parts of India. To this end, better transportation facilities covering all modes need to be extended and improved upon. Both the countries acknowledge this need, and in this context, the two countries will also support construction of a regional transportation network under the aegis of the Asian Highway and the Asian Railway," the Bangladesh prime minister said.

In tune with the transportation and telecommunications linkages, both prime ministers pushed ahead with the concept of a sub-regional development zone, consisting of Bangladesh, northeast India, Nepal, and Bhutan. This concept had first emerged during Sheikh Hasina's recent visit to India, but questions were raised by some about the bottlenecks arising from its weak financial status. Sheikh Hasina has proposed possible financing from the World Bank and the Asian Development Bank for the arrangement.

"Bangladesh, Nepal, Bhutan, and the region of India im-

mediately contiguous to us could very fruitfully and meaningfully enter into immediate cooperation. . . . A Bangladesh delegation visited Guwahati [the largest city in Assam, a northeastern state of India] recently and we expect a return visit from the Indian northeast," Sheikh Hasina said at a press conference in Dhaka.

Joint attack on terrorism

The two sides also discussed ways to limit terrorism in the area. Over the years, a number of armed secessionist groups in northeast India, such as the United Liberation Front of Asom (ULFA), the Bodoland Security Force (BDSF), and the National Socialist Council of Nagaland (NSCN-Muivah), among others, have set up camps within Bangladesh close to the northeast India borders.

There are indications that Sheikh Hasina's government has not only ceased providing support to the northeast insurgents, such as the ULFA, NSCN-Muivah, BDSF, and the People's Liberation Army (PLA) of Manipur, but it is willing to drive out those insurgents seeking shelter on Bangladeshi soil. Replying to a question in the Parliament on Dec. 3, Indian Home Minister Gupta said that apart from the Pakistani Inter-Services Intelligence (ISI), Bangladeshi intelligence agencies were also behind the insurgents in the northeastern Indian states. Gupta identified the Directorate General of Field Intelligence as the concerned Bangladeshi agency in this regard.

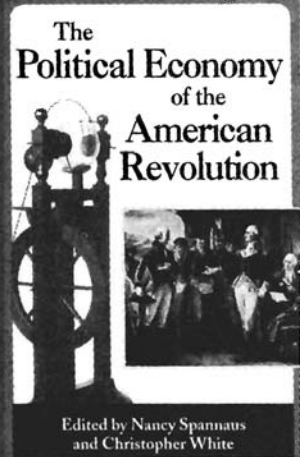
A few days later, Indian External Affairs Minister Gujral announced that the Bangladesh prime minister had acknowledged the existence of camps for training and providing logistical support to insurgents on Bangladesh soil. Gujral said that Sheikh Hasina "has promised to throw them out." At the official-level talks, "better management" (which means stopping the movement of insurgents and establishing better communications between the security forces of the two countries) was stressed, and the delegation recommended "strengthening security cooperation so that insurgents no longer have the scope of operating in these areas." Sources claim that a joint action by the Bangladeshi and Indian armies against the insurgents on Bangladeshi soil is not out of the question. The gravity of the situation is underlined by the recent sabotage of the Brahmaputra Mail train by one of the terrorist groups, which killed about 50 passengers in Assam.

Also discussed during the Indian prime minister's visit to Dhaka was a solution to the Chakma refugees' problem in the Chittagong Hill Tracts in Bangladesh and the adjoining Indian state of Tripura. The Chittagong Hill Tracts, where 98% of the inhabitants are Buddhists and Hindus and only 2% Muslims, was made a part of Pakistan by the British cartographers on Aug. 17, 1947, almost 48 hours after the subcontinent was formally partitioned. The decision, which violated the very basis for the partition, was strongly resented by the locals, who immediately set about to offer resistance.

The problem was aggravated when Pakistani soldiers moved into the area and began to settle East Pakistani Muslims in the Hill Tracts. There were also reports of large-scale violence against the Chakmas by Pakistani troops. Subsequently, a large number of Chakmas, as the Hill Tracts' people are identified, moved across the border to Tripura and began their armed insurgency campaign against the then-Pakistani rulers under the banner of "Shanti Bahini" (Peace Force).

There have been continuing allegations that India provided arms and financing to the Chakmas earlier, to make trouble for the Pakistani troops. The situation did not improve significantly after East Pakistan was liberated and became Bangladesh. At one point in the mid-1980s, Bangladesh contacted the British Special Air Services (SAS) to deal with the Chakma insurgents operating mostly from Indian soil. As a result, a large number of Chakmas continue to live in Tripura, organizing periodic violent raids against the Muslim settlers along the borders. The Chakma issue had become another knot in the deteriorating India-Bangladesh bilateral relations over the last two decades. The solution to the Chakma problem, as recognized now by both Delhi and Dhaka, is in rehabilitating the tribals, giving back their homes and properties. It is understood that better India-Bangladesh relations would ensure the Chakmas of security and the safety of their property.

DO YOU KNOW



Edited by Nancy Spannaus and Christopher White

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International Intelligence

Sinn Fein, SDLP election pact becomes stalemated

A deal to unite Northern Ireland's two nationalist political parties, Sinn Fein and the Social Democratic and Labour Party (SDLP), fell apart over Jan. 4-5, in large part due to the IRA's failure to renew its cease-fire, according to British news media. SDLP leader John Hume and Sinn Fein President Gerry Adams had been working on an electoral plan to unite their voting bloc for the British elections which must take place by June, so as to gain representative strength in the Parliament.

Hume told Irish radio, "If there was an unequivocal IRA cease-fire, we will sit down and discuss anything with Sinn Fein regarding the British elections." While Hume's formulation leaves open the possibility of renewing discussions, SDLP's other demand of Sinn Fein is much more problematic. Hume wrote in the *Irish Sunday Independent* that Sinn Fein would have to "jettison [its] policy of parliamentary abstention," which would entail swearing the oath of allegiance to Queen Elizabeth. Sinn Fein has avoided taking the oath, by abstaining from taking office whenever it won any parliamentary seats.

Algerian regime reaps benefit from terrorism

A bomb at an Algiers supermarket on Jan. 7, leaving 13 dead and some 100 wounded, was the latest in the escalating terrorist assaults against civilians, which caused the death of 43 civilians in the two previous days in outlying villages. At the end of December, a series of attacks had caused 15 deaths and 200 wounded. The killings were so brutal (decapitations, mutilations) that hundreds of villagers reportedly either fled, or accepted government weapons and payments to form armed militias. Although no one has claimed responsibility, it is widely believed that the Armed Islamic Group (GIA) is behind the violence which has peaked in the days preceding the Islamic holy month of Ramadan.

The opposition Islamic Salvation Front

(FIS) officially distanced itself from all the terrorist attacks against civilians, in its communiqués. It also accused the GIA, under its new leader Antar Zouabri, of working with the Algerian regime. The FIS argued that the regime has thoroughly discredited itself, by rejecting any serious dialogue, eliminating all opposition, organizing the phony constitutional referendum that gave the President extraordinary powers, rigging its results, and issuing a new election law based on it.

The French daily *Libération* on Jan. 8 pointed out that "numerous experts . . . believe that maintaining a wave of violence through the manipulation of armed groups by the security services, serves the interests of a discredited regime by allowing it to appear as the 'lesser of two evils.' These experts think . . . the government's refusal to make the least concession recognizing the Berber language, and the recent adoption of the 'law on the generalization of the Arabic language,' is a provocation capable of drawing the [Berber region] Kabylie into the turmoil."

It is now estimated that 80,000 people have died since the civil war broke out in 1991.

Japan's prime minister tours ASEAN nations

Japanese Prime Minister Ryutaro Hashimoto, after visiting Brunei on Jan. 7, arrived in Kuala Lumpur, Malaysia Jan. 8 on a week-long tour of five members of the Association of Southeast Asian Nations. (ASEAN). The Japanese embassy in Kuala Lumpur said one aim of the visit was for Hashimoto "to build stronger personal relations" with Malaysian Prime Minister Mahathir Mohamad. Hashimoto also met Foreign Minister Abdullah Ahmad Badawi and had an audience with King Tuanku Ja'afar. According to a Malaysian Foreign Ministry spokesman, Hashimoto suggested to Mahathir that there should be more regular meetings between ASEAN leaders and Tokyo, to which Mahathir responded that he would consult other ASEAN leaders. Malaysia currently chairs the organization.

Mahathir also told Hashimoto, regarding

China's growing involvement in Asia, that "Malaysia feels a policy of friendship is better than a policy of containment." The spokesman also reported that Hashimoto said Tokyo was positive to the idea of entry by Myanmar (Burma) into ASEAN, which is opposed by London's "human rights" non-governmental organizations networks.

Venezuelan bishops protest TV pornography

The Commission on Social Communications of the Venezuelan Bishops Conference finally issued an official statement early this year against the long-announced plans to broadcast pornography by cable and satellite TV companies, particularly by Direct-TV, a company owned by the Cisneros family, although the Cisneroses are not named in the statement. According to reports published Jan. 7 by most Venezuelan newspapers, the bishops called on "Direct TV, and all companies offering such services in Venezuela, to reconsider their proposed programming." It adds that these programs "only contribute to the debasing our people, and, although it is true that these sort of services are in some cases expensive, we all know that those most hurt are children and youth."

The bishops note that while technical means can be used to block access to children, it would still be wrong to transmit such programming. "An organization that is interested in investing in Venezuela, should be concerned about the country's moral health. Economic benefits cannot be put above the common good," says the statement, signed by the chairman of the Social Communications Commission, William Delgado, auxiliary Bishop of Maracaibo. It also calls on Congress to intervene "to defend the interests of Venezuelans."

German social democrats push dope decrim

Germany's Social Democratic Party (SPD) has drawn up a legislative proposal that would effectively decriminalize illegal drugs in the country, according to a Jan. 7

Briefly

news broadcast by Deutschlandfunk. The SPD's "Draft to Change the Law on the Traffic of Narcotic Substances," uses protective coloration of rehabilitating of addicts instead of striking out at the drug kingpins—the "social" approach to legalization favored by George Soros—to push legalization. The draft criminal code would emphasize "help instead of punishment" for dealing, especially in cases where addiction was a factor; expand the legal definition of amounts for "personal use"; and would protect drug rehabilitation centers, which have become notorious as places for drug consumption and sales, from police raids.

By contrast, drug addiction in Russia is anything but a "social" phenomenon, feeding directly into the social collapse and skyrocketing violent crime. The Department of the Illegal Use of Drugs, has reported that the number of people in Nizhny Novgorod who use narcotics zoomed to 180,000 in 1996. The number of drug-related crimes increased by 20%, reaching 800 per year. Two-thirds of the criminals are under 30 years old. The majority of the addicts are unemployed workers. Some 80% of the drugs are transported to the region from Central Asia, especially Kazakhstan, as well as from Krasnodar, Stavropol, Moscow, and St. Petersburg, and from Ukraine and Moldova.

