

EIR

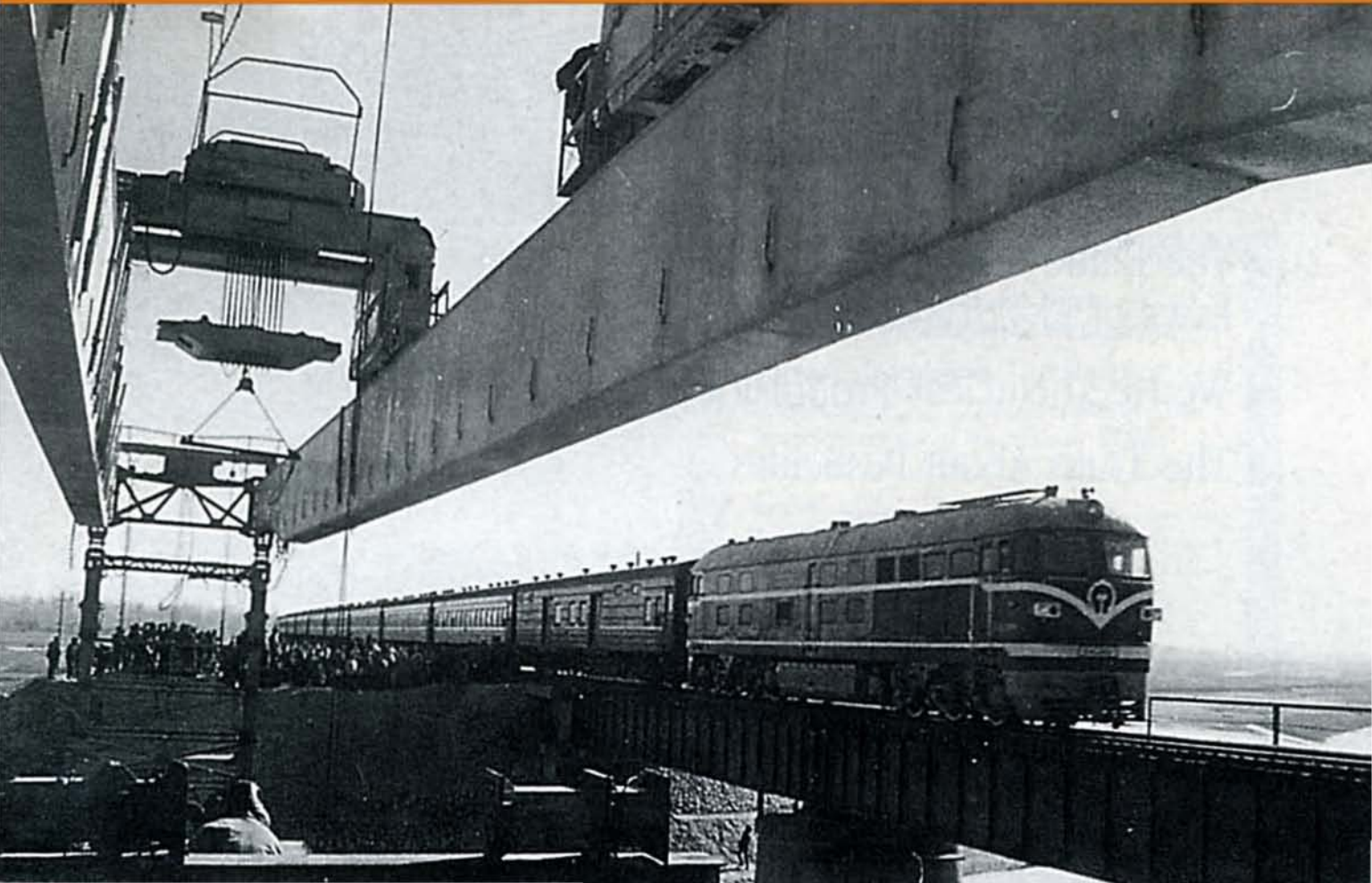
Executive Intelligence Review

May 16, 1997 • Vol. 24 No. 21

\$10.00

Blair victory: Thatcherism in a new guise
Orbital cycles, not CO₂, determine climate
Clinton rejects confrontation with Mexico

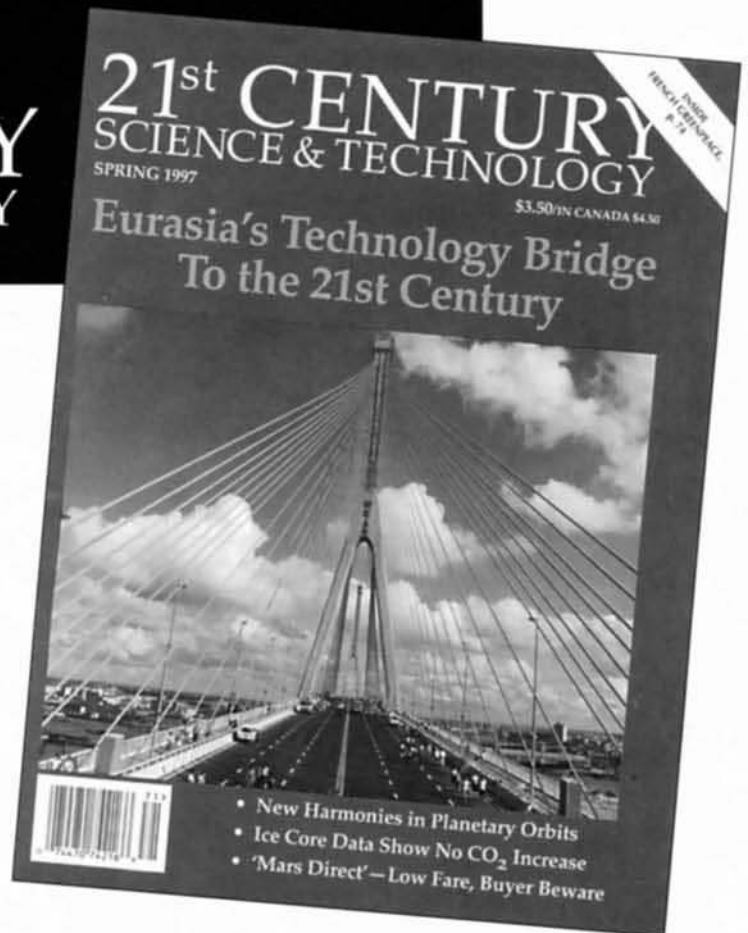
**Toward China's
21st-century economy**



For a big dose of scientific optimism

Subscribe to

21st CENTURY
SCIENCE & TECHNOLOGY



Featured in the
Spring 1997 issue:

- ◆ Eurasia's Technology Bridge to the 21st Century
- ◆ New Harmonies in Planetary Orbits
- ◆ Ice Core Data Show No CO₂ Increase
- ◆ The Battle Over the Laws of Electrodynamics
- ◆ We Need Nuclear Propulsion to Get to Mars
- ◆ The Truth About Pesticides

Subscription Information	6 issues (U.S.)—\$25	6 issues (foreign airmail)—\$50
	12 issues (U.S.)—\$48	12 issues (foreign airmail)—\$98
	Single copies—\$5	

Send check or money order (U.S. currency only) to:
21st Century, P.O. Box 16285, Washington, D.C. 20041

Gift cards available upon request

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editorial Board: Melvin Klenetsky, Lyndon H. LaRouche, Jr., Antony Papert, Gerald Rose, Dennis Small, Edward Spannaus, Nancy Spannaus, Jeffrey Steinberg, Webster Tarpley

Associate Editor: Susan Welsh

Managing Editors: John Sigerson, Ronald Kokinda

Science Editor: Marjorie Mazel Hecht

Special Projects: Mark Burdman

Book Editor: Katherine Notley

Advertising Director: Marsha Freeman

Circulation Manager: Stanley Ezrol

INTELLIGENCE DIRECTORS:

Asia and Africa: Linda de Hoyos

Counterintelligence: Jeffrey Steinberg, Paul Goldstein

Economics: Marcia Merry Baker, William Engdahl

History: Anton Chaitkin

Ibero-America: Robyn Quijano, Dennis Small

Law: Edward Spannaus

Russia and Eastern Europe:

Rachel Douglas, Konstantin George

United States: Kathleen Klenetsky

INTERNATIONAL BUREAUS:

Bogotá: José Restrepo

Bonn: George Gregory, Rainer Apel

Buenos Aires: Gerardo Terán

Caracas: David Ramonet

Copenhagen: Poul Rasmussen

Houston: Harley Schlanger

Lima: Sara Madueño

Mexico City: Hugo López Ochoa

Milan: Leonardo Servadio

New Delhi: Susan Maitra

Paris: Christine Bierre

Rio de Janeiro: Sílvia Palacios

Stockholm: Michael Ericson

Washington, D.C.: William Jones

Wiesbaden: Göran Haglund

EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451. World Wide Web site: <http://www.larouchepub.com> e-mail: eirms@larouchepub.com

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Otto von Guericke Ring 3, D-65205 Wiesbaden, Federal Republic of Germany Tel: (6122) 9160. Homepage: <http://www.eirna.com> E-mail: eirna@eirna.com Executive Directors: Anno Hellenbroich, Michael Liebig

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

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

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

Copyright © 1997 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Periodicals postage paid at Washington D.C., and at an additional mailing offices. Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

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

From the Associate Editor

A wise man once remarked, that the only way we can solve the crisis in the world, is for people to become “unfooled.” This week’s *EIR* will help you to see through quite a number of the myths and hoaxes that are being peddled by the disinformation media—and that most Americans believe.

- Lyndon LaRouche, Jr., in “China’s 21st-Century Economy,” lays out the scientific method by which China and its partners can head into a truly civilized 21st Century. Don’t believe what Newt Gingrich tells you about “mainstream opinion” on the subject of economics! The prevailing ideas are precisely those which are destroying this nation.

- Every schoolchild nowadays is taught to worry about “global warming.” Man’s industrial activity is making the planet too hot, the pundits repeat. Nonsense! Roger Maduro presents the scientific evidence that in fact, based on astronomical calculations, the Earth is moving into a new *ice* age.

- The election of Tony Blair as the new prime minister of Great Britain is being heralded as a “repudiation of Thatcherism.” In fact, as Mark Burdman proves, Blair’s regime will mean even more brutal fascist austerity for the suffering people of his own and other nations—on the model of Ramsay MacDonald, who became Britain’s prime minister after the stock market crash of 1929.

- Do you believe what the media say about “lone assassins”? That some crazy guy just takes it into his head to grab a semi-automatic rifle and go murder a dozen people? See the *Investigation* by Allen Douglas and Michael J. Sharp, for an amazing documentary of what really went on in the case of Australia’s Martin Bryant—tool of London’s Tavistock Institute.

- British political assets have done everything possible to set Mexico and the United States on a collision course. But, as Valerie Rush reports, President Clinton’s visit to Mexico has upset all of their appercarts (see *National*).

Arriving in Mexico City, Clinton was greeted with articles and advertisements in the major press, calling for the exoneration of Lyndon LaRouche and the convening of a New Bretton Woods Conference. Let’s hope he gets the message.

Susan Welsh

EIR Contents

Book Reviews

- 65 Robert Reich: liberated from the cabinet**
Locked in the Cabinet, by Robert B. Reich.

Departments

- 42 Andean Report**
Extradition battle heats up in Venezuela.
- 43 Dateline Mexico**
Sir Jimmy and the break-up of Mexico.
- 72 Editorial**
Clip George Soros's wings.

Photo and graphic credits: Cover, Lanzhou Railway Bureau. Page 19, Yangtze Three Gorges Project Development Corp. Pages 21, 24, Schiller Institute. Page 26, EIRNS/Birgit Vitt. Page 30, EIRNS/Pietro Ciccone. Page 48, Elms/Fairfax. Page 58, EIRNS. Pages 61, 66, EIRNS/Stuart Lewis.

Science & Technology

- 10 Orbital cycles, not CO₂, determine Earth's climate**
The long-term trends in climate are determined by the changing relation of our Earth to its Sun, and hence the amount of radiation that causes heating or cooling—global warming or ice ages. This study debunks the environmentalist conceit that man's predation against Mother Earth is causing a global warming catastrophe. In fact, we are about to enter a new ice age.

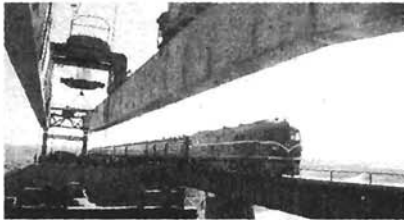
Investigation

- 46 Mass murder in Australia: Tavistock's Martin Bryant**
The 28-year-old Tasmanian, who butchered nearly three dozen people in broad daylight, was well known to some of the top Tavistock brainwashers. Such killings are not the actions of "lone nuts," but are programmed by the Tavistock Institute's "psychiatric shock troops."

Economics

- 4 Russia's free trade fanatics target natural monopolies**
A new round of asset-stripping is being set in motion, to provide an income stream for the bankrupt international financial system.
- 7 Brits target Korean, Chinese banks, Japan**
City of London and New York investors are dubbing troubled Asian banking systems as "risky" investments—ignoring the beam in their own eyes.
- 8 Business Briefs**

Feature



Construction of a section of the Eurasian Land-Bridge rail line in China.

18 Toward China's 21st-Century economy

By Lyndon H. LaRouche, Jr.
Cooperation between the U.S. Presidency and China, is now virtually the only basis for preventing a general economic collapse worldwide. The form of economic policy emerging from such cooperation would be similar, in many respects, to that which existed among the states of the "first world" during 1946-1965. "However," LaRouche writes, "certain additional improvements must be included if the economic recovery is to be general and durable." Such "improvements" constitute the secret of the economy of a civilized 21st Century, toward which China is presently reaching.

International

32 Blair landslide signals new British fascist offensive

Lest anyone think the neo-liberal reign of terror of Iron Lady Thatcher is ended, Blair, like his Tory predecessors, will continue the policies dictated by the Queen's Privy Council.

34 London's Kabila gang closes in on Zaire

Documentation: A Rwandan group, the Rally for the Return of Refugees and Democracy in Rwanda, condemns the world's inaction on the refugee crisis.

38 Africa needs 'peace through development'

A report on the April 26-27 seminar co-sponsored by *EIR*, the Forum for Peace and Democracy, and the Schiller Institute.

39 Germany's BüSo party meets to plan strategy

Helga Zepp LaRouche told party members and international guests that she would be the "Candidate for Chancellor for a New, Just World Economic Order."

40 London's terrorists set sites on Saudis

New dirty tricks from the terrorist capital of the world.

44 International Intelligence

National

54 Clinton visit to Mexico defuses British confrontation scenario

Both Presidents deftly sidestepped the pitfalls set up around drug interdiction and illegal immigration, to reaffirm their two nations' partnership.

Documentation: From the statement of Baltazar Valadez Montoya, chairman of the Mexico Democratic Party, and the *Excelsior* column by José Neme Salum, both urging President Clinton to convene a New Bretton Woods Conference and to exonerate Lyndon LaRouche.

58 In Memoriam: Susan P. Johnson

We say farewell to a former editor, whose humor, patient persistence, and towering intellect marked her as a truly Schillerian "beautiful soul."

59 Pilots expose Pat Robertson's 'charity' operations in Zaire

Diamonds, as the song goes, are a televangelist's best friend.

60 Bush League liars orchestrated Clinton's 1993 bombing of Iraq

Behind the lie that Iraq was the author of an alleged plot to kill Bush in Kuwait.

63 Ted Turner funds Earth First! eco-vandals

The Canadian press has exposed Turner's financing of training camps for offshoots of the terrorist Earth First! gang.

68 Congressional Closeup

70 National News

Russia's free trade fanatics target natural monopolies

by Rachel Douglas

Like Tony Blair, the New Age British Labourite who would out-Thatcher Thatcher and considers the New Zealand model of vicious austerity by means of deregulation and privatization to be one of his ideals, the young wizards of Russia's disastrous market reforms are having a new go. The experimenters are First Deputy Premiers Anatoli Chubais, who already presided over excesses of asset-stripping during the first round of privatization of Russian industry; and Boris Nemtsov, a new figure on the national scene, who has spent the last several of his 37 years governing Nizhni Novgorod, Russia's third largest city, as a reform laboratory. At the center of their attention, and in the express charge of Nemtsov, are Russia's so-called natural monopolies: foremost among them, the Gazprom natural gas company, the Unified Energy System electric power grid, and the Ministry of Railways.

On April 28, President Boris Yeltsin signed decrees on the reform of each of these entities, as well as the sale of 49% of the national telecommunications company. The opposition press minces no words: *Sovetskaya Rossiya* of April 29, headlining their view that Chubais and Nemtsov are "young wreckers," identified the natural monopoly reform as being dictated by International Monetary Fund Managing Director Michel Camdessus and World Bank President James Wolfensohn—"restructuring," that is to say destruction, of the so-called 'natural monopolies' . . . and their transfer to private hands." Nemtsov, meanwhile, protests that he will *not* "break up" the firms, which is seen, and not in Communist Party opposition circles alone, as tantamount to breaking up Russia.

In his first nationally televised interview after taking office, broadcast on March 23, Nemtsov insisted, "Regardless of the variants of de-monopolization . . . the integrated power system of the country, [and] the integrated system of gas supply will remain. . . . We should not do anything to destroy

the existing system of power transmission. This is impermissible." And, in the same interview: "Work with natural monopolies is the basis for reviving the country's economy."

In a policy geometry designed by the International Monetary Fund (IMF), for which it is now axiomatic that "deindustrialization" is a Good Thing, Nemtsov's disclaimers obscure what is going on. To "revive the country's economy" may no longer have anything to do with goods production, freight turnover, or rising standards of living, and "efficiency" has become a code word for millions of people becoming unemployed. It will shed light through the mystification, if we look at the Russian "natural monopolies" reform from several sides: the physical productive and earning capacities that are at stake; the interests and intentions of the international financial institutions, which the Russian government is constantly straining to satisfy; and the crafting of the current reform, which turns out to be an application of Thatcherite techniques of income-stream extraction, to the wounded giant, Russia.

The natural monopolies

An industry or infrastructure sector is a "natural" monopoly, when its mission and inherent economies of scale allow it to function most efficiently as a single national firm. In post-Soviet Russia, where every branch of industry had been a state-owned monopoly, the natural monopolies that survived the first round of privatization were chiefly in energy and infrastructure.

Gazprom. The natural gas firm, which Premier Viktor Chernomyrdin headed in the late Soviet period, is one of the largest companies in the world. Estimates of its assets, including proven natural gas reserves, range from \$100 billion up to \$1 trillion. Gazprom is believed to hold 24-33% of

total known world natural gas reserves, and is a major gas supplier to Europe, especially Germany, Italy, and France. It is Russia's single largest hard-currency earner. Gazprom was partly privatized, as a joint-stock company, in 1992-93, and 9% of its shares were put up for sale on the world market. The Russian state still controls 40% of the shares (see *EIR*, Aug. 11, 1995, "Gazprom Privatization Is a Strategic Issue").

Gazprom is also the biggest delinquent taxpayer in Russia, with debts to the state budget and extra-budgetary funds, such as the Pension Fund, in excess of 15 trillion rubles, or \$2.75 billion. But Gazprom is owed 69.5 trillion rubles (\$12.1 billion) by delinquent customers—6.8 trillion rubles (\$1.2 billion) by city of Moscow power stations alone. Gazprom chairman Rem Vyakhirev told an April 15 press conference, that the company received only 45% on current charges due during the first quarter of 1997, and only 6% in cash!

Unified Energy System. The national electricity company is still 51% owned by the state. UES has 110 gigawatts of generating capacity, and transmits power across 11 time zones. Its plant and equipment comprise 600 thermal electric power plants and 100 hydroelectric power plants (nuclear power is administered separately, by the Ministry of Atomic Energy), and 2.5 million kilometers of transmission lines; estimates of the value of these assets approach the range of 1 quadrillion rubles, or almost \$200 billion.

The Railways Ministry (MPS). Even after a one-third decline in freight shipments, during five and a half years of "reform," the Russian national rail system carries 1 billion tons of freight and 2 million passengers in a year. The railroads employ 2.5 million people.

Goal: dismemberment

The very way the phrase "breaking up" the natural monopolies is used in Russia, suggests how explosive the concept is: An analyst writing in *Nezavisimaya Gazeta* last December, for example, remarked that the relative silence of both the IMF and the (at that time barely functional) Russian government, about the proclaimed priority goal of reorganizing of the natural monopolies, meant that there must be a compromise in the works, by which "the notorious 'breaking up'" could be avoided.

A dossier of pronouncements by leading officials and associations of the international financial institutions, nonetheless, keeps in focus that "breaking up" is an end-phase goal, even as interim looting mechanisms are instituted in the name of achieving "efficiency."

• Camdessus, at a Moscow press conference on Feb. 22, 1996, on the continuing Russian commitment to privatization: "The purpose of privatizing the enterprises in all the domains, except for strategic domains or very specific natural monopolies, where before privatization special regulation will have to be introduced—there are no changes in the philosophy, but, I repeat, the reaffirmation that the privatization must be maintained."

• Camdessus, April 3, 1997 in Moscow: "Well, it is part of the agreed strategy between the IMF and your great country to continue with the policy of opening the natural monopolies to the disciplines of the market. . . . These natural monopolies handle a huge part of the wealth of this country. It would be wrong in a context of market economy to allow this huge part of your economy to be protected or exonerated from the disciplines of the market."

• Marshall Goldman, Soviet and Russian economy specialist at Harvard University, interviewed March 24, 1997 by the Voice of America: "I am dazzled—and that's a very strong word for me—by the fact that Boris Nemtsov . . . has agreed to come and be a second first deputy prime minister. His specific assignments are to address the wage arrears problem . . . and also the anti-monopoly effort, to break up some of the large monopolies."

The income stream

Why such enthusiasm; what is the goal pursued with such zeal? The name of the game is: *income stream*. Having inherited the Soviet Union's foreign debt in 1991, then estimated at \$60-80 billion, Russia today carries foreign debt of nearly \$150 billion.

Chubais is going to borrow more. Speaking on April 28 in Washington, where he attended the IMF spring meeting, Chubais said that accord with the Fund—conditioned on the natural monopolies reorganization, tax collection, and other measures—was critical, in order to ensure Russia's credit rating for its placement of state bonds on the London market. Revenues from sale of these Eurobonds—\$2.2 billion so far and planned to double by the end of this year—are being used, fire-brigade style, for the payment of the politically most pressing state-sector wage and pension arrears!

In addition to interest payments on debt, another special value of Russia to an international financial system dominated by an insatiable appetite for income to feed the biggest financial bubble in history, is as a supplier of raw materials and other tangible assets.

These two circumstances, the debt and the availability of saleable assets, raise the specter of out-and-out asset-stripping during natural monopolies reform. Russian opponents of "breaking up" the monopolies are mindful of the fresh case of Kazakhstan, where a cash-strapped government has sold fixed capital as a major source of revenue. With some 90% of Kazakhstan's industry privatized, including by sale to foreign investors, much of its manufacturing (as opposed to extractive) component has been shut down; a Kazakhstan trade union leader speaks of 56 "ghost towns" in the country, formerly industrial centers.

Kazakhstan's 4-gigawatt Ekibastuz power station, built in the middle of a coal basin that was a major Soviet energy project, was sold last year to AES of Virginia, for \$3.7 million! The plant was in disrepair, working at only 20% of capacity, and in dire need of maintenance, but the price was

two orders of magnitude below the \$300 million AES paid for a power plant in Northern Ireland, which, at 800 megawatts, has only one-fifth the capacity of Ekibastuz. Hence the alarm bells in Russia, when it was reported in December 1996 that State Committee on Property Chairman Alfred Kokh (now a deputy premier) had agreed to sell 7.5% of the shares of UES for as little as 1.5 trillion rubles, under \$300 million. The purpose of the sale, *Nezavisimaya Gazeta* observed, was budget cash flow, but the assets should have a fair market value of over \$12 billion.

In the railway sector, Anatoli Zaitsev was fired as minister of the MPS, as the revamped Chubais team came in this March. Zaitsev was on record with his belief that "it is fortunate that the railroads are still in the hands of the state." Nemtsov criticized the MPS for keeping freight tariffs too high, despite the crash in freight turnover, and Zaitsev is now out of the picture.

Regulation, for what?

The April 28 natural monopolies reforms mandate not the "breaking up," but an array of measures to rationalize utilization of these capacities and eliminate price subsidies. The justification is to put an end to over-pricing by the monopolists.

After a political offensive in April, during which he addressed the State Duma, Rem Vyakhirev has kept control of the state's shares in Gazprom in the hands of his current board of directors. But Gazprom loses its monopoly on the development of natural gas deposits. Hypothetically, other natural gas companies will have access to the Gazprom pipeline network, while competing with Gazprom.

UES is under orders to lower its prices for industrial electricity users by 13%, while prices for consumers are to rise. Large industrial firms will be allowed to purchase electricity directly from physically proximate electricity purchasers, including atomic power plants, instead of buying only through UES.

If this sounds like re-regulation, rather than the "deregulation" familiar from the assault on infrastructure systems in the West (see "Electricity Deregulation Threatens America's Economy and Security," *EIR*, March 7, 1997), it is because in Russia the natural monopolies are the partly privatized former state behemoths, now vulnerable to attack as "vested interests," while the state, guided by Camdessus through Chubais, intervenes as agent for "the market." But, the measures applied are drawn exactly from the deregulation/privatization sequence of Thatcher's England, or New Zealand, or Victoria, Australia. In those models, the typical maneuver has been not the immediate "breaking up" of the natural monopoly's physical core, but hiving off the sales and services aspects, with a proliferation of firms competing in "efficiency" in these areas. Camdessus proclaims the goal to be "promoting competition and efficiency to better serve the customers, namely, the people of Russia," but the measure is the income stream.

The hallmarks of "efficiency" are workforce reduction and success in bill collection.

Gennadi Kazakevitch, a Russian-born economist now working in Australia, previewed what would happen to Gazprom, in an April 1996 article in the *Russian and Euro-Asian Economics Bulletin*. "The key aim of natural monopoly restructuring," he wrote, "is to localize and extract the 'natural monopoly component' of an industry. In the electricity supply industry this component is the high power transmission network, or 'the grid'; in the natural gas and oil industries it is the network of pipelines, and in railway transport it is the network of railways. Restructuring aims at a situation whereby only the extracted indivisible component remains under government control. All remaining parts of the former natural monopoly are then commercialized, disaggregated (the measure currently under consideration for the Russian gas industry) and, eventually, privatized."

At his monthly press briefing in Moscow, April 14, London School of Economics professor and resident adviser to the Russian government Richard Layard drew the parallel with Britain. "Natural monopolies should be properly regulated. The first step is to introduce whatever amount of competition is possible in these industries, and more competition is possible than some people think. The problem of natural monopoly arises, of course, because of the economies of scale, in having only one physical link to a consumer. That's one gas pipeline, one electricity connection, one telephone connection, one rail connection. . . . There is a strong case for putting the ownership of the connections, the physical channels, into a separate company from the producing company. Then you would let different producing companies sell their output down the same channel. This is, in fact, what we now do in Britain for both gas, electricity, telephone, and rail."

Anticipating this approach, Vyakhirev's managers began restructuring Gazprom last year, creating a subsidiary for sales, and regional sales branches.

Kazakevitch acknowledged that the greatest difference between Australia and Russia, regarding natural monopolies reform, was the labor force. Even if "physical capital" is not rationalized (shut down) in the first phase of reorganization, there is an immediate reduction of employment. In Russia, the problem of "reabsorption of retrenched workers . . . would occur in a completely different economic environment" than in Victoria, or Britain, and would set the stage for an already desperate workforce to plunge into desperation, with no capability to move somewhere else in search of employment.

As we go to press on May 8, the political and social explosions, implicit in the Chubais-Nemtsov measures, have begun to go off. The Communist and other opposition factions in the Duma, along with Moscow Mayor Yuri Luzhkov, are on a political offensive against the deep budget cuts, and the phased elimination of housing and municipal services subsidies, which Chubais and Nemtsov presented as part of their package, along with the reform of the natural monopolies.

Brits target Korean, Chinese banks, Japan

by Kathy Wolfe

Beginning with the \$5.8 billion collapse of Hanbo Steel company in late January, followed by a cascade of industrial and currency crises, South Korea joined Japan in a general bankruptcy of its banking system. Since the U.S. and European banking systems are just as bankrupt, British Empire spokesmen, in an effort to throw the weight of the looming international financial collapse upon the more productive *physical* economies of East Asia, have begun to shout about South Korea's banks.

Seoul's bad bank debt, at upwards of \$20 billion, due to the London-inspired deregulation of Korea's economy, is in fact horrendous. The top four banks have lent over \$7 billion to Hanbo Steel alone. In February, the \$2.3 billion Sammi Steel group went under, and on April 15, the nation's largest liquor company, Jinro Group, announced that it had some \$3.5 billion in bad debt and was trying to raise an emergency bailout fund of \$1.34 billion. The Bank of Korea (central bank) in April and May has spent \$3-5 billion making quick cash injection of hard currency to banks holding these loans.

Banks in London and New York have now slapped a "Korea premium" on inter-bank credit lines to South Korean banks in the London and New York Eurodollar market. Just as Japanese banks have been hit with a "Japan premium," South Korean banks are now considered "high risk" and are being forced to pay extra for funds. The banking systems of both Japan and South Korea must thus be immediately reorganized as part of a New Bretton Woods agreement, or the entire productive machine-tool sector of these two economies, so vital to construction of the Eurasian Land-Bridge, will be rapidly destroyed.

In a further general attack on the Eurasian Land-Bridge, London has added China to the list of Asian nations which investors should avoid. Since China is perhaps the one nation on earth whose economy might survive a world financial crash, this is particularly insane. The *Wall Street Journal-Europe*, in a front-page feature on May 7 entitled "Tottering Banks in Emerging Markets Threaten Prosperity," reviewed charges by former International Monetary Fund economist Morris Goldstein about the lack of regulatory supervision worldwide. "Most alarming of all, the biggest banking bust may lie ahead in China," Goldstein said. "The central bank conservatively estimates that one-fifth of the \$600 billion in Chinese bank loans are bad."

Good-bye to the 'East Asian miracle'

"First Japan, now Korea—it looks as if the famous 'East Asian miracle' is about to turn into a re-run of the Latin American debacle," laughed an international banker at the British-owned Morgan Guaranty Trust in a recent interview. All of East Asia could soon be "red-lined" by the Anglo-American banks, he said. "Let's face it, whether it's Japanese banks' bad loans to real estate, or Korean banks' bad loans to steel and auto plants, the root cause is the same, and you could see more of this sort of 'red-lining,' just as we saw in Latin America in the early 1980s." This refers to the New York bankers' practice of drawing a red line around a neighborhood into which minorities move, and refusing to make housing loans.

Other bankers say that South Korea is facing "another Mexico crisis," with the simultaneous collapse of the Korean currency, the won, which has fallen over 15% in value against the U.S. dollar this year. International speculators are betting that the Korean central bank "will soon be out of reserves," a Korean source told *EIR*. "If this continues, Korea may soon be heading for another currency crisis like the run on the Mexican peso in recent years."

The won fell from 790 per dollar in December, to around 900 in early May; and one Citibank Seoul foreign exchange trader is widely quoted threatening that there will be 930 won to the dollar by June, a fall of 17% on the year. Dealers said the Bank of Korea has been selling \$100 to \$150 million a day to defend the won. Speculators are betting that the central bank's intervention will soon exhaust itself. The Bank of Korea announced reserves of \$30 billion at the end of February. *EIR* estimates that reserves are now below \$25 billion.

Interest payments on rising foreign debt, now estimated at more than \$100 billion, has become a major part of the current account deficit, which the speculators cite in their attacks on the Korean won.

Business Week, owned by London's Lazard bank, crowed about it all in a recent cover story, "For Asia's Bad Banks, It's Pay-Up Time." It said that every bank in China, Taiwan, Thailand, and Indonesia, as well as in Japan and South Korea, is bankrupt, and urged capital to flee to the British bastions of "Hongkong and Singapore, where banking systems remain rock solid." With a photo montage showing Chinese, Japanese, and other banks sinking into the sea, they report that Japanese banks have \$366 billion in bad loans, banks in mainland China have \$240 billion in bad loans, banks in South Korea \$11 billion, in Taiwan \$10 billion, in Thailand \$15.5 billion, and in Indonesia bad loans are 20% of all bank loans.

Other than China, banks in most Asian nations probably have twice the bad debt reported by *Business Week*. Yet, Citibank Vice Chairman Bill Rhodes and Henry Kissinger crony and AIG chairman Maurice Greenberg, the sources for *Business Week's* story who have both been trying to corner the Chinese banking and insurance markets of late, do not say a peep about banking problems at Citibank or in London, let alone in Hongkong or Singapore.

Business Briefs

Trade

Thailand signs new deals with China

Thailand's Prime Minister Chavalit Yongchaiyudh signed significant new deals with China, during a four-day visit to China ending on April 5. The prime minister led a 120-member delegation of ministers and military and business leaders. Beside numerous trade deals, the trip led to the following agreements:

- collaboration on a road to be completed by the year 2000, through northern Myanmar (Shan states) into Yunnan, China, which is crucial both for Asia-wide trade and in developing infrastructure in the previously British-run Golden Triangle opium region;
- further collaboration on Mekong regional development;
- drug control, including a pledge from China to crack down on methamphetamines being produced in Yunnan and shipped into Thailand;
- major help in building up Thailand's shipping line. China will produce three types of carriers for Thailand: bulk, container, and tankers.
- military—major purchases of radar systems, armored vehicles, patrol ships, and other hardware was signed with extremely generous terms, including 10-year deferred payments. The *Bangkok Post* reported that Gen. Liu Huaqing, vice chairman of China's Central Military Commission, said China was aware of Thailand's financial difficulties, and, therefore, "ready to terminate debts the Thai military incurred from earlier weapons orders."

Banking

Swiss bank losses grow as foreign funds dry up

Swiss banks lost more than 42 billion Swiss francs (about \$29 billion) during 1991-96, according to an official report released in late April by the Swiss Banking Commission. Most of the losses came in Swiss real estate since the mid-1980s speculative bubble

burst in 1991. The commission noted that despite such huge losses, at no time was the Swiss National Bank called on to bail out a bank.

In separate reports from other European bankers, however, it is reported that in the past three to four months, since the escalation of the call for restitution by Union Bank of Switzerland and other Swiss banks for alleged Nazi gold dealings, that the banks have suffered a dramatic fall in cash inflows from abroad, as concern of possible disclosures in bank secrecy could come as a result of the pressure for disclosure on gold accounts. If these reports are accurate, the Swiss banks could be in a situation similar to the French bank *Crédit Lyonnais*, which has been given a series of bailouts to keep it afloat.

Italy

Real unemployment put at 5.5 million

Prof. Renato Guarini, dean of the Statistics Department at Rome University, published a study in a recent issue of the magazine of the Monte dei Paschi di Siena (Italy's oldest bank), in which he argued that real unemployment is well above the official rate of 12%, and may reach 20% or higher, *Il Giorno* reported on April 28.

"There are almost 2.8 million persons who have no employment, but do not show up in official statistics," said Guarini, who starts his calculations from a simple observation: Italy's "rate of activity" is largely inferior to the European average, although all other indicators are similar. The "rate of activity" is the ratio of the labor force to the working-age population. Whereas the latter is known and not falsifiable, the former is more "subjective," being the sum of those employed plus persons looking for a job. Of the two components, the number of employed persons is also certain; the second component is unclear.

Professor Guarini notices that, according to the newest calculation methods, in the "persons looking for a job" category, only those who took a concrete step in recent months to find a job are counted. Given the predominant behavior of the population, especially in southern Italy, Guarini suspects

that the accounting methods leave "an army of unemployed" out of the picture. This "army" is composed of "discouraged people," largely workers between 20 and 35 years of age, mainly women, southerners, with a school degree, who work occasionally but are looking for a permanent job, but not according to the criteria demanded by statisticians.

Professor Guarini estimates that if the difference between the Italian rate and the European average "rate of activity" is added in, then you get the real unemployment figure—5.576 million.

Infrastructure

Southeast Asia nations focus on east-west roads

The ministerial meeting of the Greater Mekong Subregion (GMS) put east-west roads on the front burner, at a meeting in Manila the week of April 14, the *Bangkok Post* reported. Thailand, Vietnam, and Laos agreed to proceed with a proposed road connecting Malamang (Myanmar), Mae Sot and Mukdahan (Thailand), Savannakhet (Laos), and Danang (Vietnam), a route that provides a quick link between the Indian and Pacific oceans. The ports at Malamang and Danang would be upgraded to international standards.

Two Japanese agencies have agreed to assist impoverished Laos in key features of the project: The Overseas Economic Cooperation Fund of Japan has agreed to a 500 million baht (\$2 million) soft loan to bridge the Mekong connecting Savannakhet and Mukdahan; Thailand will match the loan for its half of the bridge project. The Japan International Cooperation Agency has also agreed to help fund the road (Route 9) linking the Savannakhet bridge to the Vietnamese border. The World Bank and Overseas Economic Cooperation Fund will assist Vietnam with key road and tunnel improvements.

The GMS ministerial meeting also agreed to accelerate projects to improve transport links from Bangkok, Thailand to Ho Chi Minh City, Vietnam; Chiang Rai, Thailand and Yunnan Province, China; and Chiang Rai and northern Laos.

Space

Japanese spacecraft to land on the Moon

This summer, Japan's Institute of Space and Astronautical Science (ISAS) will launch the first Japanese spacecraft to land on the Moon. The unmanned craft will be the first to land on the lunar surface since the last Apollo mission in 1972. The Lunar-A spacecraft will orbit the Moon, and fire three penetrators below its surface, to take seismology and heat-flow readings. Japan has plans to follow Lunar-A with the Selene mission, perhaps in 1998, and eventually, to land people on the Moon. Japanese industry has been studying, designing, and testing technology for lunar industry for more than a decade.

In a series of articles on "The History of the Relationship between the Moon and the Human Race," the April issue of the newsletter produced by ISAS's sister agency, the National Space Development Agency, outlines the history of observations as well as folklore of the Moon. "It can be said that the Moon has always played an important role as a close associate of the human race of Earth," it said, because "looking up at a nocturnal sky, man always found the Moon floating there!" Similarly, the late space pioneer Krafft Ehrlicke would frequently say: "If God wanted man to explore space, he would have given him a Moon."

Debt

Push in Southeast Asia for 'debt securitization'

Peddled as the solution to the collapse of the hot-money bubbles in nearly every member country of the Association of Southeast Asian Nations, a drive for so-called "asset-backed securities," i.e., debt securitization, is gaining momentum across Southeast Asia. The schemes are intended to intensify looting to prop up the global speculative bubble.

Such "asset-backed securities" are being pushed by David P. Goldman and his cohorts at the Bangkok-based *Asia Times*, and that

magazine is flush with reports on the recent rush to self-destruction. In Thailand, the proposed set-up of "special purpose vehicles" (SPVs) within the bankrupt financial institutions is ready to go. The SPVs will buy the mortgages from the parent finance company and sell bonds based on the supposed future income flow. The Ministry of Finance is also proposing a waiver of corporate taxes and of transaction fees for this scam, and exempting them from the jurisdiction of Thailand's civil and commercial courts! In the past, such colonial policies were called "extra territoriality." The *Asia Times* says that this will "provide investors with relatively risk-free securities."

