

EIR

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London uses food weapon to starve North Korea
Jospin upholds sovereignty of nation-state
G-8 summit accomplishes absolutely nothing

**Michael Novak, Calvinist?—
'Not by marketplace alone!'**



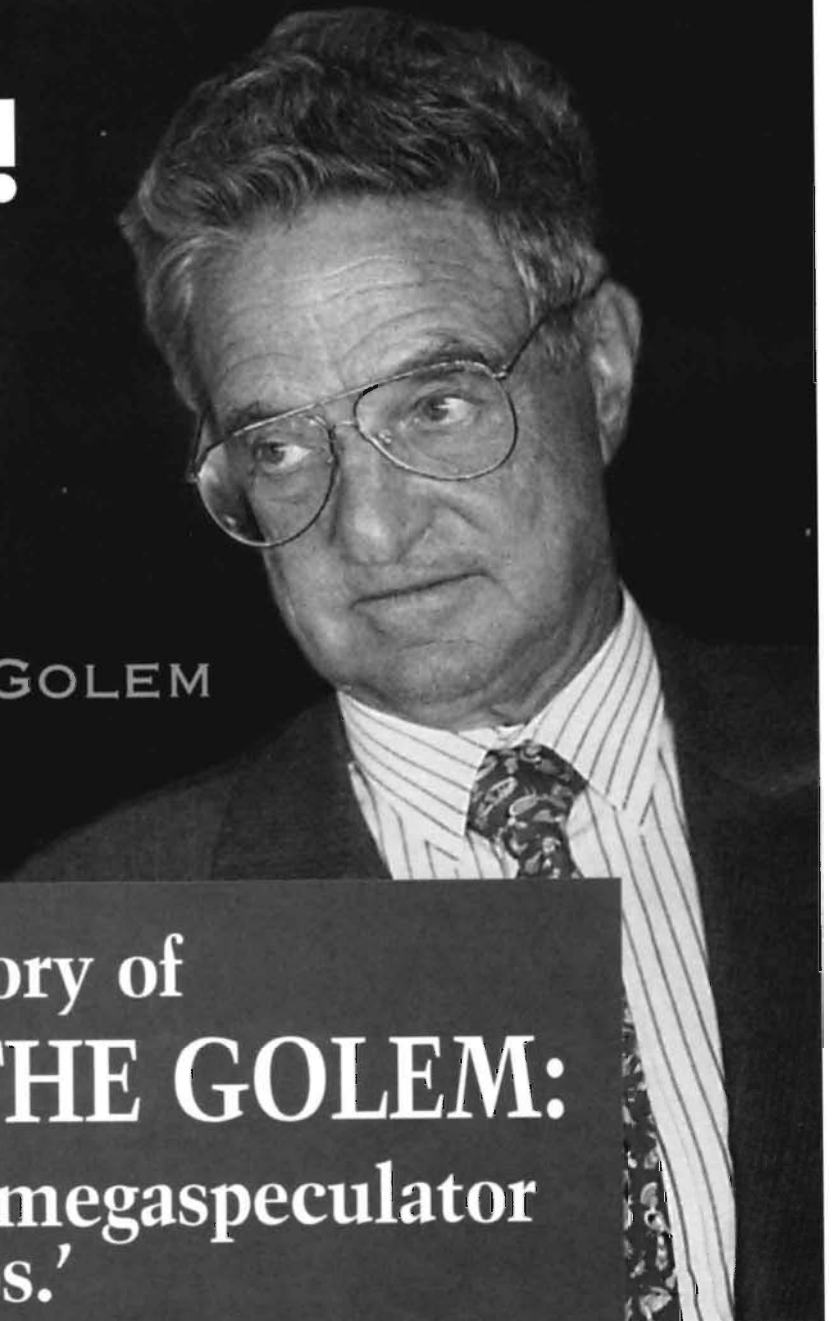
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From the Associate Editor

One year ago, in our July 19, 1996 issue, *EIR* slammed the Lyons summit of the Group of Seven for having reached a new “Munich Pact,” an agreement which would *in no way* stave off the financial collapse that the assembled leaders desperately hoped to avoid. Chattering about the supposed benefits of “globalization,” they invited the heads of four supranational institutions—the United Nations, International Monetary Fund, World Bank, and World Trade Organization—to participate in the summit, for the first time, on an equal footing with leaders of sovereign nations.

Lyndon LaRouche compared this to the meeting of Britain’s Neville Chamberlain and France’s Daladier with Hitler in Munich, in an effort to prevent World War II. “*It didn’t work*,” he said. “Similarly, this new Munich Pact of Lyons, is not going to work, either. It’s going to blow up in people’s faces.”

Reading the current issue of *EIR* from that vantage-point, underlines how very right we were.

In **Africa**, the British-led oligarchy has carried out a resource-grab in the past year, that has left hundreds of thousands of human corpses in its wake, as a deliberate policy (while they protect the rhinos and the elephants). See *International* for an analysis of developments in Burundi, and a speech by Linda de Hoyos on how the British gameplan was carried out.

Russia has plunged, with unbelievable rapidity, into an Inferno of economic and demographic breakdown. See *Economics* for reports by Rachel Douglas and Russian economist Stalina Belozeroва.

Now, seemingly out of nowhere, **North Korea** is stricken by famine; millions of lives are threatened, while the British and their U.S. assets play geopolitical games, and no relief is sent.

Yet, at the Denver summit of what is now the Group of Eight, absolutely nothing was done to address these vital policy issues.

What basis is there for optimism, in such a world? Do as Christ did, in the image by Rembrandt on our cover: Throw the usurers out! LaRouche’s contribution in this issue, “Not by Marketplace Alone!” is a profound discussion of statecraft, strategy—and optimism.

A final note: In accordance with our usual schedule, *EIR* will not be published next week. Our next issue will be dated July 18.



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Russia's borrowing binge may not buy social peace

by Rachel Douglas

There was a moment of psychological truth on Russian television the other night, when Viktor Shenderovich's influential "Kukly" ("Puppets") satire show portrayed President Boris Yeltsin on an outing with the young first deputy premiers, Boris Nemtsov and Anatoli Chubais. Calling each other "Anatole, Bob, and Big Bob" for the occasion, the puppets representing the three decided to "go to the source"—meaning, to London! To the accompaniment of the Beatles' song "Yesterday," they went boating on the Thames. Nemtsov recited Byron, and Yeltsin rhapsodized about his good relations with Scotland (standing for Ukraine).

In the skit, the boat smashed into a bridge (*most*, in Russian, perhaps an allusion to scandals connected with Moscow's Most financial group, yet to break over the head of Chubais) and capsized, but the episode brings to mind a real-life boating adventure: the little dinghy of Russian state finances, foundering in rough seas, encounters a big ship and is saved. The crew happily climbs aboard the ocean liner of the international monetary system, the *Titanic*.

Briefing Moscow reporters on Russia's participation at the Summit of the Eight in Denver, Colorado, Yeltsin's economics aide Aleksandr Livshits proudly told how the meeting's communiqué recognized Russia for "taking bold steps to finish transformation into a country with a market economy." While Yeltsin, with Chubais and others, was in Denver, the Russian Federation on June 19 sold its third issue of Eurobonds. The total sale brought in \$2 billion, First Deputy Finance Minister Aleksei Kudrin boasted, "one of the largest issues of Eurobonds. No growing economy has issued such a large amount so far."

Far from representing a possibility for investment into

physical economic recovery in Russia, the cash infusion will be spent, fire-brigade fashion, on attempts to secure social peace for some more months, paying overdue wages and stipends to retirees, state-sector workers, and the military.

The debt grows

"Russia is similar to a vacuum cleaner, sucking up all available resources on the market," Russian Central Bank First Deputy Chairman Sergei Aleksashenko told a June 5 cabinet meeting, according to Interfax. He said that by next year, 25% of all federal spending will go for current payments on state debt, including the foreign debt and the huge mass of state bonds.

In a June 9 interview with Ekho Moskvyy radio, Economics Minister Yakov Urinson, part of the Chubais team, defended the borrowing as the core of Russian economic policy. Asked what he thought about being in a government that meets "its obligations to its creditors, but at the same time does not meet its obligations to pay wages to its own people," Urinson replied that the borrowing was the solution: "The fact that we meet our obligations internationally, enables us to borrow the cheapest money available in the international financial market and this money goes above all into the payment of pensions! The fact that our arrears to pensioners . . . will be entirely paid back by July 1, owes largely to the fact that we sell our securities in Europe, in Germany, and other countries."

In fact, what Russia got was not exactly "the cheapest money available." It had to offer an annual coupon interest rate of 10% on the ten-year bond issue, which was managed by J.P. Morgan and SVC Warburg banks. Though far below last year's triple-digit interest rates on ruble-denominated

state bonds sold on the domestic market, this is higher than the 9% and 9.25% Russia is paying on its first two Eurobond issues, each about half the size of this one. It compares unfavorably with the rates on ten-year bond issues, sold the same week as Russia's, by Lebanon (7.5%) and even Mexico (9.875%). Russia has become one of those "emerging markets" whose excessively high risk, by comparison with the amount of funds pouring in, was cited by the Bank for International Settlements in its latest, alarmed, annual report.

Chubais himself warned, at an early June government session on the 1998 budget, that at the point "when 30% of the federal budget expenditure is consumed by internal debt servicing [just a little bit higher a level than now], it implies the country goes bankrupt, and one has to prevent such an outcome." On June 10, he told the Federation Council that finances are more important than any questions of production: "We consider that order in the state must start with finances, and especially with the state's own finances."

The key, according to Chubais, is ruthless tax collection. The government has begun to impose bankruptcy on tax-debtors. On June 18, Interfax reported that the government refused to restructure Nizhnevartovskneftegaz's tax debts, and initiated bankruptcy proceedings against the huge Siberian oil company.

Chubais sees surge in manufacturing and unemployment

Chubais lives deep enough in a virtual reality of "finances," that he forecasts a simultaneous surge in industrial production, and in unemployment. On June 5, NTV reported, he told Duma (parliament) members that "it is now possible to talk of prospects for growth in domestic manufacturing this year," because there has already been a "halt in the slump in manufacturing."

The government's own figures gainsay this assertion, showing a 2% decline of industrial output in the first quarter of 1997, over the same period in 1996, and even a 2% drop in Gross Domestic Product, which refutes the government's claims that the continuing plunge of industrial activity has been compensated by the service sector and the "gray," quasi-legal economy. Analysts of the production figures note that GDP for that quarter was, moreover, pulled upwards by a 6% increase in non-ferrous metals production for export, during a period of particularly high prices for metals. Nationwide electricity output, a more reality-linked indicator of economic activity than GDP, fell by 6% from first quarter 1996.

At a May 29 cabinet meeting, Chubais promised that if his economic policies *succeed*, 1998 will be the year when unemployment sharply rises in Russia! "Starting from 1998, we are in for a serious worsening in unemployment rates," he was quoted by Interfax. Since his and Nemtsov's "natural monopolies" reform, affecting large employers like the railroads and the electricity grid, is modelled on the "restructure and retrench" pattern of Britain and New Zealand, this is true.

Dr. S.M. Belozerova has analyzed the erosion of productive employment in Russia already, on top of which this "serious worsening" will ensue (see accompanying article).

Protests from Duma, warnings from military

The State Duma went out of session for the summer on June 24, pursued by government threats of its dissolution upon return. The parliament did pass the regime's revision of the tax code, but voted 220-112 against the government's "sequestration" (cut) of 108 trillion rubles, or \$19 billion, from legally mandated spending during 1997. The cuts are in effect, anyway; "If the Duma is not able to take decisions, we will live by our own decisions," said Chubais.

Deputy Prime Minister Oleg Sysuyev, at a June 25 press conference, threatened dissolution of the Duma, which the Constitution allows only Yeltsin to declare.

More ominous for the regime than the political sparring with the Duma, is a sudden warning about rebellion by the military. It came not from any rogue officer in an outlying district, but from Gen. Lev Rokhlin, chairman of the Duma's Committee on Defense Policy, who is a member of Premier Viktor Chernomyrdin's Our Home Is Russia group.

In an open letter to Yeltsin, released on June 24, Rokhlin accused the President, personally, of having "done nothing over the past six years for the country's military security." He said that "foreign agents" on Yeltsin's team—which had to mean Chubais and his predecessor and mentor, Yegor Gaidar, among others—had allowed the International Monetary Fund to direct the reform of the Russian Armed Forces. "You have condemned the Armed Forces to eventual ruin," said Rokhlin. "With your attitude to national defense, in the first 20 years of the next millennium, Russia could lose its Far East region and Siberia right up to the Urals."

Rokhlin appealed to the Russian officer corps to resist the government plan for further military force reductions, and to hold meetings in each military unit, to draft legal claims and to send them to the President, the government, the parliament, and to the Supreme and Constitutional Courts. *Nezavisimaya Gazeta*, in a June 25 article about Rokhlin's bombshell, reported on a renewed organizing drive at many garrisons, for convening an officers' assembly in Moscow. The daily *Segodnya*, owned by the Most Group, headlined, "With Rokhlin's Voice, the Army Is Called On To Riot."

Russian Defense Minister Gen. Igor Sergeev, whom Yeltsin appointed on May 22 to implement the rapid reduction and reform of the Armed Forces that his predecessor, Igor Rodionov, would not, said on June 11 that state funds for the military reform have still not been issued. On June 14, Air Force Commander Gen. Pyotr Deinekin, told Interfax that the dearth of resources has also hit procurement: "No money at all remains for buying new weapons or equipment, least of all for research and development."

Writing in *Rabochaya Tribuna* of June 4, Rokhlin warned that the defense industry was also near "collapse."

The deformation of the structure of industrial employment in Russia

by Stalina M. Belozerova

Stalina Belozerova is a Candidate of Economic Sciences at the Institute of Employment Problems, Russian Academy of Sciences. She gave this report at a seminar of the Schiller Institute of Science and Culture, in Moscow, on May 29. It has been translated from the Russian.

If the State Statistics Committee's figures are to be trusted, employment in industry (PPP, the Russian acronym from *pro-myshlenno-proizvodstvenny personal*) was just over 11 million persons at the end of 1996, a reduction by almost one-half, by comparison with the pre-reform period. (The year 1988 is taken as the base year, since it was a stable year, as well as the year of complete transition to the new economic mechanism.)

Tracing the changes in employment of PPP in the basic sectors of industry, we can see that it fully reflects the peculiar crisis processes that have accompanied the reform of our economy (**Figure 1**).

The greatest numerical growth is observed in the natural gas industry (164%). This counts only those working directly in the natural gas industry, since, if acquired and newly constructed infrastructure is included, employment there has grown threefold. The intensified growth of this employment began in 1992, and the rate of growth accelerated, beginning in 1994, comprising 10 to 11% of annual new PPP employment. There was especially rapid growth of the administrative apparatus, at rates of increase higher than those for workers and specialists.

Does the growth of output in the natural gas industry correspond to this increase in PPP employment? Only [Gazprom President] Rem Vyakhirev can answer that question.

In the electric power industry, employment grew by nearly one-third, as [First Deputy Premier Boris] Nemtsov has remarked, and this growth of employment, simultaneous with a decline of output, is a precedent to be analyzed.

Similar problems, evidently, have arisen in the oil industry. There, the increase in employment is primarily due to an enlargement of the administrative apparatus (including the creation of various structures to service the financial flows of share societies, marketing services, and so forth).

There has been a significant exodus of employees from the processing and manufacturing sectors.

In textiles and light industry, almost 65% of the operatives

have left; mass layoffs have occurred in machine building, where only 45% of the production personnel remains. At the level of individual subsectors, the situation is significantly worse: In the machine-tool and instrument industry, a scant third of the workforce is still employed.

The only exception is the automobile industry.

There has been a profound deformation in such sectors as the timber and wood-processing industries (40% remain employed), printing, the food industry, and construction materials industry (46%).

Thus, we can say that the dynamics of employment, like the investment process, have come to stand on "raw materials legs." The growth of employment in the raw materials sectors, however, has by no means absorbed the workers from other sectors. The relative significance of employment in these sectors is so small, and the nature of their production process so complex, that even a highly qualified operative from another sector cannot enter the electric power or oil-refining industry, without special training.

The labor force employed in this type of manufacturing, requires not only higher or specialized technical education, but, in part, the mastery of modern computer technology.

The natural gas and oil sectors, like electric power, employ a relatively low number of personnel, and have many automated processes. These are capital-intensive types of manufacturing, with a relatively low number of employees.

In the stable, pre-reform years, the employment of PPP in the natural gas industry was only 0.1% of all PPP; in the oil industry, 1%; and in the electric power industry, 2%.

Meanwhile, 50% of total PPP employment was in the machine-building sectors; adding employment in light industry, textiles, and the wood-processing industries, their combined share of PPP comprised over 70% of the total. Therefore, the labor force laid off from the manufacturing sectors could not shift over to the raw materials sectors, since the relative importance of these two groups of sectors is too disparate—70% vs. 3.1%. Nonetheless, 11 million persons have left industry.

It must be noted, that the employment situation in these various sectors is extremely difficult at present.