Russian patriarch decries worsening social crisis

In his address at the midnight mass in Moscow celebrating the Orthodox Church Christmas on Jan. 7, Russian Orthodox Church Patriarch Aleksii II declared that 1996 was "a very, very difficult year for Russia and for the other republics of the former Soviet Union." Among the terrible hardships endured by the population, he cited "the insecure economic and social situation, the tragedy in Chechnya [and] the refugee problem."

The ROC has become loudly critical of the regime's practices, epitomized by the Holy Synod on Dec. 28, presided over by Aleksii II. The synod issued a declaration that was sharply critical of the social situa-

tion, and especially attacked the non-payment of wages and pensions. The declaration stated: "The church declares that the non-payment of money, that was honestly earned, is a crime against man and a sin before God." It went on to say that "all those responsible for the non-payment of salaries, pensions, living expenses upkeep, and stipends" are called upon "to realize the necessity of reaching a quick decision on this problem."

Hongkong paper teaches history to Gov. Patten

The Hongkong Chinese newspaper *Tzu Ching* had to teach some of the ABCs of history to Britain's last colonial governor, Chris Patten, after he delivered a provocative final policy address in late 1996. Patten had declared: "Over the past few years, there have always been people secretly appealing to Beijing to reverse some decisions that the Hongkong government has made in good faith." This, he claimed, will cause Hongkong's autonomy to "be forfeited bit by bit" and "enable Chinese officials to interfere in affairs that are clearly within Hongkong's own jurisdiction."

Tzu Ching responded: "The history of Britain's withdrawing from its colonies was a history of taking advantage of conflict, fomenting discord, spreading hatred, employing the 'divide-and-rule' policy, fostering trusted followers, and creating chaos. . . . Britain did it for one purpose only, which was to prolong its political and economic benefits and influence in those territories and to try to prove that the absence of British colonial rule would 'spell disaster.'"

In India, *Tzu Ching* continued, the British fomented Hindu-Muslim hatreds and "split the national independence forces." They used the same methods in Palestine and in Cyprus, where there is still bloodshed today. As a result of these methods, "in today's Africa, wars frequently break out, the economy is backward, and people in many regions live in dire poverty. British colonial rule can claim some 'credit' for all this."

TWO FRENCH SOLDIERS were killed in the Central African Republic, as an eight-month-long mutiny by that country's Third Army is beginning to expand into a wider revolt against the French military presence. The French came in to protect the election of President Ange Patassé, and retains a 2,000-man force.

OVER 30,000 BULGARIANS demonstrated on Jan. 6 in front of the Bulgarian Socialist Party headquarters in Plovdiv. "If we have to die, we'll die out on the squares," Plovdiv Mayor Spas Garnevski of the Union of Democratic Forces said. Earlier 40,000 people, calling themselves the "new majority of the hungry," rallied in Sofia against the ruling BSP on Jan. 3. Further rallies are planned for Varna, Burgas, Lovech, and Montana.

TONY BLAIR'S British Labour Party is reportedly holding discussions with the Liberal Democratic Party of Paddy Ashdown to form a "Lib-Lab" coalition government in the wake of what is expected to be the demise of the Tories in the next elections, according to the *Times* of London on Jan. 7. Ashdown told BBC's "Today" program, that he would not rule out accepting a portfolio in a Blair cabinet, which, of course, means he has been offered a post.

NOTSOCORDIALE relations between France and Britain followed the European Union summit in Dublin, according to France's *Le Point* on Jan. 7, and "strong disagreements" between President Jacques Chirac and Prime Minister John Major "over the monetary and political union have visibly left traces" on their erstwhile Entente Cordiale.

GEORGE SOROS was named "Man of the Year" by Kyrgyzstan's Rukhaniyat organization. In 1996, the super-speculator and drug-legalization sugar daddy donated more than \$4 million to fund educational and cultural programs in Kyrgyzstan.

White House hits Brits in media 'food chain' report

by Edward Spannaus

Judging by the reaction of most of the news media—both British and American—the White House hit the nail right on the head, with the release of its explosive 331-page report documenting the “media food chain” and the central role played by the British press in orchestrating news media attacks on the President.

The report, “Communication Stream of Conspiracy Commerce,” was released on Jan. 6 by the White House Office of Legal Counsel, but had been distributed to inquiring reporters since the summer of 1995 (see *Documentation*).

Virtually all of the media flagrantly lied about what the report actually said. It was almost universally reported that the White House had charged that there was a “right-wing conspiracy” to plant stories in the news media—but the White House never said there was a “conspiracy.” What the White House described and documented—quite accurately—was a “mode” or “stream of communication” by which conspiracy-theory stories are circulated in right-wing newsletters and publications, and how they are then picked up by British tabloids, and then by the more “mainstream” media; or, they go on the Internet, and are then grabbed by the right-of-center “mainstream” U.S. media.

Anybody who has been following these matters for the past few years knows that this is an accurate depiction of how it works. But the *Washington Post*, for example, ran a front-page headline on Jan. 10 which read: “White House Asserts a Scandal Theory: Memo Concludes Negative Stories Arise from Right-Wing ‘Conspiracy.’” The *Post*’s putting “conspiracy” in quotation marks reinforces the impression that the White House was alleging a “right-wing conspiracy”—but even the article under the headline couldn’t come up with any support for the headline, because there isn’t any.

Then, when President Clinton and his spokesman told

reporters that they were not charging that there was a conspiracy, the fakers of the Washington press corps claimed that the President had backed down. “White House Beats Conspiracy Retreat,” was the *Washington Times* headline.

Ironically, in May 1994, the *Washington Post* itself had run a feature on the British press, headlined “Brits Keep Tabs on Clinton Sex Life: London Papers Trumpet Tawdry Allegations About the President,” which not only highlighted the role of Ambrose Evans-Pritchard and his *Sunday Telegraph*, but commented: “Some of what appears in London soon echoes back across the Atlantic. The *Wall Street Journal* editorial page and the *Washington Times* have repeated some of the *Sunday Telegraph*’s allegations.” Ah, but that was then, and this is now.

The Sunday Telegraph and its defenders

The loudest to scream about the White House report, were those whose dirty role was highlighted in it.

For example, the *Washington Times*, on Jan. 9, featured a front-page story, complete with its own flow chart, and equated the White House report with Richard Nixon’s enemies list: “Past administrations have grumbled about being beset by angry and even evil reporters, but the Clinton administration is the first since the Nixon administration to lay out a theory, documented with hundreds of pages of citations and clippings that add up to something that resembles an enemies list.”

Ever loyal to Mother England, the *Washington Times* story took umbrage at the characterization of the *Sunday Telegraph* as a “tabloid,” referring to it, instead, as “one of the two or three most influential ‘quality’ newspapers in Britain.” The *Washington Times* also quoted the *Sunday Telegraph*’s Ambrose Evans-Pritchard characterizing the White House re-

port as “pretty juvenile.” “For the report to be funded by the taxpayers and out of the White House counsel’s office is shocking,” Pritchard sputtered. “It raises questions about the education and moral character of these people.”

Evans-Pritchard had the opportunity to respond directly in the Jan. 12 *Sunday Telegraph*, in which he wailed, “Why is Clinton persecuting me?” Evans-Pritchard defended his own lying articles, and accused the Clinton White House of being worse than Richard Nixon’s in running a “smear campaign against journalists and political opponents.”

Pritchard complained that most of what the White House report says about him “is either untrue or misrepresented to the point of defamation.” He took issue with being charged with “promoting the allegation that the late Vincent Foster, a White House aide, was a spy”—although Evans-Pritchard in fact has shamelessly promoted every nut-case theory about Foster over the past three years.

Evans-Pritchard also attacked the White House’s description of the media “foodchain,” in which, as he put it, a putative right-wing cabal led by Richard Mellon Scaife, “skillfully feeds material to London newspapers.” Pritchard quoted White House spokesman Mike McCurry as saying: “The stories get picked up overseas, typically in London, typically by one particular reporter.” McCurry didn’t name “the scoundrel,” Evans-Pritchard mockingly wrote, but he acknowledged: “They are, of course, referring to me.”

“From London,” Evans-Pritchard continued, “according to . . . this astonishing report . . . these wild inventions then make their way back across the Atlantic through a network of right-wing conduits, ultimately reaching the mainstream U.S. media. This is known as the ‘blow-back’ strategy.”

“What seems to cause intense frustration at the White House,” Evans-Pritchard bragged, “is the emergence of a new mass media that does not respond to the usual levers of control. A foreign newspaper such as the *Sunday Telegraph* can run stories that are picked up by the Internet and transmitted instantly across America.

“The radio talk shows—predominantly right-wing—then provide broader amplification, ensuring that the stories reach 10, 20, 30 million people. The White House is clearly alert to the dangers posed by this *samizdat* network, but has not figured out a way to jam the transmissions.”

The Paula Jones case

It was particularly appropriate, if not ironic, that the White House report was drawing such attention just as the Paula Jones “sexual harassment” case was about to be argued in the U.S. Supreme Court. One of the seven documented examples of what the White House report called the “blow-back” strategy (stories planted in the British press, and then reported in the U.S. press) was that of the Paula Jones story.

What the White House report documents, is that after Jones’s original Feb. 11, 1994 press conference in Washington, the story died down until it was “resurrected” by the

London *Daily Mail* and *Sunday Telegraph* in late March, and was then pumped into the right-wing and TV-evangelist and radio talk-show circuit.

That’s not the half of it, though, as Evans-Pritchard’s subsequent articles in May 1994 issues of the *Sunday Telegraph* showed. As readers of *EIR* know, on May 1, 1994, Evans-Pritchard sneered at the U.S. press for refusing to cover the Paula Jones story, and he predicted that Jones was about to file her lawsuit against President Clinton.

A week later, on May 8, Pritchard boasted that he was assisting in orchestrating the lawsuit. He admitted having had “a dozen conversations with Mrs. Jones over the past two months.” He further confessed that he was present at a strategy meeting on a boat on the Arkansas River with Jones’s lawyer.

The next week, Evans-Pritchard admitted that the actual aim of the Jones suit is to destabilize the Presidency. It doesn’t “matter all that much whether Mrs. Jones ultimately wins or loses her case,” he wrote on May 15. “The ticking time bomb in the lawsuit lies elsewhere,” he gloated, revealing that “the political purpose of the Jones lawsuit is to reconstruct the inner history of the Arkansas Governor’s Mansion, using the legal power of discovery. In effect, the two lawyers and their staff could soon be doing the job that the American media failed to do during the election campaign and have largely failed to do since.”