The real estate bubbles in both Malaysia and the Philippines are also ready to pop, and similar measures are being pushed by International Monetary Fund assets there.

Finance

German state warned against derivatives

The State Accounting Office of the northern German state of Schleswig-Holstein has put out a special report, warning the state's Finance Ministry about the extent of its involvement in derivatives, the German daily *Handelsblatt* reported on May 2.

The report notes that it was Schleswig-Holstein's Finance Ministry which, in 1992, became the front-runner of all the German states with regard to its level of derivatives transactions. The utilization of all kinds of derivatives instruments, including interest rate swaps and interest rate options, has become normal practice in the state's debt management, says the report.

So far, everything has worked well, but this has been during a phase of sharply falling interest rates, which may have come to an end. Therefore, the report warns, there are no grounds for euphoria, nor for any tendency toward greater risk-taking at the Finance Ministry. It notes that none of the standard risk management measures that virtually every private bank has in operation in conjunction with their derivatives business, exists in the states' finance ministries.

IRAN'S parliament ratified a transit agreement among Iran, India, and Turkmenistan on April 28, the Iranian daily *Etela'at* reported. The agreement is an important step in the creation of increased capacities for transfers of commodities between Iran, Central Asia, and India.

VOLKSWAGEN lost DM 1.3 billion (\$815 million) in 1996 in foreign exchange derivatives contracts, the weekly *Der Spiegel* reported. Volkswagen confirmed the story, but emphasized that the amount is not "losses," but "reduced profits."

JAPANESE Prime Minister Ryutaro Hashimoto has urged Australia to keep its tariffs on imports. The Mont Pelerin Society's Productivity Commission has ordered auto tariffs cut 5-15% by the year 2004. The tariffs protect billions of dollars of Japanese investment in Australian car-manufacturing plants operated by Toyota and Mitsubishi.

THE DUKE OF KENT led a high-level British business delegation to South Africa in late April, with the idea of forging stronger trade links between the two countries. But the Duke's role also shows the central involvement of the British monarchy in determining policy toward South Africa, and also indicates who the beneficiary is to be.

WESTERN AUSTRALIA'S entire union movement and others struck for 24 hours on April 30, to protest the state's fascist new industrial relations laws. The laws mandate compulsory secret ballots before strikes, and make it illegal for union officials to enter workplaces and to make political donations.

BRIAN MULRONEY, the former Canadian prime minister on the board of Barrick Gold, was named by HFS, Inc., the world's largest franchiser, to its board on April 30. HFS has completed its \$1.7-billion acquisition of PHH Corp., one of the largest U.S. auto fleet managers which bought Avis in 1996 for \$800 million.

Orbital cycles, not CO₂, determine Earth's climate

Contrary to the scare stories and scientific frauds, such as the alleged danger of “global warming,” the Earth is headed into a new ice age. Rogelio A. Maduro reports.

This article is an edited version of a speech given on Feb. 16 at a Schiller Institute conference in Reston, Virginia. The author noted that his speech was based on work published in the Winter 1993-1994 issue of 21st Century Science & Technology magazine by Laurence Hecht, one of five associates of Lyndon LaRouche who are now political prisoners in Virginia, and he recommended that the audience go back to that article to get the full scope of the discussion.

The crucial issue is that climate is astronomically determined, as opposed to what the news media tell you—which is correctly classified as the *astrological* determination of climate. Just about everything you hear in the news media today regarding environmental issues is a scientific fraud, particularly when it comes to global warming; it's the magicians at work. They have replaced science with magic. What I will cover in this presentation is the scientific basis for determining climate over the long term.

Over the last hundred years, it has been demonstrated conclusively that there are four factors that have determined the long-term climate of the Earth for the last 10 million years or so. The first three factors are the eccentricity of the Earth's orbit around the Sun, the tilt of the Earth's axis, and the precession of the equinox. The fourth, and longer-term factor, is continental drift.

When those factors combine, what you get is a succession of ice ages, which is what the Earth has been experiencing over the last 10 million years or so. The last four great ice ages took place over the last 500,000 years. You can see in **Figure 1** what the world looked like 18,000 years ago. Much of the United States and all of Canada were covered by glaciers. Almost all of eastern and western Europe was covered by glaciers. There was as much as three miles of ice on top of

Hudson's Bay, and about a mile of ice on top of Chicago, Illinois.

From that time until now, the glaciers have receded.

Over the last billion years, there have been only three periods of ice ages. The first period was in the late pre-Cambrian into the Cambrian, around 800 to 600 million years ago. There was another period in the Permian, back around 300 million years ago, and another, the most recent period, around the last 10 million years. When you look at geological ages, when you look at the biosphere of the Earth, it's important to keep in mind that you are encountering what Lyndon LaRouche has described as “discontinuities.”

You know that things change as the Earth goes from one period to the next, because almost every living species that existed on the Earth in the prior period has disappeared, and a whole new set of living species has appeared. What you have is a great discontinuity; something major has happened that has completely changed the Earth's biosphere, and this process is what determines the Earth's geological history.

The reason for the ice ages, the astronomical theory of the ice ages, was elaborated by the great Yugoslav climatologist-mathematician Milutin Milankovitch. He worked with Alfred Wegener, who discovered the theory of plate tectonics—the theory of continental drift.

Ice ages occur when there are land masses that are close to the poles; that is the only condition in which you can have an ice age. This occurred in the pre-Cambrian period, and it occurred in the Permian, when there were large land masses in the northern and southern hemispheres. And 50 million years ago, conditions were created when the continents were drifting apart, and then together, and then apart, ending up close to the poles, so that the land mass there could support an enormous amount of ice—upwards of three to four miles

FIGURE 1

Glaciation in North America



Source: U.S. Geological Survey.

The maximum extent of glaciation occurred 18,000 years ago. The lighter areas show the huge glacier that covered the northern area of the continent.

of ice. It has to be land. It can't happen in the Arctic Circle. The ice would just sink into the water and there would be only about 100 feet of ice.

It was not until 150 years ago that it was determined that there were such things as ice ages, and that there were great glaciers, which left huge deposits, known as moraines—some of them hundreds of feet tall—around Illinois, and over Europe and the Alps. About 150 years ago, a Swiss geologist, Louis Agassiz, came up with a theory that had been postulated by Alpine hunters in Switzerland, that all these deposits of rocks and soil, had been left there by glaciers.

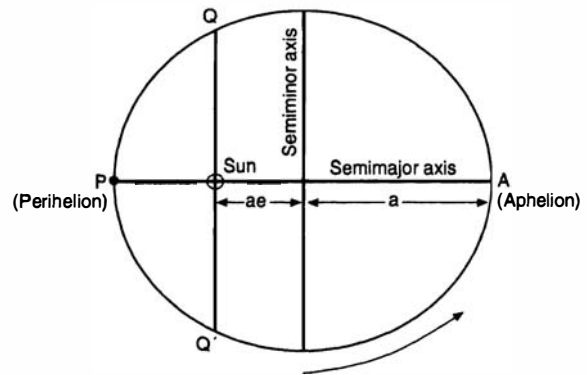
It took about 40 years of very intense debate in the geological community to accept the existence of ice ages. There was still no explanation of why the ice ages came into being, and why there were so many of them.

The Earth's eccentricity

The first comprehensive theory was postulated by James Croll, a Scottish carpenter in the mid-1800s who had an inclination for astronomy and mathematics. He was *not* a member of the British Royal Society, and he and his theory were very much rejected at the beginning. He proposed the idea that the ice ages were created by the changes in eccentricity of the Earth's elliptical orbit. These changes in eccentricity, he dem-

FIGURE 2

Orbital motion of the Earth around the Sun.



Source: *21st Century Science & Technology*, Winter 1993-1994.

The Sun is at one focus of the ellipse. Looking down from the North Pole of the Earth, the orbital motion is counterclockwise from P to Q', to A, to Q, and back to P again. The distance from Earth to Sun is least when the Earth is at P, the position known as perihelion, and greatest at A, the aphelion.

onstrated, strongly affect the intensity of radiation the Earth receives from the Sun during a given *season*, a factor known as insolation.

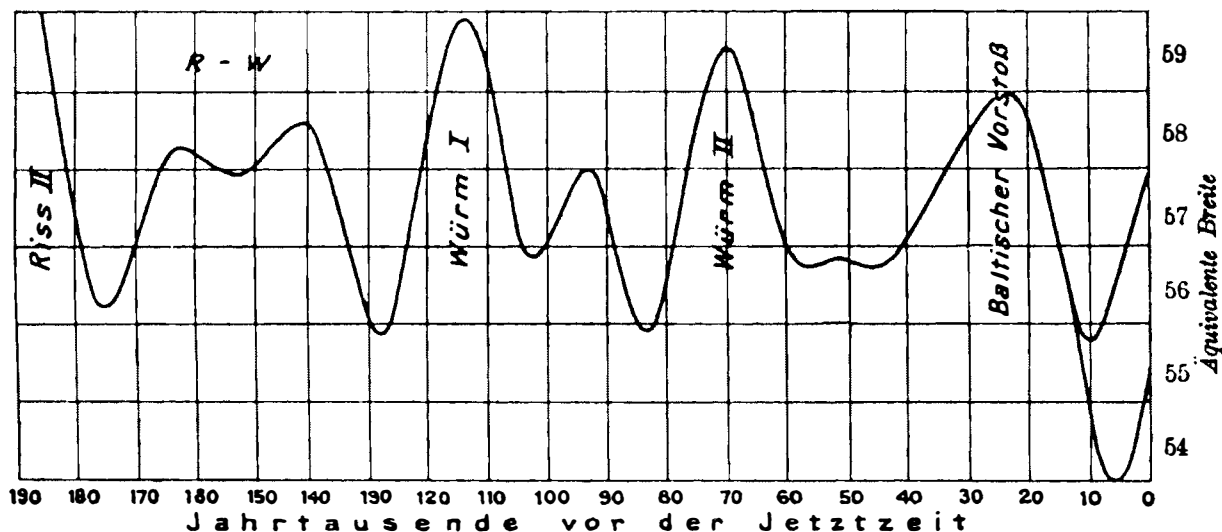
Johannes Kepler had discovered, more than 300 years ago, that the Earth's orbit was not a circle around the Sun, but an ellipse (**Figure 2**), with the Sun at one focus of the ellipse. Therefore, at certain points, the Earth is farther away from the Sun, than at other points on the ellipse. Croll calculated that there was a 100,000-year cycle to a change in the shape of the Earth's elliptical orbit, known as eccentricity. This was the first attempt at explaining the occurrence of the ice ages.

The work of Croll was later picked up by Milutin Milankovitch, who made it his life's work. He spent more than 30 years developing his theory through very arduous work, using calculations of the orbits of the planets, so he could determine the amount of insolation being received by the Earth, taking into consideration the three factors that he considered to be involved in determining the onset of the ice ages and their duration. In addition to eccentricity, these were the tilt of the Earth's axis and the precession of the equinox.

Figure 3 is the first curve that Milankovitch published. It appeared in a work by Alfred Wegener and Vladimir Köppin, Wegener's father-in-law, who developed the modern theories of climate zones on the Earth. As the curve shows, at about 100,000-year intervals there are interglacial periods of milder weather, such as the period we are now in. Then, great masses of ice start to move, and the globe goes into an ice age.

FIGURE 3

Milankovitch's radiation curve for the last 190,000 years



Source: *21st Century Science & Technology*, Winter 1993-1994.

This radiation curve by Milankovitch was reproduced by Köppen and Wegener in their book Die Klimate der geologischen Vorzeit (The Climates of the Geological Past), a pioneering work in paleoclimatology, published in 1924. The horizontal axis shows years from present; the vertical plots fluctuations in radiation.

Now, with eccentricity, the Earth gets farther away from the Sun, and it gets colder. The concept here is the insolation, which is the full spectrum of radiation that the Earth receives from the Sun. In our modern day, because of the theory of thermodynamics, people think of the radiation of the Sun as simply heat, but that is mistaken. Heat is just the infrared part of the spectrum; there is a full spectrum of radiation from the Sun, which does work on different parts of the Earth. The insolation is determined by the tilt of the Earth (Figure 4). If the Earth did not have a tilt, there would be a completely different climate. At present, the Earth is tilted approximately 23.5° from the Sun. So, at different times of the year, there are different seasons on each hemisphere (Figure 5). Now, in February, the Northern Hemisphere is in its winter. The Earth is revolving around the Sun, so this differential allows for differential in temperatures during the year.

The 43,000-year cycle

One of the things that astronomers during Milankovitch's time determined rather accurately, is that the Earth is tilting between 22° and 25° , or an average 23.5° , over a period of 43,000 years. In other words, the Earth's axis tilts back and forth, from 22° to 25° during this long period, and this is a major component of the ice ages. When the Earth is tilted most acutely, we have the greatest amount of ice and snow.

When it has the least tilt, there is the least amount of ice and snow. So, you have this 43,000-year cycle, and the 100,000-year cycle of the eccentricity of the Earth's orbit around the Sun.

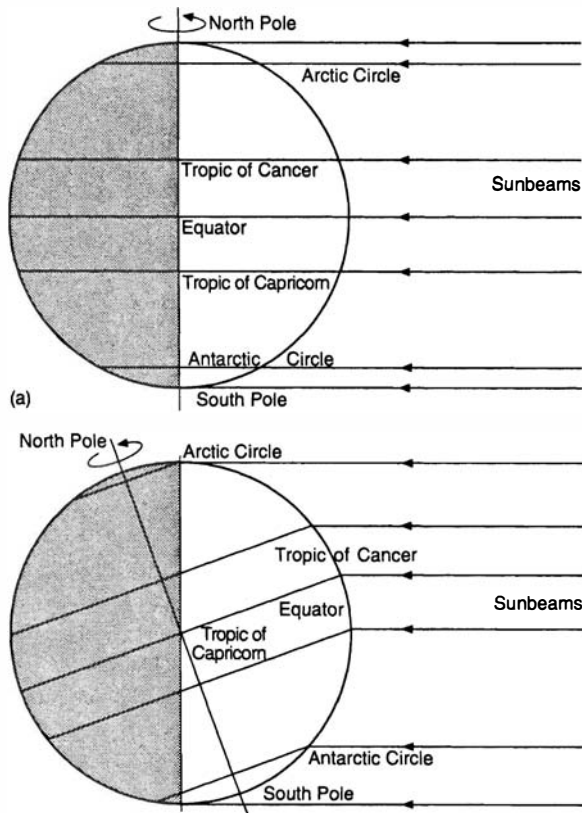
This is an extremely important astronomical calculation, which can be determined astronomically with great accuracy, and was determined as far back as the Vedics. If you take the summer solstice, now June 21, the Northern Hemisphere is tilted completely toward the Sun, and there is sunlight all the way up to the North Pole (Figure 5). On the opposite side of the Earth, it is the polar night in Antarctica. The summer solstice is the longest day in the Northern Hemisphere. Then, at the autumnal equinox, there is the same amount of daylight as darkness. At the winter solstice in the Northern Hemisphere, the Southern Hemisphere is more exposed to the Sun, and the Northern Hemisphere, above the Arctic Circle, is in darkness. Then we move on to the vernal equinox, when day and night are of equal length again.

The precession of the equinoxes

The third cycle is the precession of the equinox (Figure 6). The Earth is moving around in its elliptical orbit of the Sun, but the position of the equinoxes and the solstices in that ellipse, changes over time. There are two cycles involved here. There is a 26,000-year cycle, which is what you would

FIGURE 4

Obliquity and intensity of the Sun's rays



Source: 21st Century Science & Technology, Winter 1993-1994.

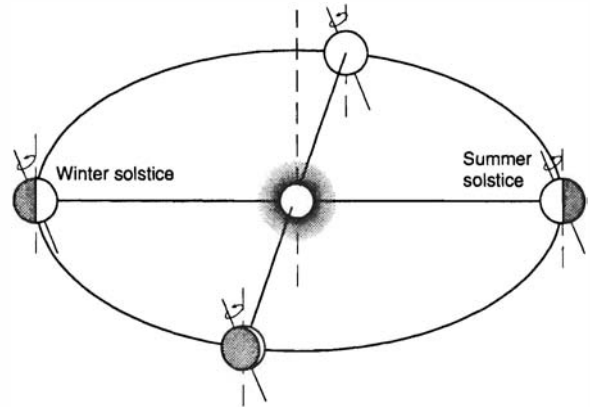
Even without a tilt of the Earth's axis, the variation in angle of the incidence of the Sun's rays (a) would cause the poles to be cooler. Increasing the angle of tilt intensifies the effect (b).

call the "wobble" of the Earth, as it spins on its axis like a top. The wobble means that at one point, the North Star is Polaris, but as the direction of the Earth's axis revolves, the North Star becomes Vega. This movement is known as the precession of the equinoxes.

Now there's also a second precession, known as orbital precession, that of the ellipse itself, the orbit of the Earth. Because of the motion of the other planets, the elliptical orbit of the Earth also changes in its relationship to the Sun. So the actual cycle that is known as the precession of the equinoxes is a cycle of about 22,000 years, as the Earth is rotating. You can see **Figure 7** where the Earth is in this cycle now. Note that the equinox does not line up with the aphelion or perihelion of the ellipse. At present, the Earth is about 94.5 million miles from the Sun in aphelion, which is the farthest point of the ellipse. It is about 91.5 million miles away when it is in perihelion, which is the closest point to the Sun, which makes a

FIGURE 5

The seasons and obliquity



Source: 21st Century Science & Technology, Winter 1993-1994.

Seasonal change results from the combined effect of the orbital inclination and the yearly revolution of the Earth around its elliptical orbit. When the Earth's spin axis is pointed away from the pole of the ecliptic (dotted line through Sun), the Northern Hemisphere has its shortest day (winter solstice), while the Southern Hemisphere has its longest day.

significant difference in the amount of insolation of solar radiation that hits the Earth.

Now, the summer solstice is on June 21. Notice how we are far away from the Sun right now. This is very significant, because it means that we are entering into an ice age. This is one of several key points that Milankovitch made. What actually triggers the ice ages is not cold winters, but mild summers, when the winter snow does not melt, but keeps on piling up, so that after a few hundreds or thousands of years, there is enough snow piled up that the glaciers start moving. We are now reaching the point that the summer solstice is getting close to the farthest point away from the Sun.

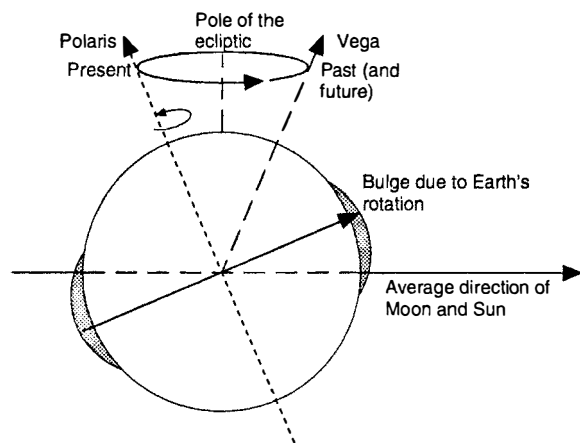
So, in terms of the three cycles that Milankovitch determined, first, the eccentricity of the Sun today indicates that we are now going into another ice age. The second cycle is the combination of the equinoctial and orbital precessions, a 22,000-year cycle, and again, you can see that we are entering a period where the Earth is headed into an ice age. And third, the tilt of the Earth's axis is in a downward curve, indicating that we're going into an ice age.

Milankovitch's theory

Now, this is Milankovitch's theory, and it's quite a fascinating story. Milankovitch's theory was not accepted by the scientific community at large for 50 years. It was a tremendous subject of scientific debate, but it was dismissed by most geologists and paleontologists. You have to realize that there

FIGURE 6

Precession and change of the pole star



Source: *21st Century Science & Technology*, Winter 1993-1994.

The Earth's spin axis makes a complete rotation around the pole of the ecliptic in a cycle of approximately 26,000 years. The North Star is now Polaris, but about 13,000 years ago, it was Vega.

was no method at that time of dating these glacial deposits, and dating the sedimentation that had occurred, so there was no way of corroborating Milankovitch's theory. Milankovitch had developed a theory based on astronomical observations, and used mathematical calculations that many other scientists had made, and a large number that he made himself, to date the advance and retreat of the glaciers—without using any chronological evidence from the glacial deposits.

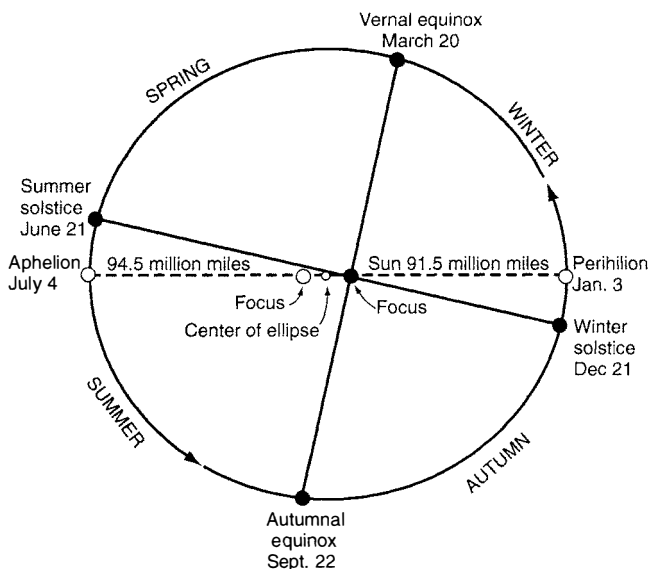
Milankovitch wrote his papers, and published them, saying that because of the astronomical evidence we have of the Earth's orbit, the ice ages occurred at these specific intervals, and on these dates. And, almost everyone in the scientific community thought he was nuts. "How can you prove that?" they asked. "You have no evidence to prove any of this." It took 50 years, and the work of a large number of dedicated scientists, to prove that Milankovitch's calculations were absolutely correct.

The Rosetta Stone of climatology, which finally proved Milankovitch's theory, involved a group of more than 100 scientists who got together in what was known as the "Climate Project," to determine the periodicity of the ice ages. This was a great scientific endeavor that involved experts in every field.

One factor that had complicated the acceptance of Milankovitch's theory was that there had been different dating mechanisms for the geological sediments, which would indicate different ages, that were accurate for only a certain point in time. For example, the carbon-14 dating method, which is the one that is best known, because it is used to date human remains of ancient civilizations, is accurate only as far back as

FIGURE 7

Earth's distance from the Sun and position of solstice on the ellipse



Source: Data from J.D. Hays et al., in John Imbrie and Katherine Palmer Imbrie, *Ice Ages: Solving the Mystery*.

The summer solstice, June 21, is now near aphelion, when the Earth is 94.5 million miles from the Sun, one of the indicators that we are entering an ice age.

14,000 years. So when scientists used this carbon-14 method, they would date things back to 80,000 years, and 100,000 years, and then announce that the carbon-14 method shows that Milankovitch's calculations are wrong, and therefore his theory must be wrong.

Another dating method used radioactive isotopes to date different periods and different sediments, and each one of these methods was very good and very accurate for a certain period of time. But these methods became inaccurate if they were expanded through the last million years. So it was a little like Sherlock Holmes, using various different fingerprints, to try to show the dating of the different ice ages, but all the fingerprints were wrong, because the method was wrong.

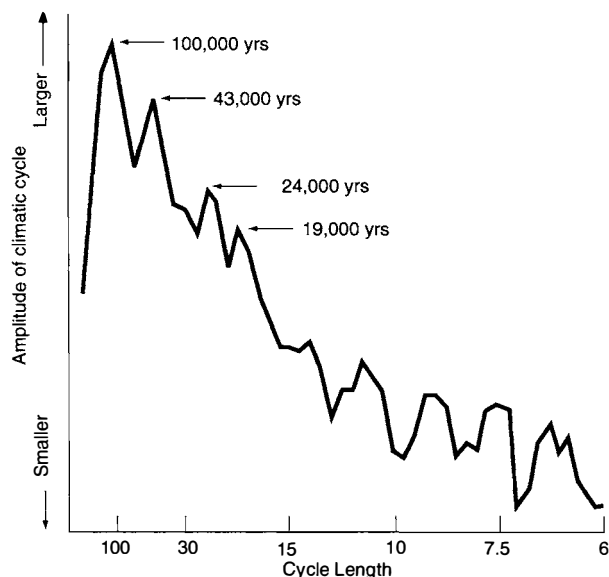
The Climate Project, which included oceanographers, paleontologists, limnologists, and geologists, each one an expert in his field, put together all the data from around the world. They spent several years collecting more data internationally, and then did some spectral analysis, which produced the so-called Rosetta Stone of geology (Figure 8). The data, compiled from the different isotope ratios of sediments, showed very accurately the four great ice ages of the last half-million years, and the interglacial periods. And these datings are precisely the dates that Milankovitch had established using his astronomical theory.

Sure enough, Milankovitch was proven right. The 100,000-year cycle, the eccentricity of the Earth, is an import-

FIGURE 8

Climatic cycles from the isotopic record of Indian Ocean cores

(thousands of years)



Source: Data from J.D. Hays et al., in John Imbrie and Katherine Palmer Imbrie, *Ice Ages: Solving the Mystery*.

This spectrum of climatic variation characteristic of the past half-million years, is taken from data compiled by the Climate Project. The dates confirm those of Milankovitch's theory.

ant cycle. The second cycle, 43,000 years, is of the change in tilt of the Earth's axis. The third cycle, the precession of the equinoxes has two spikes, because the precession changes, depending upon the orbits of all the planets. There are two major precession cycles: 19,000 years, and 24,000 years. So, Milankovitch, given the mathematical tools he had at the time, was accurate at saying 22,000 years.

Figure 9 shows what the record looks like for the last million years or so. The major ice ages are the downward spikes. You can see that the warm periods, known as the interglacials, are very short. You can see that there was an interglacial period 300,000 years ago, but there wasn't one 200,000 years ago, or about 500,000 years ago. And today, as you can see from the astronomical determinations, the Earth has either entered an ice age, or is about to enter the next cycle of the ice ages.

Global warming

Now, what about the global warming theory? This is a very serious problem, not because of any global warming, but because of the political damage that is being done in the name of the theory. Prince Philip and his associates in the World Wildlife Fund and other such groups have organized various different United Nations treaties to "protect" the Earth from

man and various alleged disasters. By December 1997, the plan is to have a signed international treaty to protect the Earth from "global warming." This treaty is going to dictate very severe penalties against nations, particularly in the Third World, that dare to do those things—such as burn coal for producing electricity—that allegedly increase the amount of carbon dioxide in the air, and thus cause global warming. The demand is that to stop this global warming, this rise in temperature, we have to shut down modern industrial production.

The framers of the treaty intend for it to dictate that Third World countries will not be allowed to industrialize; they're not going to be allowed to build power plants. Furthermore, the treaty organizers are demanding that a large chunk of energy production in the West, in the United States and western Europe, has to be shut down in order to save the Earth from this global warming. Yet, as you have seen from the scientific view of the past hundreds of thousands of years, this is all sheer nonsense!

Let's look at what paleontologists call the "climate optimum," which occurred about 7,000 years ago (**Figure 10**). At that time, the Earth was more than 2° warmer, than it is today. Now what was the Earth like during the climate optimum? Well, most of the Sahara Desert was green. There were major rivers, large cities, and civilizations all over the Sahara. And there were also major civilizations in northern latitudes. In fact, the Earth was much better off when it was warmer, which is why the period was given the name climate optimum.

In the last few hundred years, there have also been little ice ages and warmer periods of a relatively short duration, within the larger cycles. These periods are not determined by the orbits. For example, there was a little ice age that ended around 1850, which was determined by the cycles of the sunspots and magnetic storms in the Sun. Between the years 800 and 1200, the temperature, according to some scientists, was about 1° warmer than our temperature today. There were vineyards in Britain, vineyards in Greenland, and Norse navigation to the North American continent. So you can see that there is a great deal of variability, even within these long-term astronomical cycles.

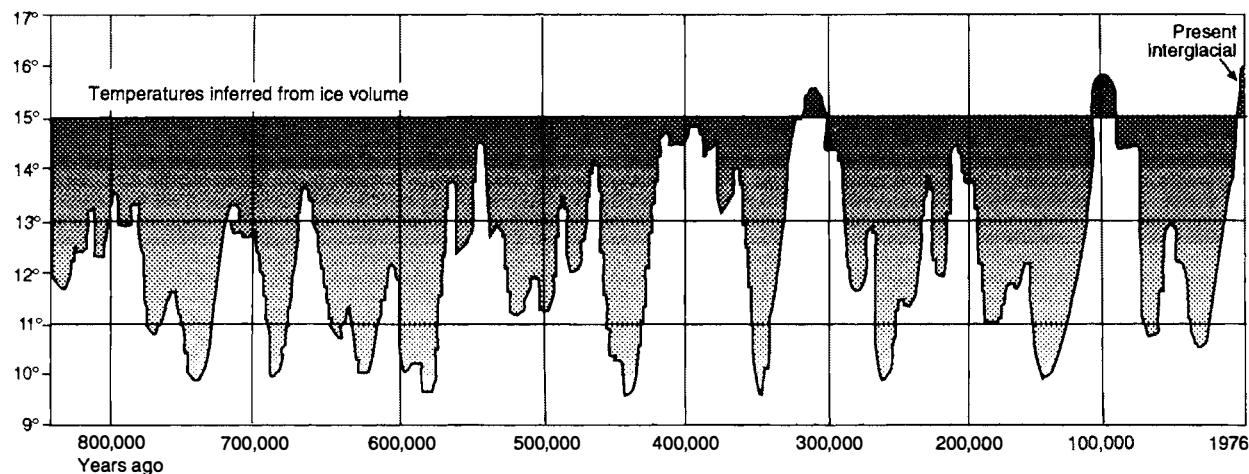
The issue here, however, is that there is no scientific evidence, behind anyone who promotes the global warming theory. Any *scientist* who promotes it, knows that he is lying, because they know what the astronomical cycles are. So it is axiomatically a lie for scientists to say that we are now facing global warming, and that this is going to raise the levels of the oceans and warm the Earth, and so on. These scientists know that there is no real evidence to support that. The climate models that they are using do not, in any way, reflect the nature of the biosphere.

Dame Margaret Mead

To show you what these climate models are all about, I'm going to read a statement by Dame Margaret Mead, one of the

FIGURE 9

The Earth's climate over the last eight cycles



Source: *21st Century Science & Technology*, Winter 1993-1994; data adapted from Samuel W. Matthews, "What's Happening to Our Climate," *National Geographic* (November 1976).

The major ice ages are the downward spikes. The 100,000-year periods of glaciation occur in roughly 20,000-year cycles, consisting of 10,000 years of cooling and glacial advance followed by 10,000 years of warming and retreat. The glacial climax of the last 100,000-year ice age, occurred just 18,000 years ago.

most evil people of the 20th century. Helga Zepp LaRouche confronted Mead at the United Nations Population Conference in Bucharest in 1974, and denounced her for her policies to depopulate the Earth, to cause mass genocide. Mead's policy, and the policy of people who worked with her, has been to use whatever means they can come up with to exterminate the majority of the population of the Earth.

The global warming scare was created in 1975-76. At that time, all the evidence for the Milankovitch theory was published. And many scientists who today are propagandizing for global warming, during that period actually published books and papers, and made public pronouncements on television (Stephen Schneider was one of them), warning that the Earth was going into a period of global cooling.

At that time, they created various computerized climate models, and they started finding out, from their computers, that if you put all this carbon dioxide in the air, and industrialized the whole world, it would raise the temperature of the Earth, and perhaps stop the next ice age. But, because the Prince Philip types wanted to shut down industry and reduce the world's population, the scientists were pressured to change their story. And so, the story of these scientists changed.

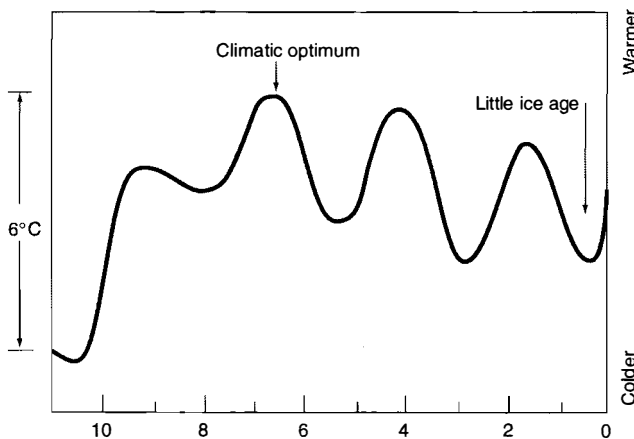
The scientific conference at which this switch occurred was in November 1975. Chaired by Dame Margaret Mead, it was called "The Atmosphere: Endangered or Endangering." Mead told the assembled scientists, most of whom were the media science stars that you see today promoting global warming:

"The unparalleled increase in the human population and its demands for food, energy, and resources is clearly the most important destabilizing influence in the biosphere. We are facing a period when society must make decisions on a planetary scale. Unless the peoples of the world can begin to understand the immense and long-term consequences of what appear to be small immediate choices: to drill a well, open a road, build a large airplane, make a nuclear test, install a liquid fast-breeder reactor, release chemicals which diffuse throughout the atmosphere, or discharge waste in concentrated amounts into the sea, the whole planet may become endangered. What we need from scientists are estimates, presented with sufficient conservatism and plausibility, that will allow us to start building a system of artificial, but effective warnings, warnings which will parallel the instincts of animals which flee the hurricane. Only by making clear how physically interdependent are the people of all nations, can we relate measures taken by one nation, to measures taken by another, in a way that will draw from the necessary capacities for sacrifice, of which human beings, as a group, have proven capable. It is therefore a statement of major possibilities of danger, which may overtake humankind, on which it is important to concentrate attention."

The conference presentations elaborated how the participants would be able to scare people out of their wits with these intangible global catastrophes, which would overcome mankind; how they could use these scares to get otherwise sane people to act in an insane fashion and destroy their own

FIGURE 10

Climate of the past 10,000 years



Source: Data from J.D. Hays et al., in John Imbrie and Katherine Palmer Imbrie, *Ice Ages: Solving the Mystery*.

Temperatures during the climatic optimum, about 7,000 years ago, were about 2° warmer than they are today. During the Little Ice Age, about 300 years ago, temperatures were cooler than they are today. The temperatures are estimated from geological records of glaciers and fossil plants.

nations and civilization itself. And Margaret Mead pushed the global warming theory, so all the scientists who went into that conference promoting global cooling, came out of the conference promoting global warming. Shortly thereafter, these same scientists came up with scares about ozone depletion, acid rain, “nuclear winter,” and many other things. And every one of these scares is a scientific fraud.

Milankovitch on the role of science

I want to compare this statement by Mead to one of the last statements of Milankovitch. At that time, he had finished with his theory, and he went on to other things. Milankovitch did not even bother to argue or defend his theory. He simply said, my theory proves itself; the astronomical proof is there, and I don’t need to argue with people about it. Milankovitch wrote in 1941:

“These causes, the changes in insolation, brought about by the mutual perturbations of the planets, lie far beyond the vision of the descriptive natural sciences. It is therefore the task of the exact natural sciences to outline the scheme by means of its laws ruling the universe, and by its developed mathematical tools. It is left, however, to the descriptive natural science, to establish an agreement between this scheme, and geological experiences.”

This is a very crucial point. If we had tried to put together a theory of these ice ages based entirely on the geological evidence that had been discovered at that point, it would not

have been possible. No amount of running around to all the different mounds and piles of debris left over by the glaciers, and no amount of correlations and mathematical calculations based on those strata, or any kind of dating scheme, could have produced an actual theory of why the ice ages occurred, and why they occurred when they did. Such knowledge had to be arrived at completely from the opposite direction—using man’s reason, and the tools that God has given man to determine the harmony of the universe. And that’s how Milankovitch and his associates, Wegener and Köppen, approached it, along with the other great scientists who worked together in developing this theory.

And, as has been pointed out by real scientists today, in the face of a coming ice age, we should not be stampeded into a scare scenario. The issue is, how will man master nature, perhaps to prevent another ice age. And, if we can’t prevent it, how can we create the conditions in which we can deal with the world as it develops? Which means that it is necessary to have scientific and technological progress, as opposed to shutting down modern society.

Further, as Dr. Sherwood Idso and other scientists have pointed out, what actually may be happening, is that by releasing more carbon dioxide into the air, perhaps we are preventing the onset of the next ice age.

As Lyndon LaRouche noted in his presentation yesterday, all this carbon dioxide has already had a wonderful effect on the biosphere. The amount of biomass around the world has increased tremendously. We were reaching a point, before man appeared, where the levels of carbon dioxide were getting so low, that most plant life around the world was about to die. We have just about the lowest levels of carbon dioxide ever recorded in history at the present time. So, by burning fossil fuels, putting out all these industrial emissions, and so forth, we’ve done a very funny thing. We are actually *increasing* the amount of food available for plants around the world. We are far from the point where it poses any danger to anybody. We are actually at the point where the biomass of the Earth is increasing.

Probably the world’s greatest living climatologist, Michael Budiko, a follower of the great Russian scientist Vernadsky, gave a speech in 1988, at one of the first major conferences on global warming. Budiko is now in his 90s, and most of the textbooks on climatology are based on his work, along with that of Hubert Lamb. Everyone expected him to give a speech about the dangers of global warming. But, he got to the podium and he gave a wonderful paper, where he told the conference that, as Vernadsky had pointed out, now it is man’s reason that will determine the geological future of the Earth. We will have a much greater world, if we can actually *warm* up the temperature. So, Budiko proposed that we burn all the fossil fuels we can get our hands on, and put as much CO₂ into the air as we possibly can, which will help transform the biosphere into its next, and better, stage! Needless to say, Budiko has not been invited to address any further conferences on global warming.

Toward China's 21st-Century economy

by Lyndon H. LaRouche, Jr.

April 30, 1997

There is no known case, in which a dominant civilization collapsed, except as a result of its people's stubborn refusal to abandon those customary beliefs, whose influence had guided them through that fateful pattern of decisions, the pattern which had brought doom upon themselves. So, the ancient empires of Mesopotamia crumbled into dust. So, the empires of Rome and Byzantium brought about their own destruction. So, the hegemonic textbook, classroom, and popular ideas about culture and economy, accumulated in the U.S., and elsewhere, during the recent thirty-odd years, now threaten to doom this civilization to a general collapse, a collapse caused by nothing so much as what has lately come to be accepted as "mainstream" opinion. Unless that popular opinion is changed, the end of this civilization were inevitable, a collapse of civilization which would follow a general financial collapse which would probably occur even earlier than the upcoming close of this present century.

As we have stated repeatedly, in earlier locations, the remaining options for escaping the approaching doom of our civilization are reduced, essentially, to the issue of certain forms of cooperation between the President of the U.S.A. and the government of China. The cooperation of other nations with both the U.S.A. Presidency and China, is the basis for saving our planetary civilization. This cooperation is virtually the only available cornerstone of actions which would prevent the present financial collapse from producing the kind of general economic collapse fairly labelled a planetary "new dark age."