But, is this "unemployment," or some other phenomenon? In our view, the mass exodus of personnel should be considered a social catastrophe. The roots of this phenomenon lie in

FIGURE 1

Changing industrial employment in Russia (1996 as a percentage of 1988)

(1996 industrial employment as percentage of 1988 industrial employment)

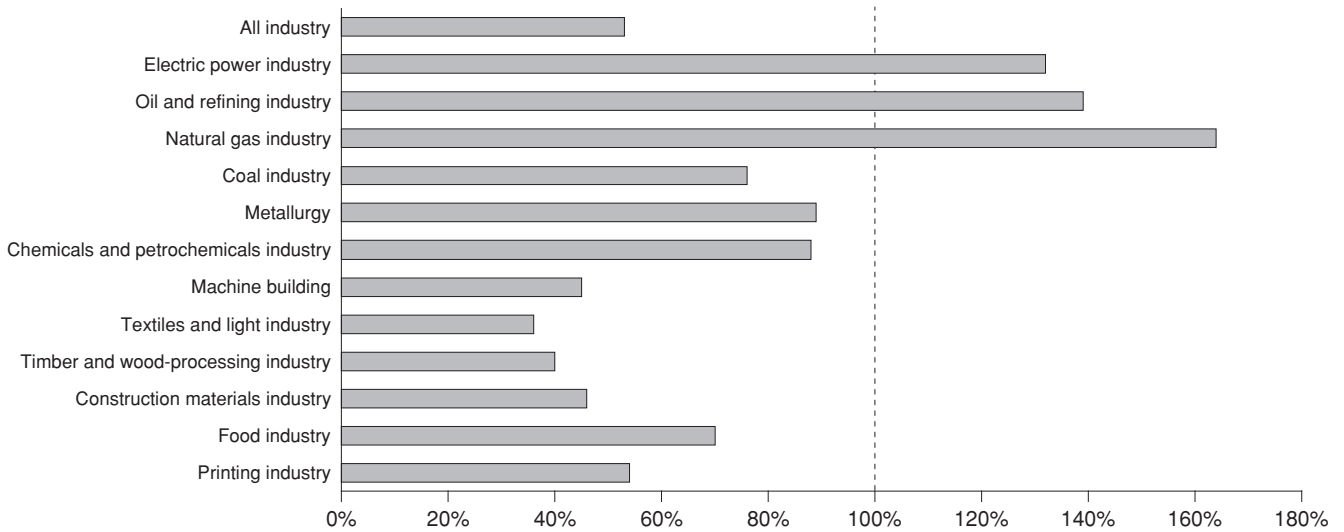
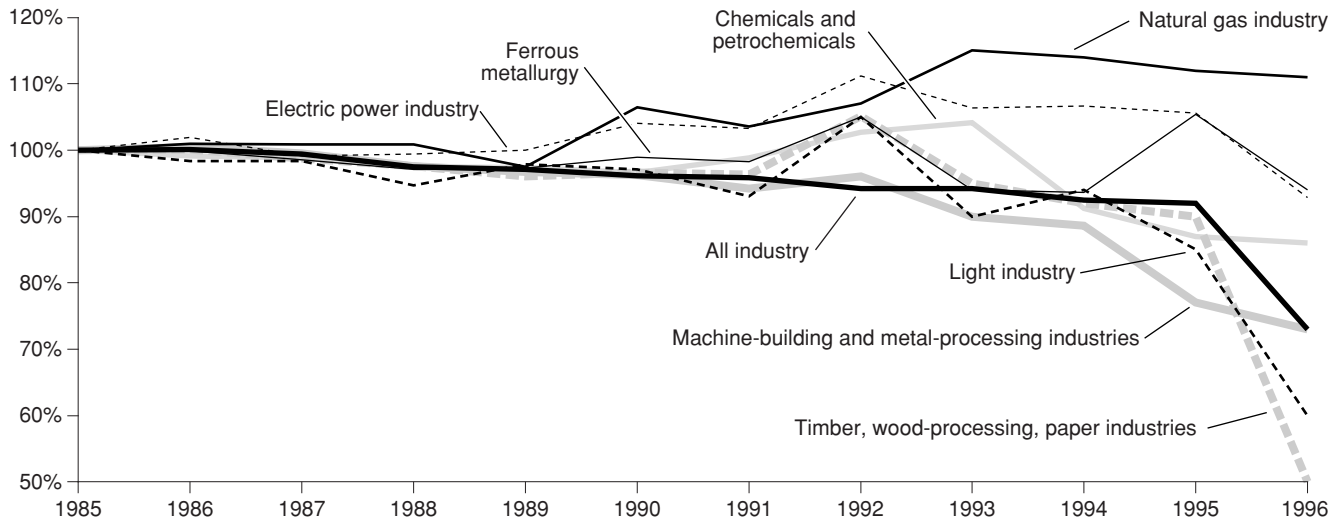


FIGURE 2

Annual rates of change in industrial employment for sectors of industry, 1985-96

(PPP employment, expressed as percentage of the preceding year)



the former economic system. According to the temporary ups and downs of the condition of the economy, these processes would either be aggravated, or would level out.

Then, the rapid growth of crisis processes (resulting from an ill-considered policy) led to avalanche-style layoffs (Figure 2).

This may be clearly seen, from the annual rates of change in employment, where it is starkly apparent, that the dynamics of industrial employment have always been characterized by large-amplitude fluctuations. These were basically linked with individual motivation, and the possibility for a person to improve his situation, working in production. Thus, the

reasons compelling people to leave work were not linked with technological changes or changes in labor.

Layoffs began in the 1980s

The first significant layoffs took place in 1986-88, when production cooperatives were created, under the new economic mechanism. At that time, the first to leave work were technical specialists, designers, and middle-level management, who had extremely low wages. We can date the loss of technically skilled cadre, from this period. It was mainly due to the undervaluation of specialists' labor. In all, 8% of the total personnel employed at enterprises was lost.

Layoffs intensified in the second half of 1989 and early 1990, for the same reason: low wages, under conditions of growing intensification. There was a mass exodus, primarily of skilled workers and specialists. Most of them left for enterprises outside the state sector, where they could earn more. The exodus reached 15-16%.

Thus, on the eve of the reforms, socially negative processes in the area of the departure of personnel from industry, for reasons of motivation, were in full swing.

The transition to a market system should, it would seem, have created the economic conditions for adequate earnings.

The administrative system of management at enterprises was too inert, to assimilate the new ideology of economic relations.

No real market

Moreover, there was no real advance to a market economy. Neither deregulation, nor privatization, changed the situation. The old technologies, which were preserved, required the same number of working hands, as before. It was only the growth of limitations on demand and the tightening of financial conditions, that forced enterprises to reduce the number of employed. Many directors, however, attempted to postpone mass layoffs to a later period, expecting improvement of the situation in the country. During the first three years of the reforms, only 10% of employed PPP left the enterprises. The main layoffs were at defense plants, due to the curtailment of military orders. It was preferred to lay off specialists, attempting to retain the skilled workers.

At many enterprises, instead of laying off employees, they preferred to reassign them, reducing the number of vacancies, letting people retire without replacing them, and so on. The enterprises were unable to effect radical economic changes.

The state's attempts to force the transformations, through taxation, backfired with the reduction of profits, and expansion of barter.

Instead of competing manufactures, the state ended up with semi-legal manufactures, and financial flows in the shadow economy. The problems of the workers' interests were left unsolved. The preservation of the old labor valuation system at both state and joint-stock company enterprises, with constant delays in the payment of wages or their payment in

kind, ultimately became the main sources of crisis processes among enterprise personnel. These processes began at the end of 1994, and reached their height in 1995-96. In 1996 alone, 6 million persons left industry. Two million of them became unemployed, while the rest took up independent economic activity and private business (the "shuttle" business [as couriers for imported consumer goods], trading on the street, etc.).

In attempting to analyze the causes of today's avalanche of unemployment, many researchers do not even make reference to a phenomenon that arose in 1990-91 at industrial enterprises.

But it was in precisely that period, contrary to the projection of 8 to 13 million people being released, that the opposite occurred. There was an unprecedented influx of personnel into the enterprises. Unfortunately, for conjunctural reasons, this is not remembered. Basically, there was propaganda about "expected" unemployment. At many civilian machine-building firms, a point of personnel saturation, by comparison with previous periods, was reached.

Furthermore, layoffs ceased. Hirings were double or triple the level of firings. It was absurd.

The cessation of departures from employment could be explained by "expectations" of receiving [ownership] shares [in the companies, as they were privatized]. But our research yields a somewhat different conclusion.

Survivability

It was the rise in wages and social benefits, that significantly affected this watershed in labor mobility. These services were more reliable at state enterprises, than in the cooperatives. This period of time could be called the beginning of a new turn in economic activity, for the enterprises. The economic freedom, embodied in the "Law on Enterprises in the U.S.S.R.," put them on an equal footing with the cooperatives and opened the pathway to enrichment.

The avalanche-style unemployment that society is experiencing today, was the result of the ill-considered nature of the reforms, and the deep social crises, associated with the utilization of labor, preservation of old administrative traditions in the management system, and so forth.

Most enterprises, despite total collapse, have not yet taken decisive measures to change their situation, preferring to await changes in the economic situation. Research shows that, if some enterprises have had to master new types of activity, in order to survive, these are viewed as temporary, or secondary. Their strategic line of development remains oriented to their previous specialization, often at the cost of survivability. Therefore, many of them are counting on consuming, if necessary, their previous manufacturing capacities down to the bone. New technologies, according to the experts, are expensive, and the enterprises lack the means to train specialists. If, despite such calculations, it becomes necessary for there to be a fundamental change of technologies, then truly avalanche-style unemployment, as opposed to today's "sluggish" vari-

ety, still lies ahead. Now, however, the enterprises lack the economic reserves they had in 1991.

The mass layoffs, which have occurred in the manufacturing sectors, exerted a destructive effect on such sectors as instrument-building, machine tools, radioelectronics, precision machine building, etc. Over 2 million persons have been let go from these sectors, of whom over 60% were specialists and managers, and 40% workers.

In heavy machine building, however, there has been a higher rate of layoffs of workers. This is evidently due to the higher portion of specialists, in the science-intensive sectors. Moreover, there were substantial layoffs (beginning in 1993) in the defense complex and aircraft industry. The mass closing of plants led to a destruction of the production and labor potential.

The example of Moscow

Research in the city of Moscow (35 factories and organizations) shows that, during the reform period, they have all had to reduce the number of employees.

At five major aircraft factories, which previously employed more than 10,000 people, 40-90% of the workforce has been laid off.

Enterprises in the radioelectronic industry have reduced employment by 67-80%. At one firm, things reached a critical point: One order could not only not be fully produced, but could not even be taken to the working model stage.

Investigation shows that the laid-off personnel are of prime working age (29 to 45 years), primarily with higher or specialized secondary education, and in large part are comprised of technical specialists, designers, and managers. Their wages were below the cost of the minimum subsistence market basket.

The financial situation of the enterprises was inadequate to provide a normal level of wages, due to the rising cost of necessities, resulting from the growth of prices for electricity, water, transportation, and fuel.

Thus, among the main reasons for the exodus of operatives from enterprises, two may be singled out: low wages, and the shutdown of the plants.

It should be noted, that the processes observed at these Moscow enterprises, are typical for the defense and civilian enterprises we have studied in other regions (Ivanovo, Vladimir, Yaroslavl, Novgorod Provinces, and others), with the difference, that it is easier for Muscovites to find work in other organizations, or to provide for themselves by independent economic activity. This is more difficult to do, for workers who have left enterprises in other provinces, or in small industrial cities, where the shutdown of major enterprises has simply become a national disaster.

The laid-off workers, who have become unemployed or have gone to work in the "shuttle" trade, are primarily former specialists, or skilled workers who had specialized to some extent.

The sources of revenue

Today, our government is more concerned about how to impose all sorts of tariffs on the "shuttlers," so that they might bring more revenue to the treasury. The last thing the government or the regional authorities are thinking about, is that in those people who are forced to engage in trade, invested capital is going to waste (funds spent, knowledge, human abilities).

While equipment for production may be purchased, installed, and tested at will, it takes several years to restore spent cadre potential. A lost generation of scientists is another question, altogether—a matter of decades.

At the same time, we should note problems, associated with the qualitative condition of the labor force, at enterprises that are functioning.

First of all, it must be stressed, that mostly older people remain in the jobs that do exist.

Research at several Moscow enterprises (approximately one-third of them) shows that the average age is over 50 years. In other provinces, the aging of the collectives was determined by specialization and wages (the lower the wages, the older the collective), as well as the degree of crisis at the relevant enterprises.

At machine-building enterprises, the average age is 55-58 years, and in some shops the only workers left are from 50 up to 72-75 years of age—almost all of them, of pensionable age. There are younger collectives remaining at enterprises in the chemicals, transport, electric power, machine-building, electrotechnical, and automobile industries. Wages are higher in these sectors, and wage delays are fewer. All of these enterprises, however, suffer from worn-out equipment, obsolete technologies, an overbloated management structure, and wasteful economy.

The problem of a new, young generation of operatives is urgent for all. What young person will come to work at a factory, where the pay is a pittance, and the equipment dates from his grandfather's time?

Our data show, that not even high wages will hold the young people, if there are poor work conditions at the enterprises.

At the Tushinsky reinforced concrete factory, there is 100% personnel turnover, despite a high and stable wage level. The main reason young people leave, is the physically difficult work conditions.

Research at Moscow-area machine-building and machine-tool factories, on the assimilation of young workers sent there by the employment service, shows that one-third leave during the first two weeks, approximately half during the first two months, and the rest within a year. Some cannot sustain the pace of factory work, others physically cannot handle the work, and practically none is satisfied with the pay.

As is the case for an industrial recovery, the problem of a new generation of workers will require, alongside solving the problems of enterprise reconstruction and labor compensation, a solution to problems of adapting young workers to the

production process, beginning with the creation of “careers of the future,” retraining periods, etc. In other words, labor and earning at jobs that today are practically forgotten, or non-existent, must be made attractive. Fearsome publications about hidden unemployment becoming overt, and prognoses on the collapse of the economy, have convinced labor specialists that work in this area is pointless.

Nonetheless, the immediate task of the labor agencies should be the problem of attracting the youth. How the Ministry of Labor can solve these problems, together with the mass media, regional employment agencies, the Union of Industrialists, and other organizations involved with industry, is a practical question.

Independent of how the joint-stock companies and commercial structures take up problems of reviving industry, the state must, in the near future, carry out three functions:

1. Analytical—to determine the state of utilization of the labor and personnel potential at privatized enterprises (which may be done by the labor inspection service, in alliance with the tax agencies);
2. Tactical—to solve problems of indebtedness on a federal level, above all, debt liquidation; adoption of a Law on Labor Relations and Social Partnership.

Moreover, through the Union of Industrialists or Union of Employers, a way should be found to reorganize surplus employment, especially at the management level. Here, a training and skills upgrading system would be helpful. It would help to determine the stages of specialists’ training, and to introduce computerized management systems. This would help not only to reduce the management apparatus at the enterprises, but also to free up a portion of the personnel for retraining in the tax service, auditing offices, etc. This should, of course, be a state program.

3. The next immediate task of the state is to master its *strategic* function, in the development of programs for the mastery and introduction of new technologies. From the standpoint of state interests, “growth spots” should be determined for new manufactures (possibly on the basis of reconstructing old enterprises, including one-company cities). With the participation of the Union of Small Cities, the Union of Industrialists, our esteemed senators [members of the Federation Council, comprised of regional governors], and leaders of the banking structures, it is necessary to determine the order of priority for assimilation of technological innovations, on the basis of scientific recommendations.

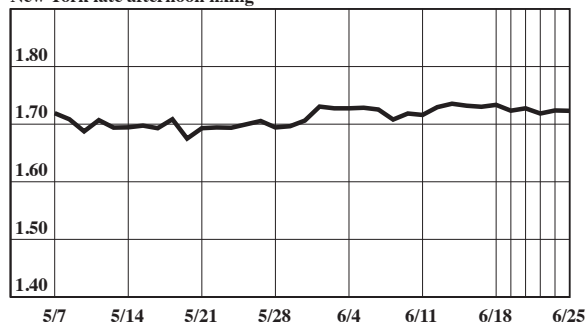
The main argument for such a policy to be implemented, is to save what remains of the personnel having the basic educational training, who could, in a short period of time, be retrained and adapt to new conditions, until a new generation comes into the production process.

The second argument, in our view, is the creation of the socio-political conditions, under current circumstances, for the redesign and necessary correction of a policy aimed at the revival of industrial production.

Currency Rates

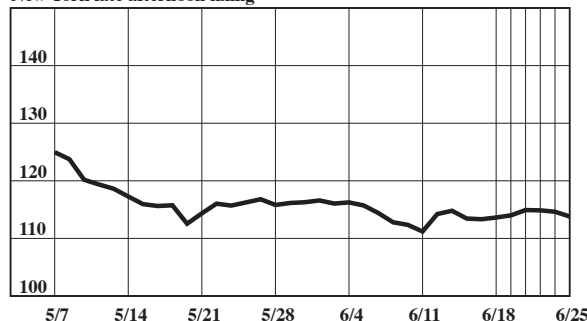
The dollar in deutschemarks

New York late afternoon fixing



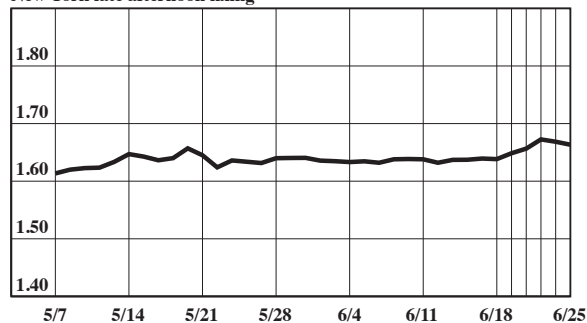
The dollar in yen

New York late afternoon fixing



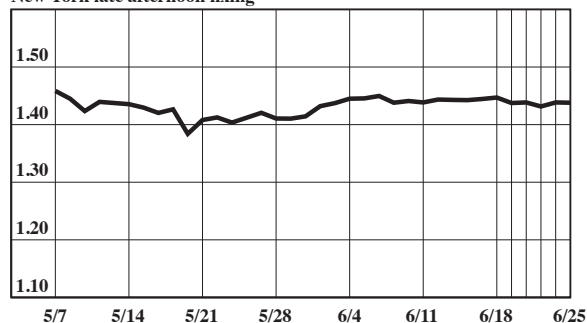
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Rees-Mogg echoes EIR on Tony Blair as a new Ramsay MacDonald

by Mark Burdman

A coming “Wall Street crash,” perhaps triggered by a derivatives blowout, will transform British Prime Minister Tony Blair into a modern-day version of Ramsay MacDonald, writes Lord William Rees-Mogg, in his London *Times* commentary on June 26. The Rees-Mogg piece is a confirmation—albeit from a Club of the Isles/Privy Council-level perspective—of the evaluation of Lyndon LaRouche and *EIR*, that Blair was put in power as “Ramsay MacDonald II,” i.e., to usher in a new phase of vicious fascist austerity throughout Europe, according to the “Thatcherite” prescriptions, but with a more politically palatable style. *EIR* has published three substantive articles this year, on the Blair-MacDonald parallels: *EIR*, Jan. 3, “Will Britain End Up with a ‘National Government’ in 1997?”; April 4, “London Elects Necromancy: the New Ramsay MacDonald”; and May 16, “Blair Landslide Signals New British Fascist Offensive.”

Rees-Mogg’s article is entitled “Nemesis on Wall Street,” with the kicker, “The 1929 Stock Market Crash Doomed Ramsay MacDonald’s New Government. Could It Happen to Labour Again?” Rees-Mogg, a senior mouthpiece for the British-led financial oligarchy, has led London’s effort to destroy President Clinton and the U.S. Presidency, to remove any threat to British Empire interests. His article reopens the discussions that took place in March during the British election buildup, of the coming financial crash and the shock effects that that could have in overthrowing all political calculations.