Even though the Jones suit is a patent fraud, it nevertheless raises important constitutional issues which must be treated seriously. In an interview with this news service in May 1994, Lyndon LaRouche offered his own proposal for how to deal with such a lawsuit against a sitting President. LaRouche said that, in general, he would not wish to have the Presidency tied up “with a scurrilous lawsuit of this type.” But, he pointed out that there is a flaw in the argument that a litigant should have to wait until the President’s term of office is finished. If the litigant has an honest case, forcing a litigant to wait period of years could impair the rights of the litigant.

So what LaRouche proposed, is that there should be some special rules for such a case, to give the President “a fair shake,” both as a person and as the President. The first thing to do, therefore, would be to require that Jones submit to a preliminary deposition, and that “she should be compelled to show that her collaboration with Ambrose Evans-Pritchard did not produce a lawsuit which is clearly politically motivated to destabilize the Presidency.”

If it turns out to be the case, that Jones wouldn’t have filed the suit without the instigation of Evans-Pritchard, said LaRouche, then “there are grounds for a summary dismissal or suspension of the suit, and I don’t think the woman has any claims coming to her. . . . If she’s got a claim, she can wait until the President is through with his business in office. Because she would not have made the suit at this time, but for foreign intelligence instigation.”

From the White House report on the media

The following are excerpts from a 331-page report, "Communication Stream of Conspiracy Commerce," released by the White House Office of Legal Affairs on Jan. 6:

Overview

Communication stream of conspiracy commerce: The "Communication Stream of Conspiracy Commerce" refers to the mode of communication employed by the right wing to convey their fringe stories into legitimate subjects of coverage by the mainstream media. This is how the stream works. First, well-funded right-wing think-tanks and individuals underwrite conservative newsletters and newspapers such as the *Western Journalism Center*, the *American Spectator*, and the *Pittsburgh Tribune Review*. Next, the stories are reprinted on the internet where they are bounced all over the world. From the internet, the stories are bounced into the mainstream media through one of two ways: 1) The story will be picked up by the British tabloids and covered as a major story, from which the American right-of-center mainstream media (i.e., the *Wall Street Journal*, *Washington Times*, and *New York Post*) will then pick the story up; or 2) the story will be bounced directly from the internet to the right-of-center mainstream American media. After the mainstream right-of-center American media cover the story, Congressional committees will look into the story. After Congress looks into the story, the story now has the legitimacy to be covered by the remainder of the American mainstream press as a "real" story.

Background reading: The emergence of conservative think-tanks and their effectiveness at conveying conservative ideas has been discussed by a number of publications. The think-tanks serve as the ideas mill for today's Republican Party. The think-tanks define and shape the idea's agenda for the party and serve as the training ground for this new generation of conservatives. In many ways, these Republican think-tanks are to today's media age of political organizations what the Democratic big city party machines were to the New Deal era of political organizations.

Richard Mellon Scaife: Richard Mellon Scaife is in the vanguard of this aforementioned form of this media-age political organizing. Scaife uses the \$800 million Mellon fortune which he inherited to fund a virtual empire of right-wing newspapers and foundations. These newspapers and foundations, in turn, propagate Scaife's extremist views. Scaife, along with a handful of other wealthy individuals

and foundations, use their power to control the Republican Party's agenda and viewpoints. Scaife, in particular, is one of the major backers of Newt Gingrich. Interestingly enough, Gingrich's view on Vince Foster seemed to dovetail with Scaife's, following Scaife's pumping of thousands of dollars into Gingrich's GOPAC's coffers.

The Helen Dickey example: The Helen Dickey story is a classic example of how these right-wing foundations and newsletters can use the Communication Stream of Conspiracy Commerce to get a fringe story into the mainstream. In this case, the right-wing British tabloid reporter Ambrose Evans-Pritchard reported in London's *Sunday Telegraph* that an Arkansas State Trooper, Roger Perry, had talked with White House staffer Helen Dickey about . . . Vince Foster's death, hours before his death was suppose [sic] to have become known. From Pritchard, the story received major coverage by the Scaife-funded *Western Journalism Center* and the Scaife-owned *Pittsburgh Tribune-Review*. From these fringe, right-wing publications the story went on the internet, which reproduced the story for a far wider audience. From the internet, right-of-center mainstream papers, including the *Washington Times* and *New York Post*, covered the Dickey story as a legitimate news item. Once these papers covered the story, Congressional staffers from Alfonse D'Amato's staff had the needed justification to investigate the issue. In turn, the investigation of the issue gave the story further credibility and allowed other members of the mainstream media to cover the story.

The Foster forgery note example: In late October, James Davidson and the organization which he is president of, the National Taxpayers Union (NTU), sponsored a press conference purporting to show that the Foster suicide note was a forgery. The press conference and the report of the forged suicide note was covered by the mainstream media. However, a closer look at the situation shows how fantasy can become fact when it is in the hands of the right-wing Foster conspiracy industry. NTU and Davidson relied upon Ronald Rice, a self-described handwriting expert. In fact, Rice is not a handwriting expert with the Massachusetts Attorney Generals Office but, in fact, the head of a hypnotist training school in Boston. As for Davidson and NTU, they are known for their conservative views and ties. Over the last two years, Davidson's NTU has been publishing Foster conspiracy industry stories. Furthermore, NTU received a large chunk of its funding from Richard Mellon Scaife. Finally, the Independent Counsel's report, based on the FBI's findings, has concluded that the Foster note was the real thing. Despite all of these facts, the mainstream press covered the press conference as if it was a legitimate story. . . .

Who's behind all this?

In order to fully understand the Whitewater story, it is important to understand how conservative groups are, and

have been, able to generate a media frenzy over the Whitewater story.

The 'media food chain'

The media food chain is the system by which right-wing activists feed conspiracy theories and innuendo from the fringes into the mainstream media. The "food chain" starts with activists such as Willie Horton creator Floyd Brown, Sheffield Nelson, and Larry Nichols. These activists feed the partisan conservative press, publications such as the *American Spectator*, the *Washington Times*, and the editorial page of the *Wall Street Journal*. The mainstream press then picks up on these reports.

The 'blow-back' strategy

One specific "food chain" strategy is the "blow-back." The blow-back starts with conservative groups feeding material to the British tabloids, such as the *Sunday Telegraph*. Conservative American tabloids and mainstream American media then report on the British reports.

For example, recently the *Washington Times* reprinted Ambrose Evans-Pritchard's *Sunday Telegraph* response to a *Washington Post* article on Vince Foster conspiracy theorists. Pritchard, who took offense to being lumped in with conspiracy theorists, has been a leading reporter of various conspiracies—most recently accusing Vince Foster of secretly being a spy. (*Washington Times*, 7/10/95 and *Washington Post*, 7/4/95)

The Richard Scaife connection

In addition to use of the media food chain and blow-back strategies, conservatives have another tie—their source of funds. A number of groups that have been peddling conspiracy theories (mainly questioning the suicide of Deputy White House counsel Vince Foster) are funded by Richard M. Scaife.

Richard Scaife is an heir to the Mellon fortune, with an estimated net worth of \$750 million. In addition to his financial support of purveyors of Vince Foster conspiracy theories, Scaife also is a Newt Gingrich insider—backing many of the groups that support and defend Newt Gingrich, including contributing \$60,000 to GOPAC and \$450,000 to the Landmark Legal Foundation.

Sources without credibility pushing stories into mainstream press

Whitewater is one of many issues originating with sources without credibility. There is a discernible pattern in which Willie Horton creator Floyd Brown and tabloid "news" organizations have forced stories into the mainstream press. Most interesting is the "blow-back" strategy in which stories are planted in the British tabloids and then those stories are reported on in the U.S. press.

Whitewater: from Floyd Brown to Wall Street Journal [The report gives six examples, documenting with dates and site of publication, the flow of stories.]

Gennifer Flowers: the 'blow-back' strategy

A search of an electronic database revealed that five out of the first seven newspaper articles about Gennifer Flowers's allegations of an extramarital affair with Bill Clinton were found in British newspapers. The *Star* tabloid broke their story on Jan. 23, 1992. There were 29 stories about the Flowers allegations the next day in the mainstream press.

Sally Perdue: blow-back from British tabloids to Washington Times to ???

In January 1994, the British press tried to resurrect the story of Sally Perdue, and the *Washington Times* followed suit. [The report documents stories in *Sunday Telegraph*, *Daily Telegraph*, *Daily Mail*, and the *Times* of London, and then outlines how the "*Washington Times* followed British press."]

British tabloids' blow-back rehashed Beverly story

A *Washington Times* story from September 1993 was successfully resurrected in the British tabloids in 1994.

Paula Jones: blow-back—from British tabloids to mainstream media

The March headlines in the British press were a sign of things to come. [The report documents how this story began in the *Washington Times*, was resurrected six weeks later in London *Daily Mail* and *Sunday Telegraph*, then brought back into U.S. media such as the Pat Robertson and Jerry Falwell shows and Rush Limbaugh, and was then covered in the "mainstream" media.]

Spectator gives 'scoop' to British tabloid

The right-wing *American Spectator* magazine gave a special "scoop" to its ally in the British tabloid press, Ambrose Evans-Pritchard of the *Telegraph*. Evans-Pritchard, the *Telegraph's* Washington correspondent, is typically the first British reporter called in on the "blow-back." [The White House report documents that the London *Sunday Telegraph* ran an article on an *American Spectator* piece, entitled "Love and Hate in Arkansas," before it was released in the United States. The article was then reported in the *Washington Post*.]

Dennis Patrick—blow-back from tabloids to Washington Times to Wall Street Journal

The British tabloids focused on an *Economist* story about a man named Dennis Patrick which eventually found its way into the *Wall Street Journal* by way of the *Washington Times* and Pat Robertson's "700 Club." [The report documents the flow of stories from the London *Economist*, the *Sunday Telegraph*, and the *Times* of London into the *Washington Times*, which was then picked up by Sen. Al D'Amato (R-N.Y.) and more U.S. media.]

British tabloid telegraphs the next attack

On July 17, 1994, Ambrose Evans-Pritchard of the British tabloid the *Sunday Telegraph*, wrote an article alleging a pattern of drug use by Bill Clinton during the 1970s and early 1980s under the headline, "Clinton 'Took Cocaine While in Office.' "

FDR-PAC holds forum on U.S. Africa policy

by EIR Staff

Lyndon H. LaRouche, Jr. delivered the keynote speech on Jan. 11 to a forum of the FDR-PAC in Washington, D.C., attended by 150 people from 14 nations, including 50 Africans. The title of the conference was “Africa: Looting Ground for Bush, Inc., or Breadbasket for the World?” The other speakers were *EIR* Africa Intelligence Director Linda de Hoyos and Jacques Bacamurwanko, the former ambassador from Burundi to the United States.