The form of economic policy emerging from such cooperation would be similar in many respects to the form of monetary and economic cooperation which existed among member-states of the so-called "first world" during the 1946-1965 interval, a turn away from the trends in policy-shaping which have dominated the years 1966-1997 to date. However, certain additional improvements must be included if



An artist's conception of China's magnificent Three Gorges Dam project, scheduled for completion in about the year 2011. The project will provide flood control for the vast area surrounding the flood-prone Yangtze River, as well as navigation and electricity.

the economic recovery is to be general and durable. Some of those additional improvements are the subject of our attention here and now.

The most obvious causes of the presently onrushing collapse of the present form of civilization, are chiefly either economic, or are cultural impulses which are expressed in policies of economic practice. That point may be summarized as follows.

Succinctly stated, the most relevant evidence to be considered, respecting the presently ongoing collapse, is the following.

The high-point of growth of the world's population reached by the time of the Roman Empire, was several hundred millions living individuals. This ceiling was not raised significantly, until the emergence of the modern form of sovereign nation-state, in western Europe, during the latter half of Europe's Fifteenth Century. In consequence of changes in policy inhering in that institution of the modern sovereign nation-state economy, the actual population has grown to levels of over five billions persons, with an unrealized technological potential of an additional 20 billions attained by the close of the 1960s.

Until the middle of the 1960s, the characteristics of the modern sovereign nation-state, had featured a process of extended scope and development of education and science, to the included purpose of fostering investment in the infrastructure, agriculture, and industry, as required for demographic improvements through scientific and technological progress

in designs of products and of productive and closely related processes. Beginning the mid-1960s (for reasons adequately outlined in a number of earlier published locations), a sweeping change in policy was introduced, a change sometimes identified as a "cultural-paradigm shift." Over the course of the recent thirty-odd years, this mid-1960s "cultural-paradigm shift," has solidified itself, as a radically "neo-Malthusian," fanatical form of "post-industrial" utopianism.

Under present IMF "conditionalities" and other forcefully imposed supranational regulation, the sovereignty of most nation-states has been aggressively deconstructed, and, by these and related means the current economic capacity of the planet to sustain even presently existing levels of population and life-expectancies, has been savagely reversed. This latter trend is presently accelerating, as the case of the British Commonwealth's orgy of genocide and war in central Africa illustrates this trend.

Without that model of sovereign form of nation-state economy which such economists as Alexander Hamilton, Matthew Carey, Friedrich List, and Henry C. Carey termed "the American System of political-economy," the economic basis essential for sustaining modern population-densities and demographic improvements no longer exists.¹ It is not-

1. The 1776-1783 American War of Independence and subsequent establishment, 1789-1797, of the U.S. Constitutional republic, was the image of the kind of nation-state which inspired the patriots of Europe and the other states of the Americas. Although the declared enemies of the United States were

ing less than the very basis for continued existence of most of the world's population, which is placed in jeopardy by presently far-advanced efforts toward eliminating the existence of the modern form of sovereign nation-state economy.

The result of the present "globalist" trend, can not be anything but an accelerating collapse of the world's potential relative population-density, toward approximately the ceiling-levels persisting over the period from the Roman Empire through Europe's mid-Fourteenth Century "New Dark Age." The breakdown of those economic mechanisms which could not exist without the sovereign form of modern nation-state economy, means accelerated spirals of global famine, spread of disease, and so forth; the level of population-potential will be ratcheted downward, accordingly. Collapse to levels of the Roman Empire period would require no longer than approximately two generations.

Although the interacting factors determining this presently ongoing collapse cover every aspect of planetary culture today, it is the economic expression of those interacting factors which is directly relevant to the point at hand. The manner in which sundry cultural factors determine trends in economic policy of practice, is the subject to be addressed here. To that purpose, attention is focussed here upon two of the most crucial, but least known determining principles of economic processes.

Two blunders of accounting

The most influential debate on matters of economic policy, whether in the university classroom, the published papers of the IMF or World Bank, in the national legislatures, the leading political campaigns, the Sunday morning TV interviews, or, the pompous Babbity of the financial pages, reminds one of illiterate patients proposing to reform the science of medicine. Especially during the recent two decades, the widespread toleration of such populist forms of economics illiteracy, and the additional fact, that economic and related policy-making is a subject of electoral campaigns, have tended to ensure that the candidate, whose ignorance of the actuality of economics is the greatest, such as Georgia's Newt Gingrich or Texas's Phil Gramm, will tend to win the election.

"Bring it down to my level," the populist insists; say nothing that a simple salesman or housewife would not readily understand. Compare this with those accelerated morbidity

Bentham's and Castlereagh's neo-Venetian British Empire, and also the profederalist forces of Clement Prince Metternich's Holy Alliance, the only serious rivals which existed for the U.S. model of sovereign nation-state republic, were those which grew out of the Jacobin tradition of Jeremy Bentham's agents Robespierre, Danton, Marat, and the related, Enlightenment model provided by the British system. As the American System itself was chiefly the result of the Seventeenth- and continuing Eighteenth-Century influence of the circles of France's Colbert and Europe's Leibniz upon Benjamin Franklin, et al., so the American patriots' Nineteenth-Century partnership with the circles of Gauss and Humboldt in Germany, provided the foundations upon which a continued existence of the mixed form of European national economy (partly oligarchical, partly American System) depended.

rates among patients, the which are the result of allowing accountants and mutual-funds managers to dictate the practice of medicine to physicians. That example is fairly comparable to the way in which the economic policy of the United States, and many other nations, is being dictated by the quack-academics of monetarism today. Like any other branch of physical science, economic science could be taught successfully to a majority among reasonably well-educated students; however, as with any branch of science, the beginning of wisdom is that student's willingness to escape from the delusions of illiterate popular opinion.

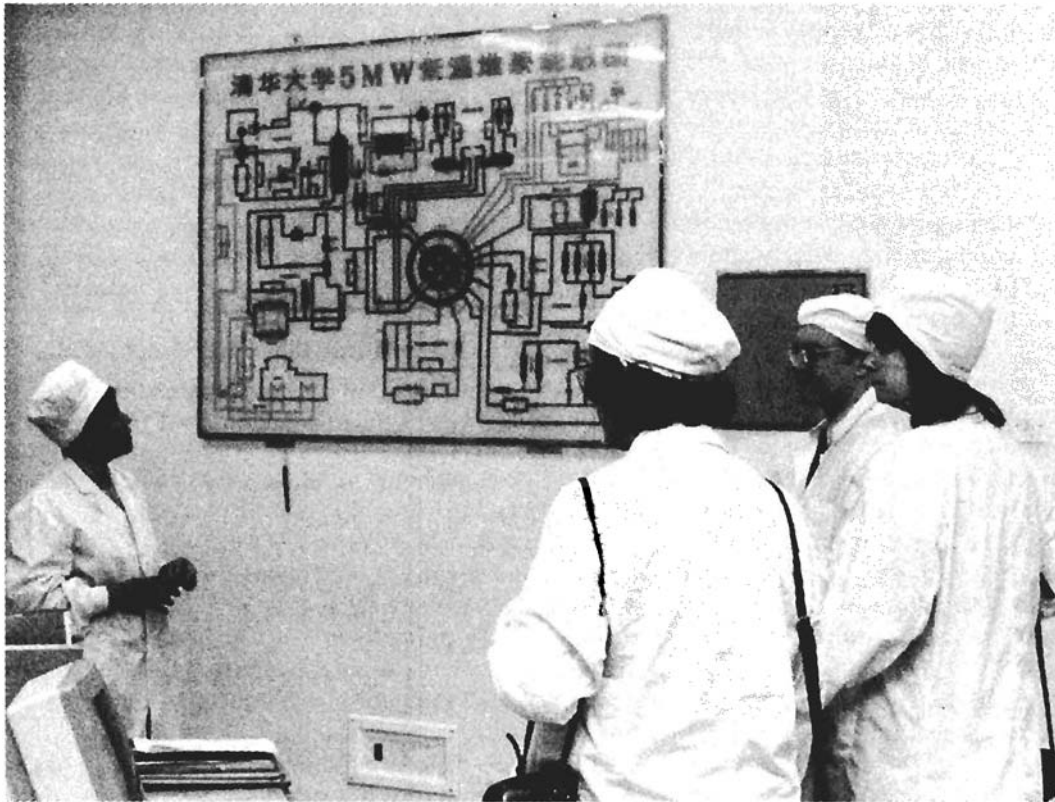
Will you continue to tolerate, as "mainstream opinion" on the subject, those prevailing ideas about economics, the which are destroying our nation, and most of civilization, today? Or, are you willing to think, as the image of Socrates sets a standard for thinking? Are you willing to strain yourself a bit, to come to know a few essential facts about the science of economics, under those present conditions, in which your nation's, and your family's survival may depend upon your efforts to learn at least a few of the most essential principles of this science? This brings us to the central fallacy of public debate on economics today, the fallacy of contemporary opinion about statistics.

The crucial issues of economic policy may be summed up with the following observation. If there is still a civilization during the first half of the 21st Century, that civilization will employ an economic science which has recognized that statistics are usually misleading, even when that deception is not intentional.

It must be said of the doomed economic ideas and practices which have continued to dominate the recent, thirty-odd years, that, whenever accounting, including national-income accounting, is stretched beyond its narrow area of competency: where it is applied as a substitute for the principles of production management, or for shaping the policies of a nation's government, the result must tend to be, sooner or later, a disaster for the relevant firm or economy. For reasons which have much to do with relatively superior, personal cultural development and personal character, but nothing to do with accounting as such, some accountants and economists rise above the generally accepted beliefs of their profession; but, accounting itself, as it is presently taught and practiced, never does.

The proof of this contention is elementary. Relevant case-histories, comparing the post-1966 downturn in managerial competence in the U.S. economy, with the commonplace causes of isolated cases of failed management performance from a relatively saner period, that of the 1939-1965 U.S. agro-industrial economy,² have crucial significance for de-

2. Lyndon H. LaRouche, Jr., "The U.S.A.-China Strategy," *EIR*, April 25, 1997. The clinical relations among finance, accounting, and production management are summarized under the sub-heading of "The war-economy paradox," pp. 49-52.



China's future requires high-technology development, including nuclear power. Here, a Schiller Institute delegation, headed by Helga Zepp LaRouche (right), tours the nuclear energy institute at Qinghua University in China, in May 1996.

fining a competent approach to study of the leading problems to be considered in such contexts as *EIR*'s continuing presentation of the various, prospective choices of long-term growth-patterns in the economy of China today.

The central feature of this matter is located by examining two crucial, but presently little-known features of economic science. One of these, the problem of *characteristics*, is unknown in university textbooks today. The second, sometimes referenced as *the horizon problem*, is sometimes, if rarely acknowledged, but very poorly understood, even among those who have presented econometric studies on this latter topic.

At first inspection, the definition of an *economic horizon*, at which to locate the efficient consequence of today's management decisions, is deceptively simple. Any method of accounting, which purports to judge present performance by means of accumulated statistics from the data representing the preceding period to date, is a fraud in principle. At best, such reporting can do no better than to highlight clinical evidence pointing toward what might have been failures of decision-making or performance from the past. The essence of management, is those choices of present action, the which change the consequences (and apparent statistical correlations) inherited from the past, to bring about a happy future. Thus, to judge which choice to enact, one must define and construct a function, free of efforts to impose past statistical correlations upon the future; by means of this required func-

tion, we must judge present performance in terms of a competent projection of the future outcome of those choices of trends in management decisions currently being considered.

In each case, in practice, there are many interacting choices to be considered. It is the interaction of all proposed changes, and non-changes, which must be examined for their common, future result. The choice of a future time, beyond which further projection does not appear to have significant bearing upon present choices, is the practical choice of a date, to which we may assign the title of "horizon," for the purpose of examining the true import of present decisions, or non-decisions.³

In reality, although the notion of "horizon" has been recognized by a minority among mathematical economists, the required method for constructing relevant projections rests upon profound, little-known, underlying principles of economic processes. These are principles beyond the comprehension of the economics profession as generally accepted professional standards define that subject-matter today.

We shall return to the "horizon problem" at a later point here. Turn now to the first of the two common blunders of economics and accounting practice: the assumption, that an image of economies as wholes, might be represented by what

3. The standard of truthfulness for all cases, is that the author of the choice of "horizon," must state the set of axiomatic assumptions, from which the selection of that horizon is constructed.

might be fairly described as the “brick wall” method of statistical modelling. The blunder in that, is the assumption, that the whole economy is the sum of its parts. This brings us to the matter of *characteristics*. The simplest expression of the issue being argued, so, is aptly illustrated by the author’s stock classroom argument on this point: “the plumber problem.”⁴

Assume that a plumber working for a manufacturer, in 1965, was using skills and techniques little different from those he had acquired circa 1946. During the intervening decades, the level of technology employed by the firm, and the society around it, had been raised significantly. Is the plumber’s 1965 labor therefore to be assigned a value determined by comparison of the relative, 1946 and 1965 levels of technological change of his skill, relative to that of the firm, and of the economy in general? No. The value of the plumber’s labor is twofold: its necessary contribution to the functioning of the overall climate of technology to which the plumber’s contribution is applied, and, also, in first approximation, the cost of reproducing, from households, a necessary number of labor-force members with the skills and performance the plumber represents.

In the language of mathematical physics, the economic effect of action within an economic process as a whole, is not determined by the local action itself. The result of the local action, is determined by the *physical-economic space-time curvature* in which the current state of realized technological development situates that economic process considered as a whole. This notion of “curvature” corresponds to Leibniz’s usage of such various, equivalent terms as, “Analysis Situs,” “universal characteristics,” and “sufficient and necessary reason.” The elaboration of Leibniz’s notion in the form of modern mathematical physics, is the Gauss-Riemann notion of physical-space-time curvature, as this was set forth in elementary terms by Riemann’s 1854 habilitation dissertation, *On The Hypotheses which Underlie Geometry*.⁵

As an example, consider the currently widespread faith in “globalism,” which asserts longer-term advantages of “out-sourcing” from cheap-labor markets. This delusion depends upon the dupe’s ignoring this matter of characteristics of economic processes. Examine the suicidal folly of “out-sourcing,” both as this might be viewed, first, from Germany, and, second, from the standpoint of the national economic interest of the nation providing the “out-source” to Germany.

How a modern economy produces a profit

Most archeologists and other relevant professionals are equipped to show some among the important aspects of the relationship between technological progress, on the one side, and, on the other side, both the improvement of demographic

4. *ibid*, pp. 54-55

5. Bernhard Riemann, *Über Die Hypothesen, welche der Geometrie zu Grunde liegen*, *Bernhard Riemann’s Gesammelte Mathematische Werke*, H. Weber ed. (New York: Dover Publications Reprint, 1953).

characteristics of households and of society’s potential relative population-density. The role of certain inventions, to this effect, occupies a significant part of the relevant literature. In former times, a quarter-century or more ago, when graduates of respectable secondary schools and universities had been supplied at least a semblance of literacy respecting the history of civilization, the interaction of such inventions with the development of social institutions, was implicitly required knowledge for anyone elected or appointed to high office.

Nonetheless, even among those who commanded such literacy, there was uncertainty as to how such facts ought to be brought together for the purpose of showing something like a relevant cause-effect relationship. The basis for a general theory of the required sort was not provided, until Riemann’s revolutionary 1854 definition of a physical geometry; even then, that implication of Riemann’s work was not recognized until the present writer’s 1952 discovery of this connection. The fact that “out-sourcing” is among the most contemptible frauds, is readily shown by anyone with practical experience in capital-intensive modes of production. A rigorous proof of this same fact depends upon the following type of argument, from principles.

Begin with a question: How must we express what we mean, when we say, that it is sequences of identifiable inventions, which map the way in which man’s increasing mastery of nature increases the potential relative population-density of our species, at the same time that this improves the demographic characteristics of typical family households? We think we understand one another, when we speak of such effects of a process of successive inventions. Yet, when we speak of inventions in this way, our conversation usually emphasizes identifiable objects, rather than the efficiency of those processes by means of which those objects are generated.

The relevant shortcoming is, failing to recognize the significance of the fact, that an invention is a result of an action, an act of discovery. If we are going to express the notion of progress in the sense of a physical function, we must shift our focus from the object generated by an action, to that action itself. What is the difference between that quality of action which generates a validated invention, and those other forms of action which do not? How does the relevant quality of action differ from other species of mental action? This is the challenge which Riemann’s 1854 discovery implicitly solved; this is the central conception underlying the possibility for constructing a valid notion of function for a science of physical economy.⁶

In summary, Riemann’s 1854 argument shows, that we must replace the kind of aprioristic notions of space and time, which underlie the Euclidean mathematics and mathematical

6. Here lies the key to unravelling the logical-positivist fraud which provides the axiomatic basis for the Wiener-Shannon cult of “information theory.”

physics of Galileo, Descartes, Newton, Euler, Maxwell, et al. These must be replaced, by recognizing that every validated discovery of principle, such as those produced by experimental physics, constitutes an added “dimension” of a physical-space-time geometry; as Riemann argues, this includes the notions of space and time themselves.

However, there is an added mathematical consideration. Unlike aprioristic mathematics, a physical geometry must take into account the interrelations among the “n dimensions” of an “n-dimensional” physical-space-time geometry. This introduces the physical evidence to the effect, that any “n-dimensional” physical-space-time geometry has a *characteristic* curvature, by measurement of which we are able to define that specific physical-space-time geometry as of a distinct *type*.⁷ These notions of “type” and “characteristic” are central to the determination of relative economic value in a physical-economic process. This notion of “characteristics” satisfies a demand made earlier by Gottfried Leibniz.

Thus, with the implications of Riemann’s work so noted, in place of the term “inventions,” resort to a much stricter category of phenomena: validated discovery of those kinds of additional natural principles, the which each qualifies as a dimensionality of a corresponding, “n-dimensional,” Riemannian physical-space-time geometry. In this approach, each such geometry in such a series of geometries, represents an open-ended set of theorems, each set defined by a single, underlying hypothesis.⁸ That done, then, every invention to

7. The key is the use of Gauss’s new, revolutionary definition of the complex domain, as referenced by application of the notions of bi-quadratic residues to the anomalies which are to be found within the experimental domain. Riemann attributes his further development of this, chiefly, to leads provided by the work of Carl F. Gauss in the derivation of a general theory of curved surfaces from the development of a general theory of bi-quadratic residues. [Riemann, op. cit.] Notably, Gauss, in relevant discussions with both Wolfgang (Farkas) Bolyai and Wolfgang’s son John (Janos), references his own discoveries of a non-Euclidean geometry to a period implicitly antedating Gauss’s 1799 *Disquisitiones Arithmeticae*. The examination of the underlying argument ordering the development of that latter work, as viewed from Gauss’s applications of that argument to astrophysics, geodesy, and the Ampère-Gauss-Weber principle of electromagnetism, confirms the implied dating of Gauss’s discovery of a non-Euclidean principle. His life’s work in mathematics and experimental physics expresses nothing different than precisely the principle of a non-Euclidean physical geometry introduced by Riemann. Notably, Gauss’s development of the higher mathematics associated with bi-quadratic residues, employed an ancient principle traced to the definition of incommensurables by Plato’s Academy at Athens, a principle at the center of Nicolaus of Cusa’s proof of the existence of magnitudes we identify today as “transcendental.” Nor is there anything in this work, of Gauss, Ampère, Weber, and Riemann, which is inconsistent with the specifications for scientific method given by Leibniz earlier.

8. In geometry, the term *hypothesis* signifies a fixed set of interdependent definitions, axioms, and postulates, as the case of Euclid’s geometry illustrates that usage. An “n-dimensional” physical-space-time geometry is, therefore the outgrowth of a succession of hypotheses. No theorem of any single theorem-lattice of this succession can be fully consistent deductively with any theorem of any other theorem-lattice of that series. The succession of hypotheses thus defines a series of discontinuities, such that there exists

be considered is either an implied theorem of some type of geometry, or corresponds to the kind of validated experimental discovery of principle which requires a new geometry. Thus, for our purposes, the emphasis is upon the series of those validated discoveries of principle which are representable by a corresponding series of Riemannian geometries.

This can, and must be generalized, to reach beyond the scope of a mathematical representation of an experimental physical science. For example, the notion of the sovereign nation-state and the type of economic development so generated, is the fruit of a long history, which, to all practical purposes, begins with study of the Homeric epics, the work of Solon of Athens, the tragedies of Aeschylus (for example), and Plato’s dialogues and surviving letters. This idea of the nation-state has an efficient function in determining the possibility for man’s continued physical mastery of nature. Clearly, then, one can not limit the source of progress in demographic characteristics of population, to the mathematically representable features of experimental physical science. Those qualities of ideas which are characteristic of the Classical art-forms of poetry, music, tragedy, and the plastic arts, are essential expressions of the same principle, of *Analysis Situs*, which governs the scientific and technological side of demographic progress. It was essential for the writer’s original discoveries in economic science, that the epistemological problem of reconciling Classical art-forms with physical science, be solved.

It is not appropriate to recapitulate the writer’s life’s work here. It is sufficient, for immediate purposes, to summarize the relevant points. All valid discoveries of those qualities of ideas which qualify as principles, have their origins in the form of mental activity which Classical usage identifies by the term *metaphor*. We identify that significance of the term, and then proceed directly to the promised argument on “outsourcing.”

Given, a set of beliefs which govern the way in which one chooses between believable and unbelievable phenomena and ideas. Along comes a stubbornly persistent occurrence, whose authenticity one must accept according to one’s existing standard for belief; yet, everything one has believed up to that time says that that stubbornly persistent occurrence should never happen! The paradoxical juxtaposition of those two, conflicting aspects of one’s belief, is the metaphor. In Classical poetry, or tragedy, for example, the posing of the metaphor obliges the individual mind, among the audience, to resolve that paradox. The successful resolution of that “puzzle,” constitutes the new idea, so prompted by the metaphor: *Analysis Situs* in its most general sense. Metaphor, employed in that way, to that effect, is the highest, most powerful, and most precise form of use of language. No original commu-

an implicitly enumerable density of discontinuities in any mathematical representation of the physical space-time corresponding to such an “n-fold”, succession of physical geometries.



China's next generation will require Classical forms of education to optimize the increase of the productive powers of labor. The emphasis must be upon knowing, rather than mere learning: The student must relive the great discoveries upon which human civilization depends.

nication of an important idea was ever conveyed by algebraic formulas, or by literal meanings in written prose; only metaphor can meet that requirement.⁹

Under the type of sovereign nation-state economy associated with the influence of the American System of political-economy, the interface among state direction of education, infrastructure, and national currency, and predominantly private investment in agriculture, mining, and urban industry, orders technological progress in the following general, *anti-entropic* way.

Classical forms of education typify the principle of education required for optimizing increase of the productive powers of labor. This preferred form of education is best typified by

9. The commonplace, fraudulent ways in which this significance of metaphor is most commonly avoided, is, either as Thomas Hobbes demanded, by outlawing metaphor, as an undesired inhabitant of the domain of speech, or, by the cultish attribution of symbolic meanings. Thus, Tweedledee says of the Bible, "God intended me to read this in the King James Authorized Version, therefore, this passage means what the plain words of the text signify to me. God would never permit a text to be presented to me, whose meaning would not be exactly what I would believe the meaning of that passage to be." His theological opponent, Tweedledum, argues, "No, there are hidden, symbolic meanings here; it is intended, that only those who have been initiated into those symbolic codes would understand the true meaning of this passage." [Both should have spent more effort to learn Christianity from the Apostle Paul's *I Corinthians* 13]. The same pathologies litter the pages of the concert-goers' program notes, and so on, and on, and on. The worst lot, are those who follow the deranged Jacques Derrida into the Laputan virtual reality of pure written text.

the successful economic development of 1876-1914 (and the 1946-1963 reconstruction of) Germany, which saw the Eighteenth-Century development of the *technische Hochschule*, under the influence of Gottfried Leibniz, and the Nineteenth-Century, Schiller-Humboldt model of humanist education. The emphasis in those superior modes of education, as Alexander Dallas Bache and others promoted this in the United States, is upon *knowing*, rather than mere *learning* of qualifications for future employment.¹⁰ The student must relive the experience of original discoveries of principle, by reenacting them in a manner as near as practicable to the actual paradox which led both to the original discovery and its experimental (or, equivalent) validation.

It is important that the student learn the discovered, validated principles upon which the historically determined practice of civilization presently depends; it is more important that the student know those principles, by rediscovering them, rather than merely describing them, or merely rehearsing some among the procedures which those discoveries subsume.

The existence of the relevant cognitive powers is universal to all persons whose brain-function is not damaged suffi-

10. Schiller famously ridiculed the latter form of educational policy with the indelible term *Brotgelehrte* (taught the rules which one must follow, to earn a wage in some choice field). See Friedrich Schiller, "What Is, and to What End Do We Study Universal History?" in *Friedrich Schiller, Poet of Freedom*, Vol. II (Washington, D.C.: Schiller Institute, 1988), pp. 253-72.

ciently to virtually suppress such potentials. Even the students who gain “A’s” from merely learning the taught rules, show relatively mild expressions of the benefits of cognitive potentials. In contrast to such “A” students, better students will refuse to “learn” any “rule” which they have not derived for themselves by means of individual, independent employment of their cognitive powers. Unfortunately, too often, even the better students in the latter category, are not efficiently aware of the nature of the creative mental activity which they summon to resolve the metaphorical paradoxes they have mastered in this way.¹¹ In Platonic epistemology, such as that of Leibniz and Riemann, the thinker has come to know this method of metaphor (the Socratic method), and makes that method itself the primary subject-matter of reference in addressing any important paradox. Hence, the qualitative superiority of the Classical Humanist method, such as that developed by Friedrich Schiller and Wilhelm von Humboldt, over other choices of educational policy.

It is of special importance, that merely “theoretical” explanations not be substituted for experimental methods. Typical of destructive practices, is the presumption that any mathematical-physical principle might be derived from existing mathematics, as at the blackboard. Since all discoveries of principle overturn pre-existing mathematics axiomatically, to pretend that the discovery might be deduced from the pre-existing mathematics, is a fraud, by definition. As Riemann concludes his 1854 dissertation: *We must leave the domain of mathematics for the domain of physics*. The object of education, is not to produce learned commentators on texts, but knowers, those who have relived, again, and again, the Socratic method for solving metaphors, the method by which man achieves otherwise impossible, successful, valid solutions, through experimentally-referenced discovery and validation of new principles. A universal, compulsory education, based upon this principle of education, is the foundation of modern society, the precondition for its prosperous, and morally healthy growth.

Thus, the practice of science and the conduct of higher education, must be a seamless fabric dense with perfect discontinuities. From this combination of education with science, two leading results are produced for the relevant econ-

11. For example, in the transition from plane to solid geometry, in secondary schools, the sliding over of the fact that an act of rotation has been introduced, is usually overlooked, in both the design of the lesson-plans, and in the mind of the bright student eager to gain an “A” in the course. The “A” student often slides through the crucial paradox, rather than confronting it. The extension of that habit of “hand-waving” one’s way around crucial paradoxes, is among the commonplace causes of intellectual failure among otherwise skilled professionals. Recently, the present writer has introduced a series of scheduled pedagogical exercises in elementary arithmetic and geometry from the advanced standpoint of Carl Gauss et al., for the specific purpose of prompting associates to recognize this problem of “sliding through.” As one among his contributions to this work, Dr. Jonathan Tennenbaum has supplied an elegant pedagogical exercise on the subject of the solid geometry case, to appear in a forthcoming issue of the *New Federalist* newsweekly.

omy. On the one side: From the experimental validation of principles, as embedded in the interconnections of higher education and scientific research, the refined proof-of-principle experiment provides the germ of the means, through which to translate a discovered principle of nature into new principles of machine-tool design. This latter is characteristic of the strategic machine-tool-design sector of the most advanced economies of the Nineteenth and Twentieth centuries. On the other side: in his, or her function within a productive enterprise, the graduate of such education has the developed potential for readily assimilating the new designs of products and productive processes, which flow in streams from the well-springs of the strategic machine-tool-design sector.

The most dramatic distinction between the healthy modern agro-industrial economy, and the wretchedness of the economy which is subordinated, through cheap labor, to a role as “out-source,” lies in these interconnections of universal humanist education and the machine-tool sector. The crucial thing is the intensity, the frequency of innovations in design of products and productive processes, effected through the intersection, of a high density of interventions from the strategic machine-tool-design sector, and of a labor-force which knows, rather than merely learns.

In effect, it is the increase in “Riemannian cardinality” of action, effected by a cumulative succession of discoveries of validated new principles of nature (in Classical art-forms and physical science), which enables labor to increase the per-capita level of density of the economy’s capital-intensive, power-intensive “energy of the system,” while always increasing the ratio of the society’s margin of “free energy,” relative to the per-capita increase of “energy of the system.” In short, the anti-entropy of the economic process.

Notably, as Henry C. Carey educated leading Americans, including President Abraham Lincoln, to grasp this fact: the U.S. economy made no profit on the use of African-Americans as slaves. The slave-owner parasites, and the British and related manufacturers of cheap cottons, such as England’s Frederick Engels, lived more or less richly by looting slaves; but, the U.S. economy as a whole was substantially ruined, almost bankrupted, by the effects of slavery and the slave-system. The ability of an economy, as a whole, to produce and sustain a profit, depends absolutely upon the development of the productive powers of its people, its labor-force most emphatically.

Look at the ruinous effects of “out-sourcing” upon the national economies of the U.S.A. and Germany. Focus upon the Germany case.

Out of its post-war reconstruction, Germany, once again, developed a relatively high standard of living. Cheaper labor in other economies, could not compete with German labor, either in productivity, or in quality of product. The reason: the effects of the traditions of *technische Hochschule* and the Humboldt education reform (until it was destroyed under Chancellor Willy Brandt), combined with the economy’s em-



*The ruinous effects of “out-sourcing”:
German coal miners
demonstrate against
layoffs in the Ruhr
region, January 1997.*

phasis upon its strategic machine-tool-design sector within the middle-industry sector (*Mittelstand*).

When imported labor of guest-workers was introduced, the quality was maintained, because those temporary immigrants were working within a German cultural and technological environment. The high density of technological interventions from the strategic machine-tool-design sector, kept the quality of the product-design high, and the quality of the productive process progressive. This was also advantageous to the nations whose citizens had been employed as German guest-workers, not only because of the remittances to the home country, but because, on condition that suitable economic infrastructural environments were developed in the home country, the returning guest-workers provided impetus for healthy economic development in their native country.

When “out-sourcing” into cheap-labor markets is conducted, the result should remind us of the ruinous economic effects of the pre-1865 U.S. slavery system, and similar effects of looting of colonies through employment of cheap local labor in plantations and mining. The low standard of family life, and education, the lack of adequate basic economic infrastructure, and the lack of a significant, indigenous development of the strategic machine-tool sector, place the “out-sourced” production into an infertile economic environment. While the German economy withers, while its vital machine-tool sector is ravaged, Germany’s production-quality is polluted by the technological-attribution factors of the national environment of the cheap-labor market. The result is ruinous for Germany (and the United States); it is also ruinous for the country upon whose premises and labor the “out-sourc-

ing” is conducted. The result is comparable to the effects of slavery upon the U.S. economy: some slave-owners became rich, some British and Yankee textile magnates were enriched by slave-produced cotton, but the wealth of the nation as a whole was depleted. In the neo-colonialism of today’s “out-sourcing,” some fast-buck operators make money from such cheap-labor operations, but the nations involved, both exporter and importer, suffer massive net losses.

Characteristics

To begin with, competence in economics throws to one side all of those concoctions which start with money and prices. The function of money, credit, and prices, within an actual economy, is limited to the function those man-made fictions play within the bounds defined by the real economy, the physical economy. The most essential characteristic, upon which a science of physical economy is premised, is that to which we have referred above, as in the previous week’s treatment of the role of the nation-state economy.¹² The most characteristic feature of economy is the effect of economic policies of practice in terms of improvements in the demographic characteristics of households, as correlated with increase of mankind’s potential relative population-density.

The central topic of a science of physical-economy, is, therefore, the means by which mankind increases our species’ relative per-capita power over the universe. This means, which is unique to the human species, is the individual’s de-

12. “Miniver Cheevy,” loc. cit.

velopable capacity for posing and resolving metaphors, the common characteristic of both valid physical science and Classical art-forms.

Indeed, physical science is not competently understood, until it is recognized as a Classical art-form in the sense provided by Plato's dialogues and letters. This signifies metaphor as it appears, presented as paradox, at the center of the paintings of Leonardo da Vinci and Raphael, as at the center of the Classical tragedy of Aeschylus, Shakespeare, and Friedrich Schiller, in great Classical poetry, and by Mozart's derivation of thorough-composition, according to the principle of metaphor, from the development of well-tempered counterpoint by J.S. Bach. It is this principle of metaphor, the central feature of Plato's Socratic method, not formal mathematics, which is the subsuming characteristic of the method of fundamental scientific progress. It is the method of what Leibniz sometimes described as *Analysis Situs*.

It is the capacity of the developed cognitive potential of the individual member of the human species, to pose, and to derive validated resolutions for metaphorical forms of paradox, which is the root-principle separating human economies from the ecologies of the lower species. The willful improvement of demographic characteristics of the human species, by means of changes in both nature and human practice, is the sole basis for constructing a valid study of economic processes. The realization of the willful capacity of the individual, to contribute to this process of physical-economic development, is the *universal characteristic* of all valid comprehensions of economic processes. That characteristic is the *necessary and sufficient reason* for the existence of economies.

Once that characteristic is so located for study, the chief practical concern in shaping of economic policy, is to define and realize those changes in the conditions, the which are required for both the development of those cognitive potentials, and their realization as increased productive powers of labor. This includes the development of the preconditions for production, such as basic economic infrastructure, in addition to the methods and branches of production itself. It must stress, as emphasized above, the central role of universalized education, preferably Classical humanist forms, and the relationship among such education, science, and the strategic machine-tool-design sector, as the "driver" upon which sustained progress in the economy depends.

The supply of those prerequisites, and their relatively optimal realization, defines a physical economy with an assignable characteristic "physical-economic space-time curvature." The overall object of management of the economy, and its quasi-autonomous parts, is to bring about advance to an economy of relatively higher characteristic "curvature."

From this vantage-point, monetary processes come into consideration, showing us that money is a product of credit, rather than credit a product of money. The case of the development of a local currency by the Seventeenth-Century Massachusetts Bay Colony, is a most relevant illustration.

The Commonwealth of Massachusetts incurred a debt in

the form of an issue of paper currency for legally restricted use within the Commonwealth. This debt was used to facilitate exchanges of goods which would not have occurred otherwise; by this means, the conversion of otherwise underutilized productive potential into additional physical-economic wealth, greatly accelerated the economic development of the Commonwealth, until London, in 1688-1689, suppressed that colony's autonomy.

Nonetheless, the lessons of that Massachusetts experience with a paper currency, maintained through the work of Cotton Mather and Benjamin Franklin, are embedded in the design of the U.S. Federal Constitution, and form a key element of U.S. Treasury Secretary Alexander Hamilton's specifications for the "American System of political-economy." Therein lies the central axiomatic difference between the American System of national banking, and the British financial-oligarchical tyranny of so-called "central banking."

The use of money to create credit, tends to the evils of usury. The American System's use of the sovereign nation-state's power to create credit, as the basis for the issuance and regulated circulation of money, requires only that this money's value be defended by restricting ("dirigistically"!) the primary use of such credit, to applications which generate greater new value of real wealth produced than the value assigned to the currency issued.

Systems pertaining to the sovereign nation-state's creation and regulation of credit, money, taxation, trade, and tariffs, situate money and credit in their proper place, as merely fictions, which differ among one another as they are more or less useful, or even detrimental to that expansion of physical-economic process which they ought to assist. Thus, the subject of credit, money, tariffs, and trade-regulation, must be situated under the higher authority implicit in the notion of physical-economic characteristics.

The combination of the two sets of considerations presents us with two interacting kinds of characteristics. The first, which we might agree to identify as the technological, or physical characteristics of the real economy, are those features which are independent of the assumptions incorporated in the legal and other fictions encountered as property-right, monetary, financial, and related classes of restrictions superimposed on the administration of the real economy. It were convenient to identify the first, the real economy's structure, by the term *technological characteristics*, and the second as *operating characteristics*.

The horizon

Approach the second of our two topics, by situating it in the framework of several, nested, anecdotal observations.

How far into the future must the effects of present decisions be projected? Should the span be: from the typical number of years after marriage a birth to that new household occurs, until the outer range of life-expectancy of that new individual: ninety or more years, for today's U.S.A.? For, is not the new individual the product of the formation of the

family in which that birth occurs? Is it not the case, that “investments” in the development of that household and its environment unfold over the course of the lifetimes of the persons born to it?

Look at the same matter in a slightly different way.

The present writer’s grandparents were born during the 1860s, the first of those born circa 1860. This is 1997, and, at last glance, the present writer was still an active influence among all among the planet’s continents (excepting, perhaps, Antarctica). In his childhood, he had one direct personal contact with a great-grandparent, and the most influential U.S. public figure was a great-great grandfather, an Ohio-based, anti-slavery Whig, born about the same time as Abraham Lincoln. The traditions associated with the latter, were presented as living memories around the dinner table of the maternal side of the family. Similarly, there are a significant number of persons still living today, whose grandparents had been slaves under the Confederacy. These influences affect the bearer in a way which does exert impact upon the current decision-making processes of the living. These cultural influences are thus physically efficient presences within the decision-making which affects the physical economic and related state of affairs.

Contrary to the mechanistic tradition of Galileo, Hobbes, Mandeville, Adam Smith, et al., the future of mankind is not only the influence of the past upon the present; man is a voluntary creature, who, in significant degree, chooses his future. Man’s ability to foresee, at least to significant degree, the consequences of his commissions and omissions, becomes a means by which the future shapes both our present conditions, and also, in a similar way, determines the effective outcome of our past. We are presented, in this and related ways, with a most paradoxical metaphor respecting the nature of causality: *Much as some would define “causality” as the past’s action upon the present and future, we must also acknowledge the efficiency of the future’s impact upon the present.* In short, the paradoxical prospect of a calculable expression of *time-reversal*.¹³

This notion of “time-reversal” is no chimera; historically, it is a well-established, rigorous scientific conception, since more than two thousand years of European civilization. This conception was given a deeper meaning by the development of the notion of a general, non-Euclidean relativity of physical space-time, which grew out of Riemann’s 1854 habilitation dissertation. The arguable strangeness of the conception is entirely a reflection of the influence of the mechanistic world-outlook permeating axiomatically, virtually every subject-matter of the university undergraduate classroom today. The relevant explanation is supplied in three degrees of successive approximation.

First, in chronological order: Among the known historical

treatments of efficient time-reversal, the earliest is that intrinsic to Plato’s Socratic method. The root-idea inheres in the notion of hypothesis, as even the hypothesis of Euclidean geometry typifies this in the relatively simplest way. In the case that the lattice of theorems which may be deduced from even such a simple hypothesis, forms a sequence of theorems, we have the following. The sequence corresponds to elaboration in time; yet, the hypothesis which underlies each and all members of that theorem-lattice, exerts its command, simultaneously, upon each and all of the members of the sequence.

Similarly, for the case of higher hypothesis, the sequence of hypotheses forms an hypothesis-lattice, in respect to which the relevant, underlying higher hypothesis (e.g., ordering principle) exists, as an efficient agency, acting simultaneously upon each and all of the hypotheses of that sequence.