Rees-Mogg begins by noting that MacDonald, like Blair, ran for election in 1929 as a Conservative-sounding “moderate.” The Labour Party won the election, only the second time in British history that it did so. However, “Labour’s honeymoon was brief. On Sept. 26, 1929, pressure on the pound sterling, which was still convertible into gold, forced the Bank of England to raise the bank rate to 6.5%, an exceptionally high level for the Gold Standard period.” As a consequence of this, he claims, “British investors, who still played an important role on Wall Street, started to sell their American stocks, in order to obtain the interest rates available in London. On Sept. 29, the panic started. By Nov. 13, 1929, the index had fallen by 42%. By March 1932, it

had fallen by 77%, and was to fall even further, in the banking panic of 1933.”

Then, Rees-Mogg talks about how MacDonald and his Chancellor of the Exchequer, Philip Snowden, in 1931 imposed a massive austerity regime, against the wishes of the majority of the cabinet. On Aug. 24, 1931, “Ramsay MacDonald went to Buckingham Palace, resigned as prime minister, and advised King George V to call a meeting of the three party leaders [Labour, Conservative, Liberal]. As a result, the National Government of 1931 was formed the next day, with Ramsay MacDonald still as prime minister, but with the Conservatives as the dominant party.”

After a bit more of this historical background as he sees it, Rees-Mogg gets to the point: “One of the lessons of this, is that shocks on Wall Street can be decisive for British politics. After 1929, everyone vowed that there must never again be so great a Wall Street crash, and there never has been. Yet such crashes have occurred in other advanced stock markets, notably in the Tokyo market after 1989, that fell by about 70% from the peak, about as large a fall as Wall Street suffered in the three years after the 1929 crash. There is nothing in the organization of late 20th-century stock markets which makes a crash impossible; indeed, some people think that the growth of derivatives makes a big crash more likely.”

Noting the turmoil on the Dow Jones during late June, Rees-Mogg stresses that “this is the second time this year that Wall Street has had a tremor; on the first occasion, the market recovered rapidly, and went to new heights. These tremors do need to be taken seriously. They sometimes prove to be warnings of a major earthquake in the near future.”

‘There certainly could be a crash’

He then provides various “technical” arguments pointing in the direction of a coming big fall, and ends with the following:

“Markets which are overvalued, do not simply return to the fair value level; they almost invariably go well below it.

“The weakness in the case of the Wall Street bears, is that they became too anxious too early. So far they have been wrong, and the stock market bulls have been right. But the values on Wall Street are now out of line with any historical precedent in the 125 years of Wall Street statistics. There probably will be a major correction, and there certainly could be a crash. If it happens on Wall Street, it will also happen in London, though the London values are more moderate.

“In 1929, the Wall Street crash, and the world depression which followed, proved fatal to the second Labour government. A correction might not be too difficult for the ninth Labour government to handle, though obviously a major crash could be. Yet Wall Street is very unlikely to continue its rise for the next four or five years. New Labour will face some shocks in its period of office; a Wall Street shock, at some point, is likely to be one of them.”

China builds its transport system for the future, looks for cooperation

by Jonathan Tennenbaum

With most of the world's nations trapped in a catastrophic spiral of financial, economic, and socio-political disintegration, China continues to maintain its impressive pace of development and modernization with the help of large-scale infrastructure projects.

A German-Chinese seminar on transport and logistics, held in Munich, Germany on June 11 and 12, provided important insights into China's development programs, while at the same time pointing the way toward the kind of long-term cooperation between industrial and developing countries, which the world requires in order to get out of the present economic depression.

'Mind-boggling' railroad projects

In remarks to the seminar, German experts repeatedly spoke of the "mind-boggling" scale of railroad construction in China. Between 1991 and 1995, a total of 11,250 kilometers of railroad track were laid in the People's Republic of China—more than enough track to cross the entire Eurasian continent, or the equivalent of about two and one-half times the highway distance from New York to Los Angeles in the United States. Newly created routes amounted to 4,356 kilometers, a major part of which was made up of the newly opened north-south trunk line from Beijing to Kowloon (about 2,400 km), with continuation to Hongkong. Second lines (double-tracking) were added on 3,848 kilometers of railway, including on 1,622 kilometers of the Lanzhou-Xinjiang (Sinkiang) rail line on the Eurasian Land-Bridge. At the same time, Asia's biggest rail terminal, Beijing West Passenger Station, was opened at the northern terminus of the Beijing-Kowloon-Hongkong line. Numerous other projects, including the electrification of an additional 2,742 kilometers of line, contributed to a major overall improvement in China's rail transport system.

Evidently, China is committed to maintaining a rapid pace of expansion and upgrading of its rail system, as a backbone of the national economy. During the Ninth Five-Year Plan, which extends to the year 2000, the Chinese Railways plan to build another 6,200 kilometers of railways, to double-track 2,900 kilometers, and to electrify 4,300 kilometers. At the same time, upgrading of existing track will make it possible to raise train speeds to 140-160 kilometers per hour on major

sections of the lines between Beijing-Shanghai, Beijing-Guangzhou, Beijing-Harbin, and Lianyungang-Lanzhou (the latter being part of the Eurasian Land-Bridge from the Pacific port city Lianyungang to the Atlantic port Rotterdam). By the year 2000, the length of the rail system should reach 68,000 kilometers, with 34% double-tracked and 27% electrified.

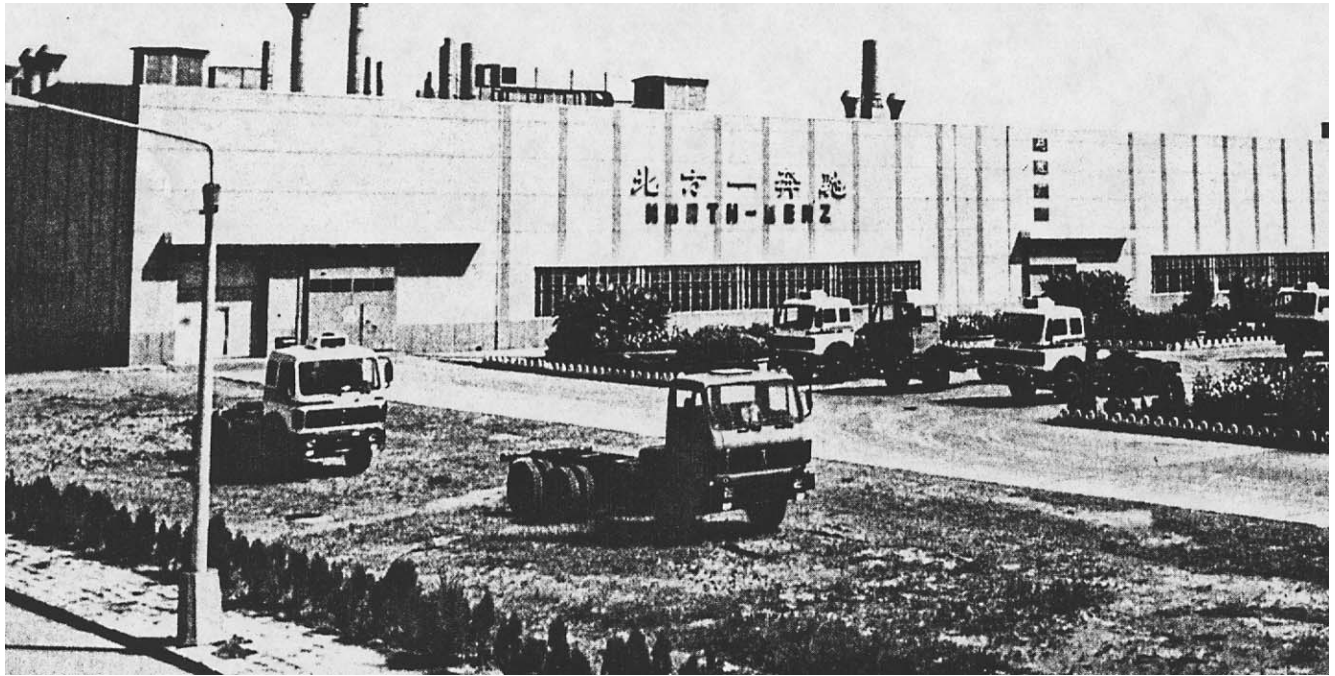
For the main job of building, maintaining, and equipping its rail system, China has its own, well-developed railroad construction and supply industry, including the giant state-owned locomotive and rolling-stock producer LORIC. At the same time, China is making major efforts to acquire advanced rail technologies and know-how from abroad. Cooperation with Europe and especially Germany, is attractive for a number of reasons. For one thing, the European and Chinese rail systems employ the same track gauge and have other significant technical similarities. Besides the high technological standard of German industry and a long tradition of sharing technology with developing nations, the German and Chinese rail systems share the characteristic of having to carry a high density of traffic in areas with high population density.

Institutionalizing cooperation

Railroad cooperation between Germany and China already has a long tradition. In response to the boom of railroad construction in China, a German-Chinese Railroad Commission was formed, and long-term goals have been set. While the scale of joint projects is still relatively small in quantitative terms, this German-Chinese rail cooperation might serve as a seed-crystal and model for *institutionalized* forms of large-scale technology-transfer between advanced-sector and developing-sector nations in the future. Such cooperation will play a key role in global economic recovery through large-scale infrastructure development.

The German-Chinese railroad cooperation already includes, for example, the following aspects:

1. Intensive exchanges of experts, including fellowships and training programs for Chinese railroad engineers in Germany. Establishment of long-term working relationships between groups of Chinese and German experts and technicians, provides the key to successful transfer of technology, and can



The Inner Mongolia No. 1 Machinery Manufacturing Factory introduced production technology from the Baimler-Benz Corp. in Germany, based on a cooperation agreement signed in 1988, and produces North-Benz heavy trucks, as well as 14 varieties of rail cars. China is seeking more joint projects and technology sharing.

lay the basis for a continuous series of cooperative projects, reaching far into the future.

2. As part of a jointly agreed program, German expert teams have spent extensive periods in China studying the technical and operational characteristics of one of China's rail lines. These comprehensive investigations provide the basis for long-term joint cooperation on upgrading the Chinese rail system. In this way, key problems have been identified for solution, along with key areas for joint projects.

3. Such institutionalized cooperation opens up an ideal "transmission belt" for scores of German small and medium-sized high-technology companies (the so-called *Mittelstand*), which supply equipment and services for the German railroad system, to develop contacts, projects, and joint ventures in China.

In the long run, this sort of approach is the only way to develop stable markets for high-technology exports to China and other developing nations. By focussing on well-defined areas of industrial cooperation—particularly around large-scale development of transport, energy, water, communications, or other vital sectors—contacts and capabilities are developed on all sides in a coherent manner, over decades.

A 'New Bretton Woods' needed

While still embryonic in scale, the approach embodied in the German-Chinese railroad cooperation is absolutely coherent with Lyndon LaRouche's policy for a world economic recovery based on the Eurasian Land-Bridge and other Great

Projects for infrastructure development. The precondition for such a recovery, of course, is ramming through an emergency bankruptcy reorganization of the world financial systems along the lines LaRouche has prescribed in his call for a "New Bretton Woods Conference." Once sanity has been restored in the financial system, and suitable mechanisms of productive credit generation for infrastructure development have been established, cooperative efforts of the indicated sort could be scaled up very rapidly.

Further interesting examples of industrial cooperation were provided by a speaker from China's LORIC company. She explained how U.S. and European companies were helping China to develop advanced electric and diesel locomotives, as well as providing improved technology for the production of locomotives and rolling stock. Advances in technology are crucial to increasing the passenger and freight train speeds as well as the performance of heavy-duty freight trains needed to haul the massive amounts of coal and bulk construction materials which presently consume 80% of China's rail capacity.

(The enormous burden of coal transport on its transport system, is only part of the heavy economic and environmental price which China pays for its continuing dependence on coal as its number-one energy source. Currently, China burns up over 1.2 billion tons of coal every year. This author maintains, as does LaRouche, that implementation of a crash program for nuclear energy is a matter of economic survival for China. Because nuclear fuel is more than 50,000 times more concen-

trated than fossil fuel, the immediate by-product of a transition to nuclear energy, would be to free up China's transport system for higher-value goods, thereby dramatically increasing its productivity.)

High-speed rail and urban mass transport

Last January, China made an important step forward in high-speed passenger train development, with first tests of its SS-8 locomotive at 212 kilometers per hour. After breathless efforts by French, German, and other companies to sell China complete systems for the planned Beijing-Shanghai high-speed line, the Chinese decided for the time being to pursue their own R&D program. Research is also going on in the field of magnetic levitation systems. At the same time, in the field of "moderate high speed," China plans to make use of the European-developed technology of "tilting trains" (exploiting hydraulic mechanisms which tilt passenger cars when in curves) to increase the passenger transport speeds on existing track. Concrete plans already exist for implementation of this technology on the Guangzhou-Kowloon line.

Urban mass transportation systems were another important topic of the seminar. Zhang Jianhai, of the China International Consulting Corporation, outlined the reasons why urban mass transit is an economic life-or-death issue for China's cities. In 1989, some 80 million people lived in the 32 Chinese cities of more than 1 million inhabitants; by the year 2000, that figure will grow to over 100 million, and this does not count population increases in smaller and medium-sized cities. At present, with a few exceptions, public transport in China's cities is nearly exclusively based on buses. With the dramatic increase in road traffic in China's cities in recent years, traffic jams proliferate and the average road speed has fallen sharply, down to 7-8 kilometers per hour, or lower in the case of Shanghai's city center. This is happening at a time when China is still just in the *beginning phase* of a rapid buildup of urban population, along with dramatic increases in per-capita mobility. Anything more than a moderate growth of personal automobiles would spell doom for China's cities. The only realistic option is high-capacity mass transit systems based on rail.

An example of what can be done, is provided by Shanghai's first subway line, a joint project with the company Adtrans (ABB/Daimler Benz). This 16-kilometer line went into full service in April 1995. Designed to handle exceptionally high capacities, Shanghai Line 1 has already transported 220 million passengers! On peak days, this single line carries as many as a half-million passengers. A second line is now in construction, from the Pudong industrial development zone to the Shanghai city center, scheduled to go on line in December 1998. Adtrans is also involved in the first subway line for the city of Guangzhou (Canton) in southern China. Subway development is being launched in numerous other cities, including Shenyang, Dalian, Qingdao, Chengdu, Chongqing, and Shenzhen at the top of the list.

Given the enormous demand for urban transit in China, however, the present efforts represent only a bare beginning. Building up China's own engineering, construction, and production capabilities to handle the enormous scale of future construction, will surely become a big focus of cooperation with Germany and other industrial countries. Furthermore, as Chinese and German representatives both stressed, China is only a special case for the far greater task of building up modern urban infrastructure throughout the developing sector. A German speaker predicted that revolutionary technologies, such as the magnetic levitation train, will one day find wide application in China and other developing countries.

Inland waterways, roads, and airports

Along with its rail system, China is committed to major improvements in its harbors and inland waterway system. Much of the work is concentrated on the Yangtze River "trunk route," including dredging and deepening, and improvement of harbors and transshipment facilities. With the completion of the Three Gorges Dam project, including its system of locks, the portion of the Yangtze which is navigable by modern shipping, will be extended by 700 kilometers to the east. A further project is the Beijing-Hangzhou canal, with major construction already taking place on some sections. The Lianyungang port, official eastern terminus of the Eurasian Land-Bridge ending in Rotterdam, Holland, has already been massively upgraded over the last five years, and will be built up further. Additional container wharves will be set up at Dalian, Tianjin, Qingdao, Shanghai, and Ningbo.

Another major task is to extend China's underdeveloped road system, including the establishment of the main axes of a national expressway network. During the Ninth Five-Year plan, China plans to construct a total of 110,000 kilometers of new roads, with emphasis on 6,500 kilometers of high-quality expressways. The major lines will include:

- the "two verticals": Tongjiang (Heilongjiang province) to Sanya (Hainan province), and Beijing to Zhuhai (Guangdong province);
- the "two horizontals": Shanghai to Chengdu (Sichuan province), and Lianyungang (Jiangsu province) to Horngous (Sinkiang province);
- completion of the important highway sections: Beijing-Shenyang, Beijing-Shanghai, and Chongqing-Beihai.

A further major item in China's infrastructure buildup, is the construction and modernization of airports. Between 1980 and 1996, passenger air traffic in China has expanded by nearly 18 times, an incredible average rate of increase of more than 20% per year! Both air freight and air passenger volume are expected to double again over the next 15 years up to the year 2010.

To handle this enormous growth in air traffic, the number of airports for civilian passenger service was increased from 76 in 1980, to 142 at the end of 1996. Dozens more airports are expected to be opened in the coming years.

Asia gears up for space exploration

by Marsha Freeman

The leadership of every nation that is looking toward the future and planning for the economic and cultural development of its people, has considered space exploration and technology to play an important role in that development. Only a few nations, however, have so far had the resources—industrial, scientific, and technical—to become major contributors to, and users of, space technology.

Those nations which were first in the field, that is, the United States, the former Soviet Union, and western European nations, are all suffering cut-backs in funding for space projects, because they are laboring under the bizarre idea that their economies will do better if government funding is constrained, even in the new technology fields that actually *create* economic growth.

In China, there does not appear to be such a constraint on allocating resources for science and technology. On the contrary, there is an understanding that it is investment in the people and resources necessary for endeavors such as space exploration that will help push the Chinese economy and society into the 21st century.

On June 3, the American Astronautical Society held a one-day seminar on “Non-U.S. Space Agencies” in Washington, D.C., which gave an opportunity for spokesmen from China, Japan, Europe, Russia, Canada, and India to brief their American counterparts on the progress and plans of their space programs.

China attaches great importance to space

At the AAS symposium, the Washington representative of China Great Wall Industry described in detail how the Chinese space program is being called upon to support his country’s economic development programs. Baosheng Chen briefly reviewed the history of China’s space program, explaining that in the 1950s when development began, it “lacked strong economic power and advanced science and technology.”

But in the past two decades, China has focussed on three principal areas of development: launch vehicles, (the Long March series of rockets), indigenous satellite development and fabrication, and new applications technologies using sat-

ellites. China is one of the few countries that launches satellites that it designs and manufactures, rather than purchasing satellites from the United States or Russia. China Satellite Launch, which operates three launch centers and two research institutes, has a total workforce of over 20,000, including 5,000 engineers.