LaRouche challenged the audience to put an end to the genocide against Africa, as a moral test for the Western world. Invoking the memory of President Franklin D. Roosevelt, whose name the FDR-PAC honors, he outlined the political and economic crisis that the world faces today, and the need for resolute action such as Roosevelt took. In March 1933, at the time of Roosevelt’s inaugural address, the United States was in the middle of the Great Depression, LaRouche said. “The entire world was in crisis, and *a man*, Franklin Roosevelt, totally unlike his evil cousin Teddy, responded to the fact that he must take the United States to deal with its own internal crisis, to try to do it with the Congress, but if the Congress wouldn’t do it, had to do it himself, to get the nation out of this mess.

“And, again, we’ve come to that point, at a more dangerous time in world history, when this terrible ruined nation, in much worse condition than it was in in Roosevelt’s time, must, once again, take the responsibility which has fallen on its shoulders, not by its choice, but by its circumstance, to lead in getting the world out of this mess.”

LaRouche called for the United States to take leadership to forge a new Bretton Woods System, “a system of fixed parities, on a gold-reserve basis, with cheap credit; and a general program for development of the world, by returning from post-industrial lunacy into investment in scientific and technological progress, for the improvement of the life expectancy and conditions of life, and improvement of the productivity of labor, in every part of the world today, through new forms of international cooperation among fully sovereign nation-states; elimination of all global economy, of all global politics, of all UNO dictatorship, all pretenses at world government.”

He then turned to the situation in Africa. Henry Kissinger complained that Africans are sitting on large amounts of raw

materials; they must be prevented from achieving economic development, or else their consumption of raw materials per capita will increase. In 1974, Kissinger said that U.S. relations with other nations must be based upon a malthusian population policy.

Since 1995, as the financial crisis has intensified, the British oligarchy has accelerated its looting of Africa. This is the policy of George Bush, the honorary senior adviser to Barrick Gold Corp., which is currently looting Zaire.

To solve the problems of Africa, LaRouche said, we must defeat this oligarchical faction. We can then produce an educated population, foster science and technology, the development of public infrastructure—railroads, roads, water management, schools, sanitation services, healthy cities. “That should be our mission to Africa, which must start out of the very simple moral principle, that all human beings are exactly alike in one respect: They all have this special quality that no animal has, the ability to create, to discover the laws of the universe, accurately, and to make innovations in human practice which increase man’s power over nature, which improve life expectancy, which improve the quality of life, and which are taking us to conquer the universe.”

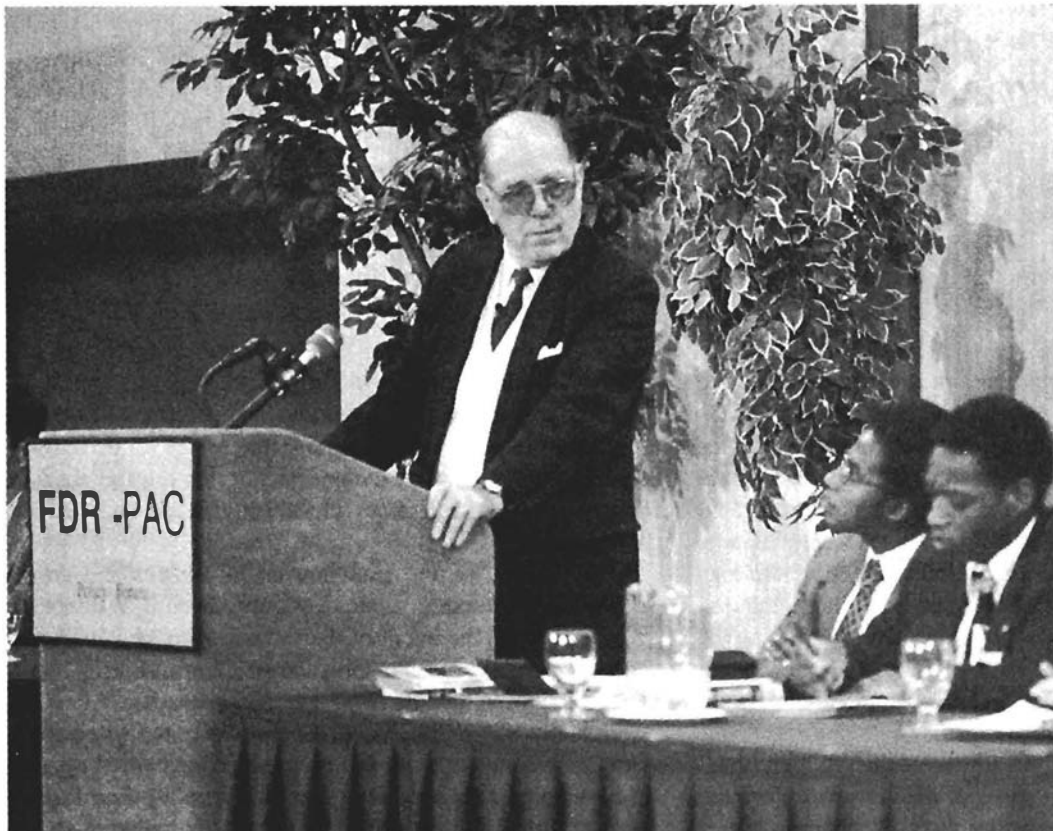
That, LaRouche underlined, is a moral challenge. “Morality is doing something which you know inside makes you good, and makes you a gift of Providence to humanity. And, I think it’s only in that sense, that we can do that for Africa, only in that sense is there hope for Africa, people who have that view.

“And, we Americans can get that view, can discover it in ourselves, if we will face the problem of Africa, and understand what there is in our national history, that would tend to block us from recognizing the moral issues so posed. . . . We Americans have not merely got to respond to the facts of the situation: We’ve got to find in ourselves that chord, that moral chord within us, which gives us the inspiration, and the energy, to meet the challenge before us. Because, if we don’t, then the President will not find the morale, or the support, political support, to do what he must do in the months ahead, and the weeks and months ahead. And, if he doesn’t do that, this whole planet goes into a Dark Age. That’s the issue.”

British genocide in Africa

De Hoyos and Bacamurwanko, in their presentations, outlined the history of imperial looting of Africa, and the great potential that the continent holds for development.

De Hoyos described what has happened in modern-day Zaire, beginning when Portugal rejected the peaceful development policies of the early-16th-century colonizers under Henry the Navigator, and decided to become an empire and develop the slave trade. The Portuguese were followed by the horrors of 19th-century colonization of the area by King Leopold of Belgium. Leopold depopulated the area by seizing slaves for the Belgian plantations. The ensuing genocide was



Lyndon LaRouche addresses the FDR-PAC, Jan. 11. Seated, left to right: moderator Dennis Speed and Jacques Bacamurwanko, the former ambassador of Burundi to the United States.

chronicled by the English novelist Joseph Conrad in his book *Heart of Darkness*.

De Hoyos reported that the former African colonies have never been decolonized, even though nominally given their freedom in the early 1960s. The role of colonial administrator was continued by the financial institutions of the British oligarchy, the International Monetary Fund and the World Bank, which made sure no development ever took place by enforcing “free trade,” and decreeing that the former colonies could not run up a balance of payments deficit. Leaders who would have steered them away from the IMF were systematically destroyed.

Bacamurwanko challenged American’s general lack of knowledge about Africa. He said most people think of it as a place of wildlife and gorillas. The reality is that it was the cradle of civilization and has the potential to become a breadbasket to the world. “10,000 American farmers could completely transform the continent,” he said.

The area of which he spoke—eastern Zaire, Rwanda, and Burundi—is among the most resource rich areas of the world. He attributed the renewed wars, in Rwanda and Burundi, and the recent invasion of Zaire, to the requirements of the financial controllers of the continent, for more loot, as the monetary system which they created is now collapsing around them under the weight of speculation and usury. He said the oligarchs are facing financial disintegration, and they want to

shore up their resources and political power by a more intense resource grab in Africa, a “recolonization.” To accomplish this, they must weaken the authority of central governments, and clear the land of its people.

Bacamurwanko showed how the British policy of “democratization” serves the interests of the transnational companies that want to increase their take, without interference from the government. When the IMF and Burundi’s former colonial masters, the French, pushed a “democratization” project in Burundi, a Hutu won the Presidency, with 60% of the vote in the first “democratic elections.” Unfortunately, he was not the choice of the “democratizers,” who had him assassinated shortly afterwards, and a more pliable leader installed. He said that the so-called rebel movement of Laurent Kabila, in Zaire, bolstered by armies from Uganda, Rwanda, and Burundi, was being used as a cover for forced expulsions from the refugee camps in the east, and the massacres which followed. He cited evidence that the United Nations was aiding and abetting the invading armies.

The next FDR-PAC forum, also on Africa, is scheduled for Jan. 25. Since the fall of 1996, the organization has been conducting regular forums on vital issues of U.S. policy, in the Washington, D.C. area. The forums are videotaped and circulated around the country, to shape discussions on the issues which must be taken on by the second Clinton administration.

Will the Supreme Court ban physician-assisted suicide?

by Nancy Spannaus

At the conclusion of the two hours of oral argument on the question of physician-assisted suicide, held before the U.S. Supreme Court on Jan. 8, 1997, there was near unanimous conjecture by observers that the nation's highest court would *not* affirm a Constitutional right to that mode of murder. That is what the court is being asked to do by right-to-die crusaders from Washington State and New York State, who won rulings overturning state bans on assisted suicide in the Ninth and Second Circuit Courts of Appeals, respectively. Bringing the matter to the court, in defense of bans on assisted suicide, were the states of Washington and New York, which sought to overturn the Circuit Court rulings.

Unfortunately, most of the argument missed the critical point. No one among the Justices or the lawyers before the bar, raised the real issue: whether the U.S. Supreme Court was going to allow the violation of the Nuremberg standard, according to which Nazi doctors were condemned for crimes against humanity, by permitting Nazi euthanasia to go ahead under U.S. law.

It would be a hideous travesty if the court were to rule in favor of the euthanasia advocates, thereby declaring a "right" to physician-assisted suicide. But it would also be a grave abdication of responsibility if the court simply "left it to the states" to do whatever they want in this matter of international, and Constitutional, law. Such a procedural ruling—which is, indeed, what the Justices seemed to be leaning toward—would fail to *protect* U.S. citizens, as they should be protected, from practices that can only be honestly described as "crimes against humanity."

'Lives not worthy to be lived'

The issue of Nazi euthanasia was only raised in one friend of the court brief submitted to the highest court. This was by the Schiller Institute, the think-tank headed by Helga Zepp LaRouche, with a long record of fighting the revival of the Nazi practices (see *EIR*, Nov. 22, 1996, "Will the U.S. Supreme Court Allow Nuremberg Crimes?" which includes excerpts from the brief). While other *amicus* briefs opposing physician-assisted suicide made strong arguments against the practice, many of those arguments, such as those of New York State and Washington State, ceded considerable ground to the idea of condoning "mercy deaths," itself a very slippery slope, as the Netherlands example has shown.