Second, in medieval Christian theology: Similarly, for Plato, the Good, which underlies the valid generation of hypothesizing the higher hypothesis, exists simultaneously with all occurrences in the universe. This, Plato’s notion of the simultaneity of the Good, was employed by Christian theologians, with included reference to Plato’s *Timaeus*, as the basis for the Platonic ontological proof of the existence of God. This notion of simultaneity is met, for example, in the work of Thomas Aquinas.

Third, in modern physics: Riemann’s revolution in geometry, relocated the notions of space and time, removing both from the realm of aprioristic speculation, to dimensionalities, like any other validated physical principle, premised upon validated discoveries of experimental-physical principle.

Each and all of these notions already implied a retarded rate of potential for propagation of light (for example), and, similarly, for propagation of gravitation. Leonardo da Vinci, contrary to the misguided critics of his work on propagation of sound and light, already commanded effective insight into crucial features of such connections. The agreement of the principle of isochronicity, first, for the gravitational field, as determined by Christiaan Huyghens, and, later, for refraction of light, by Jean Bernoulli and Gottfried Leibniz, during the Seventeenth Century, set the precedent for the work of Riemann, and of the notions of a general physical-space-time relativity arising out of Riemann’s discoveries. From any literate standpoint in the history of science, time, like space, does not correspond to that simplistic, mechanical notion of simple extension, which popular opinion would prefer, still today.

Here, our attention is focussed upon a more narrowly defined aspect of this fascinating topic: that, *the idea of the future, as that idea affects the present decisions of persons, exerts, thus, an explicitly physical influence upon the present choices shaping the course of future events.* Examine the matter before us from that standpoint.

How accurate might we make our estimates of the future? Obviously, the ability actually to know the future, does not depend upon charismatic inspirations. It depends upon the

13. Lyndon H. LaRouche, Jr., “The Essential Role of ‘Time-Reversal’ in Mathematical Economics,” *Executive Intelligence Review* Oct. 11, 1996.

principle of hypothesis; it depends upon the validity of the axiomatic assumptions which underlie the choice of scientific method employed to project future consequences of present decisions. This takes us directly back to Plato's principle of hypothesis: if a supposed principle of nature is validated, then the principle is valid for the future, as well as the present. The qualification is, that this principle may be passed along from one hypothesis to the next; nonetheless, although this means that Prometheus' vision has limited penetration into the future, we can make approximations for a significant distance ahead, with a reasonably minimal margin of error.

Unless we assume, contrary to all evidence, that the universe changes its principles capriciously, we can not say that discovered principles are valid only for the immediate time-frame in which they have been validated experimentally. The evidence is, that the nature of the principle persists, even in the case that it is incorporated into new hypotheses. Furthermore, the principle of increasing cardinality, as applicable to the underlying sequence of hypotheses, also persists, with a high degree of approximation over the medium-to-longer term. The working point is, that since such underlying principles persist, albeit with these qualifications, we can fairly estimate the principles underlying a state of society a significant period ahead (i.e., "simultaneity in universality").

As an illustration of the point, consider four of the relatively few economic and other forecasts (all more or less successful) which the present writer has made.¹⁴

First, during the years 1959-1961, and beyond, this writer forecast,¹⁵ that if the international economic policy-shaping trends experienced during the Eisenhower Presidency's period, persisted into the 1960s, that (a) during the second half of the 1960s, a series of monetary crises would erupt, leading into (b) a breakup of the existing Bretton Woods agreements. This forecast was realized during the interval beginning with the 1967 Autumn crisis of sterling, and concluding with the 1971-1972 introduction of an international system of "floating exchange-rates," ending the pre-existing Bretton Woods agreement.

The second of the four forecasts referenced here, was made in August 1971, immediately following the August 16 collapse of the U.S. dollar.¹⁶ He forecast the (a) immediate introduction of a series of austerity measures echoing the 1931 pro-fascist austerity measures of the Bruening government in Germany, and the Tony Blair-prefiguring, Ramsay MacDonald Labour-led government of Britain, and (b) that if these trends in austerity were continued, they must converge upon a threatened general financial and economic collapse of civili-

zation into a planetary "new dark age."

The third of the four forecasts, was made following the Spring 1987 repeated forecasts of an October 1987 major stock-market crisis.¹⁷ The writer thereafter forecast, during his 1988 campaign for the Democratic Party's U.S. Presidential nomination, that (a) the post-1987 U.S. physical economy was in the process of ratcheting downward, like a "bouncing ball," toward a new major crisis,¹⁸ and (b) that it must be expected that the Soviet-bloc economy would begin to break apart in the immediate future, with the prospect of the early reunification of Germany, with Berlin its designated future capital.¹⁹

Actually, the writer's first forecast of the threatened early collapse of the Soviet bloc economy, was made at the beginning of 1983, when he forecast, that if President Ronald Reagan were to propose to Moscow the writer's design for a strategic ballistic missile defense (as the President did, a few weeks after this forecast), and if the Soviet government were to refuse that offer by President Reagan, that the Soviet-bloc economy would proceed to unravel, approximately five years down the road: the collapse erupted approximately six and a half years down the road.

These anecdotal cases illustrate the feasibility of pre-determining "economic horizons" with a high degree of reliability. Such forecasts should never be viewed as "predictions;" their value lies almost entirely in their importance as guides to present choices of policy-shaping trends. They are not based upon statistical correlations. They are based upon adducing both (a) the nature of the technological and operating characteristics of present trends in shaping policies of practice, and (b) the definition of an "horizon" on the basis of assuming that those considerations might be treated as a working hypothesis respecting the nature and results of trends in future policy-shaping.

The significance of the "economic horizon," increases as the (physical) capital-intensity of investment in basic economic infrastructure, production, and physical distribution of product. This correlates with increases in the complexity and span (in space and time) of the social division of labor. It increases as the school-leaving age is advanced, and as life-expectancy increases.

Those implications ought to be more or less obvious. However, since the principle of nature involved is not only unfamiliar to most, but contrary to the philosophy of practice underlying virtually all secondary and university undergraduate curricula today, resistance to accepting the meaning of those implications will tend to be both pervasive and emotion-

14. This list does not include a number of forecasts which this writer never made, but which some self-styled "critics" have alleged him to have made.

15. First circulated during 1959, and first published in 1961. Later, the subject of a one-semester course in economics, as taught at several campus locations during 1966-1971.

16. Lyndon H. LaRouche, Jr., *New Solidarity*, Aug. 30-Sept. 3, 1971.

17. Statement issued by Lyndon LaRouche on May 27, 1987, published in *EIR*, June 5, 1987.

18. See Lyndon LaRouche Presidential campaign TV broadcast, "The Test of Fire," April 12, 1988.

19. See Lyndon LaRouche Presidential campaign TV broadcast, "The Winter of Our Discontent," Oct. 31, 1988.



The Schiller Institute performs Bach's St. John's Passion on Good Friday, March 28, 1997, in Germany. The fundamental principle of Classical musical composition, LaRouche writes, is identical in nature with the principle of forecasting associated with the notion of "economic horizon."

ally strong. For that reason, the present writer has found it virtually indispensable to introduce the comparative standpoint of Classical musical, motivic thorough-composition, as this was developed by W.A. Mozart on the basis of the prerequisite development of well-tempered polyphony by J.S. Bach.²⁰

In summary of relevant points of the musical case. The perfection of well-tempered polyphony, by J.S. Bach's resort to principles of *Analysis Situs*,²¹ perfected the contrapuntal principle of overlapping, modal inversions in sense of direction of implicitly heard intervals. This implication of Bach's discoveries is typified by his *A Musical Offering* and *The Art of the Fugue*. The first of those Bach works was explicitly referenced by W.A. Mozart's development of motivic thorough-composition, and, probably, also the second.

In that method, of motivic thorough-composition, the composition is derived, conceptually, from a "germ," a germ which is represented by a pair of intervals. From the contra-

20. Lyndon H. LaRouche, Jr. "The Essential Role of 'Time-Reversal' in Mathematical Economics," pp. 19, 23-24.

21. The method by which the values of the intervals for the well-tempered scale are determined, is not algebraic, but, rather, in fact, an expression of Gottfried Leibniz's implicitly Keplerian notion of *Analysis Situs*. It is the full set of natural species of singing voices, for the case that those voices are trained in the Florentine form of *bel canto*, which determines, implicitly, the precise value of the well-tempered scale. The implicit determination lies in the domain of modal inversions, most notably inversions of intervals which lie across the singing-voice parts of the composition.

puntal pathways so implicitly generated, a series of transitions is produced. These transitions, marked by relative "dissonances," define the separation of a series of modal forms of hypotheses in that compositional/performance domain. The characteristic ordering principle underlying that succession of transitions, then serves as the idea of the composition taken as a whole, an idea which therefore exists in the mind as a virtual simultaneity of every interval of the composition, with every other, with respect to the universality of the composition as a whole. Thus, the composition is to be performed under the controlling influence of that underlying principle of development which represents the composition taken as a whole. The effect so achieved in performance, is that identified by the conductor Wilhelm Furtwängler as "performing between the notes."

This principle of Classical musical composition, and performance, is identical in nature with the principle of forecasting associated with the stated notion of "economic horizon."

For clarification of the foregoing line of argument, we interpolate now a summary of the leading contrary view.

The contrary view

The contrary view of science, and of aesthetics, as derived from Paolo Sarpi, Galileo, Francis Bacon, Thomas Hobbes, and John Locke, is the satanic notion of "freedom" associated with such Enlightenment figures as the Mont Pelerin Society's avowed choice of "anti-Christ," Bernard Mandeville, and such followers of Mandeville's "evil causes good" doc-

trine as François Quesnay, Giammaria Ortes, Pierre-Louis Maupertuis, Adam Smith, Jeremy Bentham, John Stuart Mill, and system analysis's John von Neumann.

All of these religious gnostics insist, as does Immanuel Kant, that the improvement of any process occurs through the action of a mysterious metaphysical principle, a principle which exists beyond the reach of reason, in the nightmare realm of statistical foreplay. This principle is supposed to function to best effect when random interactions among the individual lusts of mechanical objects or persons are free from prescriptive interference in the process from "outside agencies." This became the central axiom of what is known as "philosophical liberalism."

This was philosophical arch-liberal John Locke's defense of enslavement of Africans; John Locke's argument was the central principle which set the evil Constitution of the Confederate States of America apart from all civilized forms of human existence. This Tory doctrine of "philosophical liberalism," was never accepted by the authors of the U.S. Declaration of Independence and Federal Constitution, nor by any patriotic faction in U.S. history. It was not until the unleashing of the present-day counterculture, during the mid-1960s, that this radical "free trade" dogma of the fascistic Mont Pelerin Society, was allowed to roam freely in these United States, or any civilized nation of the world.

In all moral forms of society, dirigism is the predominant principle of what is termed "macroeconomics" today. Our patriots' philosophical difference with the Soviet Union on this account, was never that the Soviet economy was dominated by planning in the state sector. The Federal republic of the U.S.A. was formed, largely, for reason of the perceived need for the role of the Federal government in managing interstate commerce, foreign trade, and the development of major elements of national basic economic infrastructure. The crucial fault in the Soviet economic system, was, that the Soviet system refused to recognize the role of individual creative leadership in fostering of investment in scientific and technological progress in a private sector which must come to dominate agriculture, mining, manufacturing, and related aspects of the economic process as a whole.

One of the notable ironies of modern history, is that the Bolsheviks came to power in ruined Russia, as the Menshevik rivals complained, because V.I. Lenin was what Russia's lexicon terms a "voluntarist," rather than an obedient serf under the monotonous, social-democratic rule of "historical objectivity" flowing through the mysterious will of the masses. The failure of Lenin's economic system, was that it made no allowance for the indispensable role of the same individual quality, of "voluntarism," in the leadership of productive enterprises outside the domain of basic economic infrastructure and military production. The irony of the Soviet economy, was, that its greatest economic achievements were in the science-driven military and aerospace industrial sectors, as contrasted with the lumbering economic tragedies of the large,

state-owned civilian enterprises. It was in the science-driven military-aerospace sector, that the voluntarist element of individual scientific and related creativity, drove enterprises to achievement. It is the tragedy of post-Soviet Russia, that the only leading economic potential of the entire system, the science-driven military-aerospace sector, has been virtually obliterated by the relevant, foreign occupying power, the International Monetary Fund.

As we have stressed this point in several earlier, leading locations, it is for related reasons, that the only periods of this century, during which the leading nations of Europe and North America have enjoyed significant rates of net economic growth, are those periods, during which the perceived threat of general warfare, or actual warfare, has impelled those nations' governments, as under President Franklin D. Roosevelt, to mobilize their strategic machine-tool-design sectors for accelerated investment in scientific and technological progress. It was the spillover of such progress in the domain of military logistics, into increasing the productive powers of labor more generally, which supplied the impulse for growth, in western Europe and North America, as in the former Soviet Union.

The relevant point is the fundamental principle of law of the U.S.A., as set forth in the Preamble of the Federal Constitution:

" . . . provide for the common defense, promote the general Welfare, and secure the blessings of Liberty to *ourselves and our posterity.* . ." [emphasis added]

We are accountable to the future, by law. To be accountable, means, first of all, to foresee the future consequences of present choices of action (or, inaction). To be accountable, means, secondly, to direct our actions according to that foresight. Economic planning, including governmental responsibility for the basic economic infrastructure which the present bequeaths to the future, is required by our rightly chosen, fundamental principle of law. The difficulty lies in today's continuing, general ignorance of the essential principle upon which all economic planning must be premised: the fact, that the distinction between bestiality and humanity lies within the unique potentials of the developed *individual* creative intellect.

That individual potential, which Plato and the Apostle Paul situate under the title of that creative passion known as *agapē*, the passion for truth and justice, is the goodness within the individual person. The function of a civilized society's economic planning is to ensure the opportunities for development and useful expression of that individual quality of goodness. Therein lies our difference with the satanic sort of erotic passions of Hobbes and Mandeville, the evil of philosophical liberalism. Therein lies the secret of the economy of a civilized 21st Century, the economy toward which China is reaching, with its partners, today.

Blair landslide signals new British fascist offensive

by Mark Burdman

The British oligarchy has been in a state of flight-forward euphoria since the May 1 general election in Britain. In the days following the landslide victory of Labour Party leader Tony Blair, the British elites have orchestrated an international hype, of the sort usually reserved for characters like Blair's personal idol, the satanic rock star Mick Jagger. The British elites are counting on the "Blair phenomenon," to usher in a new phase of brutal fascist austerity in European countries, according to the usual "Thatcherite" prescriptions, but implemented with a different style than that of the snarling old battle-axe Margaret Thatcher. Those British who matter, know that the global financial system is cracking up, and think that "social democratic"-tinged regimes will be better positioned to "manage" the social and political eruptions that will occur in response to that financial disintegration.

At the same time, Blair's ascension, certified by Britain's ultra-powerful Privy Council over May 2-3, marks a heightened offensive, to extend the power of the British Empire, via the Queen's Commonwealth structure, around the world.

The entire strategy carries enormous risks, however. Very soon, the superstar image of Blair will be replaced by disgust and hatred, as he uses the mandate he receives to do what his predecessor and model from the early 1930s, Labour Party Prime Minister J. Ramsay MacDonald, did, then. In the period leading up to the election, numerous senior British commentators concurred with Lyndon LaRouche's estimation, that Tony Blair would be a reincarnation of Ramsay MacDonald.

MacDonald was elected in 1929, soon before that year's famous stock market crash. After the crash, in close coordination with King George V and Bank of England Governor Montagu Norman, he imposed draconian austerity, predominantly hitting his party's working-class base. As matters worsened, by summer-autumn 1931, he presided over a grand

coalition "National Government," with the opposition Conservative and Liberal parties, so that a cross-party consensus would be fashioned for yet further austerity measures. After that experiment collapsed, MacDonald was rewarded, by being made president of the King's Privy Council, an enormously powerful position, given that the Privy Council, as we shall see presently, is the real repository of power in the United Kingdom. Meanwhile, in those years, 1931-34, the same Montagu Norman was working with his collaborators in Germany, to create the circumstances for Adolf Hitler to come to power.

Serious political observers would do well to keep this historical precedent in mind, before they get too irrationally exuberant over Tony Blair.

Is it only the Queen's hand that is kissed?

On May 1, Blair's Labour (or New Labour, as he has dubbed it) won 418 parliamentary seats, an increase of 146, and 43% of the vote. John Major's Conservatives garnered 165 seats, losing 78 seats, and only 31% of the vote. The Liberal Democrats won 46 seats, a net gain of 28 seats, and 17% of the vote. This is the highest total for a third party in Britain in decades, with the gains made at the expense of the Tories.

Overall, the defeat, ending 18 years of Conservative Party rule, was the worst suffered by the party in over 90 years. No less than six members of Major's cabinet lost their individual seats for the Parliament, including Foreign Secretary Malcolm Rifkind and Defense Minister Michael Portillo. In Scotland and Wales, the party was literally wiped off the map.

No sooner had the election results been announced, than the entire Buckingham Palace/Privy Council structure went into motion. The fact that significant aspects of the Privy

Council involvement was publicized in the pro-Blair *Guardian* on May 2, indicates that the higher-level figures who really run the show in Britain, have no compunction about flaunting their power over events.

On May 2, the defeated Prime Minister John Major met with Queen Elizabeth II, to resign from office. Then, Blair met with Her Majesty, and he became prime minister “the minute he kissed Her Hand by Her permission,” as a Privy Council official described the event. Blair then read a list of individuals who he would like to be ministers in his government. On the following day, there was a two-part ceremony at the Privy Council. The ministers-to-be, who were not yet Privy Councillors, had to take a secret oath, to uphold the actions of the Queen. Then, on May 3, Blair, accompanied by his ministers-to-be, met with the Queen at the Privy Council, where they, too, kissed the Queen’s hand, thereby making them Her Majesty’s ministers, and members of the Privy Council as well.

A Thatcher by any other name

Blair’s landslide has been followed by an outpouring from the various spin-doctors who are usually dragged out on such occasions, to proclaim that the vote constitutes a “repudiation of Thatcherism.” This is nonsense. Admittedly, many Britons were fed up with the effects of 18 years of neo-liberal policies carried out by the consecutive Thatcher and Major governments, and it was apparent to many such Britons that all the talk of “prosperity” that has accompanied the Thatcher-Major years, has been nothing more than a Potemkin Village facade. It is also true, that, especially in recent months, the rampant corruption and sleaze pervading the Major team, and the Conservative Party more generally, had produced considerable revulsion.

However, any Briton who has bought the mythology that Blair is some kind of alternative, is in for a rude shock. Blair has lost no opportunity, to stress his full support for the main thrust of Baroness Thatcher’s policies: fiscal austerity, slashing of the state budget, subordination of economic and financial decisions to the whims of the bond markets, large-scale privatization of state-owned energy and infrastructure assets, and phasing out of the welfare state, via “welfare reform” policies that hurt the most disadvantaged and help Britain’s shrinking number of prosperous subjects.

No sooner had Blair been elected, than the British press was filled with reports that one of his top priorities would be to implement “welfare reform.” To this end, he appointed Frank Field, a Labourite openly admired by Baroness Thatcher, to the number-two post at the Department of Social Security. Over the past months, Field has been one of the “New Labour” elite, who has been cooperating with the neo-liberal Mont Pelerin Society and with London’s Adam Smith Institute, to architect “bipartisan” approaches toward phasing out social welfare systems. In commentaries during the same period, such Thatcherite curmudgeons as Lord William Rees-

Mogg of the *London Times* and Sir Peregrine Worsthorne, formerly of the *Sunday Telegraph*, have written articles saying that phasing out social welfare will necessarily require the imposition of an authoritarian state, and that it would be better were a “liberal” Tony Blair to preside over this, than a “right-wing” Tory regime.

Others in the Blair cabinet are committed to the same perspective. The new treasurer, Chancellor of the Exchequer Gordon Brown, has bent over backwards in the pre-election period to ensure the City of London that he will do absolutely nothing to upset “the markets.” He and other Labour economic policy spokesmen have come out squarely against any idea of imposing a tax on financial speculation. New Health Minister Frank Dobson has been given strict instructions to continue the Thatcher-Major “rationalization” of the state National Health Service, to keep health care within very strict, and ever-shrinking budgetary boundaries. New Home Secretary Jack Straw has authored an Omnibus Crime Bill that rivals anything the former occupant of the office, Michael Howard, could come up with. It features such measures, as legally treating youthful offenders as adults in criminal cases, subject to the same treatment and penalties as adults.

The Anglo-Dutch revival

Otherwise highly indicative, is Blair’s choice of various “models” to guide him in “reforming” Britain. As the Australian press has stressed, Blair has been inspired by former Australian Prime Minister Paul Keating, also a Labourite, who introduced various draconian policies under a “left”-corporatist cover. Blair spent the first years of his childhood in Australia, and has visited there in recent years. Also respecting “down under,” Blair and his team have frequently praised the “reforms” carried out by a Labour government in New Zealand; these “reforms” have transformed New Zealand into a playground for the worst kinds of Mont Pelerin fascist austerity policies (which we will document in upcoming issues of *EIR*).

As *EIR* had reported back in the first days of 1996 (see *EIR*, Jan. 19, 1996, p. 28), Blair at that time made a tour of Asia and Australasia, including stopovers in Australia, Singapore, and Japan. He used the Asia tour to promote the idea that what he called “social cohesion” could be neatly combined with reducing living standards. As *EIR* commented then, this amounted to a “globalist version of Mussolini’s 1930s corporatism, this time with an ostensible ‘Asiatic’ flavor.” The article also stressed that the Blair diplomacy signalled the extent to which the British oligarchy saw in him an opportunity to expand the influence of the Commonwealth in Asia and in other parts of the world.

Perhaps most dangerous, is Blair’s intimate relationship with Wim Kok, the Dutch Labor Party (Socialist International) prime minister. The May 3 *Sunday Times* reported that Kok is Blair’s closest ally in Europe. The British paper reported that Kok has “set the pace” for Britain’s “New La-

bour” party of Blair, by having “slashed welfare benefits as finance minister in the early 1990s.”

The two Labour leaders are already collaborating closely on European policy, in anticipation of the June 16-17 European Union summit in Amsterdam, the paper noted. Indeed, on May 9, Kok and his foreign minister, Hans van Mierlo, flew to London to meet Blair and his foreign secretary, Robin Cook, to coordinate strategies in Europe.

The Blair-Kok relationship, and Blair’s admiration for the “Dutch model,” should set off alarm bells in all Western capitals, including Washington. For one, this is a reinvigoration of the “Anglo-Dutch” axis, the most important combination of oligarchical power and influence in the world. Second, this “Dutch model,” currently being widely touted in the international media, is one of “austerity by consensus,” with a “Socialist” prime minister “managing” the social-political arrangements, and “taming” the trade unions, i.e., doing the dirty work that would be politically unpalatable for a conservative or Christian Democratic government to implement.

Key features of it include legalized euthanasia, often carried out against patients without their consent; legalization of “soft” drugs, such as marijuana and hashish; and a legal, free trade in male and female prostitutes from the age of 16 (“the age of consent”).

European leaders walk into the trap

Unfortunately, a lemming-like mentality is now prevailing among European leaders, particularly in the core states of France and Germany, on the Blair question. Whether it be German Chancellor Helmut Kohl and French President Jacques Chirac, neither of them Socialists, or the opposition German Social Democrats and French Socialists, European political leaders have been tripping over each other with gushing praise for Blair. They are exulting that he offers a “positive alternative” to the former “Euro-skeptic”-dominated Conservative Party, and that it is wonderful that the new British government has a “pro-European” attitude.

By so thinking, Kohl, Chirac, and others are making a suicidal miscalculation. The British oligarchy, with Blair in power, now believes it can more successfully subvert continental Europe “from within,” and accelerate the process of self-destruction brought about by the European nations’ adherence to the so-called “convergence criteria” mandated by the Maastricht Treaty that was signed in 1992-93.

The British strategy was enunciated hours after the May 1 polls closed by new Foreign Secretary Robin Cook, who said that European policy would be highest on the government’s agenda and that, in respect to Europe, the Blair team wanted to be “in the driver’s seat,” in contrast to Major’s government, which “acted like a back-seat driver.” Cook’s first diplomatic trip, is to Paris and Bonn, during the week of May 5, before he confers with his Dutch counterparts, to work out joint strategy for further destroying Europe, under the Maastricht Treaty.

London’s Kabila gang closes in on Zaire

by Linda de Hoyos

After ten days of intense diplomacy taking him from Kinshasa, Zaire, to Pretoria, South Africa, to Paris, France, U.S. Ambassador to the United Nations Bill Richardson announced on May 8 that the United States hopes that a “dialogue for a peaceful resolution” to the conflict in Zaire has been established.

Speaking from Paris, where he has sought to coordinate closely with Zaire’s former major sponsor, Richardson reiterated the mission given him by President Clinton: “We believe that there must be no military solution to the political and economic crisis in Zaire. Our long-standing goal has been a negotiated settlement. This should lead to an inclusive transitional government and fair and free elections. We pressed hard in all our meetings for a soft landing to the crisis, that is, a peaceful transition of power avoiding further bloodshed in the country and chaos and violence in the capital.”

South African Vice President Thabo Mbeki, who has been working in tandem with Richardson, announced from Lumbumbashi, Zaire, where he was meeting with representatives of Laurent Kabila, that Kabila had promised to halt the advance of his troops toward Kinshasa—after successfully defending their capture of the town of Kamenge—and that Kabila had agreed to meet Zairean President Mobutu Sese Seko in a second face-to-face meeting, on board a South African Navy ship, as they had met on May 4.

The dispatching of Richardson to Zaire reportedly followed a National Security Council meeting which determined that the United States must play an active role in assuring that Kabila and his foreign troops do not seize total control of Zaire, but are forced into a powersharing agreement with leaders of the longstanding democratic opposition to Mobutu.

Richardson stated from Paris that “the other reason I went to Zaire was to assess the dire humanitarian situation in eastern Zaire. In Kisangani, I saw first-hand the suffering of children—many of them orphans—and adults as they struggled to return to their homes in Zaire and Rwanda. I pressed Mr. Kabila to permit full access for international aid organizations and the United Nations and condemned the abuses, deaths, and murders of innocent civilians.” The situation for many of the 1 million displaced people in eastern Zaire remains dire, as the United Nations Human Rights Commission, the government of Rwanda, and Kabila’s forces hurl accusations at one another for the herding of starving people into boxcars, where many died of suffocation or were trampled to death.

It remains an urgent necessity of the United States to ensure the safety of refugees, including once they are within the borders of Rwanda and Burundi.

Harsher words for Kabila came from State Department spokesman Nicholas Burns, who stated on May 8: "Mr. Kabila understands what's at stake for him and his reputation in the way he handles the transfer of power. Rather than a continued military march on the capital city, with attendant loss of life and bloodshed, we would like to see a transition period worked out by meetings between either President Mobutu and Mr. Kabila, or their advisers. . . . Our view is that [Kabila] and others need to be mindful of their own actions, which are a test of their credibility."

The Belgian, U.S., and French forces deployed to Brazzaville, Congo, last month for possible evacuation of nationals, will also reportedly be used to directly avert any bloodbath in Kinshasa itself, if necessary.

Meeting the Kabila combine

Richardson's deployment has diplomatically exploded the myth that Kabila is a "Zairean rebel" leading a domestic and unstoppable insurgency against Mobutu. To even begin to bring the cutthroat Kabila to heel, Richardson was forced to meet with both Ugandan President Yoweri Museveni and Rwandan Defense Minister Paul Kagame—whose combined forces are the backbone of Kabila's "Zairean rebels." "President Museveni and General Kagame are key players on the scene here," Richardson told the press. What is not yet being publicly said, is that confrontation, even if only diplomatic, with Museveni and Kagame, is in reality confrontation with their backers—the Privy Council of the British monarchy, operating in Africa as the British Commonwealth and its mining conglomerates, such as Anglo American Corp.

According to authoritative sources, Museveni has been urging Kabila to resist all attempts to negotiate, and to continue his drive westward to Kinshasa, since the military correlation of forces is completely in his favor. Ugandan sponsorship of Kabila is unabashed. Ugandan Foreign Minister Eriya Kategaya defended Kabila's use of the Ugandan Presidential jet for the Zairean's diplomatic meanderings. "We were asked to fly Kabila and saw no problem," Kategaya told the Ugandan Parliament. "Uganda, after all, stands to gain a lot in the future from a single flight the jet made. The developments in Zaire are positive. Our people are already active in these areas, they are already *okulembeka* [tapping wealth]. We need to have leaders who are concerned with development."

The ultimate beneficiary of such "development," of course, will not be either the Ugandan or Zairean people. Reports are floating around Washington, that Kabila recently held another meeting with representatives of the DeBeers diamond firm, and that he is receiving new and ever larger injections of cash for his military operations from the British Commonwealth's mining companies, which are slaving over Zaire's mineral wealth. As one African opponent of Mu-

seveni put it, "The mining companies are going to take the minerals over the dead bodies of millions of people in Africa." DeBeers is itself a wholly owned subsidiary of the conglomerate Anglo American Corp. of South Africa, the jewel firm in the British monarchy's vast financial crown. London's aim has always been that the vast mineral wealth of eastern and central Zaire would be administered, not through Kinshasa, but through Rwanda and Uganda—fully recolonized under the rule of former socialist guerrilla Museveni.

The taking of Zaire, this news service has confirmed, was the *real goal* behind the first invasion from Uganda of Rwanda in 1990, against the government of Rwandan President Habyarimana. It is believed that Rwandan Patriotic Front leader and Ugandan Maj. Gen. Fred Rwigyema, who was killed at the front, was in fact murdered because of his refusal to extend his territorial horizons to Zaire. Kagame, then number three in the hierarchy, was willing. Similarly, in 1994, after that wing of the Ugandan army organized under the name of the Rwandan Patriotic Front blitzkrieged its way across Rwanda in the aftermath of Habyarimana's murder, the Ugandan Ministry of Foreign Affairs was forced to publicly deny charges from Zaire that Uganda was training Zairean "rebels," as Kampala Radio Uganda Network reported on Sept. 2, 1994.

Museveni and Kagame have clearly been promised a slice of Zairean "mineral cake." The takeover of Zaire by Kabila is "best thing that has happened to Uganda [!] in a long time," Mike Mukula, chairman of the Uganda Exporters and Importers Association, said in late April. "This is going to be a great opportunity for Ugandan goods and business in the region. I foresee the Ugandan economy booming in the near future."

The same view is voiced in Rwanda. "I am very optimistic that as Rwanda *integrates* further with eastern Zaire, it will bring great benefits for both countries" (emphasis added), Prosper Musafiri of the Rwandan Planning Ministry told the press. "Kivu can become a breadbasket for this country," Omar Bakhet, a representative of the United Nations Development Program, told a British outlet. "With Kivu now not having the possibility to export to the other parts of Zaire, it will naturally drift toward Rwanda. It is agriculturally very rich, minerally very rich, and can have a big impact for this country, even in the short term."

Aside from the mineral wealth, there are believed to be rich deposits of natural gas under Lake Kivu, which the Kabila combine is eager to develop.

In an interview with the Brussels *Le Soir* newspaper, Rwandan Defense Minister Kagame also hailed the takeover of Zaire by Kabila et al., with backing from Rwandan troops. "It has been said that Zaire is disintegrating," said Kagame. "Personally, I see it more as the country consolidating. It was a question of chaos which risked spreading to the whole region; now the contrary has happened." Kabila's takeover of Zaire is a "good thing for Zaire, . . . for Rwanda, for the whole region, if not the continent. The people of Zaire needed a change, and the region did, too."

Kabila's slaughterhouse

The 1 million displaced people in eastern Zaire—which includes 170,000 Burundians and 500,000 Zaireans—would not agree with Kagame's assessment. The world has been forced to recognize the truth of *EIR's* charges over the last six months: Kabila is the front end for a planned campaign of mass murder particularly against Hutu refugees, or anyone suspected of aiding them.

European Union Commissioner for Humanitarian Relief Emma Bonino, in a press conference on May 7, accused Kabila of turning Zaire into "one big slaughterhouse." "A man with this kind of a past ought not to have anything to do with leading a country. Anyone who is behind such massacres should not be bestowed with any responsibility, if we want peace in Zaire," she said. She reminded the press of Kabila's blocking of relief to the refugees and displaced people in Zaire, saying: "He does it with one aim: He does not want such agencies to be witness of massacres and violations of human rights. Last January, after the wave of refugees back to Rwanda, there were more than 500,000 people in the Rwandan camps in Zaire. Last February, they became 200,000, and now we can say that we count only between 30-40,000. That means that 460,000 Rwandan refugees are missing, and I am afraid most of them are already dead."

Among Kabila's victims, Unicef found 80 children in a forest south of Kisangani, with machete and bullet wounds on their bodies. Kabila's Rwandan and Ugandan forces are now, predictably and understandably, denying access to relevant areas to the UN forensic investigation team which was dispatched to Zaire, to determine the extent of the mass murder in the eastern part of the country since London's war against Zaire began in October 1996.

Rwandan group condemns inaction on refugees

The following press release, issued on May 1 by the Rally (or Movement) for the Return of Refugees and Democracy in Rwanda (RDR), is a shattering resumé of what has happened to the Hutu refugees of Rwanda and Burundi in Zaire during the last six months. It is an indictment of, especially, those such as United Nations High Commissioner for Refugees Sadako Ogata, who at the end of last year praised the "solution" of the refugee crisis. It is also an indictment of those in the Western governments who prevented a military intervention in defense of the refugees, when there was still time to do so.

As far as the United States is concerned, reliable information indicates that while the genocide perpetrated against the refugees in eastern Zaire is *not* the policy of the United States, there are elements in the U.S. government complicit with it.

For the most part, these elements are circles in the orbit of the person and capabilities of Sir George Bush.

The RDR's statement

The text of the RDR's press release, entitled "Too Little, Too Late for Rwandan Refugees in Eastern Zaire," reads as follows:

The last broken pieces of the latest episode in the implementation of the plan to break any political, economic, intellectual, or military threat to the RPF (Rwandan Patriotic Front) regime in Kigali are being swept, picked up, and dumped in Rwanda, under the United Nations exercise of repatriating the surviving Rwandan refugees.

The latest episode, rightly called the Final Solution, started with the attack on Rwandan refugee camps, under the protection of the United Nations, at the end of October 1996. This attack on refugee camps by a combined force of Rwandan, Burundian, and Ugandan forces, as pointed out in earlier statements, had been initially planned for June 1996, but was rescheduled after the plan was leaked. Some reshuffling was undertaken, to bring in the Zairean "rebellion" of Laurent Désiré Kabila, so as to give the operation a Zairean face.

According to very reliable information, the plan was seen and approved by the Pentagon and British intelligence services. This is why all attempts to bring in an international intervention force were foiled by the American and British governments.

Out of the 1,200,000 refugees who were in eastern Zaire, the most optimistic public relations figures, and the figures used by the UN High Commissioner for Refugees, put the number of those who returned to Rwanda at 500,000. The world was forced to accept that the majority of refugees had returned home. The notion was forced down the throat of the world, that fewer than 200,000 refugees were staying in Zaire, too few to warrant wasting resources on saving them, according to those who were opposing the idea of an international intervention force.

As it was impossible to believe that such simple arithmetic could elude anybody (1,200,000–500,000=700,000, not 200,000), the only logical explanation was either that the proponents of such assertions were sure that the 500,000 refugees unaccounted for, had already been killed by the combined Rwandan, Burundian, and Ugandan forces, or that intervention was being forestalled until the rising death toll had reduced the number of survivors in fact to that number.

Indeed, it now seems that the surviving refugees, who are little more than ghosts, are less than that number—before intervening in another way, like the present one of airlifting the remaining ghosts. The world is now busy looking for funds to deliver them to the RPF. It is highly probable that many will die in Rwandan jails, while others will be left to die licking their wounds.

According to theorists of the "Final Solution," to end any threat to RPF power, it was deemed necessary to eliminate

the Hutu intelligentsia, professionals, former politicians, prominent businessmen in Zaire, and break the backbone of the former Armed Forces. This seems to have been accomplished. This is calculated to give the RPF military oligarchy an upper hand on the military, economic, and intellectual levels.

In Tingi-Tingi, many refugees had asked the UNHCR to arrange their repatriation, but this had been purely and simply ignored. *The hidden agenda is alleged to have been that it was felt that the number of refugees was still too high for the RPF regime and its backers.* It was also believed that they had not been weakened enough, and could still have constituted a threat to the Kigali regime and to the pilot transporting them.

Those who escaped from the net in Tingi-Tingi, Zaire, and landed in Nairobi, have so far not been acknowledged by the UNHCR office in Nairobi. The mopping-up exercise is said to be in the offing. It will consist of assassinating those who escaped through the net, and were outside the camps in Tanzania or Zaire. Kenya is likely to be the next point of attention for the RPF death squads. It is important to recall that one Ntare Peter, RPF agent, was caught up in one of the Estates in Nairobi in possession of Kenyan police uniforms, handcuffs, and 91 rounds of ammunition of various calibers.

What is happening now is another test of political will of the international community to play a fair and equitable game.

As was done both in Rwanda and in Bosnia-Herzegovina, an international commission of inquiry should be put in place, and a tribunal set up, to try those who are responsible for crimes of genocide, war crimes, and crimes against humanity committed against Rwandan refugees in eastern Zaire. The international community, particularly the United Nations, has to dispel serious allegations that what is happening in eastern Zaire was an internationally planned genocide against the Hutu population.

The surviving refugees who are being served up to the RPF authorities in Rwanda should be followed up, to make sure that their rights are respected, and a special program should be set up to assist the traumatized and helpless children.

What is being tried now is just too little, too late, because these people would have been saved if the backers of the RPF government had accepted the idea of an international humanitarian intervention force to create safe corridors for the safe return of refugees back to Rwanda.

The Rwandan people may not have the resources or the might to fight the injustice meted out to them, but *sooner or later history will judge those who were behind, or condoned, the horrendous crimes committed against the Hutu population.*

For the RDR, Chris Nzabandora, spokesman

LISTEN TO LAROUCHE ON RADIO



*Frequent Interviews with
Lyndon LaRouche on the
Weekly Broadcast "EIR Talks"*

ON SATELLITE
Saturdays
(5 p.m.) ET
Galaxy 7 (G-7)
Transponder 14.
7.71 Audio.
91 Degrees West.