As an example of satellite applications, Chen reported that over 80% of the Chinese people now have access to television via satellite. While this might not seem that impressive to an American audience, where most households have at least two televisions, he remarked, it is quite impressive for a nation the size and level of development of China. Satellites have allowed more than 2 million people to receive university and technical education through courses transmitted via television in China, he said.

China’s weather satellite system is used for the forecasting of typhoons and storms, and remote sensing systems are surveying the land and aiding agriculture. China has started to conduct microgravity experiments in materials, life sciences, and fluid dynamics using the system of recovering small unmanned satellites with the experiments that have been sent into orbit, Chen reported, and has established international satellite communications business with over 150 countries.

Chen reported that in the Chinese plan for the years 2000-20, it is stated that we shall “keep strengthening the development and research of space power systems, propulsion, telecommunications, and manned space technologies.” Before the end of this century, he said, China is committed to develop increased-capacity communications and broadcasting satellites, and next-generation Earth resource and meteorological satellites. China plans to continue to provide launch services to international customers with the Long March family of rockets, and will work toward “making use of satellite applications by all walks of life.”

Periodically, there have been reports that China is planning to develop a manned space program in the next century. Soon after the AAS symposium, it was reported that China has sent a group of pilots to Russia to visit the Cosmonaut Training Center. They have not been formally chosen or announced as cosmonauts or astronauts, but are apparently getting a first-hand look at what such a program would entail.

While China has had failures recently in its Long March launches, the government is committed to improve the reliability of its launch systems, and has plans for upgrades and new technologies for the next century. Today, only Russia and the United States have man-rated launch systems that are used to carry people into space.

Japan aims for the Moon

Masazumi Miyake, deputy director of the Washington office of the National Space Development Agency of Japan (NASDA), outlined the ambitious manned and unmanned space projects Japan is planning, at the AAS symposium.

Japan's space program, at a level of about \$2.3 billion this year, is the third largest in the world in terms of resources, after the United States and Russia, and is at about the same funding level as that of the 14-nation European Space Agency. Japan has a multifaceted space exploration effort, which includes the development and use of applications satellites; the design, production, and launch of rockets; the development and launch of scientific satellites; and manned space activities, which it conducts with the United States.

Miyake said that the January 1996 report, "Fundamental Policy of Japan's Space Activities," states that Japan will conduct a "lunar exploration project, including a lunar orbiting satellite and landing vehicle, to find out scientific knowledge and possible availability of the Moon." This mission, Lunar-A, is scheduled for launch early next year, and its two small penetrators will be the first spacecraft to land on the Moon in two decades.

The plan also states the objective of "scientific observation and exploration *from* the Moon," and proposes that Japan consider "international cooperation in the future," while NASDA continues to develop "observation technology and lunar infrastructure technology." NASDA itself has only about 1,000 employees, with most of the space activity carried out by Japanese industry. Japanese corporations have been conducting experiments on using lunar materials for construction, and exploring the possibility of building hotels in Earth orbit for tourists.

However, the world financial crisis has affected Japan's plans. Miyake reported that the Japanese Finance Ministry has not yet approved the more ambitious Selene project, which would put a scientific lander on the Moon after the turn of the century. The ministry has also asked NASDA to reduce the development cost of its current lunar exploration effort, he said, and a working group under the prime minister has asked NASDA not to start any new projects until the year 2000. Miyake said that over the last ten years the Japanese space budget doubled, and that an increase of 20% per year is needed in the future to cover all of their planned programs—which does not seem likely to happen at the current time.

Because Japan, unlike China, has not been isolated internationally, and has had access to American space technology and expertise, it is not planning to develop an independent manned space capability. Japanese astronauts have flown on the Space Shuttle, and Japan is an active player in the international space station, contributing the Japan Experiment Module (JEM) laboratory.

On June 2, NASA Administrator Dan Goldin announced from Tokyo that a Japanese astronaut will fly on the third station assembly mission, scheduled for January 1999. There are currently five Japanese astronauts in training at the Johnson Space Center in Houston, and, as a major contributor to the space station, Japan will be entitled to have its own astronauts on board the station to carry out experiments

Will the first be last?

The direction the space programs are headed toward in the oldest space powers, may bring about a situation in the next century in which the younger space nations take the lead in increasing areas of space exploration.

At the AAS symposium, Graham Gibbs from the Canadian Space Agency reported that in 1994 the Canadian government had to renegotiate its agreement with NASA on the international space station, because it could not meet its obligations. Canada is contributing a large robotic arm for the international space station, which is powerful enough to lift a Space Shuttle orbiter, fully loaded. It can reach anywhere on the station and is critical for the assembly of the modules.

But Canada has had to curtail its financial participation, with NASA having to pick up the tab. This will mean that Canada will have reduced utilization of the station, to offset a reduction of 2% in payments for the station's operating costs.

Louis Laurent, the attaché for space from the Embassy of France, stated that the state-funded part of the French space agency's budget peaked in 1994. "Our new partners in space are China, Brazil, and Israel," he said. In the future, Laurent said, we see "strong political support and a flat budget."

Enzo Letica, representing the Italian Space Agency, presented a similar outlook. He said that the main priority in Italy now is to "reduce the deficit to balance the budget"; something with which the Americans in the audience are well familiar.

Dietmar Wurzel, the head of the Washington Office of the German Space Agency, DARA, also remarked that the peak funding year for space in Germany was 1993. Recently, the German government has decided to merge DARA with the German Aerospace Research Establishment, DLR, in order to "reduce the management workforce by 25%, and by 1999, by an additional 10%." By the year 2000, Wurzel said, the new agency will be called the German Aerospace Center, and will be a private, nonprofit association, and some of its funds will come from services that can be sold commercially.

There was little said about the current state of funding for the U.S. space program. Last year, when President Clinton agreed to go along with the Conservative Revolutionary agenda of balancing the budget by the year 2002, the out-year projections for NASA were for the budget to fall from nearly \$15 billion in fiscal 1996, to a little over \$11 billion by the turn of the century.

An outcry from the saner members of Congress, the space community, and even the scientific community, during meetings with Vice President Al Gore, led the Clinton administration to increase the projected funding levels for the space agency. This marginal increase in funding, however, is no substitute for an economic policy based on investments in science, technology, infrastructure, and education.

Cardoso bets his nation at the casino

The President's Global Bonds scheme works fine, as long as there is no world financial breakdown.

As his prize for having shattered nationalist resistance to the privatization of the giant mining consortium Companhia Vale do Rio Doce (CVRD) on May 6, in early June the world financial centers permitted the government of President Fernando Henrique Cardoso to place some \$3 billion in new 30-year, dollar-denominated foreign debt bonds, the so-called "Global Bonds," in international markets.

This placement, which the Brazilian government presented as a great victory for its economic policy, is rather a transparent propaganda ploy to try to hide the dizzying growth of the country's foreign indebtedness. Officially, as of December 1996, the foreign debt was on the order of \$180 billion. But that figure does not include the \$20 billion in domestic public debt instruments indexed to the dollar, known as Series D National Treasury Notes (NTN-D). Nor does it include the \$40 billion in foreign investments which daily flood into the country's stock markets, without any legal obligation to remain in the country.

In the face of this mass of debt, it is ridiculous to celebrate with such pomp and circumstance the placing of \$3 billion worth of Global Bonds, which were in fact offered at an interest rate of 11% a year, 4% higher than the rate the United States pays for its 30-year bonds.

As the June 5 *Wall Street Journal* noted, in an unusual display of honesty, what is behind the "success" of Brazil's Global Bonds is a "world fever . . . for higher yields," that is, for

Brazil's super-high interest rates.

In truth, the main concern of the government's economic team, whose public relations chief is the President himself, continues to be the danger of a collapse in Central Bank international reserves, the which were threatening at the end of April of this year to follow the same trajectory that led to the December 1994 Mexico crisis. It was in a desperate attempt to try to reverse this tendency that the Bamerindus Bank was hurriedly handed over to Hongkong and Shanghai Bank; similarly, the headlong rush to privatize CVRD, at whatever the political or economic cost, and the launching of the Global Bonds.

The problem Cardoso's government faces is how to provide sufficient guarantees to the international usurers, so that they will maintain a flow of foreign capital into the country sufficient to cover the balance of payments deficit of more than \$32 billion that is conservatively projected for 1997, the product of an expected \$12 billion trade deficit, and the anticipated disbursement of \$27 billion more to service the Brazilian foreign debt.

As Cardoso stated in an interview with *Gazeta Mercantil* on June 19, his government is betting Brazil in the world casino of the international monetary system, gambling that the system will not collapse in the next three to four years. Cardoso stated:

"We are betting that this risk [of a crisis of the world financial system] is transitory. You know, that in politics as in economics, one is always placing a bet, because politics is the

reign of the unpredictable. . . . What is our bet? It is that we are in a phase in which we are changing the structural pattern of our productive system. That, in this phase, we need to import a great deal of equipment and raw materials. That this will prepare us for later, better conditions of international competition. . . . So, we are making this bet, and we are going to do this. And we expect that it will take three or four years. And that during this period, although there will be a deficit . . . the conditions exist for a climate of development and political stability, and an ability to attract capital to finance the deficit."

These words, and in particular the lies about plans to import capital goods and equipment that would quickly resolve the problem, are identical to those used by the Carlos Salinas de Gortari government in Mexico, just before the debt bomb explosion in that country in 1994.

In the interview, Cardoso pledged to continue dismantling the country, this time by promising financial speculators that he will issue government bonds backed by the country's oil reserves.

The most serious aspect of Cardoso's gamble is that he is clearly aware that there does exist a systemic risk in international finances, as he expressed it in his response to the first question in the interview. "What is the thing you most fear at this moment . . . from every point of view?" he was asked. Cardoso responded: "What could have negative consequences here, would be a breakdown of the world financial system. I do not foresee this occurring, but it is something that would jolt us, because we do not have the means to control the situation."

His second fear, he explained, is the possibility of generalized social convulsion.

Business Briefs

Natural Gas

China, Russia pipeline will boost Land-Bridge

China and Russia were to sign an agreement on a multibillion-dollar project in June which would include a strategic gas pipeline connecting the two nations, furthering momentum for the Eurasian Land-Bridge. Russian officials said that a "framework agreement" would be signed during the visit to Beijing on June 27-29 by Russian Prime Minister Viktor Chernomyrdin. He was to be accompanied by a delegation from Gazprom, the Russian natural gas monopoly.

The Sino-Russian pact was to call for cooperation in development of the Irkutsk natural gas field, and the construction of a pipeline through Mongolia, to energy-short eastern China. Final preparations are expected to be discussed during meetings of the Sino-Russian joint commission on economics, science, and technology during the Russian visit.

South Korean and Japanese companies have expressed interest in providing financing, but they are insisting that participation be tied to the use of their own equipment.

Infrastructure

India: Big investment needed to sustain growth

India will require a massive investment in infrastructure of \$15 billion over the next decade, to sustain the annual economic growth rate of 7-8%, according to a government study, the *Asian Age* reported on June 15. The study said that infrastructure development holds the key to the country's future. It was prepared in the wake of the ongoing ten-day visit to the United States of a high-powered delegation led by cabinet secretary T.S. Subramanian, aimed at securing investment from the United States.

The study pointed out that India's per capita electricity consumption is less than one-tenth the global average, and the ratio of telephones, at 1.5 per 100 people, is still low compared to the global average of 10 per

100. Though infrastructure is a major bottleneck, its development presents enormous opportunities for investors, particularly for foreign direct investors, the study said.

The government has taken initiatives to attract foreign investment, including allowing 100% foreign participation in the power production sector, a five-year tax holiday, and a tax deduction of 25% for the next five years for build-operate-transfer projects in power production, roads, highways, bridges, airports, ports, rail and water supply systems, irrigation, and sanitation and sewerage systems. Similar deductions are being considered for the telecommunications sector. Presently, the total installed capacity of power generation is 83,288 megawatts, which has been achieved through sustained power sector development since independence.

Finance

China cracks down on capital flight

China's State Council on June 20 announced that the transfer of domestic assets out of China, even if sent into Chinese-controlled firms overseas, would require government approval, if the purpose was to inject the assets into a company listed on a stock or other exchange. Recently, China has barred exchange-listed firms, state enterprises, and state banks from speculating on the domestic stock markets. Now, in another move against speculation, the "red chip" trading in Hongkong is being curtailed.

Analysts said the move was aimed largely at Hongkong companies with financial backing of Chinese firms, the so-called "red chips," the shares of many of which are being speculated up out of control on the Hongkong and other foreign exchanges, on expectations that Chinese parent companies will be making large cash injections after July 1. The companies themselves were also hyping up their own values by swapping assets back and forth, analysts said.

"They [Chinese authorities] are trying to get more of the money away from the trading and speculative side and put it into projects such as infrastructure, rather than just shift-

ing assets from one vehicle to another and inflating the value without the usefulness of the asset," said Kent Rossiter, sales manager at Nikko Securities in Hongkong.

"The government was worried the situation [with red chips] was getting out of hand and the market was going to crash," said another analyst. Chinese authorities "just want to make sure that there is no untoward transfer of assets from mainland China to Hongkong and an outflow of these types of assets. They don't mind it [assets] going out as long as it is still under the control of the Chinese — and they don't want to see an undervaluation of their assets," he said.

"What's happened has to do with the government's crackdown on A shares," said another analyst, speaking of the shares in Chinese companies which foreigners are allowed to buy on markets inside China. "China wants to give the image that they run a serious market and not a casino."

Central Asia

India sees 'quantum leap' in trade ties

The Indian Institute of Foreign Trade (IIFT) held a six-week workshop in New Delhi on April 30-June 10, which discussed the potential for a "quantum leap" in Indian trade with the nations of Central Asia, the Iranian daily *Ettela'at* reported on June 16.

The workshop, which involved senior trade officials from eastern European and the Commonwealth of Independent States member-states (except Russia), featured the opportunities that a rail link between Iran and Turkmenistan offers to India. IIFT head Dr. P.L. Sanjeev Reddy said that, given the ongoing efforts on the part of India, Iran, and the Central Asian nations toward activating the rail link, trilateral trade and transit were poised to "look up." The trade ties will increase India's exports of consumer goods to Central Asia, and imports of urea, fertilizers, and cotton from the region, Reddy said. Workshop director Prof. M.S. Laxmi said that "transportation of goods, which has so far been one of the major hurdles to the growth of trade between India and Central Asia, will smooth out once India-Central

EUROPEAN elites are preparing for shocks hitting the financial markets in September. In Brussels recently, a German official privately said that there will be "financial shocks in the international markets," which would force "weak" currencies to be devalued.

IRAN is conducting studies on a 1,000-kilometer, trans-Iran waterway linking the Caspian Sea with the Persian Gulf, the daily *Ettela'at* reported on June 20. Initial reports indicate that the engineering is feasible, and economic studies are under way. Construction would take 25 years.

UKRAINE and Turkey signed a deal on June 18 to build an oil pipeline from the Mediterranean to the Black Sea through Turkey. Turkish Energy Minister Recai Kutan told journalists the pipeline will initially carry 40 million tons of crude per year to Ukraine.

THAILAND'S unemployment is projected to rise 25% in 1997, to more than 1 million, according to the National Economic and Social Development Board. And, the chronic lack of investment in education and training is becoming more acute. Out of 257,464 applicants to fill 289,566 jobs between October 1996 and April 1997, only 131,011 were qualified.

RUSSIA'S deputy leader of the Communist Party of the Russian Federation faction in the State Duma, V.A. Kuptsov, reported on his June 3-9 visit to China, to many places he had visited seven years earlier, on June 11: "I was deeply stunned by the rapid development . . . the higher living standards of the working people, and political stability."

CONGRESS of South African Trade Unions General-Secretary Sam Shilowa said that Anglo American Corp. is the main stumbling block to agreement on working conditions in the mines. "While they profess to be for the new South Africa . . . they believe that we should work like slaves in the name of global competitiveness," he said on June 17.

Asia trade starts via Iranian territory."

However, discussion may have been limited to a system using ship transport from India to Iran, and then rail transport via Iran to Central Asia, thus bypassing Pakistan, rather than including what would be of much greater economic and political importance: completion of the Kerman-Zahedan connection in Iran, which will connect Pakistan by rail directly to Iran, Central Asia, and Europe. This gives the potential, if tensions between India and Pakistan are resolved in their mutual interests, for a direct rail link to India and Bangladesh.

Bosnia

World Bank freezes reconstruction programs

On June 16, the World Bank's Sarajevo spokesman, Patrice Dufour, announced that Bosnia's government failed to pay to the bank an \$8 million tranche (payment on the debt of former Yugoslavia) within a 30-month grace period which expired on June 13, and that the bank will approve no more aid projects for Bosnia should the republic not pay within 45 days, and will halt all investments for reconstruction projects now under way if it does not pay within 60 days. Immediately, approval for four reconstruction projects will be postponed until the debt is paid. "We are now not allowed to present new projects to our board of directors, which means four projects now in the pipeline cannot be processed," Dufour said.

The World Bank projects include financing transport projects and purchase of school books, repairing schools, and reconstruction programs for the Serb entity. Dufour said that if the debt were not paid before the donors conference on June 24 in Brussels, the "debt issue" might obstruct \$1.4 billion in aid.

After being victimized by a Serbian (former Yugoslavia) war of aggression, Bosnia was forced by the World Bank to recognize \$2 billion as its share of former Yugoslavia's foreign debt, and is servicing a \$680 million loan.

Until it gave a commitment to pay the foreign debts of the aggressor, Bosnia was

deprived of investment and subjected to increasing threats. After Bosnia recognized the Yugoslav debt, the situation did not change. The World Bank, in charge of exacting usurious payment through debt service, is also the agency that controls any potential investment or reconstruction project.

Poland

Monetary crises echo collapse of tax base

The crisis in the Polish state budget is worsening. On June 12, it was learned that several days before, the government had stopped transferring money from the state budget to voivodes (local governments), which left them unable to pay the salaries of state employees, *Gazeta Wyborcza* reported. On June 10, the Finance Ministry reported that after five months, the deficit already exceeded half of the sum projected for the year.

In Lodz, the second largest city in Poland, for example, ambulance service physicians threatened to strike because they had not been paid for May.

The Finance Ministry has officially stated that budget revenues are lower than expected. The reasons are the collapse of the tax base and free market reforms, which resulted in extensive privatization, that is, sell-offs to foreign firms, and liberalization of trade.