For example, the state of New York based its appeal, in both written and oral argument, on the distinction between a terminally ill person deciding to starve or dehydrate himself to death (okay), and that same person having the right to demand a lethal injection (physician-assisted suicide, not okay).

Of course, as the first lawyer to address the court, Assistant Washington State Attorney General William L. Williams, said, the intent of the right-to-die advocates is by no means to confine the practice of "mercy killing" to a small group of people who are somehow agreed to be "terminally ill." Williams cited particularly the situation in Oregon, where a right-to-kill referendum was voted up, and is now being held up in the courts. Those arguing for the right to kill, Williams said, admit that they will seek to expand the class of people to whom it's "offered," once it is approved.

It was this comment that led Justice David Souter to ask a critical question. (Because note-taking was not permitted in the section where this author was observing, the following quotes are mostly from the transcript by the *Washington Post*.) Souter said: "... the argument runs [that] ... the practice of assistance ... is going to sort of gravitate down to those who are not terminally ill, to those, in fact, who have not made a truly voluntary or knowing choice. And ultimately it's going to gravitate out of physician-assisted suicide into euthanasia. ... I'm not sure how I should weight or value that risk or those risks. ... What empirical basis do I have for evaluating that argument?"

Now, you wouldn't think that Justice Souter would need an "empirical basis." In fact, the argument for physician-assisted suicide assumes the existence of, or creation of, a category of lives "not worthy to be lived." Such a category is precisely what participants in the Nazi doctor trials under the Nuremberg Tribunal warned against, as the "small beginnings" from which the hideous atrocities flowed. It is a question of *law*, not empirics, that should presumably concern a Supreme Court Justice.

But, Assistant Attorney General Williams attempted to answer him. After saying that there was no public experience in the United States, given that all states ban assisted suicide, Williams cited the Netherlands, and then the crucial issue—"Germany in the 1930s, of course."



A group of people with disabilities, calling themselves Not Dead Yet, demonstrates outside the U.S. Supreme Court on Jan. 8, while the court heard arguments over physician-assisted suicide. The real issue facing the court is whether the United States will allow the violation of the Nuremberg standard, which condemned Nazi doctors for crimes against humanity.

Justice Souter, and Justice Ruth Bader Ginsburg, who was also pursuing this “pragmatic” line of questioning, both failed to take up this highly accurate allusion to the history of Nazi euthanasia.

‘The systemic dangers are dramatic’

The only other instances in which the argument touched on the crucial issue of Nazi killing, came indirectly during the argument by U.S. Solicitor General Walter Dellinger, who was given permission to speak on behalf of both Washington State and New York State. Dellinger noted several times, that if the court were to give a right to physician-assisted suicide, it would likely become the “treatment of choice” for many elderly people. Dellinger said:

“States have long had laws that affirm the value of life by prohibiting anyone from promoting or assisting a suicide and I believe that no one disputes the constitutionality of those laws as a general matter. The actual question before the court is whether the Constitution compels an exception to those laws here. In our view it does not. . . . While the individual stories are heartrending . . . it’s important for this court to recognize that, if you were to affirm the judgments below, lethal medication could be proposed as a treatment, not just to those in severe pain, but to every competent terminally ill person in the country.”

And later: “I would refer you [to] the New York State task force address. . . . [T]hey note that one can posit ideal cases in which all recommended safeguards would be satisfied; patients would be screened for depression and offered treatment;

effective pain medication would be available; and all patients would have a supportive, committed family and doctor. Yet the reality of existing medical practice in doctors’ offices and hospitals cannot generally meet these expectations. . . . The systemic dangers are dramatic. The least costly treatment for any illness is lethal medication. And the medical profession tells you in briefs . . . that we have a system in which we are struggling to try to provide proper treatment for pain and for depression.”

And later: “The fact that 25% unnecessarily die in pain shows the task awaiting the medical profession, but it’s not a task that calls for the cheap and easy expedient of lethal medication rather than the more expensive pain palliative.”

‘Not Dead Yet’

Underscoring the point of the systemic danger, was a demonstration being held outside the Supreme Court by the activist right-to-life group, Not Dead Yet. Arriving in wheelchairs, hundreds of these handicapped people were vocal in their opposition to physician-assisted suicide, and sported signs reading: “Hitler would be proud,” and “We need assistance in living, not dying.”

Speaking against euthanasia were New York’s Cardinal Bernard Law, former Surgeon General Everett Koop, and others; speaking in favor of it, were the Hemlock Society and smooth-talkers including New York right-to-die advocate Dr. Timothy Quill, and the lawyer who spoke for him before the court, Lawrence Tribe.

A ruling is not expected until summer.

Soros gang of drug legalizers challenges the White House

by Scott Thompson

On Nov. 5, 1996, a majority of voters in California and Arizona, who had been subjected to a media propaganda campaign financed by speculator George Soros, approved Propositions 215 and 200, respectively, that permit "medical use" of various Schedule I narcotics. Under both initiatives, a "Dr. Feel Good" quack could prescribe marijuana to sufferers of any disease, while under the Arizona referendum, a quack could prescribe LSD, heroin, cocaine, and other dangerous substances even to children. Basically, the Soros gang, which has plans to initiate similar referenda in 25 more states, is holding terminally ill patients hostage to a cynical plan to make "medical use" of Schedule I drugs the foot-in-the-door for full-scale legalization of narcotics trafficking in the United States.

Ironically, both mainstream Republicans such as Bob Dole and the Newtzi Republicans lambasted President Bill Clinton during the 1996 Presidential campaign for an alleged "do nothing" approach to the war on drugs. Yet, once Gen. Barry McCaffrey, the White House director of national drug policy, challenged these referenda, the drug legalizers and British-influenced press began a major media campaign to defame the White House for picking on the sick and their doctors, a campaign that was supported by the libertarian wing of the Newtzi Jacobinites. Furthermore, with the financial and legal backing of the Soros gang, on Jan. 14 a class-action suit was filed in U.S. District Court in San Francisco against General McCaffrey and other senior White House officials, based on the spurious claim that McCaffrey had violated these individuals' First Amendment right to free speech.

As *EIR* learned in an interview with Don Abramson, the legal director of Soros's Lindesmith Center, an outfit pushing drug legalization, the drug legalizers' argument is that the White House is violating the "doctor-patient relationship," when it threatens to enforce federal law against doctors who prescribe marijuana. This is a voodoo legal argument. McCaffrey is correct in saying that anyone, including a doctor, who tells someone to commit a felony under federal law, is guilty of "aiding and abetting" a felony.

Soros 'bought' the referenda

British Rothschild-spawned Soros, who is currently under criminal investigation by Italian magistrates for reaping vast

profits while smashing the Italian lira in wild currency speculation, "bought" passage of the California and Arizona referenda. In Arizona, \$440,000 of the \$440,490 raised by proponents of Proposition 200 came from Soros's pockets. An additional \$25,000 was spent on polling by the pro-drug legalization Drug Policy Foundation (DPF), which has received a \$3 million operating program and \$3 million grant program from Soros. More than five years ago, leaders of the DPF, at their annual conference, in conversation with Rep. Charles Schumer (D-N.Y.), were overheard by an *EIR* reporter speaking of how they would make "medical use" of drugs such as marijuana their foot-in-the-door for legalizing drugs.

According to records filed by Californians for Medical Rights (soon to be Americans for Medical Rights) with the California secretary of state's office, Soros either directly or indirectly contributed over one-third of the money raised for Proposition 215. Soros's direct contribution was \$550,000; the DPF gave \$200,000 more. More than \$1.4 million of the \$1.8 million raised for the initiative came from out-of-state sources.

In addition, John Sperling, president and CEO of the Apollo Group, based in Phoenix, Arizona, gave \$200,000. The Apollo Group was affiliated with Soros hatchetman Sam Veganas, who was the real director of Arizona Proposition 200, nominally working under businessman John Norton, the chairman of the Barry Goldwater Institute. Prominent drug legalizers who contributed to Proposition 215 included former Reagan-Bush Secretary of State George Shultz, now at the Hoover Institution, who gave \$1,000; and, Nobel Prize-winning Schachtian economist Milton Friedman (also, now at the Hoover Institution), who gave \$150. David Fratello, who had been the DPF press officer for five years and now runs communications for Californians for Medical Rights, told *EIR* that he began to consider the war on drugs a lost cause when, as a student doing drug policy research at Pomona College in 1988-89, he first heard Shultz challenge the wisdom of the anti-drug war.

Soros dupes myriads to destroy their minds

Soros, who was trained at the London School of Economics by British Aristotelian Society leader Sir Karl Popper, does not believe that a human being can know the truth. In his business swindles, Soros brags about how he plays upon

other people's misperceptions. About three years ago, through his Open Society Institute-New York, Soros hand-picked former Princeton kook professor and DPF board member Ethan Nadelman, to head the Lindesmith Center. Nadelman has systematically overlooked evidence from qualified physicians, such as Dr. Gabriel Nahas, that marijuana causes neurological damage and is at best a placebo for the wasting effects of diseases like cancer and AIDS. Throughout the campaigns to pass the California and Arizona propositions, Nadelman was behind the scenes with Soros, calling the shots on how to dupe voters into permitting mass, Nazi-style menticide. It may come as no surprise, but Soros once admitted on the "Adam Smith Show," that the secret to his money-making success is that his well-to-do Hungarian Jewish father had arranged for Soros to help the Nazis loot wealthy Jewish estates in Hungary during World War II.

Dennis Peron, a homosexual AIDS activist who co-authored Proposition 215, told Agence France Presse on Dec. 4, how successful the Soros-funded Californians for Medical Rights has been in duping others. "We have a battery of lawyers waiting to assist anyone who qualifies for medicinal use of marijuana and is arrested," Peron said. "Thirty-eight thousand doctors are ready to be arrested. If federal authorities are going to take this route, they better start building jails."

Throughout the Proposition 215 campaign, the New York City-headquartered Lindesmith Center maintained a second office in San Francisco, where Lindesmith Legal Director Don Abramson gave *pro bono* advice to Proposition 215's sponsors. At present, Abramson is coordinating the legal counteroffensive against the White House, and is negotiating with Soros for more funding, in the event that the legal suit goes to the Supreme Court. While Abramson would not reveal all the attorneys working on the case at a reduced rate or *pro bono*, he stated that two groups were involved: the American Civil Liberties Union and the law firm of Altschuler, Berzon, Nussbaum, Berzon, and Rubin. Fred H. Altschuler, the lead attorney with the firm, is also a board member and secretary of the San Francisco Jewish Community Relations Council, which gave support to the Anti-Defamation League of B'nai B'rith when San Francisco police caught the ADL spying on thousands of groups and individuals, ranging from black civil rights leaders to anti-apartheid leaders to Arab-Americans. According to Abramson, numerous oncologists and doctors dealing with AIDS patients will be joining the suit against McCaffrey and the White House. Bill Zimmerman, manager of Californians for Medical Rights, adds that almost every AIDS activist group in California, including the Shantytown Foundation, has been lined up behind the suit.