SHORTWAVE RADIO
Sundays, 5 p.m. ET
2200 UTC
WWCR 12.160 mHz

**Cassettes Available to
Radio Stations**

**Transcripts Available to
Print Media**

Local Times for "EIR Talks" Sunday Shortwave Broadcast on WWCR 12.160 MHz

Adis Ababa	0100*	Little Rock	1600
Amsterdam	2300	London	2200
Anchorage	1300	Los Angeles	1400
Athens	2400	Madrid	2300
Atlanta	1700	Manila	0600*
Auckland	1000*	Mecca	0100*
Baghdad	0100*	Melbourne	0800*
Baltimore	1700	Mexico City	1600
Bangkok	0500*	Milan	2300
Beijing	0600*	Minneapolis	1600
Belfast	2200	Montreal	1700
Berlin	2300	Moscow	0100*
Bohemian Grove	1400	New Delhi	0330*
Bogota	1700	New York	1700
Bonn	2300	Nogales	1500
Bombay	0330*	Norfolk	1700
Boston	1700	Oslo	2300
Bretton Woods	1700	Paris	2300
Bucharest	2400	Philadelphia	1700
Buenos Aires	1900	Pittsburgh	1700
Buffalo	1700	Prague	2300
Cairo	2400	Rangoon	0430*
Calcutta	0330*	Richmond	1700
Caracas	1800	Rio de Janeiro	1900
Casablanca	2200	Rome	2300
Chattanooga	1700	St. Louis	1600
Chicago	1600	St. Petersburg	0100*
Copenhagen	2300	San Francisco	1400
Denver	1500	Santiago	1800
Detroit	1700	Sarajevo	2300
Dublin	2200	Seattle	1400
Gdansk	2300	Seoul	0700*
Guadalajara	1600	Shanghai	0600*
Havana	1700	Singapore	0530*
Helsinki	2400	Stockholm	2300
Ho Chi Minh City	0600*	Sydney	0800*
Honolulu	1200	Tehran	0130*
Hong Kong	0600*	Tel Aviv	2400
Houston	1600	Tokyo	0700*
Istanbul	2400	Toronto	1700
Jakarta	0500*	Vancouver	1400
Jerusalem	2400	Vladivostok	0800*
Johannesburg	2400	Venice	2300
Karachi	0300*	Warsaw	2300
Kennebunkport	1700	Washington	1700
Kiev	2400	Wellington	1000*
Khartoum	2400	Wiesbaden	2300
Lagos	2300	Winnipeg	1700
Lima	1700	Yokohama	0700*
Lincoln	1600	Yorktown	1700
Lisbon	2300		* Mondays

Africa needs 'peace through development'

On April 26 and 27, *EIR*, the Forum for Peace and Democracy (Bonn), and the Schiller Institute co-sponsored a seminar on the crisis in the Great Lakes Region of Africa. Meeting in a small town on the Rhine River in Germany, leading opposition figures from Uganda, Rwanda, and Burundi joined former Ugandan President Godfrey Binaisa, American statesman Lyndon LaRouche, Schiller Institute founder Helga Zepp LaRouche, and others, to issue a call for a policy of "peace through development" for Africa.

Almost exactly 25 years after the genocide against the Hutu population in Burundi began in April 1972, the participants in the seminar accused the international community of scandalous indifference to the ongoing genocide against the mostly Hutu refugees in Zaire. They appealed to President Clinton to intervene militarily to stop the genocide and protect the refugees from further mass murder by the mercenary forces of Laurent Kabila, and to exert political pressure on Uganda's President Yoweri Museveni, Rwanda's strongman Paul Kagame, and Burundi's putschist Pierre Buyoya to stop their war in Zaire.

Forty guests from Africa were present at the seminar.

From Uganda, former ambassador Dr. Peter Jjumba led a delegation.

Burundi was represented by a delegation of the National Council for the Defense of Democracy. The delegation was led by the CNDD's general secretary, William Munyembabazi, and the international spokesman, Jerome Ndiho, and included former high-level appointees of the murdered President Melchior Ndadaye: Jacques Bacamurwanko, former ambassador to Washington; Perpetue Nshimirimana-Gashaza, former ambassador to the United Nations; and Joseph Bangurambona, former ambassador to Nairobi. Also, Joseph Ntakirutimana, Frodebu member of the Burundian parliament, and Dr. Evariste Gafumbegete, secretary of the CNDD for Germany, as well as the secretaries for France and Belgium, were present.

From Rwanda, the Rally for the Return of Democracy and Refugees (RDR) was represented by its president, François Nzabahimana, former minister of trade. He led a delegation of representatives from Rwandan refugee organizations: from France, E. Rwirangira; from the Benelux countries, Dr. J.B. Butera; from England, J. Habimana; and, from Germany, Str. Musoni. The group Rwanda For All was represented by Nkiko Nsengimana. Jean Gahururu and Ignace Murwanashyaka from Rwanda participated as the co-sponsors of the Forum for Peace and Democracy.

From Kivu, Convergence Bukavu was represented by its secretary general, Paris attorney Hamuli Rety. Other intellectuals from Zaire, and John Agami, the Agofe of Lado, also took part.

The strategic picture

The seminar analyzed how the conflicts in East/Central Africa are being manipulated from the outside. It was stated, that the responsibility lies with that group of the Anglo-American establishment which locates its power in the British Commonwealth, and which is out to establish a new form of control over the raw materials of the region through warlords and mercenaries, while at the same time inciting fratricidal wars, such as between Hutu and Tutsi, to reduce the African population. The motivation of the heirs of Cecil Rhodes from London is to grab assets in minerals before the great financial crash occurs. The seminar documented the tragic history of the conflicts in the region and exposed the hypocrisy of the West in treating Museveni, Kagame, or Buyoya as respectable leaders, only because they make themselves willing tools of the International Monetary Fund and World Bank colonial policy, called structural adjustment.

The global strategic perspective was put forward by Lyndon LaRouche, who asked the participants to "climb the mountaintop" and see their situation in Africa globally, and from the standpoint of the last 500 years of world history. From this standpoint, said LaRouche, it is clear that civilization has been collapsing at an accelerating rate, and the world is now undergoing the "greatest financial collapse of all human history."

A plan for rapid development

In opposition to the colonial policies of the International Monetary Fund and the British, the seminar elaborated a strategy of peace through development, in the tradition of Pope Paul VI. The participants signed a call to President Clinton to convene a New Bretton Woods Conference to establish a new, just world economic order. The seminar resolved to put together a plan for the building of modern infrastructure, such as railways, highways, and water projects, to facilitate the rapid development of modern agriculture and industry in the region, which would benefit the people and bring the countries up to European or American standards of living.

The meeting ended with a passionate call by Godfrey Binaisa, who is the founder of an African Civil Rights Movement: "We, the people of Africa, must finally throw off the yoke of the new colonialism and exercise our sovereignty by choosing '20th-century methods' for the most rapid economic development, which will enable all the men in all the lands of Africa to live out their lives in freedom from fear and want."

The seminar, whose proceedings will be published by *EIR*, also heard reports that document the mass murder that has occurred in East Africa, and the way in which Rwanda and Burundi were both betrayed by the international community.

Germany's BüSo party meets to plan strategy

by Rainer Apel

One hundred and thirty delegates and 110 guests from Africa, the United States, and eastern Europe gathered on May 3, for the third national convention of the BüSo (Civil Rights Movement Solidarity) party, the German wing of the international LaRouche movement, in Mainz-Finthen. Leaders of associated parties or movements in France, Italy, Denmark, Sweden, and Poland also attended.

'Zepp LaRouche for Chancellor'

This convention differed visibly from conventions held by other political parties in Germany: first, because it opened with the performance of three songs by Classical music composer Franz Schubert, whereas other parties these days prefer rock or country music; second, because it focussed on "national" problems only as seen from a global perspective. This became clear in the keynote address to the morning session, when party chairwoman Helga Zepp LaRouche proposed herself as the "Candidate for Chancellor for a New, Just World Economic Order," for the next national elections (October 1998). She elaborated the abysmal economic situation of Germany in the context of a disintegrating financial system and shrinking production capacities worldwide, but also in the context of a degenerating political power elite.

This process of degeneration over the last 25 years has been shaped, she said, by propaganda against national sovereignty and the nation-state; the systematic destruction, in the 1960s, of the previous pro-technology and pro-science orientation, through the green "limits to growth" ideology; the counterculture movement of sex-drugs-rock music; the 1971 decision by President Nixon to decouple the dollar from the gold standard; the 1979 high-interest-rate policy of U.S. Federal Reserve Chairman Paul Volcker, followed by Thatcherism and Reaganomics, which led to the disastrous economic situation in Africa, eastern Europe, and recently also in western countries.

Zepp LaRouche then described how the LaRouche movement began fighting this degeneration in the 1960s, based on a programmatic call for a "new and just world economic order." Within a very short time, this made the movement the number-one enemy of the power elites of the degenerating world economic system, who countered with an enormous campaign of slanders. In Germany, where the movement began to organize across party boundaries in 1971, the Social Democrats (SPD)—then the governing party—officially de-

clared membership in the SPD to be "incompatible" with support for the LaRouche movement.

Still, the movement continued to campaign for crucial programmatic interventions by Lyndon LaRouche: the 1975 proposal for an International Development Bank; the 1982 Operation Juárez, and other interventions for the development of the Third World; the 1982 strategy for beam defense, which became the 1983 Strategic Defense Initiative; the 1989 Productive Triangle proposal, after the fall of communism; the 1996 New Silk Road program for Eurasian development and cooperation.

Today, a point in history has been reached, at which policy options are reduced to the necessity that President Clinton initiate the reorganization of the world financial system, in conjunction with China and several other governments. No strategic initiative can be expected from Europe at the present time, Zepp LaRouche said. The German government does not control anything; it has bound itself to the austerity measures ordered by the European Union.

All the established parties in Germany are following the designs of the financial oligarchy, and the ecologist Greens even openly support the mass murderer of Zaire, Laurent Kabila. German President Roman Herzog, a senior member of Chancellor Kohl's Christian Democratic Union, has repeatedly attacked the concept of the nation-state, and defended "globalization" of the economy (see "Germany's President Herzog on the Wrong Political Path," *EIR*, April 14, 1997). All of the established politicians subscribe to pragmatism; none of them has any idea of upholding the Classical heritage of science and statecraft, of great minds such as Plato, Nicolaus of Cusa, Leibniz, and Friedrich Schiller.

This deplorable situation calls for a profound change, for the replacement of the hedonistic, pragmatic axioms of the past 30 years. "We have to re-awaken humanity in the people," Zepp LaRouche said, concluding her address with the announcement that she will challenge German President Roman Herzog to a public debate on the concept of the nation-state.

Next, BüSo Vice Chairman Anno Hellenbroich presented a chronology of the extensive slander and defamation campaigns against the LaRouche movement in the past 20 years, starting with an FBI memorandum in 1973 that called for inciting the Communist Party U.S.A. to "eliminate" LaRouche—a theme that came up, in a variation, in the international defamation campaign of the spring of 1986, started by the communist East German secret services, according to which LaRouche's associates in Sweden were behind the assassination of Prime Minister Olof Palme. The net result of all the slanders is that, to the present day, there is immense political containment of the LaRouche movement, especially in Germany and Europe.

Call for a New Bretton Woods Conference

In the afternoon session, Lyndon LaRouche was the keynote speaker, and he began with an attack on "popular opin-

ion”—including such myths as that the election of Tony Blair as the new prime minister of Great Britain, signifies a positive change in British policy. He contrasted such myths to the reality of what is required to overcome the world crisis. Today, a New Bretton Woods Conference is required, to put the world monetary system through a bankruptcy reorganization. How should this happen? President Clinton should invite the heads of state of China and other nations to a weekend conference, LaRouche said; they should work out the agreement, and announce a new system on Monday morning. This would immediately do what is long overdue: Collapse the power of the International Monetary Fund.

LaRouche described the key countries of the Eurasian Land-Bridge, from the standpoint of their machine-tool capabilities. There are three key areas, from this point of view: In South Asia, the three main countries are Japan, Taiwan, and India. On the opposite end of the Land-Bridge, there is the area of the European Triangle formed by Paris, Vienna, and Berlin, which once had the biggest concentration of machine-tool capability, worldwide; and third, there is the potential provided by what remains of the Soviet military-industrial complex. This capability grew out of 19th-century cooperation of the United States with Russia. Because of this particular capability, the Soviet Union, despite its inferior civilian economy, proved capable of producing weapons that could challenge the West.

The European Triangle area has to export machine-tool design capabilities, to build them up in other areas of Eurasia, LaRouche said. This is just the opposite concept to the present-day practice of “outsourcing.”

LaRouche criticized harshly the fact that no European country is presently capable of providing leadership. Instead, there is “partnership,” which agrees to do nothing. The leaders are worried about “opinion,” not about their nations; they are afraid of their own populations. They change their opinions, in the way that women change fashions.

What is real leadership in contrast to this? LaRouche gave the example of the late Jacques Rueff, the French economist who had told him how he had once convinced French President Charles de Gaulle to back the “heavy franc” currency reform, which everyone else opposed: Rueff told de Gaulle that he “put the reputation of his life’s work” behind it. Leaders like him, like Franklin Delano Roosevelt or Chancellor Konrad Adenauer, never listened to opinions, but always understood real leadership as serving the interests of the nation.

This principle of leadership defines the catalytic role of the BüSo party, as a “precious little party” that is indispensable for the political debate in Germany, in the coming turbulence, LaRouche said.

The party convention passed two resolutions: one denouncing the pro-Kabila policy of the Green party; the other calling for the exoneration of LaRouche, and of his five associates who are still, scandalously, being held as political prisoners in the United States.

London’s terrorists set sites on Saudis

by Omar Abdul Aziz

With Tony Blair’s newly elected Labour government in Britain, it is expected that the doors will be opened wide for a major escalation of London-based international terrorist campaigns, especially by the MI-5-controlled so-called “Islamist” terrorist groups targeting the nations of the Middle East and these nation’s cooperation with the U.S. administration.

The traditional sympathy expressed by the Labour Party toward terrorist groups actively fundraising and organizing terrorist attacks overseas was further strengthened earlier this year. In January and February, Labour MP George Galloway, a mouthpiece for Lord Avebury, the House of Lords’ top terrorist godfather, led a hard fight against a “Conspiracy and Incitement Bill” presented by Conservative Nigel Waterson to the House of Commons. The bill would have banned individuals residing in Britain from plotting and conducting terrorist operations overseas. The Labour Party led the effort to defeat the bill. Although Waterson was a member of the ruling Conservative party, the government did not endorse his bill, contributing to its defeat.

As part of his fight on behalf of terrorism and against the bill, Galloway said: “We are all in favor of controlling terrorism in Britain . . . but we are talking about terrorism in other countries, and what is defined as terrorism by foreign dictatorships. . . . The bill will criminalize such people, even though they have not broken any law in Britain . . . or caused any harm to the Queen’s peace in her realm. They will fall open to prosecution in this country under the bill because they are inciting, supporting, or organizing events in distant tyrannies, which are clearly offenses under the laws of such tyrants.”

Following Blair’s election, a London-based Arabic daily, *Al-Quds Al-Arabi*, which gives open support to the likes of Osama Bin Laden, the Saudi terrorist financier, reported optimistically that “The Blair government will ‘disturb the sleep’ of the Saudi ruling family.” Bin Laden and a network of Saudi opposition groups, all based in London, have given support to the bomb attack against the U.S. military barracks in Khobar, Saudi Arabia. *Al-Quds* quoted “observers” in London who said that “Saudi Arabia lost all its friends in the British government and Parliament in the recent elections.” It professes that “Tony Blair’s assertions that he will support human rights issues will mean that the doors will be opened to Saudi and

other Arab dissidents to come to Britain, and to stop the pressures put on Britain to deport those who are now active." The British government has come under attacks from the leaders of at least nine Third World nations for providing a safe haven for terrorists actively operating against these nations.

Media lies geared up

The British mass media have also made major contributions to these campaigns, targetting specifically the United States' relationship to the Gulf states. The British Broadcasting Corp. and Channel 4 have aired several programs and documentaries, while the major newspapers, such as the *Independent*, and *Al Arab* and *Al-Quds Al-Arabi* have issued a wide range of reports, exposing the vulnerabilities of the Saudi government and the ruling al-Saud family. The monody of the coverage is to put the blame for Saudi Arabia's economic difficulties exclusively on the corruption of the ruling family and the U.S. military and economic presence in the kingdom. The "corruption" theme is not new, but, linking that theme together with one on the U.S. presence, provides cover for bringing the Saudi opposition into the picture. The British media conducted dozens of interviews with Bin Laden and Mohammed al-Masaari, leader of the London-based Committee for the Defense of Legitimate Rights (CDLR), portraying the two as advocates for the miserable and impoverished people of Saudi Arabia against the tyranny of al-Saud and the United States. In all the interviews with Bin Laden, the British media made sure that all his threats and marching orders to his followers were aired.

This destabilization campaign was recently brought to the United States through such Anglophile media mouthpieces as the Associated Press, Cable News Network, and CBS. CNN produced a 21-minute report featuring the same theme as a film broadcast by the British Channel 4 in January 1997. It includes an interview with Bin Laden conducted in Afghanistan. This would be the first time for such a program to be broadcast in the United States. Meanwhile, Associated Press correspondent Charles J. Hanley wrote a series of articles featuring the situation in the Saudi Kingdom. His articles were close copies of the articles written by British journalist David Hirst almost a year ago.

The 'Iran did it' line

While these destabilization campaigns increase in density, the British and their collaborators across the Atlantic continue to pursue the effort to link Iran to "Islamist" terrorism planned and carried out by London-centered terrorist groups. Exemplary of this is the case of the truck-bombing of Khobar towers, in Saudi Arabia in June 1996, in which 19 U.S. servicemen were killed. The media immediately put out the line implicating Iran in the terrorist attack, because of its alleged support to the so-called "Saudi Hezbollah," a group of Saudi Shia Muslims fighting against the "Wahhabi regime" of al-Saud, as the yellow press likes to put it.

Recently, Canada's Federal Court ruled that Hani al-Sayegh, a Saudi who was arrested in Ottawa in March, was a member of a Saudi terrorist group, presumably "Saudi Hezbollah." Al-Sayegh is accused of driving the car that signalled the bomb-filled truck to drive up to the U.S. base in Saudi Arabia. According to his lawyer, the ruling means that al-Sayegh will be deported either to Saudi Arabia or to the United States, since he is wanted in both countries for questioning. An outpouring of media accusations tying the alleged Saudi Hezbollah member to Iran, would be tailor-made for those who wish to see an American military strike on Iran, or at least create a campaign similar to the "Mykonos trial" in Germany, which attempted to link the Iranian leadership to the assassination of Iranian dissidents in Berlin.

What is peculiar about this case is that the Canadian authorities are targetting only the Shia Muslims, because they can easily claim to link them to Iran, where the majority follow the Shia sect. For example, the Canadians have not carried out any serious investigation into another Saudi, Ali Fahd al-Shihri, who was arrested in November 1996, and who is well-connected to al-Massari's CDLR in London. The CDLR protested al-Shihri's arrest, and accused the Canadian authorities of ill-treating him. However, as CDLR's collaborators at *Al-Quds Al-Arabi* reported, al-Shihri would have been deported to the country he came from—Great Britain.

Derivative Assassination: Who Killed Indira Gandhi?

by the Editors of
Executive Intelligence
Review

Order from:
**Ben Franklin
Booksellers, Inc.**
(800) 453-4108
(703) 777-3661
fax (703) 777-8287

\$4.95 plus shipping (\$4.00
for first book, \$.50 for each
additional book). Virginia
residents add 4.5% sales tax.



Extradition battle heats up in Venezuela

The Venezuelan Labor Party is heading up the charge to get the narco Perafán extradited to the United States.

Congressman Walter Márquez, bishop of the so-called "Universal Christian Gnostic Church" in Venezuela, is demanding a judicial investigation of the circumstances under which suspected Colombian drug kingpin Justo Pastor Perafán (currently in a Venezuelan jail), was issued documents to enter Venezuela more than a year ago. By this means, Márquez hopes to get Perafán charged with some minor infraction in Venezuela, which would impede his extradition to the United States on drug-trafficking charges.

Perafán was the last of the big Colombian kingpins still at large, until his arrest on March 17 in San Cristóbal, in the state of Tachira bordering Colombia. His arrest resulted from meticulous intelligence collaboration between the Colombian police and Venezuelan National Guard. He was arrested leaving a barber shop, in a mall where he was notorious for his ostentatious spending and tipping, under an assumed name.

Perafán, his face changed by plastic surgery, was living on the outskirts of San Cristóbal, in a home purchased through local contact Humberto Santos Yasuca. All of the Venezuelan media stressed that he was living "on the road to Rubio," the hometown of former President Carlos Andrés Pérez (CAP), where television magnate Gustavo Cisneros Rendiles has erected a "CAP Museum."

According to journalist Andrés Martin, of the newspaper *2001*, Perafán launched his business activities in Venezuela by laundering money through "a powerful economic group

against which Fogade intervened." Fogade is the government's banking oversight agency, which was forced to take over a number of banks that went belly-up during 1994-95. It is widely known that the bankrupt Banco Latino (linked to CAP and the Gustavo and Ricardo Cisneros brothers) dominated the entire border area with Colombia, after absorbing nearly every regional bank. The bankruptcy of Latino was, in fact, preceded by a brilliant operation against money-laundering activities by the myriad exchange houses that operated in Tachira state, according to intelligence sources. That operation dried up the bank's liquidity virtually overnight.

U.S. Ambassador to Caracas John Maisto got in ahead of his Colombian colleague in registering an extradition request for Perafán, on drug-trafficking charges stemming from 1995. In Colombia, the kingpin is wanted only for illicit enrichment and use of false documents. There is well-founded fear that if sent to Colombia, he will be confined in a "five-star" prison, or even released right away. Venezuelan authorities now have Perafán's case before the Supreme Court, pending a ruling.

Márquez is moving rapidly, and has already managed to get the Domestic Policy Committee of the Chamber of Deputies to undertake an investigation on how Perafán obtained his Venezuelan residency papers. On April 23, Judge Mildred Camero revealed that Márquez had appeared before her to request, in the name of the Committee, that she garner evidence on how Perafán got his Venezuelan documents. Camero said she was un-

der a legal obligation to carry out the investigation, but warned that this could block the extradition process.

On April 28, Interior Minister Andueza stated that Márquez's call for an investigation has as its purpose, "not to investigate if [Perafán] has committed an irregularity, but rather to try to paralyze the case currently being pursued by the Supreme Court of Justice" to extradite him to the United States. Andueza reiterated his accusation before the Domestic Policy Committee, behind which Márquez hides.

Only days earlier, Channel 2 television had reported on the "open letter" to Venezuelan President Rafael Caldera, by Venezuelan Labor Party Chairman Alejandro Peña Esclusa, warning that "there are clear indications that, at this very moment, the international drug trade is mobilizing its political and financial machinery to prevent Perafán's extradition to the U.S."

On April 30, the newspapers *Ultimas Noticias* and *El Universal* reported on another statement by Peña, in which he said, "It is no accident that Congressman Walter Márquez seeks to block the extradition of narco Justo Pastor Perafán to the United States, as Minister José Guillermo Andueza correctly charged yesterday, since Márquez heads a satanic sect linked to the drug trade," the Universal Christian Gnostic Church, which bases itself on the sexual perversities of Samael Aun Weor, and which has just been banned in Ecuador.

In a press conference on May 6, Peña detailed Márquez's dirty history, stressing the role he played in eliminating CEJAP, an agency that coordinated military and police actions against narco-terrorism until 1989, when it was dissolved by CAP. Since then, kidnappings and attacks by Colombia's narco-terrorists against Venezuelan territory, have soared.

Sir Jimmy and the break-up of Mexico

From ecological reserves to Zapatistas, what do Goldsmith and his "genteel savages" intend for Mexico?

After *Proceso* magazine publicized Sir James Goldsmith's presence in Mexico in its April 14 issue (No. 1066), *EIR* has been asked what the significance of this publicity could possibly be.

Journalist Francisco Ortiz Pinchetti, writing in a tone more of admiration than of denunciation, reviewed Goldsmith's activities in Mexico, where within a mere decade, Goldsmith got himself his own ecological reserve along the Jalisco coast. What stands out in the report, is that Goldsmith's private ecological reserve is based on a Dec. 30, 1993 decree by President Carlos Salinas de Gortari, that created the Chamela-Cuixmala Biosphere Reserve, an area of 13,142 hectares (including 9,000 hectares belonging to Goldsmith), administered by the Cuixmala Ecological Foundation.

But it is not only the ostentatious residence in the midst of the jungle facing the ocean, that Goldsmith inhabits four months out of the year (December-March). According to Goldsmith's representative in Mexico, the Spaniard Luis de Rivera, multimillion-dollar investments in "low-intensity" or "self-sustainable" tourist developments are being promoted all along the Jalisco coast. "Goldsmith's presence here, attracts investors from many countries. He is a very powerful magnet," De Rivera told *Proceso*.

According to *Proceso*, Goldsmith's property has its own security force and sophisticated communications equipment, employs the most advanced technologies in "ecological" research, and employs 350 people full-time, from gardeners to horse grooms, biologists, veterinarians, doctors, pi-

lots, and so on. Another ranch owned by Goldsmith of 520 hectares and 200 employees, is located in Comala, Colima, and is the hacienda from which Alexander von Humboldt carried out his studies on the Volcano of Colima at the beginning of the 19th century.

Goldsmith arrived in Mexico sporting his "populist multi-millionaire" look, during the Presidency of Miguel de la Madrid (1982-88), at which time he began financing the ecological movements his brother Teddy had been fostering since the beginning of the 1970s. The French Other Europe party was founded with money from Jimmy, based on the "spirituality" which Teddy has pushed since his 1972 report, "Blueprint for Survival," which advocates the return of life in Europe to conditions existing prior to the 15th-century Renaissance.

Jimmy also created the Referendum Party in Britain, through which he opposed Maastricht, the General Agreement on Tariffs and Trade, and the North American Free Trade Agreement, adopting as his platform, instead, the outright dismemberment of Europe, the elimination of its cities, and the formation of small "self-sustaining" towns. This eco-fascist argument is the subject of his book, *The Trap*.

This is the eco-fascist utopia which Jimmy Goldsmith is building along the western coast of Mexico, in a region which extends from the Volcano of Colima to Banderas Bay, south of the tourist center of Puerto Vallarta, and includes the Manantlán mountain range, another biosphere reserve financed by Jimmy. Cuixmala would become the capital of this micro-region where, in the 1980s, a marriage

of royal heirs to the Dutch monarchy was celebrated.

Brother Teddy, editor of the *Ecologist* magazine, admitted during a dinner in Paris in 1995, that the eco-communist Gustavo Esteva "is my man in Mexico." Teddy is the main propagandist among the European oligarchic elite for the Zapatista National Liberation Army (EZLN), and he publishes articles by Gustavo Esteva on the "true" meaning of the "new revolution" unleashed in Mexico.

According to Esteva's articles, the EZLN does not seek to rule, but expects that others forces will do so, after the EZLN has destroyed the Mexican Presidential system. The EZLN seeks to redefine the nation-state, so that the more than 100 "nations" which supposedly co-habit Mexican territory, are no longer placed into a single nation.

Coinciding with Jimmy's public "debut," there began a profuse worldwide campaign promoting a new definition of the EZLN: a book by Danielle Mitterrand; a book by the communist, Roger Bartra, an old comrade of Gustavo Esteva; yet another book by French sociologist Yvon LeBot, released simultaneously in Mexico, France, Greece, Spain, Portugal, and Italy.

Bartra maintains that "it is possible that Sub-Commander Marcos is playing, consciously, on the Western imagery of the savage . . . who emerges from the Lacadón Jungle to offer decadent civilization a better alternative. To this is due, in large measure, the great interest aroused by the Zapatistas as much in the United States as in Europe. . . . Europeans recognize themselves in Marcos." Asserts Bartra, "Our savage guerrillas are extremely genteel, sophisticated and subtle, if we compare them with European terrorists. . . . They are savages of a very refined artificiality."

International Intelligence

London Times taking aim at Cambodia

In its April 28 issue, under the headline "Opposition Chief Says Cambodia Faces Civil War," London *Times* author David Watts opens up column inches to Cambodia's former finance minister, Sam Rainsy, a darling of the same British nobility who run Burma's Aung San Suu Kyi, and who is a principal beneficiary of the International Republican Institute's largesse, through IRI's Phnom Penh office. In an interview with Watts, Rainsy, an unabashed advocate of the IRI's globalization and privatization insanity, issued a call for an international campaign to link foreign aid credits for Cambodia to that devastated nation's progress toward "democracy" and "good governance."

In the interview Rainsy charged that co-Prime Minister Hun Sen is out "to seize absolute power by any means," and return the brutalized country to Communist control. As proof, Rainsy points to a grenade attack on March 30 on a KNP rally, which killed 16 and injured 100, including Rainsy and IRI cohort Rod Abney. Rainsy complained there are no strings attached to the \$500 million in foreign aid (which the former finance minister overstates by \$200 million) that Cambodia receives per year, "the largest per capita international assistance in the world," because the West has a "bad conscience on Cambodia."

Vatican reaffirms good Church-Islam relations

Cardinal Achille Silvestrini, who heads the Vatican Congregation for the Oriental Churches, told Milan's *Corriere della Sera* on April 19 that "relations between the Catholic Church and Islam are more than good. In fact, few popes had such cordial relations." The cardinal rejected forcefully any attempt to impose a clash of civilizations-style confrontation between Muslims and Christians. His interview appeared in the midst of a furious campaign, that included "revelations" by the Italian intelligence ser-

vice, Sismi, which alleges that there is a "Muslim fundamentalist plan" to assassinate the pope, a campaign which gained prominence when the Holy Father visited Sarajevo last month, and which continues with his scheduled visit to Beirut, Lebanon this month.

Silvestrini told the daily: Relations with Islam are "more than good. . . . Furthermore there is the personal mark of the pope: There has been a crescendoing since that first extraordinary meeting in 1985 with the young Muslims of Casablanca. Every time the pope visits an Islamic country, he stresses the common values: the faith in the one merciful God, prayer, the giving of alms-giving, fasting, the love for fellow human beings, and peace." He added, "The fundamentalist is a believer that wants his religious faith to be applied integrally. It cannot be considered in itself as terrorist."

Interestingly, the same issue of *Corriere* carried an interview with the U.S. Republican Party's provocateur "terrorism expert" Yosef Bodanski on the fabricated "fundamentalist offensive and its alliance with the mafia."

Egypt, Iran make headway in cementing relations

Iranian Foreign Minister Ali Akbar Velayati met with Egypt's President Hosni Mubarak in Cairo on May 5, the highest level such meeting in 19 years, since before Iran's Islamic Revolution and Egypt's signing of the peace accord with Israel. Velayati was carrying a letter of invitation for Mubarak from Iranian President Ali Akbar Hashemi Rafsanjani to attend the summit meeting of the Organization of the Islamic Conference, in Teheran in December. Velayati was also to meet his counterpart Amre Mousa to discuss bilateral relations and the situation in the Middle East. This new move will also have a great impact on Egyptian-Sudanese relations. Egypt has made many attacks against Sudan's cooperation with Iran in the area of "regional terrorism."

For the last two decades, Iran has been in thrall to its unproductive relationship with Hafez al-Assad's Syria, which was the only

Arab country to "mediate" between Iran and the Arab world. Iran has now constructed firm diplomatic relations with Morocco, Saudi Arabia, and Egypt, and is building a process of reconciliation with Iraq to settle the accounts of the 1980-88 war. Moreover, Saudi Arabia and Egypt are considered the United States' closest allies in the Arab world.

Israeli secret service behind suicide bombings

The Palestinian Information Ministry organized a press conference on May 4, where a member of the terrorist organization Islamic Jihad publicly admitted that he had been organized by officers from the Israeli security forces, Shabak, since 1988, and that he had received material and instructions from them to organize suicide bombings against Israelis.

Ibrahim Ismael Taha Al-Halabi admitted that he organized the two suicide bombings which took place at the Israeli settlements Kafar Darum and Netzarim in March. Al-Halabi told the press that he was called by his Israeli contact to come to Erez Crossing—the checkpoint between Gaza and Israel—where he was given Palestinian police uniforms and the explosives with instructions on when and where the bombing should take place. He added that he organized the two suicide bombers and sent them to the target site, and that both bombs, destined to explode against a schoolbus carrying Israeli children, detonated prematurely, killing only the bombers. Prime Minister Benjamin Netanyahu and the Israeli secret services immediately blamed the Palestinian Authority, and its President, Yasser Arafat, personally, of encouraging terrorism, and "giving the green light" to Palestinian terrorists to kill Israeli civilians.

Terror bombings wrack Russia's North Caucasus

A wave of terror bombings in Russia's North Caucasus region during the last week of April marks a concerted attempt to destabi-

lize a crucial section along the Eurasian Land-Bridge. On April 28, a bomb exploded in the railway station at the resort town of Pyatigorsk, killing two people and wounding at least 20. On April 23, a bomb exploded at the railway station of Armavir, killing two and wounding at least two dozen more. As a result, the tension between Russia and the Chechnya region of the North Caucasus has reached its highest point since the war began raging there. The terror wave has all but killed any hope for restarting long-stalled negotiations that could lead to a real peace agreement, and otherwise wrecks the climate for any serious start of infrastructure projects in the region, including pipelines.

All signs point to a British operation using controlled or manipulable networks among the Chechens and in Moscow. One week before the bombings, Chechen extremist-terrorist Salman Raduyev proclaimed the start of these terror bombings against Russia on Russian territory, and specifying that railway stations would be the targets. Raduyev had initially taken credit for the Armavir bombing, but then retracted it, after the explosion at Pyatigorsk.

African 'First Ladies' hold meeting in Nigeria

The wives of 18 of Africa's national leaders opened talks in Abuja, the capital of Nigeria, on May 5. The conference, dubbed "the first summit of African First Ladies on peace," was reportedly the brainchild of Nigerian President Gen. Sani Abacha's wife, Maryam. General Abacha addressed the meeting, saying that the participants should focus on "conflict prevention and improving the deplorable economic conditions of our people, because economic deprivation is one of the causes of conflicts in our continent." Both General and Mrs. Abacha insisted in their addresses that Africa must take its destiny into its hands. "Our intention is not to duplicate the commendable efforts of African leaders in brokering peace," said Mrs. Abacha, adding that the conference would work out practi-

cal ways of mending fences among warring African nations.

Among the First Ladies attending were those of Namibia, Angola, Niger, Sierra Leone, Senegal, Gabon, Burundi, Equatorial Guinea, Gambia, Guinea, Chad, and Zambia. Other First Ladies attending are from Guinea Bissau, Ivory Coast, Ghana, Burkina Faso, and Tanzania, plus the interim head of state of war-ravaged Liberia, Ruth Perry. Organization of African Unity Secretary General Salim Ahmed Salim also attended the conference.

Hongkong official happy over return to China

Challenging the Samuel Huntington "Clash of Civilizations" thesis by name, Hongkong Solicitor General Daniel Fung said at a Washington, D.C. press conference on May 1 that he would like to posit a contrary thesis—"cross-cultural cooperation." Fung said that he would look at the reversion of Hongkong to China from the standpoint of what he calls the "sherpa paradigm"—that post-reversion Hongkong can help guide China to surmount the difficulties of entering the 21st century.

Hongkong will maintain a fully convertible currency, he said, and it will have fiscal and judicial autonomy. He pointed out that it does not now have full judicial autonomy, since the court of final authority is the Royal Privy Council. Fung, who has been Solicitor General since 1984, said that the 1984 Sino-British Joint Declaration on Hongkong is a "spelling out" of the "one country, two systems" policy of Beijing, and that this could eventually become a model for Taiwan, Tibet, and Xinjiang.

Unlike Martin Lee, the outgoing head of the Hongkong legislature, who came to Washington two weeks earlier to warn of impending doom and a human rights catastrophe, Fung was quite optimistic. He did offer criticism of China's creation of the provincial legislature, which he described as a "retrograde" move, but he said that this is only an interim measure until elections are held within 12 months. "Two steps forward, one step backward," he commented.

QIAN QICHEN, China's foreign minister, told visiting Iraqi Foreign Minister Tariq Aziz on May 5 that China wants to see an end to the UN sanctions against the latter country as soon as possible. Qian said he hoped the UN would "objectively and justly appraise Iraq's efforts to carry out relevant resolutions of the UN Security Council in order to ease and gradually lift the sanctions on Iraq," according to Xinhua news agency.

PALESTINIAN President Yasser Arafat accepted an invitation to meet with Israeli President Ezer Weizman on May 6, in an effort to restore some hope for the peace process. On May 5, Arafat met with U.S. Middle East envoy Dennis Ross, who returned to the region with some new proposals from President Clinton.

SINN FEIN President Gerry Adams won back his West Belfast seat in the British House of Commons in the May 1 elections. His opponent was Joe Hendron of the Social Democratic and Labor Party, a frequent critic of SDLP leader John Hume's contacts with Adams and Sinn Fein.

PAKISTAN experienced renewed sectarian violence between Shia and Sunni Muslims on April 18, when two unknown gunmen shot dead an 80-year-old Shia leader in Lahore. Over recent months, Sunni terrorists have led a sectarian terrorist war against the Shiite minority in Pakistan, which has triggered repeated protests from (Shiite) Iran. The same day, a leader of the main Sunni group orchestrating the violence was killed, in the same manner, in Lahore. The group, Sipah-e-Sahabah, is largely composed of former Afghan mujahideen.

JACQUES DELORS, a leader in the French Socialist Party and former, longtime European Commission president, was assaulted by a man claiming to be against Maastricht, as Delors was about to make a campaign speech in Grenoble, on behalf of the left alliance headed by Socialist Party leader Lionel Jospin.

Mass murder in Australia: Tavistock's Martin Bryant

by Allen Douglas and Michael J. Sharp

On April 28, 1996, twenty-eight-year-old Martin Bryant entered the Broad Arrow cafeteria in Port Arthur, in the Australian state of Tasmania. After eating lunch, he remarked to a patron, "There are a lot of WASPS, not a lot of Japs." He then picked up his bag and walked toward the entrance, where he took out a military-style semi-automatic rifle. Within 15 seconds, he had slaughtered 12 people and injured several more.

Some tried to escape; he gunned them down systematically, laughing as he fired. He chased one man onto a waiting bus and killed him, then shot the bus driver. Others tried to hide beneath the bus, but he climbed underneath it and killed them, too. A young mother with a six- and a three-year-old daughter begged, "Please don't hurt my babies." He shot her and the three-year-old, then pursued the six-year-old behind a tree, where he put the rifle to the girl's neck, and fired.

After executing others in the parking lot, he drove some miles to a bed-and-breakfast, the Seascape Cottage, whose elderly owners he had known for most of his life, and whom he had murdered on his way to Port Arthur. Armed with an extensive arsenal, moving from room to room and firing at police, he kept dozens of members of the elite Special Operations Groups of Tasmania and neighboring Victoria at bay throughout the night. Finally, at 8:45 the next morning, after setting the building afire, Bryant emerged with his clothes alight, screaming, into the arms of waiting police. The final toll, including a hostage Bryant had taken with him to Seascape from Port Arthur, was 35 dead and 20 wounded—the greatest mass murder in Australia's history.

Within days, the Liberal-National coalition government of Prime Minister John Howard called for the adoption of draconian gun control laws, which proposal was protested with huge demonstrations in Melbourne and other Australian

cities; Deputy Prime Minister Tim Fischer repeatedly made the false, outlandish accusation that the demonstrations were organized by American statesman Lyndon LaRouche.