According to a recent study by the Polish Academy of Sciences, employment in enterprises which have been sold to foreign investors dropped by 25%, and their efficiency parameters are low, mainly because they "run away" with profits to their "mother" countries, rather than reinvest in Poland. Poland will face a huge trade deficit again this year, of \$16-18 billion, mainly because of the drop in production in Poland, but also because many goods previously produced in Poland are now imported, even items such as bricks and potting soil. Prof. Ludwik Staszynski told *EIR* that many Western countries attempt to "export their unemployment" to Poland, that is, sell their goods in Poland even at very low prices, to maintain production and employment in their own country.

Jospin stuns London by defense of the nation-state

by Christine Bierre

The first statements and measures adopted by Lionel Jospin since he was designated French prime minister in June, have had a major impact in this country, raising expectations that he might indeed be the man of character that the nation has been waiting for, to reestablish its financial, economic, and moral health. His method of government—a respectful attitude toward his collaborators and toward the French people—the seriousness of the men and women he chose to be part of the government, as well as his calm but dogged determination to effect change in the areas where he deems it necessary, have pleasantly surprised many across the political spectrum.

Also surprised—but not pleasantly so—were the British oligarchs, who had counted on continuing their destruction of the French nation-state. Jospin's election has shifted the center of gravity in European politics away from Thatcherite austerity, and toward a positive role for government in supporting the well-being of the citizenry. This shift is reflected not only in France. For example, as we report below, 331 economists from 14 European nations are circulating an open letter to governments, denouncing the European Union's Maastricht Treaty and calling for national banking policies to boost investment and employment.

As for Jospin, above and beyond his economic program, which contains many features that are limited or just plain wrong, it is his sense of personal identity, his conception of man and the nation, which might cause him to become the European leader who will overturn the disastrous Maastricht Treaty and bring Europe back to a policy of economic growth and full employment.

Lyndon LaRouche, asked to comment on the new French government in an interview with the international radio broadcast, "EIR Talks," on June 24, noted that Jospin is "a very humane person. And he is very responsive, not only to the demands of labor and farmers, but also of industry, and of others. He thinks about the future. He says that what Tony Blair is proposing, what these globalists are proposing, is insane. He is, in effect, echoing the formula of Charles de Gaulle, of



Supporters of LaRouche associate Jacques Cheminade organize in Paris, during Cheminade's 1995 Presidential campaign. Cheminade warned that the nation was heading for disaster, if Thatcherite free-market policies were not scrapped. The elites rejected that warning; but today, its truth is increasingly obvious. France's new prime minister, Lionel Jospin, shows signs that he may be willing to act in the direction that Cheminade has demanded, in the interests of his nation.

a Europe of the Fatherlands, that is, a group of sovereign nation-states, living in the same neighborhood, establishing measures of cooperation to promote national interests of each and all.”

Jospin's electoral victory represented a repudiation by the French people of the neo-liberal Thatcherite dogmas proposed by conservative President Jacques Chirac and his first prime minister, Alain Juppé. The Chirac-Juppé program called for new austerity measures to comply with the Maastricht Treaty, and for a considerable “streamlining” of the state's role in the economy. Claiming to embody “modernity,” the right-wing coalition focussed its attacks on the allegedly “archaic” quality of the French republican system, which traditionally relied on strong state intervention in the economy to guarantee modern infrastructure, as well as quality public health and education systems for the whole population.

All of Jospin's acts since he came to power, from the composition of his government, to his speeches before the Socialist International conference in Malmö, Sweden, and to the French National Assembly, as well as his stance at the June 16-17 Amsterdam European Union summit, confirm that he will be putting up a fight to defend France's republican values.

The end of the Mitterrand era

Ironically, it is a Socialist who will shut the door on Mitterrandism, the 14-year era of financial deregulation, eco-

nomical liberalism, and state corruption that characterized the two terms of Socialist President François Mitterrand. Jospin, one of the only two national leaders of the Socialist Party to have walked out on Mitterrand, resigning from his post as minister of education in the 1980s, named not one of Mitterrand's “elephants” to the government.

The three most important ministries have gone to Jospin's own close friends or to opponents of the Mitterrand system. Dominique Strauss-Kahn, minister of economics, finances, and industry, often crossed swords with Mitterrand's finance minister, Pierre Bérégovoy. Claude Allègre, minister for scientific research, technology, and education, is a very close friend of Jospin, going back to their school days. Martine Aubry, the minister of labor, social, and urban affairs, has voiced much criticism of the Mitterrand era and Mitterrand's style of government. Hubert Vedrine, Jospin's new foreign minister, is the only Mitterrand intimate (he was Mitterrand's longtime chief of staff at the Elysée, France's White House). The main reason he won his new appointment is that he has close ties to Germany's Chancellor Helmut Kohl and his entourage, especially Joachim Bitterlich. Jospin chose Vedrine for the task of helping to solve the extremely delicate problems between France and Germany, while maintaining the privileged Franco-German ties. Jospin was also astute enough to name Pierre Moscovici, a close friend of his, and a known Euro-skeptic, as Secretary of State for European Affairs, who will closely collaborate with Vedrine.

Even though there are strong Europeanists in his govern-

ment, signalling that Jospin is still committed to the single European currency enshrined in the Maastricht Treaty, the government also includes a strong contingent of Maastricht opponents, such as Jean-Pierre Chevènement at the Interior Ministry, and three Communists—two ministers and one secretary of state. Chevènement and the Communists are also very much in favor of state-fostered large infrastructure and high-technology projects. Their presence in the government indicates that Jospin will not make major concessions to Maastricht's austerity regime for Europe.

A counterpole to Tony Blair

Internationally, Jospin's most important role is that he will be a counterpole to Britain's Labour Party Prime Minister Tony Blair, within the Socialist International, thereby largely destroying the British oligarchy's most carefully built operation to put the stamp of Blair's "democratic face" on continued, brutal Thatcherite austerity as the model for Europe. The opposition between the two men at the Malmö Socialist International meeting was intense. While Blair, who was also just recently elected, had expected to be the headline attraction and to exercise maximum impact over his fellow Socialists, he was irritated in the extreme when Jospin pulled the rug out from under him, by strengthening the anti-Blair factions of the Socialist International. Rumors of heated tensions between the two men were confirmed later, during Blair's visit to Paris, when he met only with President Chirac, because Jospin was "too busy."

Days before his political address to the National Assembly of France on June 18, his speech to the Malmö meeting gave already crucial indications as to what his policies would be. Jospin delivered a scathing attack on the "radical free market" and called for a "commitment to regulation," because if the markets are "freed of all controls," they "will threaten the very concept of our civilization." He showed more economic insight than most, by emphasizing the need for public investments, which are "not necessarily profitable in the short term, but are vitally important and profitable in the long run." Without them, he said, "Europe will not find the road to stronger and more balanced growth." He went on to warn Europe against lagging behind the "major economic blocs, namely American and Asian, embarked in major investment programs of modernization," and reiterated that the Delors Plan, the 1993 blueprint for Europe-wide infrastructure projects, should be vigorously pursued.

Inspiring respect for the Republic

Jospin's political address before the National Assembly made a deep impression on both the nation's elected legislators and the citizenry who voted them in. The new prime minister demonstrated a strong sense of personal authority, while also appearing warm and open to dialogue—all the qualities his psycho-rigid predecessor, Prime Minister Alain

Juppé, utterly lacked.

He delivered his speech with passion, inspiring respect for the Republic, that which, in the minds of Frenchmen, unites and uplifts all citizens, independent of race, religion, and social status, giving them a higher sense of mission in life. This is the Republic, in the tradition of Plato, Renaissance humanism, and the American Founding Fathers—not the U.S. Republican Party of George Bush.

The son of a Socialist teacher—a profession in which the sense of mission to achieve the common good of the Republic has remained strong, and whose history goes back to Charlemagne—Jospin taught for 15 years at a public University of Technology in the Paris area, after a short-lived career in public administration at the Foreign Affairs Ministry. Under Mitterrand, he served as minister of education.

Throughout his speech, Jospin stressed the role of education in forming a republican citizenry. The school, he said, is the "birthplace of the Republic," whose mission, beyond instruction, is to "ensure the learning of citizenship."

Jospin's remarks also point to a deep attachment to the nation, all the stronger, as it remains free of chauvinistic overtones. The Republic, he said, "is a state of mind," the "natural framework of all the essential reforms" and the "living reality to which we all are attached," while Europe and European integration can only "extend it or amplify it," but not replace it.

On the economy, several decisions indicated that he intends to resist the financial interests. He announced that the government would review a law recently passed, that allowed, for the first time ever, pension funds to be invested in the financial markets. He also indicated that income taxes will be reduced, while taxes in other domains will be increased.

Jospin also made an impassioned defense of the public social services, something at the heart of the French Republic since at least Louis XIVth's minister, Jean-Baptiste Colbert. Jospin expressed hostility to any further privatization. "The French economy has always relied on a strong public will. We will not break with that tradition. . . . Public services . . . are at the heart of the social fabric; they guarantee equality of access and treatment to all citizens. . . . This is why we reject their transformation into objects of profit." Jospin is also hostile to the privatization of state-sector companies in industries such as aerospace or telecommunications, and declared that, "in the absence of justification connected to national interest, we do not look favorably on privatizing that common good, when it is able to compete."

Also interesting in terms of the economy, the prime minister indicated his attachment to promoting research and development, as the means to create jobs in the future, and announced that credits to high-tech small and medium-sized companies, crucial conveyors of industrial development, will be facilitated. The government will more generally act to

favor capital for investment, he said.

His program also has severe limitations, however. The most important decisions on a government plan to create 700,000 jobs for unemployed youths, have been postponed until the National Conference on Employment can be held next September, when a government-ordered audit of public finances will be complete. But even then, the new jobs will be created via short-work schemes (35 hours' work for 39 hours' pay), and remain nothing but makework projects. Worst of all, in a major concession to the Green Party, which contributed 3% of the vote to the coalition government, two vital great projects will be dropped: the Rhine-Rhône Canal and the Superphénix nuclear breeder reactor. Otherwise, the minimum wage was only increased by 4%, to the great disappointment of the Communist Party, which was demanding double that. Beyond a significant increase of state aid to families for the purchase of necessary school supplies for their children, the only other concrete measure announced was the rehabilitation of 1 million homes by the end of the five-year term of the legislature.

The Amsterdam summit compromise

Like the previous conservative government, the key area which will define how far the new government can really deal with unemployment and other aspects of the crisis, will be Europe. Beyond the general consequences of the world economic crisis, it is the Maastricht Treaty, with its "Contract on America"-style budget-balancing "convergence criteria"—including the stipulation that public deficits must not exceed 3% of GNP—which is killing the European economies. The more governments cut their budgets in the struggle to meet these criteria, the greater the deficit grows, since the cuts cause greater unemployment, which in turn forces a drop in tax revenues.

Europeans know that this system is killing them, but they are terrorized that, if they dump the treaty, the financial markets will react by making speculative attacks against currencies, sudden drops in the stock exchanges, and other forms of financial temper tantrums.

This is the crucial challenge for Jospin: Either he takes on the financial markets, or he will fail as miserably as Chirac and Juppé did before him. So far, while being fully committed to the fight against unemployment, Jospin has also committed himself to the present timetable for the realization of the European Monetary Union (EMU) and its single currency, the euro. He will soon have to choose between these two incompatible programs.

Jospin's fight around the Amsterdam summit enables us to measure his best qualities, but also his limitations. On the positive side, Jospin was willing to risk a mini-crisis in order to get a commitment to an employment program from his European allies. The mere fact that, prior to the Amsterdam summit, Dominique Strauss-Kahn demanded time out to con-

sider the full implications of the monetary Stability Pact, provoked a full-blown crisis between France and Germany and the other EU member states. The Stability Pact, scheduled to be adopted at the Amsterdam summit, is a system of harsh sanctions to be applied to member states violating the convergence criteria.

This showdown led to frantic diplomacy in Paris, and resulted in a compromise solution: the adoption, alongside the Stability Pact, of a resolution on increasing employment. Even though this resolution, unlike the Stability Pact, is not binding, it is the very first time that a document of the Maastricht Treaty series, has held governments responsible for maintaining adequate levels of employment. The mere fact of having placed such a resolution in this document, represents a breach in the Maastricht monetarist fortress. The resolution on growth indicates the areas where the EU could commit itself to job creation—high-tech small and medium-sized companies are explicitly mentioned, while only a vague mention of the Delors White Paper on infrastructure projects appears. The resolution also points to possible sources of funding, namely the European Investment Bank, which already lends or organizes collateral for Europe's public projects. While all this remains general and non-binding, as Lyndon LaRouche and various European specialists noted, the fact of having formalized the fight for employment within this treaty, opens the possibility for an institutionalized fight for employment, if the French and other European leaders seize this opportunity.

Only the beginning

Not only Jospin, but other Socialist Party leaders, have declared this compromise to be only the beginning of a struggle. François Hollande, the newly named Socialist Party secretary general declared after the compromise, that in the future the government will have to obtain many more concessions from Europe. Speaking from Amsterdam, Pierre Moscovici even intimated that the move to a single currency would be defined in the next six months—a statement quickly denied by Jospin, who, for the time being at least, is still declaring that he is firmly committed to the euro.

It is important to note, however, what Jospin had proposed as the agenda for Amsterdam. The daily *Le Monde* published extracts of a confidential memorandum sent by Jospin to Chancellor Helmut Kohl, calling for the Delors Plan for great infrastructural projects to be relaunched, in order to create jobs. Jospin proposed that the European Investment Bank and the European Investment Fund created at the 1994 Edinburgh EU summit be used to finance those projects, as well as drawing funds from the EU Steel and Coal administration. According to *Le Monde*, this proposal was shot down by Kohl, who expressed his annoyance with Jospin during their meeting in Poitiers, the week before the Amsterdam summit. Having staked his career on Maastricht, Kohl is, at this point, together

with Britain's Tony Blair, the strongest defender of Maastricht monetarism.

The situation Jospin had to face up to in Amsterdam was extremely difficult, for several reasons: 1) France had already accepted the treaty; 2) Chirac, who is the President of France, is favorable to it; and 3) the German government is totally opposed to any further spending on jobs, because of its mammoth budget deficit.

The fear in Paris, however, among Jospin's supporters, is that the prime minister is relying on his usual step-by-step, prudent, and negotiated approach, instead of taking the bold strides needed for a time of tremendous economic, financial, and social crisis. The population is fed up with the financial markets, fed up with unemployment, and will not wait long for Jospin to deal with those problems. The main slogan shouted out at the recent Paris demonstration of European workers—"Juppé, we got you; Jospin, we have an eye on you"—is indicative of the popular mood.

From this standpoint, the warnings by LaRouche associate and former Presidential candidate Jacques Cheminade to Jospin, to rid his cabinet of the Maastricht eggheads (or the "technostructure crocodiles," as Laurent Joffrin has called them in the daily *Libération*), are most important. Cheminade was referring to Pierre Jouyet, the assistant director of Jospin's cabinet, who had been staff director for Jacques Delors, during the latter's tenure as president of the European Commission. There is also François Villeroy de Galhau, a former Bérégovoy adviser named to head Dominique Strauss-Kahn's staff, who is known to be soft on liberalism and the free market. The influence of these "experts on adaptation to the laws of the markets" in daily decision-making is catastrophic, because they become inside conveyors of the dictates from the financial oligarchy. Simply put, Cheminade admonished Jospin, you cannot make an omelette without breaking the eggs!

The other test for Jospin's determination to break with the financial oligarchy now or in the near future, will be the relationship he establishes with Cheminade and his Solidarity and Progress movement in France. Cheminade remains, to this day, the only person who did what other leaders like Jospin only dream of doing: publicly and programatically challenge the financial markets. What separates the mere desire of fighting the markets from actually doing it, is the courage to stand up to the furious counterattacks of the financial oligarchy. Despite coming under intense attack during—and after—his Presidential campaign, Cheminade's example has undoubtedly had the effect of encouraging others to follow his political and moral lead.

The question of the role Cheminade can play within the French Republic is crucial: He is the only economist in France who can tackle the many problems left unresolved by Jospin's economic program—dealing with the world financial crisis, and returning to a dirigist economic system, driven by scientific development and high technology, which increases productivity while creating full employment as well.

Economists denounce 'monetarist' EMU

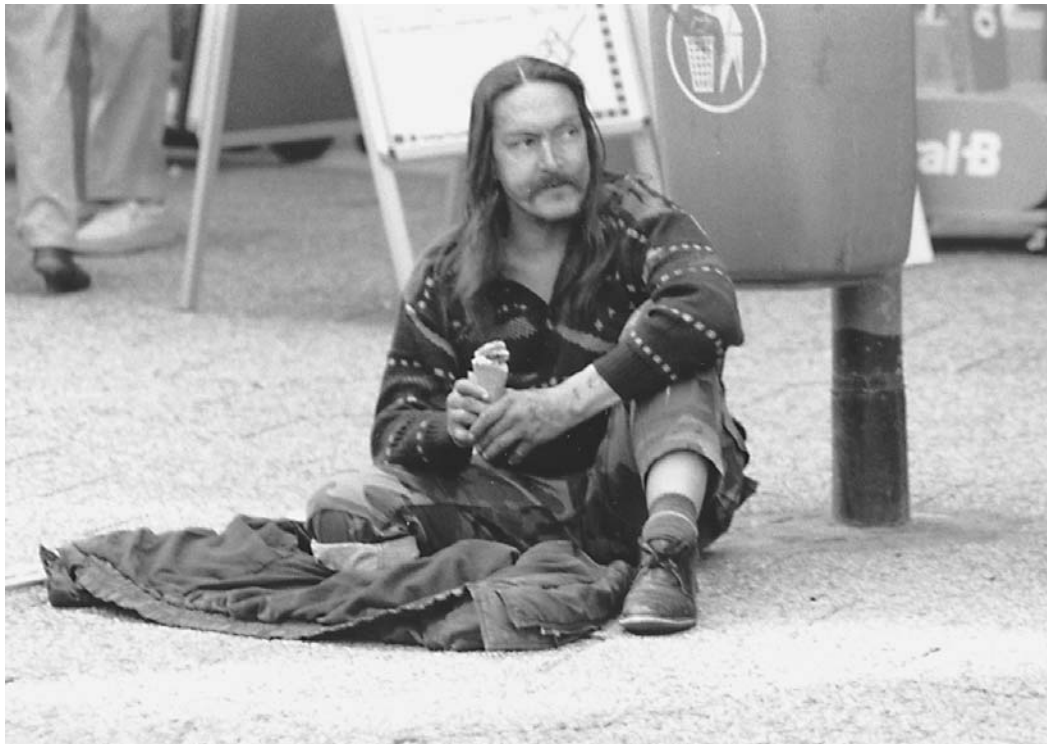
by Mary Burdman

A group of 331 European economists has signed an open letter to European heads of government, which breaks many of the taboos of international economic policy discussion. Prompted by the emergency they see arising in Europe, the economists denounce the economic fraud that is the basis of the European Monetary Union, established in the 1991 Maastricht Treaty, and warn that there are powerful "interests" in the financial sector profiting from the current crisis. The economists propose such measures as a tax on international financial transactions, use of national banks to issue low-interest credits to governments, and re-birth of the moribund "Delors Plan," including the Trans-European Networks of infrastructure development, as real alternatives to the Maastricht disaster.