According to Nick Gillespie, editor of the Reason Foundation's *Reason* magazine, which is philosophically associated with the Libertarian Party, the libertarians think that Soros did not go far enough with his propositions. However, they

believe that the White House counterattack opens the door for full-scale legalization. Gillespie and others in the Reason Foundation have begun lobbying Congress toward this end, working especially through the libertarian Republican Liberty Foundation (RLF) that overlaps the Newtzi Jacobinites. Gillespie recently told a reporter that one congressman who is a member of the RLF and initially opposed Proposition 200, Rep. John Shadegg (R-Ariz.), now says that, because the voters have spoken, he must support Proposition 200. Shadegg replaced Gingrich as the head of GOPAC, the political action committee at the center of the Newtzi ethics storm. During his 1996 re-election campaign against LaRouche Democrat María Elena Milton, Shadegg desperately sought to distance himself from his own leading financial backers who were openly associated with the dope legalization initiative.

Gillespie also said that he and his fellows will play on the Tenth Amendment, the so-called "states' rights" Amendment, that has assumed the proportions of an "Eleventh Commandment" for the Newtzis.

British tabloids lead media support for Soros

Soros, whose multibillion-dollar Quantum Fund NV in the Netherlands Antilles includes Queen Elizabeth II on its exclusive client list, has been increasingly defended in editorials in the "mainstream" U.S. press. This started with a Dec. 22, 1996 article by avowed British SIS asset Ambrose Evans-Pritchard, in which he warned that White House enforcement of the law against Propositions 215 and 200 would lead to the "Colombianization of America." He wrote in the *Sunday Telegraph*:

"Last month Californian voters passed binding legislation known as Proposition 215. . . . It passed by 54 to 46% with a lot of help from George Soros, the Hungarian-born currency speculator, who calls the U.S. drug war 'hysterical.' A similar proposition passed in Arizona . . . [that] had the backing of the arch-conservative Goldwater Institute. If Proposition 215 is allowed to run its course unchallenged, it is only a matter of time before a joint of Mendocino green leaf is consumed in California as openly as a glass of Napa Chardonnay. And what starts on the West Coast usually spreads to the rest of the country. . . . It sets the stage for a spectacular clash between Washington and California, a hazardous venture. . . . The mantra of the nineties is the 10th Amendment. . . . U.S. drug prohibition is now collapsing fast. America is in the incipient stages of 'Colombianization,' with profits from the \$150 billion annual drug trade contaminating the government at every level. . . . The consensus behind the drug war is shattered. The only question now is whether the U.S. government will call for an orderly retreat, or whether it will try to fight a rearguard action against the people of California."

Evans-Pritchard is a key part of the "media food chain" that the White House recently denounced (see article, p. 56). Now, he is defending fellow British asset George Soros.

Nebraska pedophile scandal is reopened, with new revelations

by Allen Douglas

The Franklin Cover-Up: Child Abuse, Satanism and Murder in Nebraska (second edition)

by John DeCamp

AWT, Lincoln, Nebraska, 1996

411 pages, paperbound, \$9.95

On the morning of July 11, 1990, this reporter was present in Nebraska State Senator Loran Schmit's office in the capitol building in Lincoln. The occasion was an interview I was conducting with him on what had become infamous as "the Franklin case," named after a small credit union in Omaha, and for which Schmit chaired the Senate's investigative committee. He took a phone call, listened for a minute or two, and said, "Oh, my God. My God. How did it happen?" Profoundly shaken, with tears in his eyes, he turned to try to continue the interview.

"What is the matter, senator?" I asked. "Gary's dead," he replied. "His plane blew up on the way back from Chicago early this morning." "Gary" was Gary Caradori, a former state trooper and then a dedicated investigator for Senator Schmit's Franklin Committee. Caradori was investigating leads in Chicago, and had taken his eight-year-old son A.J., who was also in the plane when it exploded, to see the all-star baseball game there. I was, through other contacts, to have met Caradori shortly after his return.

Senator Schmit continued, "He called me before he left, very excited, and said, 'We've got them now. We've got the hard evidence.' Gary used to tell me, 'It's unlikely that they would kill me or you, Loran, because that would be too obvious.' I warned him to be careful, particularly with his private plane."

In 1992, Senator Schmit's longtime associate and personal lawyer, former Nebraska State Senator John DeCamp, wrote a book about the Franklin investigation. Its back cover summarized the stakes which led to the murder of Caradori and his son:

"The shutdown of Omaha, Nebraska's Franklin Commu-

nity Federal Credit Union, raided by federal agencies in November 1988, sent shock waves all the way to Washington, D.C. \$40 million was missing. The credit union's manager: Republican Party activist Lawrence E. 'Larry' King, Jr., behind whose rise to fame and riches stood powerful figures in Nebraska politics and business, and in the nation's capital.

"In the face of opposition from local and state law enforcement, from the FBI, and from the powerful *Omaha World-Herald* newspaper, a special Franklin Committee of the Nebraska Legislature launched its own probe. What looked like a financial swindle, soon exploded into a hideous tale of drugs, Iran-Contra money-laundering, a nationwide child abuse ring, and ritual murder. Nineteen months later, the legislative committee's chief investigator died—suddenly, and violently, like more than a dozen other people linked to the Franklin case."

The original edition of *The Franklin Cover-Up* sold 50,000 copies—an astonishing number for a self-published book, without the benefit of a single penny of advertising. Now, almost four and a half years later, DeCamp has issued a second edition. With 116 new pages comprised of eight chapters and an epilogue, the second edition is almost two books in one; the new "Part II" indeed contains, as the book's cover proclaims, "new, startling revelations."

George Bush and Franklin

In the first three chapters of Part II, DeCamp provides fascinating new material to back up his original assertions, material which comes from sources as diverse as Msgr. Robert Hupp, the former president of Boys Town in Omaha (some of whose residents were abused); to a British television investigative team, which spent months in Nebraska; to a compelling affidavit from victim-witness Troy Boner, on how the FBI terrorized him into recanting his story.

In addition, two other cases which have come to light since the first edition, may also help explain why so many dead bodies turned up in the Franklin case: that of the Contra cocaine apparatus, made famous by the *San Jose Mercury News* series of Aug. 18-20, 1996; and, that of a high-level satanism/pedophile ring in Belgium, revelations about which have provoked the largest street demonstrations in that country's history.

Immediately after the FBI raided Franklin in 1988, rumors swept Nebraska that the “real story” behind Franklin was that Larry King was laundering tens of millions of dollars for the Contras; DeCamp’s first edition showed that King was deeply involved with the Contra support apparatus, that he was an associate of George Bush (who was elected President just days before Franklin was raided), and that children victim-witnesses had repeatedly mentioned Bush’s name. After summarizing some new evidence, DeCamp now asks, “So, was Larry King’s buddy George Bush the country’s ‘drug king-pin’ in the 1980s? I don’t know. But what I *do* know, is that if Bush *were* running the Contra affair, and drugs were a big part of it, that would certainly jibe 100% with everything known or rumored about Bush, Larry King, and the Franklin Credit Union.”

In Belgium, a pedophile ring, involving some of the country’s political and judicial leadership, had abused and then ritualistically murdered children. DeCamp believes that the Belgian case is tied to Franklin, though he did not have time to develop that in this second edition; certain shared features of the two cases are highly suggestive.

First of all, high-level pedophile networks are tightly integrated internationally. In the Franklin case, victim-witness Paul Bonacci reported that he was regularly taken to Europe (including to East Germany before the Berlin Wall fell), where he was abused, on board airplanes of the Strategic Air Command, which is based at Offutt Air Force Base in Omaha—a base which is plugged tightly into the NATO apparatus headquartered in Belgium. Ritualistic, satanic activity was a “marker” for the Franklin case, just as it is for the Belgian one, and the Belgian case overlapped an arms-trafficking ring with possible Contra connections. In addition, freemasonry is a prominent feature of the Belgian ring, just as it was of Franklin; two of the Omaha-based freemasons Caradori investigated have extensive connections in Europe.

The U.S. Justice Department: Murder, Inc.

As a result of the circulation of the original book, DeCamp became a lawyer for Yorie Kahl, the son of Midwestern farmer-activist Gordon Kahl. In a chapter entitled “The U.S. Justice Department Murder of Gordon Kahl,” based on Kahl’s never-released diary, and his son’s affidavit, DeCamp records the chilling case of how the Justice Department systematically set out to murder Kahl. After an initial shoot-out in which Yorie, who had traded jackets with his father hours earlier, was severely wounded, the Department of Justice conducted a months-long manhunt, at the end of which Gordon was slaughtered in Arkansas.

In addition to physical murder, DeCamp shows, the Department of Justice attempts political murder, as in the targeting of black politicians (the *Frühmenschen* cases); the case of retired Cleveland auto worker John Demjanjuk (whom the Department of Justice claimed was the Nazi concentration camp guard “Ivan the Terrible” at a time when it had proof he was not); and the case of Lyndon LaRouche. On the last case,

DeCamp records his thoughts after reading a small portion of the six volumes of evidence proving LaRouche’s innocence: “I was shocked—no, ‘stunned’ is a better word—by what I read. . . . The U.S. Justice Department had not a shadow of ‘evidence’ to convict LaRouche, nor any of his associates.”

In memoriam: Bill Colby

Former CIA chief William Colby, it emerges in DeCamp’s new, concluding chapter, was a key instigator of the Franklin investigation, the person who constantly pushed DeCamp, who had served under Colby in Vietnam, to continue to fight. As Colby once told DeCamp, “This case is so much bigger than you think. It goes to the very highest levels; we have to keep pulling the strings.”

In addition to the Franklin case, Colby also urged DeCamp to continue his legal work with the militias, another result of the wide circulation of the book’s first edition. DeCamp’s work in avoiding a potentially lethal government-versus-militia showdown in Montana, and his deep involvement in investigating the bombing of the Oklahoma City, Oklahoma federal building on April 19, 1995, comprise two of the book’s new chapters. Colby argued that the militia movement was just the tip of the iceberg of a profound, growing anger by three-quarters of America’s citizens against their government, that this was “a very dangerous trend,” and that “lines of communication” had to be opened between the government and its citizens.

The book concludes with Colby’s mysterious death in April 1996, when his body was recovered from the waters of the Chesapeake Bay, near his vacation home. Rumors spread that he was depressed and had perhaps killed himself. DeCamp spent many hours with Colby in the weeks and months before his death, and shows him to have been highly optimistic and looking forward to travel and new projects. He also notes that one of the projects Colby was involved in at the time of his death, was writing for the *Strategic Investment* newsletter of London’s Lord William Rees-Mogg and friends. This crowd was deeply involved in attempts to overthrow President Clinton—of whom Colby was a great supporter—in part through manipulating the “patriot movement.”