The Tavistock Institute's 'lone nuts'

As *EIR* has documented (see issue of April 4, 1997), Great Britain is the command center for world terrorism today. This article will demonstrate, through examining the case of Martin Bryant, that the dozens of mass murderers who have exploded into the world's headlines over the last decade or so, constitute a special capability within the Crown's arsenal. Already in May 1996, after a quick investigation of the Port Arthur massacre, including discussions with Australian police and counter-terror specialists, LaRouche's Australian associates in the Citizens Electoral Council charged in their newspaper, *The New Citizen*, that the incident "bore all the hallmarks of the 'blind terror' campaigns pioneered by the Tavistock Institute in London, an arm of British intelligence which . . . has conducted precisely the kind of experiments necessary to create and manipulate damaged personalities such as Martin Bryant." The article recounted the evidence already in hand to support that conclusion; it was hysterically denounced by some of Australia's major media, and by the British Broadcasting Corporation, which broadcast the thesis all over Europe, in order to deny it.

Further investigations over the past year, supplemented by files on Tavistock which this news service has compiled since 1973, have established the following:

1. The Port Arthur events were indeed coordinated by Tavistock, the premier psychological warfare unit of the British Crown, which was founded in 1920 based upon studies of "shell shock" and related neuroses caused by the trauma of World War I. Tavistock's strategic mission is to replace a

civilization of self-ruling, industrial nation-states with a “post-industrial,” globalized world ruled by a tiny oligarchy. Toward this end, Tavistock specializes in what its own psychiatrists call “brainwashing”—the use of stress-induced fear to artificially create neurotic states of mind, which may be programmed as desired. For instance, Tavistock offered the anxiety-ridden American youth of the 1960s—hit by the Cuban missile crisis, the assassinations of political leaders, and the TV’s incessant bloody images of Vietnam—a retreat from this horrifying reality, into the consolations of rock music, drugs, and sex. Taking the bait, the future leaders of America and other nations regressed into an infantile preoccupation with self; patriotism, and an agapic concern for the “common good,” were replaced by a hedonistic obsession with “my body,” “my feelings”—a *counterculture*.

More generally, Tavistock’s “theory of turbulence” specifies that entire populations may be driven into a similar infantile regression by repeated terrorist shocks, such as the bombing of the Oklahoma City federal building, the sarin gas subway bombing in Japan, or the dozens of Martin Bryant-style mass murders around the world over the past decade. It is precisely the “blind” nature of such events that makes them psychologically so devastating, since there seems to be no answer to the question, “Why?,” and therefore, apparently there is little or nothing that can be done to prevent them.

2. British intelligence will trigger such terrorist events where it has control over the local media, and psychiatric, police, and intelligence networks. It has this control in Scotland, where a pedophile well known to police murdered 16 five- and six-year-olds and their teacher, in the town of Dunblane on March 13, 1996; it has this control in the Commonwealth nation of New Zealand, where five such massacres have taken place since 1990; and it has this control in Australia, to which numerous of Tavistock’s top operatives were deployed right after World War II. Australia, which has seen a dozen mass murders since the infamous “Hoddle Street massacre” of 1987, has been subjected to particularly intense Tavistockian profiling and manipulation—in part, no doubt, because Australia broke with the British Empire in World War II, and allied with Gen. Douglas MacArthur and America, against Churchill’s plans to cede Australia to the Japanese. As an island-nation, Australia also offered a “controlled environment” for Tavistock’s experiments; in turn, the most isolated part of Australia, the island-state of Tasmania, off the continent’s southeastern tip, has served as the perfect Tavistock laboratory. And, Tavistock specifies that, because of the power of the modern mass media, no matter where a terrorist attack takes place, the shock is felt worldwide—it is a “global event.”

3. Martin Bryant was monitored, directed, and, in all likelihood, programmed by Tavistock networks in Tasmania, from at least the time that one of Tavistock’s senior representatives in Australia, the now 88-year-old Dr. Eric Cunningham Dax, first examined Bryant in 1983-84, and set the pa-

rameters for all his future “treatment.” Dax was for decades an associate of Tavistock’s longtime leader and World Federation of Mental Health chairman, Dr. John Rawlings Rees. Beginning with his collaboration with Rees in the late 1930s, Dax, by his own account, had specialized in “brainwashing.”

To cover its tracks, Tavistock invariably circulates what might be called the “Lee Harvey Oswald theory of mass murder”—that each such incident is the result of a “lone nut,” who one day just “went crazy.” Such was the “finding” of Melbourne-based British forensic psychiatrist Dr. Paul Mullen, in his evaluation of Bryant for Bryant’s defense attorney, in which Mullen concluded, “It would be more satisfactory if one could point to some simple and direct cause of the tragedy at Port Arthur”; unfortunately, Mullen said, one could not. But, notwithstanding that Bryant was a “lone nut,” Mullen confidently predicted to the *Herald Sun* of Feb. 4, 1997, that there would be “more such massacres because of strong evidence of a copycat element,” a warning echoed by other Tavistock assets in Australia and abroad. Curiously, Mullen himself reportedly participated in the investigation of two mass slaughters in New Zealand, before coming to Australia.

The Bryant case provides some guidelines on how to rip up this Tavistock capability, before the next atrocity is unleashed.

“Shock troops of psychiatrists”

In 1944, Bank of England chief Montagu Norman suddenly quit his banking post in order to start a Tavistock spin-off called the National Association for Mental Health. Norman had been at the apex of the international financial oligarchy: One of his protégés, longtime Australian Reserve Bank head H.C. “Nugget” Coombs, called him the “head of a secret international freemasonry of central bankers.” As such, he had supervised the banking arrangements which put Adolf Hitler in power, as *EIR* History Editor Anton Chaitkin has documented. Norman tapped his Bank of England assistant, Sir Otto Niemeyer, to be the NAMH’s treasurer, and Niemeyer’s niece Mary Appleby, to be general secretary of the association. Niemeyer is well known to Australians: He headed the infamous “Niemeyer mission” to Depression-wracked Australia in 1930, to tell Australia to savagely cut its health and welfare spending, in order to pay her British creditors.

The British NAMH soon gave birth to the World Federation of Mental Health, one of the first of the innumerable, anti-nation-state “non-governmental organizations” spawned by Tavistock. Affiliated with the United Nations, the WFMH was one-worldist from the outset. To head up the new organization, Norman tapped Brig. Gen. John Rawlings Rees, the head of Tavistock in the 1930s, and then the chief of Britain’s World War II Psychological Warfare Directorate. Rees had commanded 300, mostly Tavistock-trained Army psychiatrists; since then, Tavistock has been almost indistinguishable from the various wings of British Military Intelligence (MI-6, MI-5, SAS, etc.)—a connection perhaps of relevance



Dr. Eric Cunningham Dax, 88, was a decades-long intimate of Tavistock Institute head Dr. John Rawlings Rees. By his own description a specialist in “brainwashing,” Dax treated mass murderer Martin Bryant in the 1980s and set the parameters for Bryant’s subsequent treatments—but all his records were conveniently destroyed.

to the military precision with which Bryant planned and executed his mass slaughter.

At the war’s end, in a speech to U.S. Army psychiatrists in 1945, Rees called for the creation of “psychiatric shock troops,” who would move out of the military and psychiatric institutions, in order to shape society as a whole: “If we propose to come out into the open and to attack the social and national problems of our day, then we must have shock troops and these cannot be provided by psychiatry based wholly in institutions. We must have mobile teams of psychiatrists who are free to move around and make contact with the local situation in their particular area. . . . In every country, groups of psychiatrists linked to each other . . . [must begin] to move into the political and governmental field.” The “mission” Rees outlined, was to create a situation “where it is possible for people of every social group to have treatment when they need it, *even when they do not wish it*, without the necessity to invoke the law” (emphasis added).

Tavistock’s methods were outlined by Dr. William Sargant in his 1950s book, *The Battle for the Mind: A physiology of conversion and brain-washing*. A pioneer in the study of “shell shock,” Sargant also emphasized the work of Soviet psychologist Pavlov in the 1920s and 1930s, in particular an

incident in which a rising flood trapped some of Pavlov’s dogs in their cages, while the water rose up to their heads, before receding. Pavlov found that the intense fear the dogs experienced “wiped clean” the tricks they had been taught, following which they could be “reprogrammed.” Further experiments by the SAS/SIS during the 1950s, including in Malaya and Kenya, showed Tavistock that such stress, with resultant “reprogramming” capabilities, could be applied to entire societies.

In a 1961 series of lectures at the University of California Medical School, one of Sargant’s closest collaborators, British novelist Aldous Huxley, assessed the notorious MK-Ultra mass drugging and brainwashing experiment which had been under way since the early 1950s. Huxley was the author of the 1952 book, *The Doors of Perception*, which first popularized LSD usage; he had long before fictionalized the results of such experimentation in his novel *Brave New World*. Huxley himself played a key role in MK-Ultra. With such methods, Huxley now said, in 1961 lectures entitled “Control of the Mind,” there will be a “method of making people love their servitude and producing dictatorships without tears, so to speak, producing a kind of painless concentration camp for entire societies, so that people will in fact have their liberties taken away from them, but will rather enjoy it, because they will be distracted from any real desire to rebel—by propaganda, or brainwashing, or brainwashing enhanced by pharmacological methods. And this seems to be the final revolution.”

Another pet project of Huxley’s from the 1930s on, was the creation of what he called the “somatotonic personality”: one who would not hesitate to murder.

The Tavistockians operate with a construct of the human mind as a *tabula rasa* that can be imprinted, or a mechanical system that can be manipulated by such techniques. Since the essence of the human mind is, on the contrary, its inherent creative capability, Tavistockian brainwashing works only if the brainwashers can create a “controlled environment,” in which the victim sees only the alternatives presented by his tormentors.

Tavistock deploys to Australia

In the early 1950s, Rees sent two of his “psychiatric shock troops” to Australia, Dr. Eric Cunningham Dax and Dr. Fred E. Emery. Dax had written a chapter for Rees’s 1949 book, *Modern Practise in Psychological Medicine*, and had trained at the same hospital where Rees had practiced. Dax was also a protégé of Sargant. Sargant had initiated a brainwashing technique called “deep sleep,” in which patients were given massive doses of drugs, to keep them asleep 20 hours or more a day, which increased their susceptibility to “programming.” Under Sargant’s tutelage, Dax performed 1,300 experiments in deep sleep, and rapidly became one of Britain’s top practitioners of so-called “physical methods” of psychiatry, which included pre-frontal lobotomies, on which Dax wrote a monograph, and electric shock, which was often administered during “deep sleep.” The acknowledged problem with “deep

sleep,” was that up to 2% of the patients subjected to it, died; those who lived were often psychologically destroyed.

Arriving in Australia in 1952, Dax set up the Mental Hygiene Department of Victoria, which in turn set up Australia's entire mental health care system. As Rees said in his introduction to the book he told Dax to write, *Asylum to Community: The Development of The Mental Hygiene Service in Victoria, Australia*: “The Mental Hygiene Service of Victoria, may, indeed, have provided a major training ground in psychiatry and mental health work for all the English-speaking populations of the South-western Pacific region, and this is a matter of very great importance.”

The second Tavistock brainwasher whom Rees dispatched to Melbourne around the same time, and whose work would help shape Dax's own, Dr. Fred Emery, set up shop as Senior Research Officer in the Department of Audio Visual Aids at Melbourne University. There, Emery began conducting experiments on schoolchildren, as described in his article “Psychological Effects of the ‘Western’ Film,” to see how “oedipal patterns” could be induced in schoolchildren—a subject of some relevance to 28-year-old Martin Bryant, and the mysterious deaths of both his father and Martin's own elderly girlfriend.

By the early 1960s, Emery, together with the chairman of Tavistock's governing council, Dr. Eric Trist, was giving lectures to select audiences at Tavistock on methods to brainwash entire societies. In this new age of mass communication, they said, a series of short, universal shocks would destabilize a targeted population, plunging it into a form of “shell shock,” a mass neurosis. If the shocks were repeated over a period of years, a more and more infantile pattern of thinking would develop. Emery elaborated these concepts in his 1967 article in Tavistock's magazine *Human Relations*, entitled, “The Next Thirty Years: Concepts, Methods and Anticipations,” and in his 1975 book *Futures We Are In*. In the latter, he outlined the three stages of this process: 1) People would “lose their moral judgment”; 2) next, “segmentation”—societal disintegration—would begin, in which the individual's focus moves from the nation-state to preoccupation with local community or family; and finally, 3) “disassociation” would set in, “a world in which fantasy and reality are indistinguishable,” in which the individual becomes the societal unit. Emery calls this final result “Clockwork Orange,” after the Anthony Burgess novel, in which habitual, random violence by gangs of youth is the order of the day, while adults retreat to their television sets and other forms of “virtual reality.”

In 1980, Trist looked back at the last two decades of the assassination of the Kennedys, of Martin Luther King, the Vietnam War, the oil shocks, the Iranian hostage crisis, etc., and announced that the process Tavistock had predicted, had indeed begun, and would now accelerate.

Meanwhile, in Australia, Dax brought Sargant to Melbourne on Aug. 14, 1962, to lecture on “The Mechanism of Brainwashing and Conversion.” Another of Sargant's protégés,

the Sydney-based psychiatrist Dr. Harry Bailey, was a fanatical practitioner of “deep sleep,” and killed a number of patients during experiments at the Chelmsford Private Hospital in the 1960s and 1970s. The resulting scandal led to the convening of an investigatory Royal Commission into Deep Sleep, and to Bailey's own suicide in 1985. As reported in the book *Deep Sleep*, by Brian Bromberger and Janet Fyfe-Yeomans, which chronicled Bailey's experiments, Bailey and Sargant “remained in constant contact for almost 30 years, and . . . Bailey often spoke of the competition between them to see who could keep their patients in the deepest coma without killing them.”

Dax himself pushed ahead with research on “turbulence,” “aggression,” and “brainwashing”—all from the Reesian perspective of using psychiatry to shape society as a whole, as exemplified by a speech he gave at the University of Melbourne on July 20, 1964, titled “Some Observations on Psychiatric Research.” “It is no more than a few years past,” he said, “when psychiatry was solely represented by the mental hospitals, before the child guidance clinics were first begun or the psychiatrists started to move into the outpatient diagnostic centres. . . . The mental hospitals may be likened to the grandmothers of community psychiatry. . . . Within the span of a single generation, psychiatrists have been thrown from the protective, circumscribed and alienating walls of these hospitals into a restless, changing and aggressive community, seething with turbulence, which struggles to adjust to the gathering speed of mechanization and the disrupting forces of a disordered society.

“Most of us are more experienced in the treatment of individuals than in correcting the pathological behavior of groups, though there may be an increasing tendency to seek our advice in these and related matters. For instance, the frightening implications of forcible indoctrination of individuals on the one level and communities on the other are closely related to our specialty. Yet almost paradoxically we are driven to consider as to whether modifications of such methods of indoctrination can be used in the treatment of some of the psychoses.”

Foreshadowing his work on Martin Bryant, Dax continued:

“In many of these fields, the *consideration of aggression is of the greatest importance. There is no more useful subject for research studies at the present time, whether it be in the individual or the group.* Here, from the individual, the psychiatrist has much to learn. It may be that the aggression is turned inwards, ultimately resulting in suicide, outwards in homicide, or more specifically in hostility towards the community, in causing death on the road. . . .

“Moreover many a murderer has the inability to postpone his strong emotional reactivity to thwarting, and this often has an association with a past history of repeated frustration of a variety with which he has been unable to deal. Or again, the person who uses a motor car as an extension of his own

For previews and
information on
LaRouche publications:

Visit EIR's Internet Website!

- Highlights of current issues of EIR
- Pieces by Lyndon LaRouche
- Every week: transcript of the latest
EIR Talks radio interview with
LaRouche.

<http://www.larouchepub.com>

e-mail: larouche@larouchepub.com

aggressive body image may be using it in escaping from his anxieties and supposed rejection by the community. Yet it seems that none of these aggressive manifestations would be of the same magnitude were it not for the effect of alcohol. It releases these strains by depressing the inadequate control which spreads its thin veneer over the underlying aggression" (emphasis added).

Precisely these elements were to arise in the Martin Bryant case.

In 1969, Dax left his prestigious, highly influential position in Melbourne to go to the backwater state of Tasmania, an island of some 300,000 people off Australia's southeast coast. A prominent U.S. psychiatrist who specializes in ritual abuse, and who is intimately familiar with Australian psychiatry over the past three decades, when queried by this news service as to why in the world Dax would move to Tasmania, replied: "Tasmania is the Appalachia of Australia. There is a lot of alcoholism, a lot of incest. It is the poorest of all the states, very primitive, with a lot of descendants from very violent criminals from the British days. You will find many people there with no value system, no super-ego. It is the perfect place for Manchurian candidates, and for all sorts of experiments. He could do whatever he wanted there."

Something of great interest must have been taking place in Tasmania, because two of Tavistock's leading international

operatives, the Melbourne-based Dr. Alan Stoller, a past president of the World Federation of Mental Health and a close associate of John Rawlings Rees and of Dax, and Dr. John Bowlby, went to Tasmania for extended visits in 1971 and 1972, respectively.

Dax and Bryant

From early childhood, Martin Bryant was a very disturbed individual, as British psychiatrist Paul Mullen could not help but record in his evaluation for the defense: "Mr. Bryant was assessed on a number of occasions by psychologists and psychiatrists. . . . He was noted to be aggressive, destructive and very difficult with other children. . . . There are references to him stealing, to him having violent outbursts and to tormenting vulnerable children. . . . There are records of Mr. Bryant torturing and harassing animals and of tormenting his sister."

Bryant was notorious among his schoolmates for carrying a green can of gasoline, which he constantly threatened to pour on things and set them alight, as he once did so on himself. His schoolmates would frequently remark, "Here comes silly Martin with his can."

Before long, this behavior brought him to the attention of Dax, as Mullen noted: "In February 1984 Mr. Bryant was assessed by a very experienced clinical psychiatrist, Dr. Cunningham-Dax," an evaluation which set the parameters for all further treatment of Bryant. Contacted by an American academic on April 16, 1997 about his evaluation of Bryant, Dax said, "I left Tasmania in 1983, I think it was, and I had seen him a few times before that, but I had no notes on him, except that I thought that he was below normal intellectually and that his father was very permissive about him. And I wondered about the boy, whether later he might have some schizophrenic features. But that is as far as I went."

Judging by the impact Bryant made on another psychiatrist who examined Bryant soon after, Dax was singularly unobservant. Dr. Ian Sale, psychiatrist for the prosecution, recalled in a discussion on April 16: "When he was about 16 or 17, he was examined by a government doctor for the purpose of a pension assessment. It was to that doctor that he made some reference to having a wish to *shoot people*. She still remembers that to this day" (emphasis added).

Dr. Sale noted that, not only did Dax have "no recall of the assessment," but that, "unfortunately, the clinical notes that were made, were destroyed," ostensibly because Dax "was practicing in the rooms of another psychiatrist. When that psychiatrist died, it was a provision of his will, that his notes be destroyed, apparently, which is remarkable. And not only were his notes destroyed, but also Dr. Cunningham-Dax's notes were destroyed." The psychiatrist, Dr. T.H.G. Dick, was also British, and had served as Tasmania's medical commissioner beginning in 1969, the year Dax moved to Tasmania. Shortly after, Dax joined Dick on the Medical Advisory Committee to Tasmania's Mental Health Commission.

Despite Dax's fascination with aggression, suicide, and

murder, Dax claimed he knew very little about Bryant. And, when asked to comment on the relevance of his associate Emery's "theory of turbulence" for the Port Arthur events, Dax replied, guardedly, "I don't think I can answer your question usefully." Emery himself died in early April 1997, and thus could not answer the question either. But, Dax said, "The person who knows a good deal more about Bryant is in the University of Tasmania, at the hospital there, the Royal Hobart. They did a good deal of study of Bryant at the time. Professor Jones is his name, but the person who knew more about him was the research person, who was particularly interested in Bryant." Dr. Jones, who is British, and who, until his retirement, headed the two floors of Royal Hobart Hospital which are devoted to psychiatric studies, was unavailable for comment.

What the police knew

As well known as Bryant was to Tasmania's Tavistock networks, he was equally well known to the police—despite post-Port Arthur protestations to the contrary—as evidenced in the following:

1. He had repeatedly threatened to kill some of his neighbors in Tasmania, several of which incidents, at least, had been reported to the police.

2. On one of his frequent international flights, he had been arrested at Melbourne Airport on suspicion of being a drug courier, in part because he travelled without luggage; he was taken to the Royal Melbourne Hospital and examined before being released. On another occasion, pornographic videos depicting bestiality were found in his luggage. According to one police source interviewed by this news service, Bryant's police records indicated a profile of a "psychotic multiple killer."

3. That profile accorded well with what his neighbors thought of him, and not merely because of his frequent threats. There was intense suspicion among them that Bryant had murdered, first, his spinster friend and protector, wealthy heiress Helen Harvey, and then, ten months later, his father, Maurice Bryant. Eyewitnesses had seen Bryant wrench the steering wheel from Harvey while the two were out driving, and Harvey had told the mayor of Tasman Council, not long before the fatal car crash that killed her and seriously wounded Bryant, "Oh, he's a worry to me sometimes. He grabbed hold of the steering wheel coming down today, and nearly pulled me off the road, going silly. What would you do with him?"

On Aug. 16, 1993, Maurice Bryant was found, wearing weight belts, dead at the bottom of a dam on the property formerly owned by Harvey, which she had willed to Martin Bryant. Bryant had had numerous arguments with his father, who moved onto the property the same night that Harvey was killed; his son was particularly bitter that his father was getting rid of the menagerie that the younger Bryant and Harvey had collected.

After his father had disappeared, *but before his body had*

been found, Martin ran into neighbor Marian Lerner outside the local hospital. As Lerner reported to the police shortly thereafter—who never questioned her further—Bryant had accosted her excitedly, grabbing her by the shoulders: "Oh, Marian, it's so exciting. So exciting!" She asked, "What are you talking about, Martin?" "Dad's at the bottom of the dam," he replied. "You'll hear all about it soon. You'll read all about it." And, when the elder Bryant's body was soon after pulled from the dam, "The searchers were amazed to see Martin walking back from the dam, laughing," according to a book about Bryant, *Suddenly One Sunday*, by local journalist Mike Bingham. Several days before, another neighbor, John Featherstone, had run into strangers inquiring about a boat which a man named "Martin" had advertised for sale. When asked why he was selling the boat, Martin Bryant had told them that his father had just recently passed away. After recounting the incident to his wife, Featherstone told her, incredulously, "I saw Maurice just this morning!"

4. But, it was not only local police who noticed Bryant. In early 1994, on one of his trips to the United Kingdom, he checked into a hotel in Hereford, the super-sensitive home of Britain's elite Special Air Services (SAS). Bryant started acting so strangely, that the hotel management notified the police, who notified Interpol, which in turn put in inquiries to the police in Tasmania, who replied that his slate was clean.

'The guy had military training'

Beyond all these and other run-ins with the police, which curiously never resulted in anything, still another anomaly is the obvious planning and skill which went into the commission of the mass murder itself—well beyond the capabilities of someone diagnosed as "borderline intellectually disabled," in the lowest 1-2% of Australia's population, and unable to manage his own affairs. After reading Mullen's psychiatric evaluation, one of Australia's senior counter-terror experts, who had himself investigated the case, observed to this news service on the subject of Bryant ostensibly having learned all he knew about weaponry and tactics from "survival magazines": "If this guy had weapons and survival skills from magazines, then that conflicts with his learning difficulties—how could he understand the books in the first place? Any decent lawyer would have a field day with this report. They could pick it to pieces. For a start, Bryant worked out the military aspects of the shooting. Most soldiers couldn't do that on their own, but Bryant did. What's more, he outsmarted the police by doubling back to the Seascope—that's not a low IQ. Then, look at the planning of the assault, the equipment required, the weapons stash, the most effective weapons to use, how much ammunition to take with him, how to use the weaponry, planning an escape route, creating havoc in multiple areas to keep the authorities guessing, and so on. Now, how could he have learned all that from books, with such a low IQ and poor reading skills? This guy had military training."

Tasmanian Deputy Commissioner Lupo Prins, who directed the overall police operation at Port Arthur on April 28, 1996, observed drily to *The New Citizen* in mid-April 1997, that Bryant had “set up six different areas of activity—he had police running in circles. That’s pretty good for a guy who’s a slow learner.” Prins also told the *Courier Mail* on April 28, 1997, that he believes Bryant “was playing out some pre-arranged script. What that script was, we don’t know,” because even though Bryant, unlike most mass murderers, did not commit suicide and was not killed, and thus “is able to tell the story . . . , he hasn’t. It’s really frustrating.”

That Bryant’s actions, and even his very words, had been choreographed, was also the assessment of the man who dealt most closely with him, Sgt. Terry McCarthy, the police negotiator during the siege at Seascope. McCarthy recalled with some amazement how very calm Bryant, who was then calling himself “Jamie,” was throughout the siege. Author Mike Bingham interviewed McCarthy and summarized his observations in his book: McCarthy had “found that parts of his [Bryant’s] conversation seemed prepared in advance, and it had become clear that some of what Bryant had done was extremely well planned.” And, as Bingham further recorded, in the observations of Broad Arrow kitchen supervisor Brigid Cook about Bryant: “The care that he took of himself struck her. He appeared to be having a fine time, a very exciting time, but he made sure there was no way he could be snuck up on.”

And, where did the well-trained Bryant get his military-style weapons? In an interview with the *Herald Sun* on June 23, 1996, Victorian farmer and gun collector Bill Drysdale said that he had turned his Colt AR 15 in to the Victorian police in February 1993, but he was virtually certain that the AR 15 Bryant used was his, both because of the rarity of that weapon in Australia at the time, and because of the unique mark a gunsmith had made on the barrel of his rifle, which matched that on Bryant’s rifle. The serial numbers were almost identical, and “my rifle also had a collapsible stock and a Colt sight, just as the massacre weapon has,” said Drysdale. The *Herald Sun* noted, “One of Australia’s largest firearms importers told the *Sunday Herald Sun* that firearms matching the Port Arthur weapon were ‘as scarce as hen’s teeth,’ and that the chances of two weapons of the same type, with almost-matching serial numbers, being imported into Australia, were ‘next to nothing.’” After an interview with police, Drysdale was ordered by them not to talk to reporters any further.

Why did the Tasmanian police repeatedly overlook Bryant’s activities? The chief police official for Tasmania until his recent retirement was Commissioner of Police John Johnson, who was also the head of the Australian Bureau of Criminal Intelligence. Johnson commanded the police team which carried out a 15-week investigation of the Port Arthur events, and somehow managed to miss all of the anomalies recorded above. Who is Johnson? Among other things, he was the first

prominent Australian police official to call for the legalization of drugs, which he did in 1995. As a series of articles in the *The New Citizen* in 1996 demonstrated, those pushing the decriminalization of drugs in Australia—whose major funder is George Soros—are precisely those London-linked financial circles who are already benefitting from drug-money laundering.

Right after the Port Arthur investigation, Johnson retired, and has seemingly disappeared. Said a police source to *The New Citizen*, “You can’t find him, because he doesn’t intend to be found.”

There are still other anomalies in the case, beyond Bryant’s contacts with psychiatric networks and with the police. Despite official pledges to “get to the bottom of the case, so such a tragedy would never happen again,” all evidence about the case, including the psychiatric evaluations of Bryant, was ordered sealed by the judge. In addition, an exposé which had been produced by the TV show “Four Corners,” on the Tasmanian Mental Health Department—which had had extensive contact with Bryant from the time he was a child—was suddenly cancelled, just before it was to air. Then, several weeks after the Port Arthur massacre, 23-year-old Dion Garry Yost went on a shooting rampage in the Northern Territory town of Palmerston, in which he wounded one civilian and four police officers. Yost had attended, several years after Bryant had, the same Tasmanian high school!

According to psychiatrists, Bryant modeled his murders, at least in part, on that of Thomas Hamilton’s March 13, 1996 slaughter in Dunblane, Scotland, an act that horrified the world. Bryant’s neighbors even said that he was in the U.K., on one of his many trips there, when Dunblane took place. There, too, the “lone nut” Hamilton, a pedophile well known to police, had nonetheless been allowed to organize “Scouting clubs” all over Scotland.

The Monarch Project

The Tavistock-sponsored form of “blind terror” of which Bryant is an example, has the great advantage to its authors, that its programmed zombies almost invariably kill themselves, or are killed during the course of the events, leaving little or no evidence. “One of the essential elements . . . is they are looking to kill and be killed,” as Mullen put it. Bryant stated that he was sure he would be killed; though he has not yet killed himself in prison—despite two attempts—prison authorities have publicly stated that they expect a fellow inmate to kill him.

Was Bryant programmed? Perhaps hard-core programming was not necessary; given his psychological make-up, it may have been sufficient just to “steer” him. But, he did show signs of one known form of Tavistock brainwashing in which individuals can be programmed to kill, and then to kill themselves, as a “sub-routine” of Tavistock’s MK-Ultra known as the Monarch Project.

The best documentation on Monarch, although still sketchy, is provided in the second edition of former Nebraska State Senator John DeCamp's book, *The Franklin Cover-Up: Child Abuse, Satanism and Murder in Nebraska*. One of DeCamp's clients, child-abuse victim Paul Bonacci, was a Monarch trainee, and has described in detail (not all of which DeCamp records in his book) some of the processes involved. These are much more sophisticated than the average psychiatrist is equipped either to recognize, or to treat.

Monarch, or related conditioning, leaves certain tell-tale signs in its victims: 1) Multiple Personality Disorder (MPD); 2) bizarre sexual behavior; and, frequently, 3) involvement in Satanic cult activity. The normal, healthy personality could not be "programmed" without going through degrading conditioning, which involved or resulted in the above.

Bryant did show signs of MPD, a disorder in which anywhere from two to over a hundred distinct personalities are present in the same individual. A neighbor, John Featherstone, told *The New Citizen*, "Bryant had at least three or four very distinct personalities. One I would call the surfer personality, in which Bryant used to dress in surfer-type clothes and put a surfboard on top of his car, *even though everyone knew he never surfed.*" Then, there is the cool and calm personality, "Jamie," who spoke with police during the siege at the Seascape cottage, and who was strikingly different in demeanor, and even in voice, than Bryant's usual self. The "occasional sudden switches in the direction of Mr. Bryant's discourse," which Mullen recorded, are also characteristic of MPD, as different personalities emerge. Bryant's interviews with police after the slaughter, in which he denied that he had even been at Port Arthur and seemed genuinely astonished at the charges against him, are also consistent with MPD. The

great usefulness of MPD for Tavistock controllers, is that different personalities, whose existence is not even known to the main personality, may be programmed to carry out distinct tasks, but unless those personalities are later "accessed," the main personality will have only a fragmentary idea, if any at all, of what has happened.

As for the bizarre sexual behavior, besides the pornographic videos Bryant brought back to Australia depicting bestiality, he was known for sleeping with a pig in his room. Satanic activity has not been reported (it rarely is in such cases), but his favorite video was reported to be "Child's Play 2," in which a doll comes to life and goes around slaughtering people.

On Nov. 22, 1996, Bryant was sentenced to 35 terms of life imprisonment, and to 21 years each on 37 other charges, the terms to run consecutively, and without parole. He originally pled "not guilty" to 72 counts of murder and mayhem. With a new lawyer, and under pressure, he changed that to "guilty," which ensured that there would be no trial. Indeed, as Mullen stated at the outset of his psychiatric report for Bryant's new lawyer, "This report is intended to clarify for the court why an insanity plea was not considered appropriate. . . ." As one police source expostulated, "That's wild! If Bryant is not insane, who is?"

However, the decision to find Bryant sane, together with his sudden change of mind to plead "guilty," is of enormous benefit to those who want to make sure the truth never comes out. Under Australia's law, if Bryant were found insane, then he would be monitored and periodically re-evaluated, to see if he regained his sanity. Were he to do so, he would then be put on trial—and some more of Tavistock's handiwork would undoubtedly be exposed to the light of day.

For further reading

Citizens for LaRouche, "Stamp Out the Aquarian Conspiracy," 1980.

Richard Condon, *The Manchurian Candidate* (New York: McGraw-Hill, 1959). The classic fictional treatment of the results of MK-Ultra experiments of the 1950s.

John DeCamp, *The Franklin Cover-Up: Child Abuse, Satanism and Murder in Nebraska* (Lincoln, Neb.: AWT Inc., 1997, second edition).

H.V. Dicks, *Fifty Years of the Tavistock Clinic* (London: Routledge & Kegan Paul, 1970).

Carol Greene, *Mörder aus der Retorte: Der Fall Charles Manson (Test-Tube Murder: The Case of Charles Manson)* (Wiesbaden, Germany: Dr. Böttiger Verlags-GmbH, 1992).

John Rawlings Rees, *The Shaping of Psychiatry by War* (New York: W.W. Norton, 1945).

William W. Sargant, *Battle for the Mind: A Physiology of Conversion and Brain-Washing* (Westport, Conn.: Greenwood Press, 1975 [first edition, 1957]).

"The Tavistock Grin," *The Campaigner*, 1974.

From *EIR*:

"The Tavistock Psychiatrists Behind the Rape of Bosnia," Feb. 12, 1993.

"British Psychiatry from Eugenics to Assassination," Oct. 7, 1994.

"Newt Gingrich Looks at the Future," Jan. 12, 1996.

"Tavistock's Imperial Brainwashing Project," May 24, 1996.

"The Media Cartel That Controls What You Think," Jan. 17, 1997.

Clinton visit to Mexico defuses British confrontation scenario

by Valerie Rush

“Collaboration,” “partnership,” and “sovereignty” were the watchwords of President William Clinton’s three-day trip to Mexico, which helped solidify both a personal relationship between the two heads of state, and a mutual respect between their two countries. In various public appearances with Mexican President Ernesto Zedillo throughout his visit, the U.S. President was emphatic that he intends to be a good friend and neighbor to Mexico and to its sovereign institutions. Clinton’s commitment to Mexico’s stability thwarted the intent of a British-backed campaign to provoke a violent confrontation between Mexico and the United States.

That campaign was launched earlier this year around the annual certification President Clinton is required by law to apply to the U.S.’s partners in the war on drugs. In the month preceding his Feb. 28 decision to certify Mexico, Mexico’s anti-drug official had been discovered to be an agent of one of the country’s leading drug cartels. Although he was promptly dismissed and jailed, the incident, coming as close as it did to Clinton’s certification ruling, provided grist for the mill of Mexico-bashers everywhere.

While important mouthpieces of the British financial oligarchy such as the London *Economist* were happily predicting that the United States and Mexico would come to blows—even outright warfare—over Mexico’s “narco-corruption,” their agents and dupes inside the U.S. Congress openly debated the overthrow of the Zedillo regime. Clinton resisted falling into the decertification trap, knowing full well that it would have triggered a wave of anti-Americanism inside Mexico, with disastrous consequences for U.S.-Mexican relations.

But the British did not give up, and mounted a drive for a first-ever Congressional override of President Clinton’s certi-

fication of Mexico, assisted by the British-backed U.S. media, which tried to smear the Zedillo government, Mexico’s political institutions, and its Armed Forces, as “hopelessly corrupt.” Only Clinton’s decisive personal intervention stemmed the tide of slander and accusations, which were threatening to trigger political explosions inside Mexico.

Thus, Bill Clinton’s May 5-7 visit to Mexico, with its repeated emphasis on friendship and cooperation, once again defeated the British oligarchy’s gameplan, which was to force a cancellation of the visit, or, failing that, to shape the environment with possibly violent protests against the American President. That scenario fizzled too, with only a few hundred leftist demonstrators making a pathetic showing to scream obscenities at Clinton.

Instead of “Yankee Go Home,” Clinton heard another voice from Mexico. On May 6, two of the country’s leading dailies published a paid advertisement appealing to Clinton to convoke a new “Bretton Woods conference” for reform of the international financial and monetary system. The open letter to Clinton, which bore the signatures of many prominent Mexicans, as well as other notables from around the world, was based on the proposed economic recovery program of U.S. statesman and economist Lyndon H. LaRouche. One day earlier, the widely read article of *Excelsior* columnist José Neme Salum greeted President Clinton upon his arrival with a call for the exoneration of LaRouche, a former political prisoner of the George Bush regime, as critical to the success of a new Bretton Woods conference (see below).

Sovereignty at issue

Among Clinton’s many activities during his three-day visit were ones designed to drive home a sense both of Mexi-

co's long-standing and proud cultural heritage, and its dignity as a sovereign nation. The first cathedral in the Americas, for example, was founded in 1537 by Spain's Hernán Cortés, in the lovely colonial city of Tlaxcala. On his last day in Mexico, Clinton toured Tlaxcala and was surrounded by hundreds of children anxious to meet and touch him. He insisted on visiting the cathedral and received a guided tour and blessing from several priests there.

During their state dinner at the National Palace, President Zedillo reminded Clinton that "the first printing press, the first mint, and the first university in the Americas" were just down the block from where they were dining. During that dinner, Zedillo praised Clinton's friendship with Mexico, and pointedly added that Mexicans "hold a great respect for [President Abraham] Lincoln because he knew how to reconcile protecting the legitimate interests of his country, while also protecting the dignity and sovereignty of Mexicans."

The issue of Mexican sovereignty surfaced repeatedly in the Clinton-Zedillo exchanges. Following the signing of a "Declaration of the Mexico-U.S. Alliance Against Drugs," Zedillo told the press that he was very pleased that a central principle of the document is "absolute respect for the sovereignty and territorial jurisdiction of both Mexico and the United States of America." Clinton's visit to the "Niños Héroes," a Mexico City monument paying homage to young Mexican cadets killed while resisting an 1847 invasion by U.S. troops, was the first by a U.S. President in 50 years. Clinton rejected press insinuations that he was "atoning" for that invasion of 150 years earlier: "I'm going there as a gesture of respect—not only respect for their lives, but respect for the patriotism and the integrity of the people who have served this country."

Two critical issues that were raised during the three days of meetings and speeches, were drugs and immigration. On drugs, the Declaration of the Mexican-U.S. Alliance Against Drugs which the two Presidents signed, is designed to set out a framework under which a collaborative fight against the narcotics trade will proceed. While the specifics remain to be elaborated, the common strategy to be hammered out will address all aspects of the threat, including supply and demand, money-laundering, arms-trafficking, and extradition.

On the highly contentious immigration issue, President Clinton defended the new U.S. immigration law as a necessary means of maintaining "safe and orderly migration" for legal immigrants, but acknowledged that it had to be balanced with "common sense and compassion." He pledged to "work with Congress to correct some aspects of the immigration law," and to come up with "a comprehensive view which is mutually beneficial and will make it possible to conserve family unity and to protect the dignity of human beings."

Free-trade subversion

Unfortunately, much of the formal agenda that dominated Clinton's trip centered around an embrace of the very discred-

ited British free-trade policies that have subverted Mexico's economy and turned the country into an operations center for some of the continent's most powerful drug cartels. Throughout his visit, Clinton repeatedly praised the North American Free Trade Agreement as a "success story," despite the fact that NAFTA is a carefully crafted declaration of war by the former Bush-Salinas governments *against* the national sovereignty of both Mexico and the United States.

President Zedillo, too, wholeheartedly embraced the neo-liberal free-trade model. During a joint press conference of the two Presidents on May 6, a journalist charged that the free-market economic reforms promoted by both governments were an evident failure, given the dramatic impoverishment of Mexico in recent years. Zedillo responded, "The long period of stagnation in our economy cannot be tied to, nor should it be tied in any way to the processes of economic liberalization. Quite the contrary. I think that, thanks to these policies of opening up toward foreign countries and the internal liberalization of our economies, and also adjusting the size of the Mexican government as far as the control of the economy is concerned, means that we will now be able to begin a period of sustained, dynamic growth."