This letter, which was published following the election of Lionel Jospin as prime minister of France, is an indication of policy shifts in Europe. Nothing concrete is yet being done, but the genie is out of the bottle. As Lyndon LaRouche noted in a radio interview with "EIR Talks" on June 19, even while proposals to counteract unemployment, such as that made by Jospin, are not being funded or enacted now, they are being put on the table. As the financial crisis worsens, and as national constituencies demand full-scale recovery programs, the policies are there, waiting for implementation.

The economists' open letter was sent to heads of government and to European newspapers the week of June 9, shortly before the biannual European Union summit held in Amsterdam on June 16-17. The open letter was initiated by three Dutch economists, Geert Reuten, Kees Vendrik, and Robert Went, in May, and has been signed—so far—by economists from 14 of the 15 European Union nations, including 66 signers from the United Kingdom, 65 from the Netherlands, 38 from Italy, and 25 from Austria. Signers include former German Bundesbank board member Wilhelm Noelling, who recently attacked the EMU as having triggered a "Maastricht depression" in the German economy, and Cambridge economist and Labour Party adviser John Wells.

The letter to the heads of government states: "Your economic advisers have told you that the EMU, as laid out in the Maastricht Treaty and further regulated in the Dublin Stability Pact, will bring Europe more jobs and prosperity. We . . . are afraid that the opposite is true. This project for economic and monetary integration not only falls short from a social, ecological, and democratic perspective, but also from an economic one. . . ."



A homeless man in Wiesbaden, Germany, 1996. Much-needed infrastructure-building programs that would reduce unemployment are at hand, but they require abandonment of central banking, and a return to national banking policies, in order to fund them.

“A single European currency could be very advantageous. . . . But this EMU is not a starting point for a modern European welfare state; instead, it institutionalizes the dismantling of the public sector and reduces the maneuvering room for active social and fiscal policy. . . . What is remarkable, is that this [requirement that all public budgets cannot have a deficit over 3% of GDP any year], which is doing so much social harm, has *absolutely no economic basis*. . . . The reasoning behind these convergence criteria is drawn from monetarist doctrines that are not accepted by the majority of economists. . . . We therefore call on you to reconsider this EMU project. . . . EMU offers no perspective of an adequate response to environmental problems, of improvement in the lot of Europe’s 20 million unemployed and 50 million poor, or for the defense and extension of the welfare state. . . . [emphasis added]

“As critics of the EMU, we are reproached with putting European cooperation in danger; we are told that we would do better to keep quiet. We are firmly convinced, however, that the greatest danger for Europe lies in the design of this EMU, which has led millions of Europeans to identify the euro with austerity and social suffering. It is high time that politicians realize: The peoples of Europe have the right to an economy that serves the interests of human beings.”

This open letter is accompanied by a remarkable 40-page document, the *Memorandum of European Economists: Full Employment, Social Cohesion, and Equity for Europe—Alternatives to Competitive Austerity*. After stark warnings about the dangers posed to Europe by poverty, unemployment, social instability, and ever-more-authoritarian govern-

ments being artificially created, directly as the result of Maastricht policy, the economists make their proposals for job-creation and reform of international monetary relations.

Recalling the postwar miracle

In an radio interview with “EIR Talks” on June 25, LaRouche called the memorandum “very important.” He noted the economists’ differences from a strictly Keynesian approach, in that they “propose not central banking, they propose national banking, . . . to establish parities among currencies, . . . to national banks to issue loans as low as 0% for purposes of productive job creation. . . . These are eminently sensible approaches, which are actually in the tradition, in the deeper sense, of the American System, as specified by Alexander Hamilton and by the Careys, and by, in Germany, Friedrich List.”

Such measures were also used by Germany in its postwar “economic miracle,” LaRouche said, when Deutsche Bank head Hermann-Josef Abs secured U.S. cooperation in setting up the Kreditanstalt für Wiederaufbau (Reconstruction Bank). Germany was the only really successful recipient of the Marshall Plan funds, because Abs created a reserve fund to “generate five, six times that amount of credit internally, in the German economy, . . . to get production moving,” LaRouche said. “What these economists are proposing, is essentially the highly successful proposal of Hermann Abs. . . . Like Jospin, they are essentially national economists.”

The flaw in the economists’ memorandum, is their Keynesian-related tendency to view employment as an end in itself;

they put too much emphasis on such measures as broad-based job-sharing and reduction of working time, and for ecology-oriented investment programs, as supposed measures for creating mass re-employment. This flaw reflects John Maynard Keynes's ignorance of the role of technological progress and infrastructure development, as the only basis for raising both the real wealth and the level of productivity of an economy. Such policies also ignore the enormous need, both within, but, even more, outside of western Europe, for infrastructure and technological, industrial, and agricultural development,

“As critics of the EMU, we are reproached with putting European cooperation in danger; we are told that we would do better to keep quiet. We are firmly convinced, however, that the greatest danger for Europe lies in the design of this EMU, which has led millions of Europeans to identify the euro with austerity and social suffering. It is high time that politicians realize: The peoples of Europe have the right to an economy that serves the interests of human beings.”

in which Europe's workforce, still the most highly skilled in the world, must play the central role.

Such a view on employment, is a weakness in the face of the international touting of the “job-creation success” of the U.S. economy. The reality of the U.S. “jobs miracle” — minimal wages, without security or benefits — would be seen as a disaster in Europe, where government policy has created, especially since World War II, a social security network that includes universal health care, and pension and unemployment benefits not achieved in the United States.

The memorandum's authors did attack the disaster of the “British model.” “Reliance on insecure and underpaid forms of employment to establish labor-market equilibrium has proved self-defeating,” the memorandum states. “A key case in point is the British example. . . . The boasted reduction of unemployment which is claimed for Britain's harsh and divisive employment model is largely spurious: declines in measured unemployment hide levels of welfare-dependence which in fact exceed those typical of other member states, while casualization on a large scale undermines the security of the workforce as a whole and social dislocation exacts rising costs. Evidence is also mounting of a widening British

deficit in skills and educational standards. The orthodox discourse which sees a valuable precedent in the social experiments of the British conservatives is in fact leading EU policy into a blind alley.”

Call for economic policy debate

The overall tone of the memorandum is stark enough, to almost reflect the full depth of the crisis into which Europe is plunging. The European financial press, especially the German-language press, regularly describes the dangers of a financial crash and banking debacle; almost every European nation has seen widespread social protests, strikes, and electoral upsets in the recent period.

The memorandum's authors call for open economic policy discussion, because they view the current economic strategy in Europe as “locked into a vicious cycle: a series of mutually self-reinforcing negative-sum games with increasingly harmful consequences.” This strategy, “which is presented to the public as the only valid one, . . . rests on theoretically very controversial and to a substantial degree *utterly wrong* foundations.” The economists warn that pursuing this strategy is “exacerbating economic and social divisions, making for polarization, leading to more inequality and injustice in society. This pattern of development also *threatens political stability and democratic structures* and gives rise to xenophobia and increasingly virulent euroscepticism” (emphasis added).

Control of inflation is *the* goal of this neo-liberal policy; but, “we reject the idea that economic stability means nothing more than price stability and that therefore economic policy can be reduced to disinflationary measures,” the economists wrote. Unemployment, on the other hand, is seen entirely as the responsibility of the workforce and any measures protecting labor.

While the policies associated with the Maastricht Treaty “may be coherent” from “a fundamentalist free-market standpoint,” along with the evils of unemployment and increasing poverty, the treaty is “creating the most important deflationary risks since World War II.” It is creating a “two-speed Europe . . . [with] new divisions and polarizations among member countries—and it will establish new barriers between EU-members and third countries.”

Unemployment is not only an economic waste, the economists warn: “It is also a political danger, leading to intimidation, to more authoritarian structures and, at the same time, more instability. Therefore we regard unemployment as the most urgent social problem in the EU.”

Growing social movements

The memo states that its authors are “encouraged in our approach by the fact that recent years have seen the beginning of social movements in several countries, often as resistance to social cuts. We support this resistance and hope to contribute to it in our professional capacities. As European economists, we feel a responsibility to criticize the narrow economic discourse which has led to the present incorrect and

damaging policies and to show that—in spite of tendencies to globalization—there are alternatives to that policy. The allegedly scientific justification of free-market radicalism is in fact a caricature of economics as a science.”

The memorandum warns of the dangers inherent in the “neo-liberal” doctrine, and its “extreme individualism, which undermines solidarity and social responsibility,” to the extent that, “in spite of its professed opposition to state control, it involves a *repressive state* in reality, since only a strong state can impose the disciplines which it requires and contain the social conflicts to which it leads” (emphasis added).

‘Tyranny of globalized asset markets’

European integration “makes both necessary and possible much greater social control over financial processes, which at present subject most if not all member states to the tyranny of globalized asset markets,” the economists’ memo states. “In spite of the huge volume of international capital flows, globalized credit at present makes very little contribution to productive investment.”

Methods to exercise this control could be “to reinforce bank supervision through agreement among BIS [Bank for International Settlements] members or European legislation.” Another could be “a *foreign exchange transaction tax*, which would discriminate against short-term flows in particular, and thus affect speculative temporary exchange positions more than the finance of trade and long-run investment. . . . Such restriction of speculative activity would at the same time restore much more power to central bank intervention” (emphasis added).

“European monetary policy should endeavor to facilitate the reform of international monetary relations. Since the collapse of the Bretton Woods system in the early 1970s and the subsequent financial deregulation, exchange rates and short-term capital flows have become one of the most unstable and dangerous elements of the world economy. . . .

“Short-term capital movements, although they now involve almost unimaginable levels of foreign exchange turnover, have become disconnected from their original purposes of financing international trade and international investment and hedging of risks associated with these functions. They are now almost completely driven by *speculative* and arbitrage motives. As a result, these flows have become a major obstacle to the use of expansionary macroeconomic policies and lower interest rates in support of employment oriented strategies.

“The best solution to this problem would be the re-establishment of an international cooperation regime comprising all major currencies.” This would include: “an internationally issued and administered reserve medium to replace the privileged ‘key currencies’ of the past; a mutual commitment to maintain international payments balances; . . . [and] an agreement to control international capital flows and to take measures discriminating against, and thus reducing, short-term flows.”

The economists warn, however, that “there are powerful

interests, mainly in the financial sector, which profit from the present situation and are strongly opposed to any reregulation. Nevertheless, the EU should work in this direction and exert its influence in international institutions to promote a global monetary stabilization regime. The EU’s opinion will carry more weight to the extent that the EU itself has successfully reformed its own monetary regime to the benefit of member states.”

Financing employment

Europe’s remarkable postwar reconstruction was made possible, *not* by an obsession with the free market, but with an “unequivocal commitment to full employment, state action on a large scale, including massive public investments, and the active mobilization of social forces—notably the labor movement,” as the only way to promote “long-run development priorities.” Today, 20 years of economic devastation call for a comparable approach. “For the purpose of financing immediate employment programs, the EU, too, should make more intensive use of the instrument of public borrowing.”

The economists note the already existing 1993 “Delors Plan” to create 3 million jobs in transport, energy, telecommunications, and environment projects, and proposals for financing. “The accentuated abstention from borrowing on the part of the EU is one of the harmful results of the neo-liberal bias,” the memo states. “If this ideology is rejected, there will be more room for financing an expansionary European fiscal policy, to a considerable part via Eurobonds. . . .

“The argument of low-interest government borrowing from national central banks also applies to the EU level and the ECB (European Central Bank). There is no sensible reason why the EU should not have preferential access to the European Central Bank, within the framework of a comprehensive, transparent and well-targetted employment strategy.”

Even more importantly, the memorandum introduces the potential role of “national central banks” in issuing credit:

“In order to alleviate the burden of public debt service, the modalities of government borrowing should be reconsidered. As long as the growth of credit remains within the limits compatible with low inflation, there is no need to insist that additional public borrowing be provided directly from the capital markets. Instead, the national central banks could and should provide the money directly at lower (or possibly even zero) interest rates to the governments. The argument, that such facilities would amount to a license to print unlimited amounts of money is incorrect: The abuse of preferential access to Central Bank finance can be prevented by appropriate institutional and parliamentary barriers.

“On the other hand, there is no reason why democratic governments and parliaments should not have preferential access to central bank finance, as they have preferential access to every citizen’s money via taxation. . . . The essential difference between central bank loans to governments and capital market loans to governments is the additional profit of the financial sector in the latter case.”

Michael Novak, Calvinist?— 'Not by marketplace alone!'

by Lyndon H. LaRouche, Jr.

June 20, 1997

At first glance, the reader might assume that this report should be classed under "religion." By the time the concluding paragraphs have been reached, that reader should nod in agreement with our decision to present this under the departmental heading of "Strategy." To make the connections needed to make the strategic issues clear to the reader, I must deal with closely related problems of religious belief itself. This requires that we give significant attention to certain religious matters here, a subject on which the relatively greatest number tend toward extremely impassioned opinions, but, perilously, little actual knowledge.

This report is in response to extremely important strategic issues referenced by Joseph Cardinal Ratzinger's June 9 statement on the behavior of certain Protestant cults. [See box.] The statement is not merely factually accurate, but addresses a matter of highest strategic concern.¹ When one takes into account the spread of the same corruption into the Catholic Church, which is illustrated by, for example, the case of Michael Novak, the problem identified by that distinguished Cardinal poses an issue which should be of utmost concern to the patriots of every civilized nation today.

From the standpoint of history, epistemology, and statecraft, the pervasive, essential issue is clear. Contrary to the minority opinion expressed by Thomas Jefferson in his time, the issue raised by the Cardinal, is essentially the invasion of religion by reactionary politics. Unfortunately, virtually all

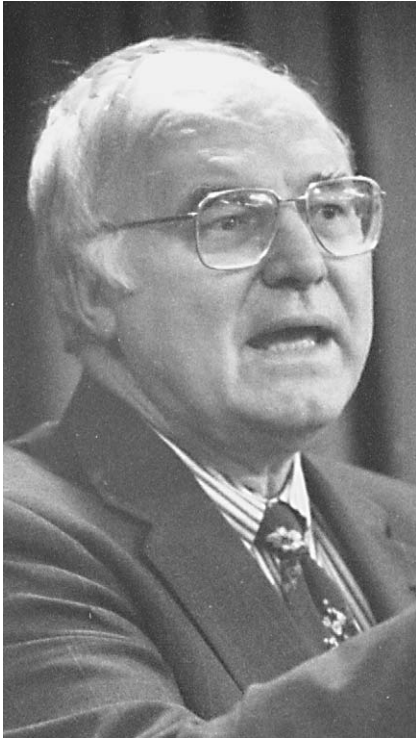
1. Joseph Cardinal Ratzinger, remarks during an address on June 9 on the release of *The Fifth Seal: The Unity of the Christians Toward the Third Millennium*, written by Father Nicola Bux, professor of oriental theology and vice rector of the Faculty of Economic Theology in Bari, Italy.

efforts to discuss such connections end up in a swamp of conflicting bigotries, popularized sophistries, and similar confusion. The pathways customarily, foolishly selected for discussion on this topic, lead through a swamp of muddle-headedness. Few travellers survive the nightmare-journey through that swamp, minds intact, to arrive at the point of taking the essential issue directly into account. The only effective way to address the issue, is to take a short-cut through the high road, avoiding the swamps of popular theology which lie below. I must take direct aim at the *political* essence of the matter, as no churchman is prone to do publicly, but as I do here.

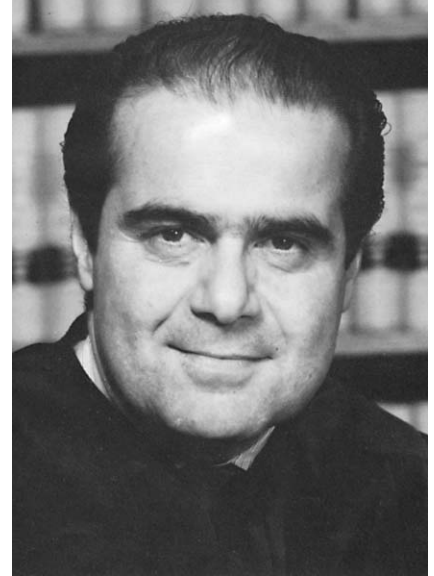
Approach the underlying issue in the most direct and efficient way. Begin with those most soiled aspects of organized religious confessions, which are typified by the case of "low church" televangelist "Diamond Pat" Robertson.² I refer to those "Elmer Gantrys," by means of whom so-called "high church" channels are used by intelligence agencies, to coordinate the politically motivated proliferation and deployment of missionary and other charismatic cults operating under "low church" cover. Former Vice-President, and President George Bush's 1981-1992 network of military-based "Quangos," typifies the intelligence operations engaged in such practices.³ To understand the empirical reality of the Cardi-

2. Robertson, a George Bush asset since no later than the 1988 Republican Presidential primary campaign, has been caught, "red-handed," as a contemptible operator in matters such as his diamond-gathering operations in Zaire, run, in part, under the cover of his sanctimonious "Operation Blessing." A real-life "Elmer Gantry." Bush is also involved in the funding of genocide operations against Hutu refugees in Zaire, through the funding of Laurent Kabila's operations by Bush's Barrick Gold.

3. "Quango": "quasi-non-governmental organization." Traditionally, in U.S. post-World War II practice, intelligence operations of this type have been



Left to right: Michael Novak, Pat Robertson, Antonin Scalia. Writes LaRouche: "This present, new 'Babylonian captivity' of religion, has become, during the recent thirty years, the gravest strategic threat to civilization as a whole since the nightmare known as the Fourteenth-Century New Dark Age." The three individuals pictured here, present case studies of the political corruption at issue.



nal's categorical charges, the most efficient approach is to target those operations in which Catholic organizations are sometimes morally corrupted by their "ecumenical" interface with Protestant organizations operating under British or other intelligence services' direction.