DeCamp also recorded a telling little incident, in which one of Rees-Mogg’s minions, *Sunday Telegraph* Washington correspondent Ambrose Evans-Pritchard, who has led the attack against the Clinton Presidency for years, had once called DeCamp, demanding a meeting. DeCamp recounted the approach to Colby, whom he saw shortly thereafter. “I had never heard of him before,” said DeCamp, “and so asked Bill if he had ever heard of this fellow, ‘Evans-Prickard, or something.’ ” Colby replied, “His name is Ambrose Evans-Pritchard. And be very careful.”

This book may be ordered from AWT, Inc., P.O. Box 85461, Drawer B, Lincoln, Nebraska 68501, for \$9.95 plus \$3 shipping and handling.

House Republicans ram through rules changes

The House took up as its first order of business, amid the turbulence surrounding the reelection of House Speaker Newt Gingrich (R-Ga.), 25 changes to the House rules, which reflect the Conservative Revolution agenda. Among the changes enacted, by a party-line vote of 221-202, were a system for random drug testing of House members and staff, a requirement that public witnesses provide information about federal grants their organizations receive, a Constitutional Authority Statement to accompany committee reports on bills, a reduced time for filing minority views on committee reports, the establishment of a "reserve" fund for unanticipated committee expenses, changes in the budget and appropriations processes, and setting Jan. 21 as the date of expiration of the House Ethics Committee investigation of Gingrich.

The debate was dominated by Gingrich's ethics problems, but Democrats objected to other aspects of the proposed rules changes. Minority Whip David Bonior (D-Mich.) said, "We have heard a lot of talk about freedom and democracy here today. Sadly, we moved away from those principles in the last Congress." The proposed rules package, he said, "makes the problem worse, not better. We cannot build a foundation of trust by giving House committees slush funds to conduct sham investigations, by rolling back minority rights, or by completely ignoring the other side."

David Skaggs (D-Colo.) singled out the provision on public witnesses for attack. "We should be concerned with the First Amendment's guarantee of the rights of all Americans to petition their government." Instead, the rules change creates "a new and absurd barrier to public participation in House

hearings by saying that any non-governmental witness testifying in committee will have to file, as a precondition, a full report of all contracts, subcontracts, grants, subgrants, received by that individual, his organization, or anyone he is representing." Skaggs described the rule as "a barrier to discourage and intimidate citizens from around the country in coming to talk to us about the public's business."

Rules Committee Chairman Gerald Solomon (R-N.Y.) said that the rule was needed because "the Heritage Foundation, the National Taxpayers Union, the *Wall Street Journal*, and the taxpayers of my district want to know who is coming here to testify for more handouts."

Conservative Revolution still reigns in Congress

The "Contract on America" may be dead as a campaign strategy, but it lives on as an agenda in the 105th Congress. This was indicated in statements made by House Speaker Newt Gingrich (R-Ga.) and Senate Majority Leader Trent Lott (R-Miss.) during the opening week of the new Congress.

On the House side, agenda items include the Balanced Budget Amendment, a term-limits amendment, a capital gains tax cut, and tax reform, including either a flat tax or a national sales tax. Another item is "judicial activism," on which Gingrich reported that Judiciary Committee Chairman Henry Hyde (R-Ill.) has agreed to hold hearings.

In his speech after being reelected Speaker, Gingrich stressed national missile defense and management reform. "We have," he said, "every opportunity to apply the lessons of downsizing, the lessons of the information

age," to turn the Pentagon into a "triangle."

On the Senate side, Lott laid out an overlapping agenda, but the list of bills won't be decided upon until after the Senate Republican Caucus meets for two days just before the Inauguration.

More significant, perhaps, than the Republican agenda, will be the GOP strategy for dealing with President Clinton, especially on the budget. Lott told the U.S. Chamber of Commerce on Jan. 8 that Clinton "needs to show leadership. We will wait for him to provide us his budget suggestions, suggest agenda items that he thinks are important." Lott promised that if the President doesn't offer an agenda, "we will move forward with our own agenda," sentiments echoed by Gingrich and other Republican leaders.

Dorgan, Ashcroft attack assisted suicide

On Jan. 8, the day that the Supreme Court heard oral arguments in two assisted suicide cases, Sens. Byron Dorgan (D-N.D.) and John Ashcroft (R-Mo.) announced that they would be introducing legislation that would prohibit federal funding of physician-assisted suicide.

Dorgan conceded that the bill would not address whether assisted suicide is a constitutional right, nor the fact that after World War II, the United States hung Nazi doctors for the crime of euthanasia. As to the constitutional issue, Dorgan said, "My own view is that the central question is one that is answered and has been answered, I suppose, by those who are ill, by their families, with their doctors, by the states, and now by the courts."

The bill will prohibit states from paying for physician-assisted suicides

with Medicaid or Medicare funds. Ashcroft said this reflects "the fact that the American people understand that the health care programs in this country were designed to sustain life and to promote health, and that it's simply outside the purview of what was expected when these were created, that they be used to end or destroy life."

Ironically, Dorgan used the same argument against federal funding of assisted suicide that is often used by supporters of assisted suicide, that of "limited resources." "We have a limited amount of health care dollars with which to meet our health care needs in this country, in a wide range of health care areas," he said. "I believe . . . that we don't have sufficient health care money to meet current needs, and no one should really believe that in this context we ought to be deciding to allow circumstances, court decisions, and state laws decide that we will use federal dollars to fund physician-assisted suicides."

Louisiana election goes to the Senate

Mary Landrieu (D-La.) was sworn in and seated "without prejudice," when the Senate opened on Jan. 7, pending the outcome of a Senate Rules Committee investigation of her election, which is being contested by her opponent, Woody Jenkins (R).

Rules Committee Chairman John Warner (R-Va.) reported to the Senate that day that both parties have appointed outside counsel to review the documents submitted by Jenkins, and that Landrieu will respond to Jenkins's filing on Jan. 17. Warner said that he was "hopeful" that the full committee will be able to review the outside counsels' reports by early February. The

Rules Committee will then offer a resolution that will either confirm Landrieu's victory, order that Jenkins be seated in Landrieu's place, or order a new election.

The Senate failed, however, to come to an agreement on debate of whatever resolution comes out of the Rules Committee. Majority Leader Trent Lott (R-Miss.) noted the potential difficulty of such situations, and had asked for 30 hours of debate to be immediately followed by a vote. Minority Leader Tom Daschle (D-S.D.) objected that "this particular consent request would require that the minority give up the motion to proceed to the debate and the right to debate the resolution fully if we see some need to go beyond the 30 hours, and it does not allow amendments."

Jenkins was considered a shoo-in in the election, until his role in George Bush's Contra cocaine running became an issue late in the campaign.

Senate panel moves fast on Albright nomination

Confirmation hearings for Secretary of State nominee Madeleine Albright began before the Senate Foreign Relations Committee on Jan. 8 and 9. Committee Chairman Jesse Helms (R-N.C.) made clear that he intends to expedite the confirmation of Albright, whom he repeatedly called "Ambassador to Be," with a committee vote expected by Jan. 21. The hearing was not marked by controversy; it is clear that Helms regards her favorably.

Albright sent mixed signals in her statement and answers, leaving unclear what policies will mark her tenure. The predominant concerns addressed by senators were funding issues, UN reform and U.S. arrears to the UN, alleged human rights viola-

tions in Myanmar, Indonesia, and China, drug trafficking, consultation with Congress, the chemical weapons treaty, NATO expansion, Bosnia, and the definition of the leadership role the United States will play in the world. She stressed that for the Clinton administration, foreign economic policy is part of national security. She said that the Treasury, Commerce, and Trade representatives would work with her as a team, and she denounced the cuts in the State Department budget for foreign policy.

Albright described herself as a "pragmatist," who believes the United States should intervene "where we can make a difference," citing the developing crisis in Cyprus as an example. She said the United States has been steadfast in supporting "peacemakers" over "bomb throwers," in historically troubled regions, over the last four years. "We stand ready to play a continuing or increased role in helping to reduce tension in areas where we have an interest, including Cyprus, Central Africa, South Asia, Nagorno-Karabakh, and Northern Ireland." She recommended the "UN mechanism," in which the United States cannot or should not act alone.

Albright reiterated support for a "multi-faceted relationship" to China, and a one-China policy, while maintaining "unofficial robust" relations with Taiwan. She said that economic policy should not be tied to human rights concerns.

In response to a question from Richard Lugar (R-Ind.), about cultural determinism in Africa leading to chaos, she said this theory was pessimistic, and so depressing it was "un-American." She said that it is important to understand that Africa is important, and the humanitarian consequences of not paying attention to Africa would be devastating.

National News

California levees failed to meet U.S. standards

The devastating floods in northern California are a direct result of the failure to construct flood-control systems, meeting the standards of the U.S. Army Corps of Engineers, according to the Jan. 7 *San Francisco Examiner*. Breaks in northern California's 6,000 miles of dikes and levees have occurred in 23 places in 42 counties. Given the sodden condition of the levees, the danger remains that more of them will break.

The *Examiner* also cited the crippling effect of environmentalist regulations, on efforts to maintain the levees. For years, the Corps of Engineers told local flood control boards "to clear vegetation and wildlife from levees. Trees could interfere with emergency repairs, while the burrowing of beavers and squirrels into the banks could cause them to fail during floods. . . . At the same time, other federal and state agencies would forbid destruction of wildlife habitat on the levees."

Striking truckers target Brits' control of Giant

Teamsters on strike against Giant Food demonstrated Jan. 8 outside the British Embassy in Washington, D.C., protesting plans by the chain's controlling British company to hire non-union workers. The demonstration was blacked out by the *Washington Post*, but the Teamsters' anti-British theme drew considerable attention from the press in London.

The Jan. 9 London *Guardian* ran a story, headlined "U.S. Teamsters target Britain," reporting that "Britain's Embassy in the United States was besieged yesterday, by hundreds of striking U.S. truck drivers from the famous Teamsters union, accusing the Sainsbury's supermarket chain, of waging war on American jobs. Equating Lord Sainsbury with the British royal family, a Teamsters spokesman, Andy Banks, said: 'Sainsbury's are re-fighting the battle of 1812, when the British army ransacked Washing-

ton, except this time, they are ransacking our jobs.'

"Milking the anti-British theme, the union yesterday aired a radio advertisement, with the sound of horses' hooves: 'The British are coming again,' the voice-over warns, before blaming Sainsbury's for taking money from U.S. workers, while giving more than £30 million to the National Gallery in London. A huge Stars-and-Stripes waved in the throng at the embassy gates yesterday, helping to stir the spirit of American independence."

In an account laced with snide comments from British Embassy officials, the *Guardian* also complained that "union officials said a delegation could soon visit Britain." One of the strikers told the paper, "We don't like the thought of a Brit firm coming in here, and messing with our jobs. We're still kind of sensitive about Brits."