It is no accident that the Inter-American Dialogue, the bankers' think-tank and a critical channel of British intelligence influence into U.S. policymaking circles which dominated every feature of George Bush's policy toward Ibero-America, has chosen this moment to intensify the pressure on Clinton for launching a Western Hemisphere Free Trade Agreement, on the model of NAFTA. Just prior to Clinton's departure for Mexico, a former Dialogue president and past National Security Council adviser on Latin America, Richard Feinberg, gave a press conference to urge that President Clinton ram through a "fast-track" approach to such a continent-wide agreement, or face the loss of his "credibility" in Ibero-America.

Another insidious pressure that threatened to undermine the success of Clinton's Mexico visit was the call for "democratic transition" in Mexico, coming from certain Washington circles, and echoed in Clinton's entourage. A major feature of the Inter-American Dialogue's campaign against Mexico has been to target both the ruling PRI party and the Armed Forces—a major bulwark of stability in the country—for dismantling. Upcoming July elections in Mexico have been chosen by the Dialogue and its Mexican non-governmental organization collaborators as the intended setting for a potentially fatal blow to the PRI, in the form of an opposition party's capture of the Mexico City mayoralty. President Clinton's unprecedented meetings with the heads of the Party of the Democratic Revolution (PRD) and the National Action Party (PAN) opposition parties on May 6, were supposed to be a part of this scenario.

That, too, fizzled. Clinton's meetings with leaders of the opposition were relatively brief, and *pro forma*. More to the point, the entirety of his visit served as a strong, if implicit,

endorsement of Zedillo, his Presidency, and the national institutions of Mexico. Most revealing were the comments by “political commentator” Jorge Castañeda, who complained that Clinton’s policy toward Mexico “is absolutely clear, decisive, unequivocal; to try at all cost to keep the system in power.” Castañeda is a member of the San Angel Group of political dissidents, among whose members is Inter-American Dialogue notable Lorenzo Meyer.

Documentation

The president of the Mexican Democratic Party, Baltazar Valadez Montoya, who is also the party’s candidate in the upcoming July elections for mayor of Mexico City, sent a letter to President Clinton on April 30, requesting a meeting to discuss four critical strategic issues of the day. His letter, reported in several Mexican newspapers, read as follows:

In my capacity as head of the Mexican Democratic Party (PDM), and as candidate of the same for Mayor of the Federal District, I extend to you my most cordial welcome to our country. And I hope that your visit will be of the most possible benefit for both nations.

Informed, through the media, of your interest in meeting with leaders of opposition parties, *permit me to request a meeting*, to explain to you our viewpoints on strategic issues which affect our countries and humanity as a whole, among these, the following:

1. A New World Economic Order. The urgency of convoking a world monetary conference, to create a new Bretton Woods agreement, which would allow the replacement of the current bankrupt monetary system, by a new one which favors the establishment of a fixed parity, and trade agreements which would maintain true economic development of the nations of the world. Today, Mexico City and all Mexico suffer the disastrous consequences of the irrational conditionalities of the IMF [International Monetary Fund], translated into high rates of unemployment, extreme poverty, desperation, malnutrition, and the collapse of our industrial capacity, among other difficulties, which are the same as in the majority of nations. For this reason, I join the petition brought before you, on this theme, by hundreds of legislators of your own country, and of nations from all the continents of the world, as well as by prominent individuals and political leaders of all the continents requesting this. [List of petitioners attached.]

2. Cooperation to put a definitive end to drug trafficking. To redouble joint efforts and mutual cooperation, with due respect for national sovereignty, to definitively eradicate this crime against humanity, which is drug-trafficking. A fight which should include, an integral strategy to eliminate the phases of production, transport, distribution, consumption,

and money-laundering. The same aspects which have created an underground, illegal economy, and which seek to destroy the basic foundations of the nations involved, on behalf of an anti-human plan.

3. Cooperation for development, among the U.S., Mexico, and Latin America. The urgency of finding and developing new channels of economic integration among Mexico, Latin America, and your country, which favor economic growth, in the same spirit as the recent agreements—supported by your government—reached between China and Russia, which are part of the strategy of creating a “Eurasian Land-Bridge” which would ultimately link up with our continent across the Bering Strait. Latin America must be involved in this project which will bring prosperity to humanity.

4. Human rights and the perfecting of democracy: Aware of your great democratic spirit, permit me, respectfully, to put forward as a proposal for discussion, the human rights situation in your country. Both the matter of the treatment of undocumented Mexican migrants, as well as the violations which have occurred against the rights of ethnic minorities, and against U.S. politicians themselves, as in the world-renowned case of Mr. Lyndon H. LaRouche, whose prestige as a statesman and economist is recognized even by those who do not necessarily share his views, to the degree that personalities of great democratic courage from all parts of the world call for his immediate exoneration. . . .

The May 5 edition of Mexico’s leading daily, Excelsior, carried the widely read weekly financial column of José Neme Salum, who used the occasion of President Clinton’s arrival in Mexico that day, to address the strategic issues which the two Presidents face, to build what is required: “Mexico-U.S.: Cooperation.” Excerpts from Neme’s column follow:

History has granted Ernesto Zedillo and William Clinton an opportunity to begin, today, with the arrival of the President of the United States in Mexico, to serve as decisive factors in the future of humanity, either through what they agree to do in favor of a new international order, or what they fail to do concerning such a critical matter.

Conditions are more propitious than ever to turn both leaders into protagonists of the present moment, in which two distinct paths have been defined: a New Middle Age, where the global consortiums will be the new feudal lords, or to join in the construction of a New Economic Age for a New Civilization, through the integration of a multipolar world. . . .

President Zedillo is obligated to be the spokesman for the historic Mexican demand, shared by all developing sector nations, that the United States convoke a World Monetary Conference to create a New Bretton Woods, because it is urgent that the current bankrupt international financial system be replaced. The latter has become the greatest obstacle to any nation of the so-called Third World in achieving development and in looking to the future as a “beautiful place.” . . .

It would be a serious error if, for example, the Mexican

Democratic Party (PDM) were to remain at this historic moment as the only Mexican policy force with the nerve to propose to Clinton, in the interest of all Mexicans, the creation of a new international economic and political order.

The letter to the President of the United States, delivered to the U.S. Embassy by the PDM last April 30, synthesizes the most fervent hope that these old but unfulfilled dreams can finally be addressed, dreams for which the PRIistas [members of the ruling PRI party] were in former times the main proponents, and who, if they now want the decided support of the citizenry, must take up these issues once again, on pain of suffering defeat should they fail to do so. . . .

Clearly, it should be top priority on the Zedillo-Clinton agenda to agree to an integral strategy to combat drugs. And because it must be integral, it is obvious that such a strategy can only be successful if the Mexico-U.S. meetings lead to concrete bilateral agreements of cooperation and financial backing for railroad infrastructure, hydroelectric and nuclear power, and technology transfer to create here an industrial base for production of machine-tools, to allow the Mexican economy to escape its status of mere consumer of these, which is the real cause of its inability to pay truly remunerative wages to its workers.

Economic cooperation tending toward increases in investment in productive areas, not in the speculative money and

bond markets, also provides the means to solving the problem of undocumented workers.

For these, it is indispensable that Mexico win a commitment from Clinton that the human rights of our fellow countrymen be respected. The resident in the White House knows that a pronouncement here [in Mexico] against the violations suffered there [in the United States] by ethnic minorities, but also by U.S. politicians of the stature of Lyndon LaRouche—whose exoneration is a debt which the U.S. owes to the universal principles of justice and democracy—is a key factor in silencing conservative interests which seek, through virtually Nazi actions, to bring the two neighbors to blows.

A point of particular binational importance is the matter of the new United States ambassador in Mexico. It would be absurd and contradictory to a joint plan against drugs for the nomination for this post to fall to William Weld, just to do a favor for the people of Massachusetts—of which state he is still governor, having lost the election for senator after being accused of covering up for drug trafficking—and for the Kennedy family, by getting him out of there, as the *New York Post* recently commented.

If not even the Kennedys want Weld, the Mexicans want him even less, since he is linked to the clan of drug kingpin George Bush, whose associates in this country are the perverse Salinases.

Videos Available From FDR-PAC's Policy Forum Series



'Managed Health Care' Is a Crime Against Humanity

Nov. 9, 1996: 1 hour, \$20 [FDP 96-001];
(dubbed for Spanish:
1/2 hour \$20 [FDP 97-008])

For a Drug-Free America: Jail Cocaine Kingpin George Bush

Nov. 16, 1996: 1 hour, \$20 [FDP 96-002]

Eliminating Affordable Housing: Why Today's Urban Policy Is Genocide

Nov. 23, 1996: 1 hour, \$20 [FDP 96-003]

Modern Education: Yahoos for Gingrich's Brave New World

Dec. 7, 1996: 1 hour, \$20 [FDP 96-004]

Entitlements: The Way to Riches for Wall Street?

Dec. 14, 1996: 1 hour, \$20 [FDP 96-005]

Bosnia: Bridge to the New World

Jan. 4, 1997: 1 hour, \$20 [FDP 97-001]

Africa: Looting Ground for 'Bush, Inc.' or Breadbasket for the World?

Part 1, Jan. 11, 1997: 1 hour, \$20 [FDP 97-002]; or,

2 hours, \$35. [FDP-97-005];
(dubbed for Spanish:
1/2 hour \$20 [FDP 97-007]).

Part 2, Jan. 25, 1997:
1 hour, \$20. [FDP 97-004]

Eurasian Land-Bridge: The 'New Silk Road'—Locomotive for Worldwide Economic Development

Feb. 5, 1997: 2 hours, \$35 [FDP 97-006]

AVAILABLE SOON:

Why IMF Policy for Eastern Europe Must Be Scrapped

Feb. 19, 1997: 2 hours \$35 [FDP 97-009]

MAKE CHECKS PAYABLE TO:

FDR-PAC

P.O. Box 6157
Leesburg, Va., 20178
(703) 777-9451

In Memoriam: Susan P. Johnson

by Leif Johnson

To write an obituary for one's wife of 27 years, whom I greatly loved, and desperately so in her 11-month battle with a malignant brain tumor, is very difficult. Yet it is also easy, for I knew her best.

The magazine you hold in your hands, the world's premier political weekly, is in large part the work of Susan Johnson. From July 1980 through the spring of 1984, Susan shaped what was then an amateurish, "insider weekly" with a few hundred subscribers, into a journal of the highest literary and political standard, which today exercises worldwide influence.

Susan was, in the words of one of her staff members, "a bulldog." But she was the most humble, and overly modest, bulldog. Her weapons in shaping the *EIR* to her standards were humor (occasionally puckish), discerning the true humor in others, extraordinary patience, a passion to teach her contributors how to write, and an unbelievable capacity for work; she never left an issue until every last detail was "wrapped up."

She detested hypocrisy, banality, and cant. As editor she compiled an ever-augmented list of clichés, trite phrases, empty words, meaningless formulations, and jargon, that she strongly cautioned her writers to eschew.

A "mere woman" in the high-powered atmosphere of some former officials of the intelligence staff, she faced wounded male egos with tact, wit, and a powerful memory. To their continual displeasure, she could resolve arguments by reminding them what they had written last week—or last year. She held them to her standards by her towering literary ability, but most importantly, by her political acumen.

She was all her life, intensely "political." It was the meeting of Lyndon LaRouche in the spring of 1968, during the Columbia University student strike, that proved to her the coherence of the political and philosophical domains. Then a graduate student in philosophy at Columbia University in New York, and recipient of the most prestigious scholarship in the nation, she immediately recognized LaRouche as the most powerful mind of the century. It was her attachment to the quality of LaRouche's mind that gave her the confidence to exercise the intellectual rigor, and fight for truth, she had harbored since childhood.

Her father, Louis Parmacek, was a prominent pathologist in Chicago, born of Jewish parentage near Kiev, Ukraine. He



was head of the Salt Lake City Army Medical Laboratory during World War II, where he met Susan's mother, Shirley Smith. Susan was born April 17, 1944, and was followed by a brother, David, the next year. She attended public schools and graduated from Sarah Lawrence College. Susan's artistic and literary abilities were early noticed.

Her extraordinary literary ability was manifest one summer, when she succeeded in learning German, while working a summer job. She made numerous translations, and one German author, on reading Susan's English translation, thanked Susan profusely for making her article so much better in English than in the original.

Susan translated letters and manuscripts of the great German physicists of the 19th century, Wilhelm Weber and Carl Friedrich Gauss, for use by Laurence Hecht, our longtime comrade who was framed up in Virginia to a 33-year jail term, as part of the "get LaRouche" cases. But she was most proud of her translation of a major philosophical work by the German poet Friedrich Schiller, "On the Aesthetical Estimation of Magnitude." The translation is sublimely beautiful, and Susan rued, as I do, that she had not translated more Schiller poetry.

For the last seven years, Susan and I had been assigned to political organizing in St. Louis, Missouri. Among her many achievements there, the one she most cherished was the development of a chorus. Fittingly, the chorus sang magnificently at her funeral in St. Louis, and at the burial next to her parents, in Elgin, Illinois.

Whenever we travelled by car, we read to each other. We read Cusa, Shakespeare, Kepler, and Leibniz; two months after the brain tumor was diagnosed, Susan read, for the fifth time, the Clarke-Leibniz correspondence. The work unfolded to us as never before; we were exhilarated. We cried for the happiness of having learned Leibniz, LaRouche's teacher. We cried because this was the fruition of our aspirations: We were back at the beginning, the first meetings with LaRouche. We cried, lastly, because Susan was doomed by the cancer; she could do no more, and I wondered whether I had the courage to carry this work on, alone.

In her last months of life, particularly two spent in Germany for treatment, she clung to her greatest love: Shakespeare. She re-read all the works of Shakespeare; then, commencing once again, death caught her midway into her task.

Pilots expose Pat Robertson's 'charity' operations in Zaire

by Anton Chaitkin

Pilots who flew over 100 supposed "charity" missions in Zaire for Pat Robertson have told *EIR* that the televangelist used most of the flights to run a diamond-hunting scheme. In interviews on May 7 with this reporter, pilots Robert Hinckle and Tahir Brohi described their 1994-95 flights in Caribou cargo aircraft, a fleet purchased with funds donated to Robertson's "Operation Blessing." Contributors to that tax-exempt charity were told they were paying for the evangelization and medical relief of suffering Africans.

From approximately August 1994 through September 1995, the "Operation Blessing" cargo planes actually carried equipment and supplies for the river-dredging of diamonds, on behalf of the African Development Company. Pat Robertson, as the sole owner, had chartered that company in Bermuda in July 1992. It suspended operations in October 1995. Before then, chief pilot Hinckle had quit in disgust at Robertson's fraud and deception.

Hinckle told *EIR* that he flew about 40 missions for the Robertson organization, which was headquartered in Goma, Zaire. Hinckle set up the cargo-flying operation and hired others, including pilot Tahir Brohi, a British national. Hinckle told of his flights from N'jili airport near Kinshasa, and from N'dolo, around 15 miles away, to Tshikapa some 200 miles into the interior and 60-70 miles from the Angola border.

Hinckle observed Robertson's attempts to pick diamonds out of fast-flowing river currents; when he failed to get much more than industrial-grade diamonds, Robertson launched legal action against the U.S. company that had supplied the mechanical dredging equipment.

The diamond hunting was in the vicinity of the Zaire-Angola border. Hinckle said that he had heard Robertson's aides discussing the possibility of buying diamonds from smugglers operating between Angola and Zaire.

In one instance, Hinckle recalled, he flew Robertson into a landing in Angola. On that trip, he told *EIR*, Robertson discussed with Angolans the prospects for Robertson's project to rebuild a railroad from mineral-rich Shaba province, Zaire, through to the Atlantic Ocean port in Lobito, Angola. The *Wall Street Journal* reported on April 30 that Max Boule, boss of the Canadian-based American Mineral Fields mining

company—which is plundering Zaire on behalf of the British Empire's Anglo American Corporation—has asked Robertson to go back into action with the Shaba-Lobito rail link project. The *Journal* reported that Boule holds the position that "anyone able to win a concession to rehabilitate and run the railroad could make a fortune if Zaire's copper and cobalt industries are revived." The *Journal* quoted a spokesman for Robertson, with respect to this project: "Mr. Robertson's main concern is for the spiritual needs of the Zairean people."

Pilot Tahir Brohi, who flew for Robertson from November 1994 through September 1995, told *EIR* that he made "one or two flights a week." The majority of these, Brohi said, were related to the diamond dredging, including carrying food for the dredge operating crew. One of Brohi's flight bases was the Zaire port city of Matadi on the Congo River. In one of the few flights actually made for the legitimate purpose of medical relief, Brohi said, he piloted a plane into Kikwit during an epidemic of Ebola virus, at considerable apparent risk to the crew.

'I asked George Bush's advice'

Robertson reacted to criticism of his diamond ventures in a guest column in the Richmond, Virginia *Times-Dispatch* on Feb. 1, 1997. Robertson explained that his entire Zaire operation was undertaken on President George Bush's request. He wrote, "Before a visit to Zaire, I met with George Bush in the White House and asked his advice." Bush told him he should go into business in Zaire, allegedly, according to Robertson's story, in order to save Zaire's government.

"I brought with me," Robertson wrote, "a former under-secretary of state from the Bush administration for the purpose of advising [Zaire's President] Mobutu [Sese Seko] on fiscal and monetary issues. . . . I personally met with the Cabinet of Zaire and warned them that if they continued printing money there would be runaway inflation with rioting and looting in the streets."

Robertson "evangelized" with advice to lay off workers and to give away the national patrimony to foreign looters. "I . . . analyzed the . . . Gecamine copper mines, where I discovered 16,000 surplus workers . . . [and] the government-owned Kilomoto gold mines, where 3,300 workers produced a pitiful [quantity] . . . of gold . . . and the government-owned industrial diamond facility in Mbuji-Mayi, where I discovered production limping along at 50% of peak capacity."

Robertson wrote, "My own company, African Development Co. . . . secured the concessions from the government." Though the diamond operation allegedly failed because of "American dredging equipment that was poorly constructed . . . and . . . the internal chaos in the country," Robertson asserted, "one thing really worked." "Through our television, radio, and evangelistic meetings, more than 4 million people in Zaire have accepted Jesus Christ as their Savior."

Bush League liars orchestrated Clinton's 1993 bombing of Iraq

by Mary Jane Freeman

It's June 26, 1993. President William Clinton announces that he has just ordered a "cruise missile attack on the Iraqi intelligence service's principal command and control facility in Baghdad," because investigations by the FBI and CIA found "compelling evidence that there was . . . a plot to assassinate former President Bush, and included the use of a powerful bomb made in Iraq." Information that has recently come to light, shows that there was no such "compelling evidence," but rather a little "massaging of the facts" by high-level officials. In effect, a British policy coup, aided by the corrupt permanent bureaucracy within the Justice Department, had occurred (see *EIR*, April 25, p. 22).

President Clinton had been in office a mere 158 days. Various factions, inside and outside the government, were working overtime to ensure that he would not reverse the genocidal policies behind Margaret Thatcher and George Bush's Gulf War, or their follow-on plans to create a "clash of civilizations" scenario, of Islam versus the West. Even if it meant manufacturing evidence, these networks were determined to box Clinton into a policy of "dual containment" toward Iraq and Iran.

This episode has again come under scrutiny as part of Justice Department Inspector General Michael Bromwich's review of allegations of misconduct and illegalities at the FBI's forensic lab. The IG's 500-page report, released on April 15, identified a pattern of false reporting of forensic investigations in some of the biggest criminal cases of the decade, including the Oklahoma City and World Trade Center bombings. The report also raised serious questions about forensic evidence provided to President Clinton by the FBI and through senior Justice Department bureaucrat Mark Richard, regarding the so-called Iraqi assassination plot against former President Bush.

Based on *EIR*'s review of the recently released report on the FBI Crime Lab (see *EIR*, April 25, p. 26), in conjunction with events leading up to the June 26 missile attack, a shocking picture emerges of how the President was induced to come to the decision to bomb Iraq.

In the case of the alleged assassination plot against Bush, FBI whistleblower and forensic scientist Dr. Fredric White-

hurst alleged that his test results on the "explosive material in the main charge of the Bush device" were "purposely misinterpreted . . . in order to link the explosive material to Iraqi agents." He further charged that the misinterpretation "very possibly" was done to "support the retaliatory missile strike by the United States."

The Inspector General's report rejected this, concluding that "the evidence does not support" the claims that anyone "changed or purposely misinterpreted Whitehurst's results. . . . Nor does [it] support [the suggestion] that the [United States] launched the missile strike against . . . Baghdad based on a misinterpretation of Whitehurst's results." However, it found that the FBI Crime Lab agent who was the lead investigator on the alleged Bush plot, "omitted and rewrote parts of [a] Whitehurst" report. The omission and rewording of Whitehurst's findings ultimately resulted in the FBI providing only a partial picture to the President, one that fit with the thesis that "Iraq did the dirty deed."

A battle to shape Clinton's Iraq policy

On Jan. 15, 1993, a *New York Times* interview with Clinton featured the President-elect's comments concerning future U.S. relations with Iraq. While saying that he supported Bush's actions to renew the bombing of Iraq, Clinton opened the door to resolution of "the bitter disputes there." Asked whether he expected the same kind of personal animosity that existed between Bush and Saddam Hussein to characterize his relations with Saddam, Clinton said, "I'm not obsessed with the man. . . . If he wants a different relationship with the United States . . . all he has to do is change his behavior." The genie was out of the bottle; the new President wanted to change course.

Within 24 hours, after the London *Guardian* ran the *Times* interview and a *Times* news article insinuated that Clinton's responses meant that the new President would be soft on Saddam, both Clinton and his Secretary of State-designate Warren Christopher, felt obliged to distance themselves from the potential for changing U.S.-Iraq relations. But London, Bush, and the foreign policy establishment in the United States did not rely on this denial. Even though Saddam announced a



George Bush with his buddy Sheikh Jaber Ahmad Sabah, the Emir of Kuwait, in 1990. The investigation of the alleged assassination attempt against Bush in Kuwait in April 1993 “purposely misinterpreted” evidence in order to implicate Iraqi agents, according to an FBI forensic specialist. Bush’s friends in Washington succeeded in getting President Clinton to launch a missile attack against Baghdad targets.

unilateral cease-fire in anticipation of Clinton’s inauguration, during the last five days of Bush’s regime, missiles again rained on Iraq. On Jan. 19, on the eve of Clinton’s inauguration, the *Guardian*’s Martin Walker wrote, “In the context of allied bombing . . . Clinton was forced to close that door” on new relations with Iraq. Still not leaving things to chance, should Clinton change course in the future, Walker let the British Foreign Office’s fallback policy option for the region out of the bag: to contain “Iran and the growth of Islamic fundamentalism.” Based on “sources,” Walker claimed to know that “behind the scenes, the Clinton administration is refining U.S. policy” to deal with this new threat.

On Jan. 17, two days before Walker’s piece in the *Guardian*, Lyndon LaRouche, who was still in prison at the time, had already seen through the British-Bush strategy against the incoming President. LaRouche responded to a question on the issue, that the establishment people were using the lame-duck Bush administration “to create as many messes as possible internationally, so that when Clinton [takes office], he would be so tangled in foreign policy complications, that essentially, they’d have him ruined. . . . There’s a plan to get a war going with Islamic fundamentalism internationally.” LaRouche outlined that atrocities against Muslims, such as bombings, would be used to bring fundamentalists to power, who in turn would become the great new enemy of the West.

How the plot was hatched

During February and March, the new administration faced the increasing genocide in Bosnia, and deployed U.S. troops to Somalia. The Iraq front was quiet—until Bush showed up in Kuwait on April 14 for a three-day visit to commemorate his Gulf War victory. In addition to the festivities, Bush was there with a delegation of Enron Corp. executives to scout lucrative business deals with the Kuwaitis. Clinton had continued support for the sanctions against Iraq, but in mid-April, his administration declared that it no longer insisted on Saddam’s removal from power as a precondition to lifting the sanctions. On cue, on April 26, the *National Review*, a U.S. outlet for British propaganda, editorialized, “Whatever the administration’s intentions, the change is being read throughout the Middle East as a big step toward American acquiescence in the status quo.” The next day, the *Washington Post* reported on a story in the Saudi newspaper *Asharq al-Awsat*, which disclosed that the Interior Ministry of Kuwait had rounded up a group of Iraqi-supported terrorists, in possession of explosives, “who planned to assassinate Bush during his visit” to Kuwait. For the next eight weeks, using the so-called Bush assassination plot, a war-and-a-half broke out over the President’s policy drift toward resolving disputes with Iraq.

The Bush plot had refocused attention on Saddam and the Iraqis. Was Saddam and/or his intelligence service behind

the plot? The Kuwaitis reported that they had retrieved a Toyota Landcruiser with 80 to 90 kilograms of plastic explosives connected to a detonator (the so-called Bush device), and ten cube-shaped plastic explosive devices with detonators (the cube-bombs), from the 16 suspects arrested during the Bush visit, most of whom were part of a smuggling ring. Kuwaiti officials also claimed that some suspects “confessed” that Iraqi intelligence was behind the plot.

Teams of counterterror and explosives experts from the CIA and FBI were sent to Kuwait to examine the evidence and interview the suspects. It was the findings of these various investigations which were used to persuade President Clinton to bomb Iraq.

The Crime Lab and Mark Richard

Within days of the CIA and FBI teams’ arrival in Kuwait, the May 8 *Washington Post* ran a provocative headline, “U.S. Links Iraq to Plot to Assassinate Bush in Kuwait.” The article, based on anonymous sources, admitted that the “links to Baghdad . . . are not definitive.” A week later, on May 15, the *Washington Times* reported that Pentagon officials were “dubious” about the Kuwaiti claims, and the *New York Times* on May 19 wrote that “administration officials . . . expressed deep uncertainty” about Kuwait’s claims, because they could have been “based on coerced confessions or mishandled evidence.” Then, on May 27, a *Boston Globe* story, headlined “CIA Report Casts Doubt on Kuwait Assertion of Plot on Bush,” revealed that a classified CIA Counter Terrorism Center report, shown to the *Globe* reporter, said that Kuwait “has a clear incentive to play up the . . . Iraqi threat” to Western interests, and hence may have “cooked the books.” Even more important, the *Globe* wrote, “the [CIA] report says it was unable to corroborate the Kuwaiti assertion that the plot was aimed at Bush.” Around this same time, intelligence community sources told *EIR* that the plot was “concocted by Kuwaiti intelligence as an effort to prevent the sanctions against Iraq from being lifted.”

But, at the same time, press leaks continued to assert that the “CIA, Secret Service, and FBI . . . have satisfied themselves that a car-bomb seized . . . was fashioned by the Iraqi government. Forensic evidence and the bomb’s technical configuration . . . matched others known to have been fashioned by Iraqi intelligence.”

Based on these reports, Clinton administration officials were pummeled with the question, would the President “retaliate”? Simultaneously, Clinton was being criticized for not being “tough” against the Serbs in Bosnia—another British foreign policy monkey-trap. But throughout May and early June, administration officials insisted that no decision had been made because the investigations were “continuing.” In late May, to stiffen Clinton’s resolve to get tough with Iraq, Martin Indyk, the senior director for Middle East matters on Clinton’s National Security Council staff, declared at a public policy forum that Iraq would remain hostile to American in-

terests for the foreseeable future. Indyk had been an adviser to Bush on Middle East policy.

FBI explosives examiner Alan Jordan’s examination of the bombs in Kuwait was hampered and “did not meet usual FBI standards,” according to the Bromwich report, because the Kuwaitis refused to let him disassemble the components or transport the devices to the FBI lab in Washington for examination. Jordan, therefore, based on comparing the bombs to “photographs” of “known Iraqi explosive devices found in various Middle Eastern countries,” concluded “that the same person or persons manufactured the Bush device and the Middle East devices.” After a second exam, he concluded that “significant consistencies in the selection of individual components” indicated “signature characteristics.”

But, between the two Jordan exams, Whitehurst was asked to “compare explosive material in the Bush device to explosive materials and residues from Iraqi devices discovered in Southeast Asia during the 1991 Gulf War.” He found “that the explosive in the Bush device . . . was ‘very much different’ from the explosives in the Southeast Asia devices.” This fact was never told to the President.

Before a June 2 meeting between FBI Counterterrorism Section Chief Neil Gallagher and Attorney General Janet Reno, Whitehurst’s supervisor told Gallagher that “the FBI could not connect [the Bush device and other Iraqi devices’] explosives chemically or say that they came from the same shipment, sources, or country.” Over the next weeks, as reflected in press leaks, a tug of war between “senior intelligence analysts,” who asserted “corroborating evidence” linking Iraqi terrorists had been found, and “administration officials,” who continued to have “doubts” about Iraq’s involvement, surfaced.

To force the “get tough” posture upon Clinton, Frank Gaffney, a senior policy strategist with the Center for Security Policy and a former Reagan administration official, penned a column entitled “‘Depersonalizing’ the Conflict with Saddam Is Wrong Policy.” Gaffney decried the administration’s failure to respond to “the Iraqi despot’s effort to blow up former President Bush.” He claimed that the “signal being sent is that the Clinton team is so determined to avoid getting bogged down in . . . Iraq that it is inclined to overlook the assassination plot.” While the administration said that the case was “less than airtight,” Gaffney wrote, “I am told . . . the evidence is compelling” against Iraq. He concluded that the “ray of hope” inside the administration is NSC staffer Indyk, whose recent speech called for “dual containment” of Iraq and Iran.

A few days later, on June 24, a report drafted by the Justice Department’s Terrorism and Violent Crime Section, headed by Mark Richard, was presented to the President. That report, which provided the “compelling evidence” the President relied upon, didn’t simply fail to include the chemical differences of the explosives in the Bush devices as compared to the “known Iraqi” devices, but also contradicted Whitehurst’s finding that they were “very much different.”

Ted Turner funds Earth First! eco-vandals

by Frederick Greene

Ted Turner, owner of Cable News Network (CNN), and his wife, Jane Fonda, came close to creating an international incident on April 9, when the Canadian press disclosed that Turner was funding a Canadian training camp for eco-vandals, including the transportation of youth from the United States into Canada to the camp. The Turner Foundation, which is directed by Fonda, has funded the sponsors of "training camps" in Canada for environmentalist actions against the timber industry.

The revelations, featured prominently in the press and on television, shocked citizens of British Columbia, where the training camp is located.

The violent intentions of the activists at the camp are not hidden: They are openly stating their willingness to break the law on behalf of "Mother Nature." Speaking to reporters at an activist training camp at Belcarra Regional Park in Canada on April 8, Greenpeace spokesman Tamara Stark promised a summer of protest to stop old-growth logging in 10 of British Columbia's watersheds. "If need be, I think the law of nature and the ongoing viability of the rainforests are far more important than breaking the law of the country," Stark declared.

Several groups from the United States and Canada have been protesting against the timber industry in both countries. The activists at the Belcarra gathering include about 60 members of Greenpeace, the Forest Action Network, Bear Watch, and Friends of Clayoquot Sound. The training was headed by eco-vandals from the Earth First!'s Ruckus Society, based in Montana, who have been involved in numerous illegal activities in the United States.

This is the third such camp designed to train the youth of both countries to become involved in illegal forms of protest and other criminal acts.

It has been confirmed through financial records that much of the money used for training and protests comes directly from the Ecology Center of Missoula, Montana, which is run by the Earth First! leadership. According to an article in the Canadian magazine *B.C. Report*, "A spokesman for the Ruckus Society told BCTV [British Columbia TV] on April 9 that the Turner Foundation, established by American media mogul Ted Turner and directed by his activist wife, Jane Fonda, has provided funds to the group."

The Ruckus Society was founded by Mike Roselle, the cofounder of Earth First! and the current leader of the organization. Roselle has admitted on many occasions that he has

committed many acts of terrorism, including the destruction of a U.S. Forest Service building and the sabotage of heavy equipment "that is being used to destroy the Earth."

Roselle's January 1995 article in *Earth First! Journal*, was a call to arms for his following to commit more criminal acts when he stated: "What we want now is nothing short of a revolution. F**k that crap you read in *Wild Earth* or *Confessions of an Eco-Warrior*. Monkeywrenching is more than just sabotage and you're g**dam right it's revolutionary. This is *jihad*, pal. There are no innocent bystanders, because in these desperate hours bystanders are not innocent."

When asked about Roselle's comments, Mark Wexler, professor of applied ethics in British Columbia's Simon Fraser University faculty of business administration, commented: "Oh boy. To me, that's more like Londonderry, Hebron. That's like Oklahoma City bombing stuff. That's crazy talk."

Unabomber links?

Although Roselle may not condone the actions of the Unabomber, there is a certain similarity to his justification of violence against individuals. And Unabomber suspect Theodore Kaczynski's connection to Earth First! has been established in a new book, *Ecoterror—The World of the Unabomber*.

The Unabomber himself commented concerning his murders, in his June 29, 1995, letter: "This is a message from FC, 553-23-4393. . . . Contrary to what the FBI has suggested, our bombing at the California Forestry Association was no way inspired by the Oklahoma City Bombing. We strongly deplore the kind of indiscriminate slaughter that occurred in the Oklahoma City event. We have no regret about the fact that our bomb blew up the 'wrong man,' Gilbert Murray, instead of William N. Dennison to whom it was addressed. Though Murray did not have Dennison's inflammatory style, he was pursuing the same goals, and he was pursuing them more effectively because of the very fact that he was not inflammatory."

Murray died on April 24, 1995.

Turner's eco-millions

Financial records show that the Turner Foundation funds several environmentalist activist groups, including the Ecology Center in Missoula, Montana. The Ecology Center is run by Earth First! leadership, including Mike Roselle. The center's 1995 tax records show a budget in 1995 in excess of \$516,000, to which the Turner Foundation was a major contributor. More than 70% of that budget went to "Activist Coordination + Empowerment."

Among the groups connected to Earth First! that received grants in 1995 from the center, are Gila Watch of Silver City, New Mexico, which received \$13,000; the Southwest Center for Biological Diversity and the Greater Gila Biodiversity Project, both of Silver City; and New West Research of Santa

Fe, New Mexico. (Gila Watch has worked for several years to put Kit and Sherry Laney of the Diamond Bar Ranch out of business. Apparently, the Diamond Bar Ranch is adjacent to the Turner ranch.)

Other Earth First!-connected groups to which the Turner Foundation has made grants are: Biodiversity Legal Foundation of Boulder Colorado (formerly the Earth First! Biodiversity Legal Foundation), RIP of Houghton, Montana, Forest Guardians of New Mexico, the Native Forest Network (founded and run by Earth First! leadership), and Rainforest Action Network (founded by Earth First!, and which still has Mike Roselle on the board of directors). And there are many others.

Eco-terrorism chronology

North American Research has compiled a list of more than 1,100 acts of domestic terrorism against ranchers, miners, loggers, hunters, recreationalists, McDonald's outlets, the fur industry and department stores that sell furs, and many more. The February 1993 issue of *Earth First! Journal* advocated sabotage at MacDonalld outlets, and since that time, dozens of them have been sabotaged. A portion of a September 1996 slogan published by members of the groups states: "Learn to Burn."

In 1989, three members of Earth First! were arrested in

Arizona and convicted of attempted sabotage of a nuclear power plant. The founder of Earth First!, David Foreman, was arrested and convicted in the same case of conspiracy to sabotage a nuclear power plant. Foreman is currently on the board of directors of the Sierra Club.

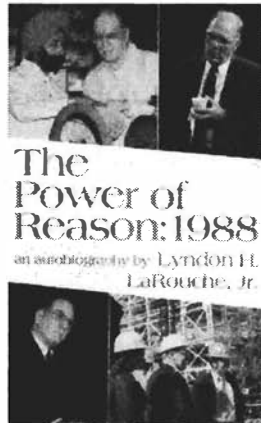
A chronology of the most serious, recent acts of environmentalist terrorism includes:

- Sept. 4, 1996: Arson fire at the home of John Campbell, CEO of Pacific Lumber in Arcata, California.
- Oct. 29, 1996: Arson fire at the Detroit Ranger Station and the \$5.7 million arson fire at the Oakridge Ranger Station in the Willamette National Forest, Oregon. (According to the FBI, the Oakridge fire was "the second worst terrorist attack against a government facility in the history of our country.") The Earth Liberation Front (ELF), established by Earth First! leaders in February 1994, has taken credit for both fires.
- Nov. 9, 1996: A \$400,000 arson fire at McDonald's in West Jordan, Utah.
- Jan. 14, 1997: Arson fires at Burlington Coat Factory, and two department stores that sell furs in Broward County, Florida. An Animal Liberation Front publication claims responsibility for \$20 million worth of sabotage.
- March 10, 1997: Investigators have confirmed that the explosion of six pipe bombs set a fire that resulted in about \$1 million in damage to a Sandy, Utah, fur feed company.

Books by Lyndon H. LaRouche, Jr.

The LaRouche case "represented a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the federal government than any other prosecution by the U.S. Government in my time or to my knowledge."

—Former U.S. Attorney General
Ramsey Clark



READ LAROUCHE'S BOOKS and find out why the Establishment is so determined to silence his voice.

The Power of Reason: 1988.
An autobiography by
Lyndon H. LaRouche, Jr. \$10.00

*So, You Wish to Learn
All About Economics* \$10.00

*The Science of Christian Economy
and Other Prison Writings* \$15.00



Send checks or money orders to:

**Ben Franklin
Booksellers, Inc.**

107 South King St.
Leesburg, VA 22075
phone 1-800-453-4108 (toll free)
or 1-703-777-3661

Shipping and handling charges: Add \$4 for the first book and \$.50 for each additional book. Virginia residents add 4.5% sales tax.

We accept MasterCard, Visa, American Express, and Discover.

Book Reviews

Robert Reich: liberated from the cabinet

by Marianna Wertz

Locked in the Cabinet

by Robert B. Reich

Alfred A. Knopf, New York, 1997

338 pages, hardbound, \$25

If the times call for a strong President, he will govern much as Franklin D. Roosevelt governed—with boundless energy, great charm, and bold initiative. Faced with genuine evil or a national crisis of undisputed dimensions, Bill will rise to it. But in the more common situations where the public is uncertain about the choices it faces and what's at stake in those choices, I worry that his leadership may fail. He'll become unfocused and too eager to please.—Robert Reich

So wrote former U.S. Secretary of Labor Robert B. Reich on Sept. 28, 1992, assessing the potential of his friend of 25 years, his fellow Oxford and Yale Law School student, the man who would be President four months later, Bill Clinton.

This biting ironic, eye-opening look at the first term of the Clinton Presidency, written from diary entries kept during those four years, is must reading for anyone truly interested in ensuring that Clinton does act like FDR, and *does so now*, as the moment of a “national crisis of undisputed dimensions” is upon us.

EIR Founding Editor Lyndon LaRouche has repeatedly stressed the strategic importance of this question over the past several months, most recently in “The U.S.A.-China Strategy,” which appeared in the April 25 *EIR*. LaRouche wrote: “It is unlikely that any presently visible governments would act competently until such time as an ‘economic Pearl Harbor effect’ suddenly transforms public opinion in the manner needed to support dramatic, sudden executive action by the incumbent President of the United States. Therefore, the great danger is, that the President, and also his key partners, come to that moment of history-shaping decision inadequately prepared, and, for that reason, flub the situation, with disastrous effects for all mankind.”