Observe certain of ex-President Bush's more shameless, recent money-grubbing deployments to the dark side of the Moon. This shows clearly the immediate, and monstrous threat to the welfare of the population of entire nations below our Rio Grande border, and elsewhere. We see "Diamond Pat" Robertson consorting with the same coven of backers of a holocaust of genocide in Africa, the which is also backed personally by ex-President Bush. Bush's and similar med-

dling in religious covers for irregular-warfare operations against the people of friendly nations, is also a threat to the United States itself. There have been numerous phenomena of a similar type during the recent five centuries of European civilization's history. This present, new "Babylonian captivity" of religion, has become, during the recent thirty years, the gravest strategic threat to civilization as a whole since the nightmare known as the Fourteenth-Century New Dark Age.

To show such heavily tainted connections, one might choose nominal Catholics such as U.S. Supreme Court Associate Justice Antonin Scalia, or Michael Novak. For the case at hand, Novak is the appropriate case to illustrate the way in which the political corruption referenced by Ratzinger works.

run, not so much through the Central Intelligence Agency (CIA), as through what intelligence insiders know under the rubric of "focal point," the "knuckle draggers" of the Joint Chiefs of Staff's Special Warfare/Special Operations sections, notably the logistics section. From December 1981, Vice-President George Bush ran what came to be known, inter alia, as the "Iran-Contra" murder, drug-trafficking, money-laundering, and weapons-trafficking complex, largely through "Quangos," including the section of the foreign-intelligence "get LaRouche" task-force whose orchestration of the U.S. news media's drum-beat defamation of me and my associates, was coordinated under Bush confederate and private banker, John Train of New York City. In most of these cases, the reality of the Quango is not the U.S. government using private covers, but, rather, private interests using the protective cover of association with the U.S. government. In the U.S.-related cases, the U.S. is imitating standard practice of the British Privy Council's dirty operations: using the authority of government as a protective cover for dirty operations run on the initiative of, and in the special interest of syndicates of powerful Anglo-American financier families.

The singular grammar of reason

It is readily documented, that the political and philosophical views on religious subjects which I represent here, are those long-standing, Leibnizian, ecumenical premises of the philosophical association which I have headed since its inception. Nonetheless, I must write in the first person singular. I do not do this as a concession to the relatively tiny handfuls of my associates who have differences with my views on some related matters. I do this, because the power of Reason is not a collective quality, but one which exists only within the sovereign precincts of the individual person's cognitive powers for generating experimentally validatable, original discoveries of universal principle.

I proceed now, by lingering here long enough to explain the relevant issue of method obliging me to resort, in this case,

to utterance in the first person singular.

Serious religion addresses directly the most profound issues of earthly principle, respecting the nature of the individual person, of mankind, man's relationship to nature, and the nature of relations among persons occasioned by mankind's relationship to nature. Actual communication respecting the content of matters of principle, can not be made by mere choice of words, never by literal interpretations of text. Interpretation of text is feasible, and often important. However, contrary to disciples of France's and George Soros's satanic Jacques Derrida, text can not speak for itself. Respecting the most important classes of matters, such as the *New Testament*, or Chapter I of *Genesis*, as also relative to Classical art, or to science, the most moronic of all religious cults are those which rely upon "dictionary nominalism." To arrive at a correct interpretation, one must rely on something higher, the which no dictionary, no grammar can supply to mere words.

Contrary to the late Professor Norbert Wiener, and his

younger, positivist sibling, the late John von Neumann,⁴ *ideas* are not merely linear constructs, which might be generated, or anatomized, by tinker-toy games with vocabularies, grammars, algebra, or statistics. *Ideas* are discovered principles of the universe. Such ideas are generated through resolution of those kinds of paradoxes which shatter faith in the monkey-gods of simple sense-certainty.

These discoveries can be made only through the sovereign cognitive processes internal to the individual mind. These ideas are proven, or disproven, by reliance on that kind of experimental method developed by Plato and his followers,

4. Both Wiener and von Neumann were inducted to their later influence within science circles through training as devil's apprentices, under Bertrand Russell. Like Russell, Wiener, in his *Cybernetics* and *Human Use of Human Beings*, worked to attempt to destroy the very idea of man as in the image of God, through his fraudulent dogma of "information theory." Querulous Wiener's junior, and rival, von Neumann, worked to the same end, as in his 1938 announcement of "systems analysis," and his later role in launching the kookish cult of "artificial intelligence."

Ratzinger: World Council of Churches aids subversives

On June 9, Roman Catholic Joseph Cardinal Ratzinger, Prefect of the Congregation for the Doctrine of the Faith at the Vatican, denounced the World Council of Churches' activities in Ibero-America. The occasion was the presentation in Rome of a new book, *The Fifth Seal: The Unity of the Christians Toward the Third Millennium*, written by Father Nicola Bux, professor of oriental theology and vice rector of the Faculty of Economic Theology in Bari, Italy. In the discussion period, Cardinal Ratzinger referred to a polemical passage in the book on the activities of the World Council of Churches. "Great help arrived from the World Council of Churches for subversive movements in Latin America, a help maybe given with good intentions, but very damaging to the way of the Gospel," Ratzinger said, as reported in the London *Guardian* on June 12.

Ratzinger was referring to a passage from the book which reads: "The Protestant world sees the unity of the churches rather in federative terms. The World Council of Churches, up until recently, has put emphasis on the theological study of the respective identities, with programs of ideological, social, and political nature. One should think of certain support campaigns for the revolutions in Latin America, and of the lack of support to the Christians and to the 'churches of silence' in eastern Europe. This approach constitutes a major distinction be-

tween Catholic ecumenism and the Protestant version."

Father Bux, besides reporting about the history of the Councils and the work to re-create the unity of the Christian world, polemicized against a neo-Enlightenment tendency to transform ecumenism into a syncretist irenism of a "religion of humanity." This criticism was also taken up in the speech delivered by Ratzinger during the presentation of the book. The cardinal said: "Today what for the most part dominates—even in sectors of Catholic theology—is the idea of the conciliarity (*conciliarità*) of the Church. The unity of the universal Church [according to this idea] consists in the fact that the individual, particular churches would be internally oriented to find themselves together in the ecumenical Council, and thus to realize their unity. This theory has its origin in the preeminence of the particular churches with respect to the universal Church: The universal Church is, so to speak, potentially contained in them, to the extent that they could gather together as a Council. The unity would result always only from the concordance of the particular churches which would occur in the Council. But this theory is a romantic dream and, furthermore, from recent times."

The charges of Ratzinger were rejected by Duane Epps, the World Council of Churches coordinator of international affairs, who claimed that the council has a "file full of letters of gratitude" from Roman Catholic bishops in Latin America. But, Ratzinger's remarks have found a broad echo in many papers in several Ibero-American nations, which noted that the attacks were directed against the Theology of Liberation and "subversive groups" related to it.

the method which Cardinal Nicolaus of Cusa presented to launch modern experimental physics, through writings including his *De docta ignorantia*.

This is the method of discovery of principle. It is the method relied upon by a famous student of Cusa's writings, Leonardo da Vinci. It is the method which Johannes Kepler learned from Cusa, Luca Pacioli, and da Vinci. It is the method of Gottfried Leibniz, as expressed through the successive discoveries of Carl Gauss and Bernhard Riemann. It is the method which I learned, in adolescence, from Leibniz,⁵ and, later in life, from Riemann's work.⁶ Although one mind can not communicate an idea to another in a simply direct, literal way, those who have experienced the relevant paradoxes and their experimentally validatable solutions, have very efficient, indirect methods, by means of which to communicate *ideas* located within the impenetrably sovereign, inner processes of one's own mind, to the inner processes of another's. Contrary to "information theory," this communication is accomplished through the implications of what Leibniz identified as *Analysis Situs*. It is accomplished, through sharing, as if in parallel, both the replicatable act of discovery which resolves a devastating paradox, and, also, the notion of the crucial-experimental validation of that discovery.

This Socratic method for communicating *ideas*, as Plato defined *ideas*, is the correlative of the *idea of Reason*. This is "Reason" as it lies at the center of Christian belief. This is the rigorous premise for Christian opposition to such charismatic nightmares as Pentecostalism. This same notion of "Reason," is the basis for the Christian rejection of that notion of the "elect," which Calvin borrowed from the Bogomil influence upon his Rhone region. Similarly, it is central to Christian condemnation of those notions of justification by the marketplace, which are at the center of what I shall demonstrate to be the irrationalist, charismatic religious beliefs of such as Michael Novak today.⁷

To address, here, those axiomatically political issues which underlie all important issues of religion, as also the pagan form of irrationalist religious beliefs upon which atheism is premised, we must rely upon Reason. We must, reader

5. In the course of a self-proposed, adolescent study of Seventeenth- and Eighteenth-Century English, French, and German philosophy, I worked through, in approximately chronological order, Francis Bacon, Thomas Hobbes, René Descartes, John Locke, Gottfried Leibniz, David Hume, and Immanuel Kant. Through chiefly the *Theodicee* and *Monadology* of Leibniz, and also the Clarke-Leibniz correspondence, I became an impassioned follower of Leibniz against the empiricists, and, later, rounded out the adolescent foundations of my philosophical beliefs, by defending Leibniz's *Monadology* against those specific attacks against the idea of knowable Reason which are the essential feature of Kant's *Critique of Pure Reason*.

6. Especially, his revolutionary, 1854 Göttingen habilitation dissertation, *Über die Hypothesen, welche der Geometrie zu Grunde liegen* ("On The Hypotheses Which Underlie Geometry").

7. The perverted views on morals and law proffered by Associate Justice Scalia, have this same root.

and writer, enter into a compact, to communicate by methods consistent with the principle of Reason. We must reject the hesychastic, the contemplative, or so-called "objective" forms of communication. What is said here, in the interest and practice of Reason, is strictly from me, to thee.

Once we understand that political misuse of religion, which Ratzinger denounces in his referenced remarks, and, we understand that from the standpoint I represent here, the secrets of *all* politics are open for you to discover.

What do Christians believe?

Implicitly, *most* among those problems against which Cardinal Ratzinger complained implicitly in that address, appear to refer to the known role of charismatics, including Pentecostals, in targetting members of the Catholic confession. We should be familiar with this pattern from recent decades in Central America. To understand the nature of the conflict so presented, it is essential to clarify the manner in which Christianity deals with such charismatic phenomena as reports of visions, other forms of miracles, special prophecy, and wild-eyed varieties of so-called "literal interpretations of Scripture."

In Christianity, our obligation to speak truthfully, obliges us to say nothing, with respect to religion, politics, science, or art, which we do not *know* to be true. Thus, truthful people never base their opinions upon reports of alleged fact circulated by the popular news and entertainment media, or other habitually malicious gossips. Similarly, if someone insists that they have "seen the Virgin," "heard the voice of prophecy," or witnessed a miracle, we must be vigilantly doubtful, since we can not accept *their* impassioned, apparent sincerity as *our* belief. We may be unable to identify any evidence internal to their report which could show us that the claim is intrinsically false, but we still must not embrace their claim as our belief. Truthful persons never succumb to mere opinions (especially popular opinions); truthful people profess only what they know.

Nor, can we rely upon the senses, neither those of presumed eye-witnesses, nor our own. Even if one among us were such a witness, we could not rely simply on the corroborated evidence of our senses in such a matter. Yet, since the *New Testament* reports miracles, the Christian will not reject out-of-hand the possibility that a miracle might occur some place, some time. There are scientific premises, which warn us that such things are possible in the universe as it is known to be constituted.

The Christian has principally two resources for dealing reasonably with such matters.

For reasons I shall supply, Christianity *knows*, as a matter of Reason, not mere opinion, that God is a Christian. God is a Christian, whose nature is identified by that notion of *agapē* which subsumes the Gospel According to St. John, and such other works as, most notably, *I Corinthians* 13. To restate Leibniz's principle, that this is the best of all possible uni-

verses: Once one has, like Kepler, grasped how the lawful composition of the universe is ordered, one *knows*, with the highest possible order of certainty, that no action attributable to the Creator of this universe, could lack the characteristic of *agapē*.⁸ Any claims respecting visions, miracles, and so forth, which are not coherent with *agapē*, are to be relegated immediately to the category of either willful hoaxes, psychopathologies, or, something worse, with no additional evidence then required to support such a general conclusion.

To understand the empirical reality of Cardinal Ratzinger's categorical charges, the most efficient approach is to target those operations in which Catholic organizations are sometimes morally corrupted by their "ecumenical" interface with Protestant organizations operating under British or other intelligence services' direction.

The Christian's second resource, is science, although not the empiricist perversion portrayed in today's generally accepted classroom and textbook. The Christian has resort to the experimental method of Cusa, da Vinci, Kepler, Leibniz, Gauss, and Riemann.

If we reject the notion of self-evidence of sense-impressions, how do we *know* anything? How does Christianity, as an institution, *know* something which it might transmit to individual living persons, not merely as instruction, but as knowledge? To wit:

All true human knowledge is, in fact, a miracle, and that in the strictest usage of the term. Situate what I have said in earlier locations, on the formal side of scientific and artistic creativity, in the specific setting of our discussion of miracles. This involves a principle first known through the work of Plato, but more richly understood since the most crucial advances in scientific method, successively, by Gauss and Riemann.

8. The most effective recent treatment of Leibniz's relationship to Christianity, of which I know, is Dr. Ambrosius Eszer's "Gottfried Wilhelm Leibniz—The Unity of the Churches, and Russia," William F. Wertz, Jr., trans., *Fidelio*, Spring 1997. This side of Leibniz's life and work, is essential to understand, among other important topics, the hysterical extreme of the attacks upon Leibniz during the Eighteenth Century, resonating to the present day, and, also, the characteristic implications of Leibniz's influence upon the circles of Benjamin Franklin, in shaping the intent and content of the U.S. 1776

This involves a principle, in which my special expertise is not only outstanding, but, presently, regrettably, rare. For that special degree of competence, I am chiefly indebted to the principal mentor of my adolescent development, Gottfried Leibniz, and, to the consequent, original discoveries, in the domain of physical economy, to which I was led, under his continuing influence, approximately a decade later. The coin of my economics expertise, is making comprehensible the functional relationship between cognition and that expression of man's dominion of nature, the which is to be recognized as increase in the general, physical-economic, productive powers of labor. Consistent with Leibniz's view of physical economy, but in a qualitatively more advanced way, I was able to expose the connection between the way in which *agapē* governs, explicitly, the generation of validatable discoveries of principle in both physical science and also, in the same sense, in Classical forms of both plastic and non-plastic art.

Unfortunately, the originality of my accomplishments in this regard, burdens me with the duty to repeat myself, whenever this specific implication of my discoveries is essential to rendering a subject-matter comprehensible. So it is in this location. The question which must be resolved, before focusing upon the relevant strategic conclusions, is not simply "What do Christians believe?" Rather, the question is, "Of that which various Christians assert themselves to believe, what portion do they actually know?"

Take a case in point.

If a student in a theology class were to ask a qualified scientist, what is to be understood by the report, that man and woman are made in the image of God, how could the scientist show that student how to discover the answer for himself, as a matter of validated knowledge, rather than mere opinion? What does a scientist know of such matters, which a theologian whose mind-set is that of a student of modern sociology, would almost certainly not be capable of demonstrating?

The subject scientist, were he competently defined as such, would have based the development of his personal moral character upon reexperiencing an extended, chiefly historical series of original, validated discoveries of principle. In the main, each such discovery would have been a replication of the mental act of discovery by an original thinker who lived as much as thousands of years earlier.

If he were a good scientist, he would also be habituated to Classical art-forms (rather than "popular" or Romantic forms). He would consider his participation in such art-forms, as morally indispensable to fostering his fruitfulness as a scientist and teacher. The interdependency of science with the Classical art-forms, is too little understood, but no less crucial for that reason. For reasons developed by Plato, and also oth-

Declaration of Independence and the Preamble of the 1789 Federal Constitution.

ers, without training and participation in Classical art-forms, there can be no true literacy in the practice of science, or theology.

He would show, by aid of examples from his own experience in replicating validated, original discoveries of principle, that the human individual has a special nature, not found among the beasts. This nature is expressed as the ability to modify not only one's own behavior, but that of entire cultures, through the generation and assimilation of validated, original discoveries of universal principle. This creative power of cognition, is the empirical demonstration of the one quality of the human individual, which is special. It is the only thing we know of human behavior which could possibly correspond to the notion of man and woman made in the image of the Composer of this universe.

The crux of that matter, is the fact, that through the accretion of such discoveries, and their transmission by cognitive replication, mankind increases its power over the universe. Since *Genesis* 1:26-28 correlates man in the image of God, with increase of dominion over nature, the scientist's view, so described, represents true *knowledge* of the meaning of these passages of *Genesis* 1, rather than mere doctrine or opinion.

Knowledge is not a matter of deductive consistency among mere words. Words, indeed, have no intrinsic meaning; every attempt to arrive at a simply literal meaning of the Biblical text, is, therefore, a hoax from the outset. One must reexperience the relevant cognitive processes of the author, and validate the indicated discovery of an idea by the appropriate experimental method. Only when we can personally validate, or invalidate an idea attributed to an author, do we *know* both a meaning of the text, and the validity, or invalidity of that putative meaning.

There is an additional facet to that specific knowledge: the matter of the empirical validation of the idea of *agapē*, as that term is employed by Plato, and, with the same meaning, later, by the Apostle Paul.⁹ A brief review of the principles of scientific discovery of principle, is required at this juncture.

In all of modern civilization, the discovery of a new principle arises as the resolution of a devastating paradox of the ontological form typified by that of Plato's *Parmenides*.

On the one side, we have the systematic belief which, up to that point, has satisfied our available tests for truthfulness. However, we are, at the same time, confronted by evidence whose reality we must accept, by the same standard we accept our established belief. This is evidence which could not exist

9. There are numerous locations in Plato, in which the term *agapē* was either employed for that purpose, or the same idea is expressed in other terms. However, I have accepted the recommendation by a relevant associate, to choose the dialogue among Socrates, Thrasymachus, and Glaucon, from Book II of Plato's *Republic*, as paradigmatic. For the Christian use of Plato's idea of *agapē*, the most appropriate location is the beloved *I Corinthians* 13.

within the bounds of the universe as these were defined by our previously established system of beliefs.