The London *Times* also reported the Teamsters' protest against "what they described as the destruction of jobs in the United States by Sainsbury's. Britain's largest retailer, which controls 54% of stock in Giant Food, has been accused of trying to replace lorry drivers for the chain in Washington."

The British company is owned by the Sainsbury family, led by Baron John Davan Sainsbury, a member of the House of Lords; and his brother Sir Timothy, a member of the House of Commons and the Privy Council. The Sainsbury brothers have been leaders in the Thatcherite drive to deregulate the British economy. Their father, Baron Alan Sainsbury, was in 1939 a Fellow of the Eugenics Society, which promoted Nazi "race science," and since the 1980s has participated in the "World Government" group within the House of Lords.

Governor would end welfare with forced work

Republican Gov. Pete Wilson of California released his proposed \$64.6 billion budget Jan. 9, which would chop an additional \$550 million from welfare assistance by cutting off recipients who fail to find jobs within 12 months. Describing welfare recipients as prone to "idleness," "promiscuity," and "il-

legitimacy," Wilson declared that "we're going to end welfare's warehousing of people who don't want to work."

Going far beyond the recently imposed federal guidelines, Wilson's proposal would entirely eliminate Aid to Families with Dependent Children (AFDC), and replace it with a new state program called the California Temporary Assistance Program. He also demanded the repeal of a state law requiring counties to provide General Assistance to the neediest among the poor. All aid would be denied to legal immigrants who arrived in the United States after Aug. 22, 1996.

All able-bodied welfare recipients, regardless of whether they have children or other dependents, would be cut off from benefits after 12 months. If they have failed to find work after the first six months of benefits, their benefits would be cut by 15%. Single-parent families could continue to receive partial benefits after the 12-month cutoff, but only if the parent works at least 36 hours per week. More than 50% of all welfare mothers who are single parents, however, do not have a high school diploma; and 17 of California's counties have official unemployment rates above 11%.

Wilson also proposes to cut the rolls by promoting adoption of the children of single-parent welfare mothers, and to train caseworkers to "offer" adoption as an alternative to unwed mothers. Linda Lewis, the executive director of the Association of Children's Services, told the *Los Angeles Times*, "I find it shocking that we would be talking about adopting children instead of providing support for their parents to raise them. . . . The idea that we could provide adoption services for poor families, and we can't provide . . . medical assistance, or employment assistance for them to afford families, is reprehensible."

Maurice Strong unveils his 'True Brit' agenda

Arch-environmentalist Maurice Strong, the leading Canadian spokesman for the British oligarchy's Club of the Isles, presented the agenda for 1997 for his "Earth Council," in a speech at the National Press Club in Wash-

ington Jan. 8. Bloated by his ranking as a heavyweight in the World Bank, Strong complained that, during the 20 years before the 1992 Earth Summit in Rio de Janeiro, the Earth's population increased by 1.7 billion people, and "we may not survive this crisis. . . . Life has been a very ephemeral phenomenon on Earth. . . . It may not continue forever."

Strong's agenda for 1997 is to intensify the genocidal policies of the 1992 Earth Summit under a new name: the RIO+5 Forum, scheduled to be held in Rio in March. Strong told the National Press Club that "while many dedicated individuals and organizations are remaining true to the Earth Summit's promise . . . many governments have failed to live up to their pledges."

Strong's Earth Council has just released a report on the devastation humanity has allegedly suffered for its failure to destroy itself for the sake of the environment. The report claims (and gloats) that more than 100 nations are worse off today than 15 years ago, that 60% of humanity lives on less than \$2 a day, and that 1.3 billion people have incomes of less than \$1 a day.

Strong announced that further disasters lie ahead, including water shortages and "a climate-driven crisis in the insurance industry"—due to weather disasters he attributes to the hoax known as global warming. Strong boasted that the Earth Council comprises "several thousands of civil society organizations, which we represent at a global level." He added, "Al Gore is interested in the environment; the previous Congress hasn't been as much . . . but the new Congress will be more friendly."

When a Canadian reporter joked about the power of Canadians in Washington, Strong replied, "Canadians have infiltrated Washington since 1812. In 1812 we infiltrated the whole thing; we even burned the Capitol."

Winter wheat acreage is lowest since 1978

The current crop area for U.S. winter wheat is the smallest since 1978, according to the latest figures released by the U.S. Department of Agriculture. The final estimate of

this crop year's planting indicates that only 48.2 million acres of winter wheat were planted in the autumn of 1996—a shortfall of over 3 million acres against the projected estimate of 51.4 million acres. When the statistics were released, wheat prices shot up, in anticipation of a smaller harvest early this summer.

Despite this apparent rationale for higher prices for wheat futures on the commodities exchanges, it is clear that the major grain cartels—Cargill, Louis Dreyfus, Continental, Bunge, Grand Metropolitan (Pillsbury)—are conducting the same maneuver they employed during the 1995-96 crop year. The companies have sucked in as much grain from the farmer as they can at low prices, and now will control supplies and drive prices up.

AFL-CIO monthly blasts Wall Street speculators

The January issue of the AFL-CIO's magazine *America & Work* calls for intensified union organizing to put a stop to Wall Street financiers' destruction of the U.S. economy. The cover story, titled "Chain Saw Reactions: What Happens When Wall Street Speculators Call the Shots," features a graphic of a big chain saw cutting through a crowd of people, and bears the subtitle, "Wall Street speculators are pushing America down the low road. Only we can stop them."

The feature sets forth an agenda around which to mobilize working families "to reverse public policies that exacerbate the power imbalance" between labor and Wall Street. High on the list of targets are the Federal Reserve and free trade: "To accommodate financial markets, the U.S. government, primarily through the Federal Reserve, restrains economic growth. The result is chronically slack labor markets, which reduce workers' bargaining power. . . . As a result of free trade policies, including NAFTA, corporations are free to put high-wage workers in the United States in direct competition with low-wage labor in other countries—further eroding workers' power and living standards."

VIRGINIA Gov. George Allen's privatization orgy includes plans to turn more than \$600 million worth of state programs over to corporate profiteering. The biggest prize, at \$500 million, is road construction and maintenance; \$120 million in prison contracts would also be handed to companies that prey on budget deficits, and specialize in brutal cost-cutting. In Ohio, the Corrections Corp. of America will soon open a private prison in Youngstown (next to decaying steel mills and shut-down auto plants), which will house up to 1,000 prisoners shipped in from other states.

ONE-THIRD of Ohio's 42,881 bridges are badly deteriorating, according to a computer analysis of state highway records conducted by the *Cleveland Plain Dealer*. One in seven bridges is rated "structurally deficient" for the condition of its deck, support, foundation, or culverts.

JACK KEVORKIAN can kill at will, says the new prosecutor for Oakland County, Michigan. Despite the recent ruling in Federal District Court in Detroit, that the Constitution provides no protection for "assisted suicide," all charges pending against Kevorkian in ten of his murders have been dropped, because it would be "a waste of time and taxpayer money to pursue him."

MICROSOFT chairman and computer guru Bill Gates has obviously had more bytes than he can chew. In the Jan. 13 issue of *Time*, Gates declares, "I don't think there's anything unique about human intelligence. . . . All the neurons in the brain which make up perceptions and emotions operate in a binary fashion. We can someday replicate that on a machine."

FEDERAL RESERVE Board member Lawrence Lindsey, a Bush appointee, announced his resignation Jan. 10. With the appointment of another board member to head the President's Council of Economic Advisers, President Clinton now has two vacancies at the Fed to fill immediately.

General Lebed shakes the press

As this edition of *EIR* goes to press, Russia's Lt.-General Aleksandr Lebed has just created an event whose significance will be debated by scholarly historians deep into the next century. General Lebed stopped in Germany, on his way to attend President William Jefferson Clinton's Second Inauguration. There, in a packed press conference held in Bonn's Stadthalle, Lebed had about 1,200 journalists and other professionals standing on their ears for about an hour and a half. In a total turnabout from his earlier public statements in Germany and the U.S.A., Lebed rattled off a cascade of points, one after the other, speaking on Russia's circumstances and options in formulations which witting members of the press corps recognized as apparent echoes of *EIR*'s own Lyndon H. LaRouche, Jr.

None of the important features of Lebed's remarks have been reported up to this moment, in either the British or U.S. press's coverage of the event. We report here a few highlights from the eyewitness translation by *EIR*'s Bonn correspondent Konstantin George. For example, on the world's financial situation, Lebed stated: "There is a growing gap between the mass of goods and the circulation of financial paper, that can cause a world financial crisis, a cataclysm." "Russia is at a point of no return, where the present rule by a criminal oligarchy, and the artificial cuts in the level of consumption, cannot go on without irreparable, irreversible damage." "First, Russia must take into account world tendencies and its own potential and situation. The crisis is a strategic-moral one. There is chaos, no order, no law: Like an absurd theater. Russian society is tired of such a life, of a chaos democracy."

Then, on key programmatic themes of the needed economic reform in Russia itself: "Russia has to proceed on the basis of the Stolypin reforms [1906-1911—ed.], and the reforms of Witte." He stressed as a "positive modern example," the "developments in the Asia-Pacific region, where they developed through their own strength, and not through IMF reforms. We must restore industry in its essential branches. When we

recall how the West was built up after the war [World War II—ed.], it was through state regulation of the important branches of industry of the economy, and this was the case even in the developed industrial countries of the West. . . . For a specified time period, we need a state monopoly on foreign trade, with property guarantees for individuals. . . . The State has to make the rules, so that economic life can proceed. The state has to create a healthy *Mittelstand*, which we lack. It is the [existence of a—ed.] *Mittelstand* which protects us from revolts, mutinies, and chaos. It is the *Mittelstand* which invests its money, and which risks its money."

Strategically, while stressing the importance, to the East, of Russia as a link between Europe and Asia, to the West, Lebed proposed "economic stability . . . within the entire post-Soviet sphere." This can be done, he said, through collaboration with "America and Germany." That said, he focussed upon Russia's relations with Germany. "Germany has shown itself a reliable partner for Russia. It has worked to integrate Russia into the G-7, and for the Russia-EU treaties. Germany has given economic and financial aid, and Germany is the number-two investor in Russia, and played a key role in settling Russia's foreign debts. Germany is our biggest trading partner in the West. For Germany, we offer new markets, including new raw material markets." Lebed called for joint Germany-Russia projects for "the exploitation of the potential of the [Russian] military-industrial complex (MIC)," as part of "projects all over the world, using all the MICs for new priorities."

The last time Russia signalled interest in cooperation with the U.S.A. along these lines, was mid-1995. Now, once again, General Lebed, on his way to President Clinton's Second Inauguration, has signalled Russian interest in working with the United States along the same lines under discussion in late Spring 1995. This time, President Clinton should preempt the opportunity.

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