Whether or not Robert Reich, writing from his new job as university professor of social and economic policy at Brandeis University's Heller School, is conscious of the *strategic* importance of Clinton's acting like FDR, he has clearly decided, having liberated himself from the cabinet, to liberate Clinton from the grip of the evil that surrounds him, so that he might govern as FDR did.

Reich has used the insight of a true lifelong friend to achieve two things that only a true friend can achieve: to expose for all to see, the side of the Clinton administration which is personified in former Clinton adviser Dick Morris—who Reich says represents “all I detest in American politics,” a “Mephistopheles, the corrupter of all means to an end that is never fully realized; the ultimate betrayer”; and at the same time, to give a glimpse of the Bill Clinton who has the ability to govern like FDR, if he will only act out of his better nature.

The British haven't missed the importance of this book. Though it was only released from the publisher on April 25, Her Majesty's London *Times* reviewed *Locked in the Cabinet* in its April 17 “Diary” column under the title “Fat Chancellor.” The *Times* noted, “Relations between the Tories and the Clinton administration must be strained as an Arkansan's gut on barbecue day, after some sharp words from Robert Reich, President Clinton's former Labor Secretary, about the Chancellor, Kenneth Clarke. . . .”

“Diary” then quotes one of the many zingers Reich has thrown into this book. Recalling his attendance at the international jobs summit, in early 1994, Reich writes: “The jobs summit is a deadly bore. I have to sit next to the British Chancellor of the Exchequer, who talks endlessly about the virtues of the free market and the social benefits of selfishness, all with such pomposity that I have to restrain myself from causing an international incident, by telling him what I think. He is as rotund as he is arrogant, a thoughtless disciple of Margaret Thatcher. Will the Tories wreck Britain before the British wreck the Tories?”

It's clear which side Reich is on in the battle against the Tories. Though he doesn't say so, he obviously had the same distasteful bellyfull of Tory snobbery at Oxford, as a New York Jew, that Clinton did as an Arkansas hick.

‘Conceptual prison’

But Reich's anti-Tory view goes beyond his distaste for the disciples of Margaret Thatcher. He represented the closest thing to a sane economic outlook in the first Clinton cabinet. Reich was locked in battle inside the cabinet with such advocates of British/Wall Street budget-slashing as Treasury Secretary Lloyd Bentsen, and outside the cabinet, with the man he calls a “robber-baron pimp,” Federal Reserve Chairman Alan Greenspan. “Greenspan haunts every budget meeting, though his name never comes up directly,” Reich writes. “Instead, it's always our ‘credibility’ with Wall Street. It is repeatedly said that we must reduce the deficit because Wall Street needs to be reassured, calmed, convinced of our wise



Then-Labor Secretary Robert Reich at the Feb. 14, 1994 news conference announcing legislation to raise the minimum wage. He is flanked by the bill's cosponsors, on the left, Sens. David Bonior and Edward Kennedy, and, on the right, Paul Wellstone, in addition to labor and unemployed spokesmen.

intentions. Never before in the history of mankind have the feelings of a street had such decisive force. The ancients worried about the moods of the skies, mountains, seas, and forests. We're placating a pavement.

"Who fretted about Wall Street's feelings when Reagan and Bush racked up the biggest debt in American history? . . .

"Like Paul Volcker, the Fed chief before him, Greenspan can put the economy into a tailspin simply by tightening his grip. Volcker did it in 1979, and Jimmy Carter was fired. Bill Clinton knows that. Greenspan has the most important grip in town: Bill's balls, in the palm of his hand."

In his account of the Dec. 7, 1992 meeting of the Clinton economic transition team, which Reich headed, he spells out the reason he so strongly opposed deficit reduction as the basis for budget discussions. His concern, Reich writes, is not about the size of the deficit, but that the federal budget document doesn't differentiate between useful, if costly, investments in "human capital" and useless boondoggles. As an example, he writes: "The GI Bill made college affordable to a whole generation of returning World War II veterans and propelled much of the economic growth of the 1950s and beyond. The expense was justifiable, even though the federal deficit was a much larger percentage of the national output then than it is now."

"My real concern," Reich continues, is that *the deficit* is already framing our discussions about what we want to accomplish in the future. Getting the deficit 'under control' is becoming the most important measure of success. We discuss it for hours! . . . We're building our own conceptual prison."

Baby-Boomers

Reich's writings on economic policy formed the basis of Clinton's campaign platform, "Putting People First." The platform stated, "Our national economic strategy puts people first by investing more than \$50 billion each year for the next four years to put America back to work—the most dramatic economic growth program since the Second World War. Our strategy recognizes that the only way to lay the foundation for renewed American prosperity is to spur both public and private investment. . . . These investments will create millions of high-wage jobs."

His views are further set out in Reich's version of Clinton's first State of the Union—what he, Reich, would have said, had he been President. "Human capital is our most precious national asset, upon which our future standard of living depends. . . . [W]e will cut the budget deficit in order to free up capital for private investment. The private sector must use the extra capital to invest in the future productivity of all Americans—not to speculate, pad their executives' salaries, buy machines merely to replace their workers, bust unions, or build new factories abroad. The new resources must be used to create better jobs."

But with each day of the new administration, and increasingly as Clinton was confronted with the Gingrich "Visigoths," as Reich calls them, this viewpoint faded from sight. "The conceptual prison limits our view," Reich writes, "and I fear that none of us . . . will be able to escape."

Indeed, much of the book is an account of what Reich *would have said*, given in italics, had he had the courage of his convictions, while what he *did say* was often propitiatory

babble. "I'm as guilty as anyone," he writes, of the disastrous outcome of the Clinton economic policy. "More guilty. After all, I'm supposed to be in charge of this process. I could have offered a different framework. . . . I succumbed to the deficit obsession."

Reich correctly identifies the root of his, and the Clintons', problem. "In addition to the usual impediments, they also face a generational handicap. They are members of the huge, unruly group of postwar baby boomers (as am I)." *Locked in the Cabinet* is almost a clinical study of the effects of "baby-boomerism," the disabling mental disorder which LaRouche has also identified as at the source of Clinton's weakness as a President—or the "Hamlet" problem, as LaRouche has otherwise called it. Thus, Reich's analysis of the impotent, endless meetings that went nowhere: "We children of the sixties don't like strict hierarchies. We prefer governing by discussion."

Reich and the labor movement

Reich's importance to the current revitalization of the American labor movement is very well documented in this work. He enunciated organized labor's agenda—including support for a minimum wage increase, opposing "corporate welfare," closing the wage gap, stopping striker replacement, ending sweatshops, expanding job training—in the Clinton administration, and fought for it with courage. Perhaps most importantly, Reich also worked to oust the rotting corpse of Lane Kirkland's presidency from the AFL-CIO.

Reich was the moving force behind the passage, at the end of the 104th Congress, of the raise in the minimum wage, something of which he is rightfully very proud. He began discussing the problem of low wages in the 1993 transition, two years before John Sweeney took over the helm at the AFL-CIO. He ceaselessly argued the case: "We simply *must* do everything possible to create good jobs with good wages—for men and women, for poor whites and poor minorities, for people now on welfare, for youngsters with no more than high-school diplomas and for older workers without adequate skills who are losing their jobs."

His account of Lane Kirkland is most biting. "The AFL-CIO is dying a quiet death and has been doing so for years," he wrote in February 1993. Kirkland, he says, is "almost invisible to the public. Nothing about him suggests the leader of a *movement*. He looks and acts more like any other beefy, aging head of a special-interest lobbying group in Washington. . . ."

Reich recounts several meetings with Kirkland, portraying him as a foul-mouthed pig. Kirkland at lunch: "'And what about the goddamn North American Free Trade Agreement horseshit?' He reaches for another crab. . . ." Then at a dinner party at Kirkland's home, Reich reports his amazement at finding Alan Greenspan, "the Darth Vader of blue-collar America," among the guests. "Alan and Lane have been dear friends for years," explains Lane's wife Irena. "That's what's so *nice* about Washington."

It was Reich who suggested, in 1993, that Clinton give Kirkland an ambassadorial appointment, to either Poland or Hungary, to "give Kirkland a face-saving way to leave the AFL-CIO." Clinton agreed, but Kirkland didn't. Fortunately, Kirkland resigned soon after. Of his successor, John Sweeney, Reich simply writes, "If anyone can reignite American labor, it's he."

Liberated for what?

Reich says he decided not to stay on for Clinton's second term because of his desire to be with his wife and two teenage sons. The death of fellow cabinet member Ron Brown took a heavy toll as well; Reich was with Brown in France on the first leg of the trip that took Brown to the Dalmatian coast and his death. He says of his wife and two sons, "I think Ron's death is more a symbol of the everyday loss they experience as I work in Washington. It reminds them of the husband and father they're missing. It somehow makes the prospect of my remaining in Washington for years to come more frightening."

But the publication of his books makes it clear that Reich intends to remain the "middle-aged loose cannon," as he puts it, who could help move Clinton in the direction of a truly great President. By holding up a mirror to Clinton, Reich gives his friend a chance to change, and the American people a chance to help him change. He portrays the real Bill Clinton, in 1994, after he has capitulated to Gingrich's bullying. "He stalks around the room, fuming, 'We're doing everything Wall Street wants! Everything Wall Street *doesn't* want gets slashed!' He takes another few steps. 'We're losing our *soul!*' He talks to no one in particular, but I can't help imagining he's yelling at Alan Greenspan, 'I can't do what I *came* here to do.'"

Reich says this is not just Gingrich's or Greenspan's fault, but ultimately Clinton's, for compromising his principles. He makes the same point later, in relating an October 1995 discussion with Dick Morris. Morris and his ilk are debasing democracy, Reich writes, "and the people who hire them are playing with a fire that one day could consume all of us." Morris asked Reich to stop discussing the nation's problems in the election campaign, so that Clinton can get reelected. "Forget mandates," Morris would say. "You get your mandate *after* the election."

Reich responds, "If he takes your advice and wins, he'll stand for nothing."

A century and half ago, Clinton's predecessor, Abraham Lincoln, faced similar choices. In August 1864, Lincoln was confronted with a nation torn apart by bloody civil war. He needed a new draft of soldiers for Grant's and Sherman's armies, but the election was only three months off. His advisers told him it was too risky to issue the draft orders. It would lose him the election. Lincoln replied simply: "What is the Presidency worth to me if I have no country?" He ordered the draft. And he won a resounding mandate to save the nation.

Lugar presents CFR report on NATO expansion

On May 5, a New York Council on Foreign Relations task force, chaired by Sen. Richard Lugar (R-Ind.), released a report that concludes that NATO enlargement is not incompatible with improved relations with Russia. Lugar said, however, that "with regard to Ukraine and the Baltics, we believe the alliance must continue to reject vigorously any efforts by Moscow to dictate the terms of these countries' relations with NATO or to exercise a veto over their future membership."

Lugar asserted that the United States and NATO "can offer Russia significant reassurance about its security and its role in the new Europe that makes sense on their own merits without compromising NATO's effectiveness or independence." He cautioned, however, that "NATO's core mission of collective defense of its members both old and new must not be diluted in any manner."

Republicans, Clinton reach budget agreement

On May 2, President Clinton and Congressional Republicans reached agreement on a five-year budget plan that will supposedly balance the budget by 2002. The agreement gives the administration \$34 billion in additional spending in such areas as education and health insurance for children. It also includes \$7 billion for infrastructure, the result of efforts by Sen. Frank Lautenberg (D-N.J.) and others. For Republicans, it includes capital gains tax and estate tax relief and other tax changes that amount to about \$250 billion.

The attempt to balance the budget in an economic depression collapses the tax revenue base faster than the

budget deficit can be closed. The figures on which the budget projections were made are also highly unreliable. Yet, the agreement was hailed by both sides as a victory for bipartisanship and for Americans. Senate Majority Leader Trent Lott (R-Miss.), whose ideological bias was clear, declared, "Under this agreement, official Washington must learn to make do with less while Americans will keep more of what they earn, and they will be able to save it and invest it in their own families."

Senate Minority Leader Tom Daschle (D-S.D.), at Clinton's side after the agreement was announced, called it a "another achievement in what has been a remarkable success now over the last four years," and promised that the majority of Senate Democrats would support it.

Other Democrats were more guarded in their evaluation of the agreement, however. House Minority Whip David Bonior (D-Mich.), on CNN's Evans and Novak program on May 3, said that the tax cuts would be a problem for Democrats. "We want to look at the distribution tables on the tax cuts," he said, "to see who gains and who doesn't gain." Rep. Charles Rangel (N.Y.), the ranking Democrat on the Ways and Means Committee, in an interview with CNN's Wolf Blitzer, called the agreement a "Republican bill" that gives the poor and the working poor "absolutely nothing."

Flood relief bill hits snag

The emergency supplemental appropriations bill that includes disaster relief for the Northern Plains states and other flood-hit areas gained momentum when it was passed out of committee by both the House and the Senate.

However, the Senate Appropriations Committee amended it to include the "Government Shutdown Prevention Act," sponsored by John McCain (R-Ariz.) and Kay Bailey Hutchison (R-Tex.), which President Clinton has threatened to veto. The McCain-Hutchison bill is a permanent continuing resolution that would keep the government functioning at 97% of the previous fiscal year's spending levels, in the event the appropriations process is not completed by Sept. 30.

Senate Republicans made their strategy clear in a press conference on April 30. Majority Leader Trent Lott (R-Miss.) said that "it would be really bad judgment to veto this supplemental over something that clearly is in the best interests of the American people." Sam Brownback (R-Kan.) said that if Clinton does veto the bill, his message will be "to Federal workers and the people who are dependent upon the government continuing to function, that he doesn't care and that he is more interested in using the shutdown of the government as a weapon over the Congress than he is interested in the lives and welfare of the people who are dependent on the government continuing to function."

Democrats predicted disastrous cuts in many programs if the Republican amendment were to be passed. Minority Leader Tom Daschle (D-S.D.) said the same day, "It is remarkable to me that while our constituents are hurting in ways that we've not seen in my lifetime, that there would be those who would propose yet additional deep painful cuts for these people."

Paul Wellstone (D-Minn.) said that it was a "terrible idea," because people don't want to see cuts in higher education and nutrition programs, and because people need disaster assistance now. Wellstone urged the Senate not to add "this junk" onto the disaster relief bill.

Housing reform bill gets House scrutiny

On April 30, the House began consideration of the "Housing Opportunity and Responsibility Act of 1997," a "Contract on America"-style bill that would abolish the Department of Housing and Urban Development and deregulate public housing. According to its chief sponsor, Rick Lazio (R-N.Y.), the bill "removes rent requirements that discourage work and encourage the breakup of families . . . eliminates regulations that have concentrated the poorest families in the very worst housing," and "is about demanding accountability and performance from the thousands of housing authorities across the country." It includes a community service requirement for those who live in public housing who are not disabled or employed.

Lazio said the debate on the bill is about two "visions for the American community," one of which is "a portrait of the failed past."

Democrats condemned the bill and the assumptions behind it. Henry Gonzalez (D-Tex.) described the bill as "a series of good slogans but unworkable or undesirable policies" that "abandons those who are in greatest need and for whom this whole thing [public housing] was intended in the beginning." He accused the authors of the bill of believing "that residents of public housing are defective or derelict and in need of social engineering. Therefore, they require that tenants sign and adhere to a personal improvement contract."

Joe Kennedy (D-Mass.) took issue with Lazio's characterization of the debate. He said that the nation's public housing program is, indeed, in need of reform, but "what we ought not to do is condemn the entire public housing of our country because it has become fashionable for politicians to identify some God-awful monstrosity where we have warehoused the poorest of the

poor." He said that the cutting of Federal funding and the increasing of rents of the last few years (trends which the bill continues), might result in "nicer public housing, but the price will have been very simply to throw more and more poor people out on the street," a result which he called "unconscionable."

Compensatory time bill stalled by filibuster

On May 1, the Senate briefly took up the so-called "Family Friendly Workplace Act," which would make compensatory time available in place of overtime pay. Jim Jeffords (R-Vt.), chairman of the Labor and Human Resources Committee, said the bill "provides men and women working in the private sector the opportunity to voluntarily choose compensatory time off in lieu of overtime pay as well as voluntary participation in biweekly and flexible credit programs." He praised the Fair Labor Standards Act, which the bill is intended to amend, because "it provided much-needed protection to American workers at the time their welfare was often disregarded, in the horrible period of the depression," but added, "Its stringent provisions make it difficult to accommodate the needs of today's workforce."

Democrats, with the weight of organized labor behind them, are filibustering the bill. Edward Kennedy (D-Mass.) characterized it as the "pay-check reduction act." He said, "It's a pay cut for large numbers of workers," because the bill "eliminates the guarantee for overtime work for 65 million employees." In effect, he said, it would reduce health and pension benefits and abolish the 40-hour work week. "This bill isn't meant to help employees juggle their work and family obligations," he said. "It is designed to help employ-

ers cut workers' wages. Forcing employees to accept time off instead of overtime pay is a cut."

Instead of attempting to end the filibuster, Republicans chose to withdraw the bill from the floor so that they could bring it up again at a later date.

Alexis Herman confirmed for Labor post

After three months of wrangling, the Senate finally approved, in an overwhelming bipartisan vote of 85-13, the nomination of Alexis Herman to be Secretary of Labor. The nomination had been dragged out over various issues, the final one having nothing to do with Herman herself. Initial concerns of Republicans were over Herman's political activities as chief of staff to the late Commerce Secretary Ron Brown when he was chairman of the Democratic National Committee (1989-93), and later when she was head of the White House Office of Public Liaison, from 1993 until her nomination in January.

Don Nickles (R-Okla.) put the nomination on hold in response to a proposed Clinton administration Executive Order which would have urged Federal agencies to consider project labor agreements on Federal construction projects. Tim Hutchinson (R-Ark.) then proposed to prohibit project labor agreements on Federal construction projects.

Democrats threatened to shut down the Senate if Republicans continued to hold the nomination hostage, but the White House decided to issue a "Presidential memorandum" instead. A Presidential memorandum stays in effect only until the end of Clinton's second term, whereas an Executive Order would remain in effect until rescinded by another Executive Order.

National News

Minnesota town keeps dry with infrastructure

The town of Oslo, Minnesota is sitting high and dry behind dikes keeping out the flooded Red River because the town and the Army Corps of Engineers built protective structures in the 1960s and then maintained them. Oslo is between Grand Forks, North Dakota and the U.S.-Canada border.

As described in the "Flood of 1997" report in the April 25 *Grand Forks Herald*, "Big strong dikes get the credit for keeping Oslo dry for the past 30 years. Though the northern Red River Valley regularly floods around it, the dikes have kept Oslo dry since they were built in 1966, following the flood of '65. . . . The dikes were built around town like a fortress wall on the prairie in 1966, and then improved in 1973. This spring, the Corps of Engineers and local volunteers worked for weeks to build them up some more."

"The morale in town is super," says Mayor Ole Soltvedt. "We've been through this many times before. It's peaceful—until the reporters come in."

Clinton praises FDR at Memorial dedication

At the dedication of the Franklin Delano Roosevelt Memorial on May 2, President William Clinton characterized FDR as the greatest American President of this century. Clinton said that the America Roosevelt built "was a memorial all around us, from the Golden Gate Bridge to the Grand Coulee Dam; from Social Security to honest financial markets; from an America that has remained the world's indispensable nation to our shared conviction that all Americans must make our journey together, Roosevelt was all around us."

Clinton then quoted President Roosevelt's statement that "we have faith that future generations will know that here in the middle of the 20th century there came a time when men of good will found a way to unite and produce, and fight to destroy the forces

of ignorance and intolerance and slavery and war." The new memorial, said Clinton, "will encourage us, reminding us that whenever America acts with certainty of purpose, and FDR's famous flexibility of mind, we have always been more than equal to whatever challenges we face."

President Clinton then noted FDR's assertion of the important role of the national government, saying that "he forged a strong and unapologetic government, determined to tame the savage cycles of boom and bust, able to meet the national challenges too big for families and individuals to meet on their own. And when he restored dignity to old age, when he helped millions to keep their farms or own their homes, when he provided the simple opportunity to go to work in the morning to millions, he was proving that the American dream was not a distant glimmer but something every American could grasp, and then that faith of his infused all of his countrymen."

Greenspan perplexed by soaring bankruptcies

Federal Reserve Board Chairman Alan Greenspan, speaking on May 3 before the Conference of State Bank Supervisors in San Diego, expressed amazement at the soaring rate of personal bankruptcies. "We don't know why personal bankruptcies have soared as sharply as they have," stated the perplexed Fed chairman, "especially considering the fact that the economy is doing so well and consumers in general are doing well."

Greenspan told the assembled bankers that he was "not concerned that it will create any issues beyond the immediate credit card problem, but there is no question that this issue is a considerable amount of concern to banks." He also revealed the chilling fact that many personal bankruptcies are now occurring very suddenly, rather than after a protracted period of 30- and 60-day delinquencies.

Two days before, in a speech at the Federal Reserve Bank of Chicago, Greenspan praised "innovations" in banking and financial markets, such as derivatives. These and other innovations, according to Greenspan,

have transformed banking and finance in ways that render regulation by states and other government agencies obsolete. Greenspan did, however, state that some form of central oversight, presumably by the Federal Reserve, is needed to deal with any instance of "systemic" financial problems. Nevertheless, Greenspan insisted that "over the last three decades, the folly of attempting to legislate or regulate against the primal forces of the market is one of the most fundamental lessons learned by banking regulators."

Strobe Talbott refutes clash of civilizations

In a May 6 speech to a conference on "Bridging the Atlantic," sponsored by the European Union and the United States Information Agency, Deputy Secretary of State Strobe Talbott launched into a vigorous attack on the "clash of civilizations" thesis so dear to the heart of the British Foreign Office. Referring to the significance of Turkey's application to join the European Union, Talbott said, "The current debate over Turkey resonates with references to culture, or as it's sometimes called, civilization. These words are often euphemisms for 'religion.'"

Talbott then stated that "there is a theory currently in vogue that the Cold War rivalry between communism and capitalism has been replaced by a global clash of civilizations, including one between Western and Muslim countries. That idea, among other things, gives short shrift both to the great diversity within these supposed civilizations, and to what they have in common. It underestimates the ethnic and religious diversity of the United States, and increasingly of Western Europe as well. And it underestimates the dangers we may face in the future if we raise today barriers against the aspirations of any European nation that is willing to accept the standards and responsibilities of our democratic community, or if we define the 'European-ness' of a village on the basis of whether its landmarks are church spires or minarets."

Talbott quoted a statement made by former Secretary of State Warren Christopher last year, that U.S. strategy of integration must "not recognize any fundamental divide

among the Catholic, Orthodox, and Islamic parts of Europe. That kind of thinking fueled the war in the former Yugoslavia, and it must have no place in the Europe we are building."

AFL-CIO's Trumka urges no expansion of NAFTA

In a statement released May 5, AFL-CIO Secretary-Treasurer Richard Trumka urged President Clinton, on his trip to Mexico, to "look beneath the surface and assess first hand how NAFTA [the North American Free Trade Agreement] has failed to live up to its promises on both sides of the border." The release goes on to state that although NAFTA was sold to this country as a job creator, it has functioned, in fact, as a job destroyer. In NAFTA's first three years, says Trumka, trade deficits with Canada and Mexico have cost us 420,000 lost jobs.

Trumka also highlighted the effect of NAFTA on Mexico. "NAFTA has failed Mexican workers, too. It was sold as an agreement that would shore up the Mexican economy and create a prosperous middle class. But since 1993, the average hourly compensation for a Mexican manufacturing worker has fallen 36%, from \$2.40 to only \$1.51, including benefits. That's about one-eleventh what a comparable U.S. worker earns."

"Simple expansion of NAFTA," says Trumka, "must be rejected because NAFTA isn't working for American workers. NAFTA clearly isn't a model we want to build on. NAFTA should not simply be expanded to Chile, to the Caribbean Basin, or anywhere else."

Clinton presses Blair on Northern Ireland peace

Wasting no time after the recent British elections, President Clinton has challenged new British Prime Minister Tony Blair to break from the former Major government's obstructionist tactics toward the Northern Ireland peace process. On May 3, Clinton urged

Blair to help jump-start the stalled peace efforts. "It's high time, and I can tell you that's what the people of Northern Ireland want," Clinton told a group of reporters. "I hope and pray, now that the British election is over, that Prime Minister Blair will take up the torch, the IRA will declare a cease-fire, and they can get back on the road to resolving their problems."

The same day that President Clinton spoke of Northern Ireland, the new British Minister for Northern Ireland, Dr. Mo Mowlam, traveled to Belfast where she demanded that Sinn Fein leader Gerry Adams persuade the IRA to announce an immediate cease-fire. Adams has just won a seat in the British Parliament in last Thursday's election. Mowlam maintained that if there is no IRA cease-fire, the Sinn Fein will not be allowed to participate in the all-party peace talks, scheduled to resume the first week in June. Adams has insisted that Sinn Fein's participation in the talks be unconditional.

Kasich tries to cut off nose to spite face

A bill sponsored by Conservative Revolution devotee Rep. John Kasich (R-Ohio), due to be voted on this month in Congress, proposes shutting down both the U.S. Export-Import Bank and the Overseas Private Investment Corp. on the grounds that the \$800 million government support for them constitutes "corporate welfare." This theme has been echoed by members of the environmentalist/neo-con "Green Scissors" coalition, especially by Grover Norquist of the National Taxpayers Union.

But at a press conference on April 30, Sen. Carol Moseley-Braun (D-Ill.) and four House members from both parties charged that the Conservative Revolution attack on government agencies which promote exports would cost 700,000 jobs. Moseley-Braun stated that the shutdown would cost \$24 billion in lost tax revenue and another \$42 billion in export growth. She noted that Japan subsidizes 32% of its exports, and France subsidizes 19%, while the Export-Import Bank only supports 2% of U.S. exports.

Briefly

FOOD IRRADIATION sanity won out over green terrorists in Hawaii on April 24, when a Hawaii County Council committee voted 6-1 in favor of spending \$2 million to build an irradiation facility to deinfest tropical fruit for export to the mainland. The tiny but well-funded eco-terrorist group Food & Water, Inc. had threatened local growers and their employees in order to get them to oppose the facility.

TEXAS GOVERNOR George W. Bush's plan to privatize the process whereby applicants for welfare are screened by the State of Texas was rejected on May 2 by the federal Department of Health and Human Services. A ruling said that current law clearly prohibits private companies from deciding who gets welfare.

THE U.S. GEOLOGICAL Survey Library in Reston, Virginia is being forced to cut its budget for periodicals and books by almost 50%, an order that has provoked strong protests from geologists around the world. Heavily relied upon by scientists for inter-library loans, the USGS has been a target of the "Contract on America," which has tried to eliminate the organization by "privatizing" it.

TWOSTATE medical groups have voted to reverse their neutral stance on the issue of physician-assisted suicide. Both the Oregon Medical Association and the Michigan State Medical Society now join the American Medical Association and some 44 other state medical groups that oppose, albeit with severe compromises, this Nazi practice.

SAN FRANCISCO Judge Fern Smith of the U.S. District Court ruled on April 30 that the U.S. Justice Department cannot interfere with doctors who discuss and recommend marijuana as a possible treatment for their patients, so long as the doctors do not actively assist their patients in obtaining the drug. The Clinton administration is expected to appeal the decision.

Clip George Soros's wings

The Soros Foundation in Belarus was slapped with a \$3 million fine on May 6, charged by the courts with "misusing the status of a humanitarian organization for political operations." That was considered a mild sentence, since the foundation was close to getting expelled from the country altogether.

It is long overdue for other nations to follow suit, and put a stop to the criminal activities of international speculator George Soros, the destroyer of national economies and promoter of drug legalization.

Last month, *EIR* released a *Special Report*, "The True Story of Soros the Golem," which provides an up-to-date profile of Soros's activities worldwide. As we pointed out, investigations are piling up against him in Italy, Croatia, and the United States.

Since his assault on the Italian currency in 1992, during which he reaped millions in profits, Italian investigators have been working to bring him to justice. The LaRouche movement in Italy is leading the fight, having issued an *esposto* (legal brief) that triggered official investigations in Naples and Rome.

In Croatia, Soros's Open Society Institute is under fire for its subversive political operations, aimed at destabilizing the nation. On Dec. 23, 1996, Croatia's Ministry of Internal Affairs announced that a criminal proceeding has been opened against the Open Society Institute.

Soros, who handles a large portion of Queen Elizabeth II's personal investment portfolio, through his offshore Quantum Fund, has made the legalization of drugs in the United States one of his top "philanthropic" priorities." He "bought" passage of the California and Arizona referenda in November 1996, which approved the "medical use" of Schedule I narcotics. In Arizona, \$440,000 of the \$440,490 raised by proponents of Proposition 200 came from Soros's pocket. In California, Soros either directly or indirectly contributed over one-third of the money raised for Proposition 215.

Now, a new outrage: Brazil's famous state-sector mining giant, Companhia Vale do Rio Doce (CVRD), was sold at auction on May 6, to an international con-

sortium including Soros's Opportunity Asset Management Fund, and Brazil's largest steelmaker, Companhia Siderurgica Nacional. The privatization of the giant minerals complex occurred only after the Brazilian government beat back numerous legal challenges to the sale which had been filed in courts around the country.

Asked to comment on the CVRD sale by the radio program "EIR Talks" on May 7, Lyndon LaRouche replied: "Where is the money gained in the world today to buy up consortia like this company in Brazil? Who's got the money for that? Certainly not industries; industries are being looted. We see industries going belly-up around the world; famous names in industry, which were the giants, the stalwarts of national economies, collapsing, falling like tenpins in a bowling alley." So, if you want to know who has the money, look at where the drug money is being laundered. According to one authoritative estimate, between 2% and 8% of the turnover of cash in leading U.S. banks is drug money. In other countries, it's even worse.

That's where George Soros comes in. He is heavily involved in the areas of financial speculation where drug-money laundering is going on.

Soros's friends are in Africa, buying up gold, platinum, zinc, titanium, copper, diamonds. They are killing off black Africans by the millions, to set up new colonies, to loot what were formerly nations.

That is what Soros and company have in store for Brazil. They plan to carve it up, turn over the chunks that are rich in natural resources to foreign, private interests. In this way, they hope to protect themselves from the global financial collapse.

As a child and adolescent in Hungary, during the Nazi period, Soros—a Jew—worked for the Nazis, to loot the assets of fellow Jews who were being sent to the gas ovens. Later in life, he bragged about it, saying that that was the way he learned to do business! And that is exactly what he is doing today. That is, unless sovereign nations decide to stop turning over their industries, their natural resources, their people, to the drug pushers.

SEE LAROUCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted. (*) Call station for times.

ALASKA

- ANCHORAGE—ACTV Ch. 40
Thursdays—10 p.m.

ARIZONA

- PHOENIX—Dimension Ch. 22
Wednesdays—5:30 p.m.

CALIFORNIA

- CONCORD—Ch. 25
Thursdays—9:30 p.m.
- GARDEN GROVE—Ch. 3
Fridays—7:30 p.m.
- MARIN COUNTY—Ch. 31
Tuesdays—5 p.m.
- LANCASTER—Ch. 29
Sundays—9 p.m.
- MODESTO—Access Ch. 5
Mondays—2:30 p.m.
- SACRAMENTO—Ch. 18
2nd & 4th Weds.—10 p.m.
- SAN FRANCISCO—Ch. 53
2nd & 4th Tues.—5 p.m.
- SANTA ANA—Ch. 53
Tuesdays—6:30 p.m.

COLORADO

- DENVER—DCTV Ch. 57
Saturdays—1 p.m.

CONNECTICUT

- NEWTOWN/NEW MILFORD
Charter—Ch. 21
Thursdays—9:30 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25
Sundays—12 Noon

ILLINOIS

- CHICAGO—CAN Ch. 21
The LaRouche Connection
Schiller Hotline-21
Fridays—5 p.m.
- SPRINGFIELD—Ch. 4
Tuesdays—5:30 p.m.

INDIANA

- SOUTH BEND—Ch. 31
Thursdays—10 p.m.

KANSAS

- SALINA—CATV Ch. 6*

LOUISIANA

- NEW ORLEANS—Cox Ch. 8
Mondays—11 p.m.

MARYLAND

- BALTIMORE—BCAC Ch. 42
Wednesdays—8 p.m.
- BALTIMORE COUNTY—Ch. 2
2nd Tues., monthly—9 p.m.
- ONTOMERY—MCTV Ch. 49
Fridays—7 p.m.
- P.G. COUNTY—Ch. 15
Thursdays—9:30 p.m.
- W. HOWARD COUNTY—Ch. 6
Daily—10:30 a.m. & 4:30 p.m.

MASSACHUSETTS

- BOSTON—BNN Ch. 3
Saturdays—12 Noon

MICHIGAN

- TRENTON—TCI Ch. 44
Wednesdays—2:30 p.m.

MINNESOTA

- EDEN PRAIRIE—Ch. 33
Wed.—5:30 pm; Sun.—3:30 pm
- MINNEAPOLIS—MTN Ch. 32
Fridays—7:30 p.m.
- MINNEAPOLIS (NW Suburbs)
Northwest Comm. TV—Ch. 33
Mon.—7 pm; Tue.—7 am & 2 pm
- ST. LOUIS PARK—Ch. 33
Fri-Mon 3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33
Mondays—8 p.m.

MISSOURI

- ST. LOUIS—Ch. 22
Wednesdays—5 p.m.

NEVADA

- RENO/SPARKS
Continental—Ch. 30; TC—Ch. 16
Wednesdays—5 p.m.

NEW JERSEY

- STATEWIDE—CTN
Saturdays—5 a.m.

NEW YORK

- ALBANY—Ch. 18
Tuesdays—5 p.m.
- BRONX—BronxNet Ch. 70
Saturdays—8 p.m.
- BROOKHAVEN (E. Suffolk)
TCI—Ch. 1 or Ch. 99
Wednesdays—5 p.m.

BROOKLYN*

- Cablevision (BCAT)—Ch. 67
Time-Warner E/O—Ch. 34
- BUFFALO—BCAM Ch. 18
Tuesdays—11 p.m.
- HUDSON VALLEY—Ch. 6
2nd Sun. monthly—1:30 p.m.
- ILION—T/W Ch. 10
Fridays—3 p.m. & 9 p.m.
- ITHACA—Pegasis—Ch. 57
Mon. & Weds.—8:05 p.m.
Saturdays—4:35 p.m.
- JOHNSTOWN—Empire Ch. 7
Tuesdays—4 p.m.
- MANHATTAN—MNN Ch. 34*
Sun., May 25—9 a.m.
Sun., Jun 8 & 22—9 a.m.
- MONTVALE/MAHWAH—Ch. 14
Wednesdays—5:30 p.m.
- NASSAU—Ch. 25
Last Fri., monthly—4 p.m.
- OSSINING—Ch. 19-S
Wednesdays—3 p.m.
- POUGHKEEPSIE—Ch. 28
1st & 2nd Fridays—4 p.m.
- QUEEN—OPTV Ch. 57
Wednesdays—10 p.m.
- RIVERHEAD
Peconic Bay TV—Ch. 27
Thursdays—12 Midnight
1st & 2nd Fridays—4 p.m.
- ROCHESTER—GRC Ch. 15
Fri.—11 p.m.; Sun.—11 a.m.
- ROCKLAND—PA Ch. 27
Wednesdays—5:30 p.m.
- SCHENECTADY—PA Ch. 16
Wednesdays—10 p.m.
- STATEN ISL.—CTV Ch. 24
Wed.—11 p.m.
Thu.—4:30 a.m.
Saturdays—8 a.m.
- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.
- SYRACUSE—Adelphia Ch. 3
Fridays—4 p.m.
- SYRACUSE (Suburbs)
Time-Warner Cable—Ch. 12
Saturdays—9 p.m.
- UTICA—Harron Ch. 3
Thursdays—6:30 p.m.
- WEBSTER—GRC Ch. 12
Wednesdays—9:30 p.m.

- YONKER—Ch. 37
Fridays—4 p.m.
- YORKTOWN—Ch. 34
Thursdays—3 p.m.

OREGON

- GORVALLIS/ALBANY
Tuesdays—1 p.m.
- PORTLAND—Access
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)

TEXAS

- EL PASO—Paragon Ch. 15
Tuesdays—10:30 p.m.
- HOUSTON—Access Houston
Mondays—5 p.m.

VIRGINIA

- ARLINGTON—ACT Ch. 33
Sun.—1 pm; Mon.—6:30 pm
Tue.—12 Midnight
Wed.—12 Noon
- CHESTERFIELD COUNTY—
Comcast—Ch. 6
Tuesdays—5 p.m.
- FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
Thurs.—7 p.m.; Sat.—10 a.m.
- LOUDOUN COUNTY—Ch. 59
Thursdays—10:30 a.m.;
12:30 p.m.; 2:30 p.m.;
4:30 p.m.; 7:30 p.m.;
10:30 p.m.
- MANASSAS—Jones Ch. 64
Saturdays—6 p.m.
- RICHMOND—Conli Ch. 38*
- ROANOKE—Cox Ch. 9
Wednesdays—2 p.m.
- WOODBRIDGE—Ch. 3
Saturdays—6 p.m.
- YORKTOWN—Cox Ch. 38
Mondays—4 p.m.

WASHINGTON

- KING COUNTY—Ch. 29
Wednesdays—11 a.m.
- SPOKANE—Cox Ch. 25
Tuesdays—6 p.m.
- TRI-CITIES—TCI Ch. 13
Mon.—12 Noon; Weds.—6 pm
Thursdays—8:30 pm

WISCONSIN

- WAUSAU—Ch. 10*

If you would like to get *The LaRouche Connection* on your local cable TV station, please call Charles Nolley at 703-777-9451, Ext. 322.
For more information, visit our Internet HomePage at <http://www.axsamer.org/~larouche>

Executive Intelligence Review

U.S., Canada and Mexico only

1 year	\$396
6 months	\$225
3 months	\$125

Foreign Rates

1 year	\$490
6 months	\$265
3 months	\$145

I would like to subscribe to
Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$ _____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone (_____) _____

Address _____

City _____ State _____ Zip _____

Make checks payable to EIR News Service Inc.,
P.O. Box 17390, Washington, D.C. 20041-0390.



The construction of the Gezhou Dam in China.

Out-of-work Americans apply for unemployment benefits in Front Royal, Va.

China plans 10,000 major infrastructure projects in the next decade.



Will the United States adopt this approach to make its way out of the new Great Depression?

READ

The Eurasian Land-Bridge

The “New Silk Road” — locomotive for worldwide economic development

A new special report from Executive Intelligence Review

including studies of:

- High-technology infrastructure development corridors
- China and Europe as Eurasia's development poles
- Crucial infrastructure projects in China
- The Eurasian Land-Bridge and development around the great ocean basins
- Financing an economic miracle: Hamiltonian credit generation
- The Eurasian Land-Bridge and the economic reconstruction of the United States

Available from:

EIR News Service P.O. Box 17390 Washington, D.C. 20041-0390

260 pages **\$200**