The attempt to juxtapose these two distinct, immiscible pieces of past and new evidence, creates a devastating form of scientific-epistemological paradox. I have come to prefer the estimate for the Earth's meridian, provided by the experimental method of Eratosthenes, as the pedagogically suitable example of discovery of principle, as otherwise expressed by the treatment of curvature in the leading work of Carl Gauss and Bernhard Riemann. In Classical forms of art, the same kind of paradox is known as metaphor. I have insisted that, to understand science, we must recognize paradoxes of this form, as expressions of the same type of problem represented by true metaphor within the domains of Classical forms of poetry, tragedy, music, and of plastic art such as that of Leonardo da Vinci and Raphael Sanzio.

Initially, such paradoxes confront the mind with the awesome vastness of the unknown. On principle, no deductive-inductive method could provide a solution for such metaphors. The objective of the thinker caught in such a maelstrom, is twofold. First, he must resolve the confusion in a manner which is prohibited by the empiricists, Immanuel Kant, and the positivists. He must generate a tentative new principle of knowledge respecting the universe. Second, he must devise an experiment which demonstrates, or refutes the efficient presence of that principle in nature. The result of an experimentally validated discovery of principle, of this sort, as Riemann was the first to put this problem in a comprehensible form, is a sweeping reconstruction of the preestablished, general hypothesis, by a new such hypothesis. This new hypothesis then underlies the new way in which we select and construct those propositions which the hypothesis will, in the future, permit us to select as theorems.¹⁰

In Classical art, as typified by Wolfgang Mozart's discovery of a new general principle for motivic thorough-composition in music, all great art expresses the exact same principle I have just described for validated fundamental discoveries of principle in physical science.

Once that referenced maelstrom confronts any among us, the effort to extricate our thoughts from that difficult situation centers around the issue of "thought-energy."

In such a fix, we are comparable to the mountain-climber, who requires the conviction, clarity of mind, and raw energy,

10. Contrary to the popularized misuse of Plato's term "hypothesis," the term were properly employed to signify such objects as the set of definitions, axioms, and postulates which underlies, and governs Euclid's geometry. In Plato's Socratic method, an hypothesis is the set of underlying assumptions smoked out into the open by the method of Socratic dialogue. In the case of non-Euclidean geometries of the species developed by Carl Gauss and Bernhard Riemann, the burden is shifted to what Plato defines as "higher hypothesis," the hypotheses of *Analysis Situs* which underlie successions of such simple hypotheses as the set of definitions, axioms, and postulates of a Euclidean geometry.

to continue the ascent past yet-to-be-defined next obstacles, not only obstacles presented by the mountain, and, those sudden changes in weather conditions which are to be expected in upper portions of the ascent, but, above all, climbers must be prepared to deal with the moral obstacles which might erupt, unexpectedly, from within ourselves. The two great problems which we may observe to haunt most climbers, in that or analogous circumstances, come from within themselves, problems related to the celebrated General Carl von Clausewitz's special usage of the German term *Entschlossenheit* for similar problems arising within the embattled military commander. The two enemies are foolhardiness (e.g., "flight forward": "to get it over with"), and the kind of moral exhaus-

Knowledge is not a matter of deductive consistency among mere words. Words, indeed, have no intrinsic meaning; every attempt to arrive at a simply literal meaning of the Biblical text, is, therefore, a hoax from the outset. One must reexperience the relevant cognitive processes of the author, and validate the indicated discovery of an idea by the appropriate experimental method.

tion of the intellect which impels the victim to "give it up." Both latter pathologies, can be subsumed under the notion of lack of relevant quality of "thought-energy."

The solution to this "mountain-climber's" challenge of a true metaphor, is that passion for truth, even for the kind of revolutionary truth which overturns entire doctrines, the which is called *agapē*. The ability to sustain the mental energy, to concentrate, with increasing resolving-power, on a metaphor, to the effect of making the required, creative breakthrough which solves the paradox, is *agapē*. The two typical problems of the aberrant mountain-climber, we have referenced just above, may be reduced to an elementary type, by describing them as pathologies which afflict, and disrupt cognitive processes, when *agapē*, as source of "mental energy," is lacking.

Consider the Classical-humanist form of education, such as that fostered by the Brothers of the Common Life. The student is not instructed what to believe; he is, rather, confronted with the challenge of discovering the principle which demonstrably solves the paradox. This must not be the

merely apparent solution situated within the virtual-reality domain of formalism; it must be a solution within the reality of the actual universe. The student is subjected to a step-by-step process of meeting successive paradoxes of the sort referenced. In this experience, that student comes to recognize the presence of *agapē*. *Agapē* appears to him, or, to her, as a distinguishable presence, which lifts the thinker over each great obstacle posed by successive paradoxes. Through repeated replications of validated great discoveries, made originally, chiefly, by persons long deceased, the student becomes familiar with the presence of *agapē* in this expression.

That student's reliance upon that agapic method for assimilating the accumulation of discoveries of principle from thousands of preceding years, depicts the Classical humanist form of education, through which the development of the moral character of the pupil is accomplished. This is in contrast to the morally degenerate modes of education, such as those introduced by John Dewey, et al., for general use in the U.S.A. during the present century to date.

We could prove, from many clear examples, that every good scientist, such as Leibniz, Lazare Carnot, and Louis Pasteur, has understood this principle. In Leibniz, this shows, for example, in respect to his religious belief. In the anti-Newtonian tradition of Lazare Carnot, Gaspard Monge, and Louis Pasteur, the French expression of the role of *agapē* in science, is *enthusiasm*.¹¹ Under Lazare Carnot and Gaspard Monge, the educational method of the 1794-1814 *Ecole Polytechnique* was governed by this same Classical humanist principle of the Brothers of the Common Life, as employed also by the French Oratorian teaching-order, which had educated Monge and Carnot, and for which the *Ecole Polytechnique* was a continuation.¹²

This is explicit in all forms of great Classical art. As in the best known of William Shakespeare's tragedies, *Hamlet*, the metaphor which pervades the entirety of the drama, as highlighted by the celebrated Third Act soliloquy, "To be, or not to be," requires the audience to resolve the paradox. This is as Friedrich Schiller describes the function of tragedy, to transform audiences into better people leaving the theater, than entering it. *Agapē* is the subject of all great Classical art; thus, the Christian has a natural inclination for Classical art-forms, abhorring the banality of those forms of art which avoid *agapē*, and are therefore, *erotic*, rather than *agapic*. To the replacement of Classical music by Romanticism, or by more vulgar expressions of mass musical entertainment, such

11. See Pierre Beaudry, "The Bourbon Conspiracy that Wrecked France's Ecole Polytechnique," *Executive Intelligence Review*, June 20, 1997; pp. 26-27, 35.

12. Just as the anti-Renaissance, feudal reactionaries of the mid-Sixteenth Century, effectively banned the Brothers of the Common Life, the London-directed Jacobin Terror banned the Oratorian Order. On the relationship of the *Ecole* to the latter, see Beaudry, op. cit., pp. 26-27.

as the frankly satanic rhythms of “rock,” the Christian says, “With this, I disagree absolutely.”¹³

Christian natural law

Writing on these matters from the standpoint of the history of the United States, there are two nodal points of British ideological fungus in the history of the northeastern U.S.A., which have gained special, world-wide relevance respecting the current issues referenced by the Cardinal’s statement. The first, is the neo-Kantian mysticism known as “Concord Transcendentalism,” of such as Ralph Waldo Emerson, and Henry David Thoreau. The second is the spread of the so-called “American Pragmatism” of Harvard University’s Professor William James. Just as the first, “Concord Transcendentalism,” was an outcrop of the British Foreign Service’s “Young America” subversion, the second reflected the British influences typified by Hermann Helmholtz and mid-Nineteenth-Century German neo-Kantianism. At bottom, in his work on the subject of psychology and in matters of religion, James was a runt of the American political litter, essentially a rabidly Tory throw-back to the early Eighteenth Century’s satanic figure, Bernard Mandeville.¹⁴ In all of James’ work flowing

13. The forms of satanism typical of European history to date, are derived from the influence, through and beyond the time of Apollo-priest Plutarch, of the pantheonic, (and, “loan-sharking”) Delphi cult of Gaea, Python-Dionysos, and Apollo. There are crucial connections between the Delphic Gaea-Python cult, and the ancient satanic, Shakti-Siva cult of the Indian subcontinent, and to the Hellenistic form of the Egyptian Isis-Osiris cult, as also the kindred cults of the Shakti-Siva type, such as Ishtar, Astarte, etc., exported from the western regions of the ancient Indian subcontinent, into ancient Sheba, the Horn of Africa, and the ancient Philistines (Phoenicians). The chief source of recent syncretic revivals of these ancient, polymorphously pagan cults, has been the British Empire. The radiation of Lucifer-worship into continental Europe via the theosophist movements, such as Aleister Crowley’s “Golden Dawn” and Alex Muenthe’s anti-Christ cult of Tiberius, based on Capri, was primarily a British Nineteenth-Century continuation of those Eighteenth-Century British Hell-Fire Clubs, dating from the influence of pro-satanic Bernard Mandeville upon Georgian Britain. The synthesis of what became known as “rock,” was a product of pro-satanic projects conducted, in association with Aleister Crowley’s theosophists, under the auspices of the London Tavistock Clinic/Institute. In furtherance of this latter project, “field studies” of putative survivals of primitive satanic cults, such as the Afro-Cuban serpent worship, were part of the synthesis of what British cultural warfare unleashed as the rock “music” of both Tavistock’s MK-Ultra 1950s, and the more frankly satanic rock popularized as an integral part of the 1960s propagation of the “rock, drug, sex” youth counter-culture.

14. The stubborn streak of Manicheanism in the political theology of the clinical subject Michael Novak, is largely the influence of the Churchill-sponsored Mont Pelerin Society of Friedrich von Hayek. Von Hayek, while still alive, was fanatical in his insistence upon stating that the Manichean dogma of Mandeville is the ideological root of his Society. During the course of the 1970s, that Society took over what have become the flagship “neo-conservative” and “theo-conservative” political foundations and related associations in the U.S.A. Around the kernel of the networks of former U.S. Communist Party head Jay Lovestone, within the U.S. intelligence community (e.g., Leo Cherne’s Freedom House), the Anti-Defamation League, *Commentary* magazine, et al., a “neo-conservative” current was built up. Various think-tanks (echoing what eyewitness Armin Mohler has docu-

into his general dogma of pragmatism, he was a follower of the modern Manicheanism of Mandeville, in the same sense that Charles Darwin professed his published work to be nothing other than his fraudulent imposition of the dogma of Thomas Malthus upon the reading of nature.¹⁵

For the purposes implicit in Cardinal Ratzinger’s statement, the highly relevant aspect of William James’ activity, is several among his published writings, beginning with a series of essays dating from a hundred years ago, under the title of *The Will to Believe*. The latter was succeeded, in 1902, by a nasty work which has become a generally standard text of instruction for future Catholic and other clergy in U.S. divinity and theological departments of colleges and universities, *The Varieties of Religious Experience*. This in turn, was superseded by a series of lectures, published as *A Pluralistic Universe* in 1909, setting forth that anti-rational doctrine which has become the secular religious dogma of the Anti-Defamation League’s (ADL’s) and International Republican Institute’s (IRI’s) asset, today’s U.S. National Endowment for Democracy (NED).

From the beginning of this century, the American pragmatism of James and John Dewey, was promoted by the Rockefeller family and others, into relatively dominant positions within philosophy, divinity, theology, and education departments, not only at the Rockefellers’ University of Chicago, but around the U.S.A. Later, beginning the period between the two World Wars, American pragmatism was blended with

mented as that 1918-1932 “conservative revolution” in Germany, leading into Hitler’s regime) became part of the Mont Pelerin Society’s shock-troops behind the “neo-conservative” insurgency here. These included the Heritage Foundation, the American Enterprise Institute, et al., the institutions which supply what backbone Novak et al. possess.

15. It is relevant here, that, actually, Malthus’ 1798 *An Essay on Population* was written as a bowdlerized version, of the preceding, English edition (*Reflections on the Population of Nations in Respect to National Economy*) of Giammaria Ortes’ *Riflessioni sulla popolazione delle nazioni per rapporto all’economia nazionale* (Venice: 1790). Ortes, the leading subordinate of the Venice intelligence control-agent Abbot Antonio Conti, was an influential figure in London itself, among other familiar locations. However, originality does not belong to Ortes, either. As emphasized by Joseph Schumpeter, the doctrine was introduced by a former associate of Robert Bellarmine’s Jesuit Order, Giovanni Botero, in a 1589 appendix, *Delle cause della grandezza e magnificenza delle citte*, to his 1588 *Della ragion di Stato*. For balance, note that Botero ended his association with the Jesuit Order, to go over to the winning faction in Venice, that of the “Enlightenment” founder Paolo Sarpi, whose other assets included a personal lackey named Galileo Galilei, England’s Francis Bacon, and lackey Galileo’s mathematics pupil, Bacon’s Thomas Hobbes. Since the Code of the Emperor Diocletian, what are called today “ecology” and related cults, have been a common characteristic of pro-heathen religious persecution of Christians. Since “black-headed” non-Semites, called Sumerians, established the famous colony in southern Mesopotamia, every culture which committed itself to such ecologist dogmas has found its way, like Biblical Sodom and Gomorrah, into the rubbish-bin of history, including that self-depopulated Byzantine Empire, which became the principal vehicle for continuing Diocletian’s “Malthusian” population-code. To the present date, the “Malthusians,” like the legendary lemmings, follow in that tradition.

the influence of those Austro-Hungarian emigré positivists, like John von Neumann, for example, who descended upon U.S. philosophy and science departments, often by way of London, like mating pairs of intellectual cuckoos. In the natural outcome of such careless breeding practices, today's philosophy departments, and contiguous academic precincts, are nesting places for a new generation of mongrel strains, with the resulting hegemony of such Nazi and kindred existentialist doctrines as those of Nazi philosopher Martin Heidegger, proto-Nazi Friedrich Nietzsche, Heidegger clone Jean-Paul Sartre, Nazi-like Sartre clone Frantz Fanon, et al. Throughout this passing hundred years, the pluralist doctrine set forth by James, beginning his 1897 *The Will to Believe*, has been, functionally, hegemonic in the pragmatic, syncretist, and often fairly Manichean view of religion, radiated from U.S. centers of higher education.¹⁶

The case of William James is of the utmost relevance to the matter addressed by Ratzinger, on several intersecting counts. First, of all, James' corrosive influence is near the center of the most pervasive strains of corruption among both U.S. organized religion, and those churches' missionary tentacles into Africa, Central and South America, and elsewhere today. As the spread of sundry cross-breeds with American Pragmatism is traced out, one discovers that James' influence, on the political side of U.S. official, and other domestic and foreign practice, parallels closely the corruption purveyed through putatively religious channels.

Of course, although the U.S.A. is the most powerful nation-state of today's planet, it is not the most powerful agency. The most powerful agency is the form assumed by the post-Profumo British Empire, that empire-in-fact which is euphemistically named the British Commonwealth. The Commonwealth is not an empire of those misruled poor subjects who inhabit the United Kingdom. It is an empire belonging to the far-flung Anglo-Dutch maritime-financier oligarchy, known, in memory of King Edward VII, as the "Club of the Isles." It is the predominantly heathen hierarchy of the imperial Church of England (C. of E.), with its operations coordinated around the world under Anglican covers, which is, speaking globally, both the principal nasty of the nominally Christian religious world, and, is also, the principal source of pollution inside the U.S.A.'s confessions.

From the vantage-point of those poor, naive souls who seek Christianity in the expressed opinion of nominal Christians, the religious beliefs of today's world must appear to constitute a Tower of Babel. During the recent thirty years, the babbling is greatly on the increase. The continued tolera-

16. During 1936, following up overheard references to the importance of John Dewey's ideas on education, I discovered from his writings that those features of my educational experience which I had found to be disgusting violations of the principle of truthfulness, were fairly described as "carbon copies" of what was being taught, widely, to teachers even as early as that time.

tion for the influence of James' Manichean pluralism, typifies the general problem. The view of this matter, which the Cardinal's remarks prompt us to address, should turn our attention to the much-neglected, healing principle of truthfulness. How should this principle of truthfulness be generalized, to the effect of providing the needed definition of what is, and what is not Christian belief? For example, how does one deal with the pragmatists?

That brings us to the matter of *natural law*.

On the subject of modern natural law, the relevant features of the entire subject-matter may be represented efficiently in academic programs, at a minimum, by contrasting the views of Leibniz with those of, on the one side, Hugo Grotius and Leibniz's contemporary, Samuel Freiherr von Pufendorf; on the other side, both Leibniz's and Pufendorf's mutually opposing views must be contrasted with the neo-Kantian, Romantic school of law, of G.W.F. Hegel's crony, Professor Friedrich Carl von Savigny. For our purposes here, it is sufficient to present the political highlights of the pathological views of the neo-Kantian Savigny, as seen from Leibniz's standpoint.

Briefly, then, from the standpoint of the modern nation-state, Savigny is a throwback to the standpoint of pre-nation-state, feudal society. In feudal society, and earlier, the practice of statecraft had existed as a perpetual state of tension between the absolute final power in law-making, reposing in an imperial potency, interacting with constraints imposed by the sundry, imperially legalized bodies of religious and other custom, as these latter were to be found among the subject populations of the empire. The strongest such reference-point of operational significance within European feudalism had been the infamous, Malthusian Code of Diocletian.

The Fifteenth-Century Golden Renaissance, as typified by the current running through Nicolaus of Cusa's 1433 *Concordancia Catholica*, supplied the paradigm on which the modern form of sovereign nation-state was formed, later during that century.¹⁷ The influence of Cusa and his associates, in organizing the evangelization of the Americas, and in establishing the modern sovereign form of nation-state, overthrew the imperial order of European feudalism, with specifications for replacement of imperial law, by national law informed by natural law. The Leibnizian 1776 U.S. Declaration of Independence, and the Leibnizian Preamble of the 1789 U.S. Federal Constitution, represent the high-point of progress, to the present day, in the development of a body of nation's law informed by that quality of natural law intended by Cusa and by Leibniz.

Then, came the French Revolution of 1789. The Jacobin leaders, typified by Maximilian Robespierre, were British

17. Although Cusa, after writing this, not only led the movement to reestablish the Papacy, but played a leading and decisive role in preparing that great (ecumenical) Council of Florence which, in fact, reestablished the Papacy earlier shattered by the "Babylonian captivity" of the preceding New Dark Age.

assets,¹⁸ which Shelburne's Bentham used, not only to destroy, from within, the power of Britain's most dangerous opponent, the France which was then the most scientifically and economically advanced, leading nation of Europe. Of even higher priority, was Britain's determination to crush the widespread support for the American Revolution throughout Europe. The triumph of the Europe-wide Venetian party at Clement Prince Metternich's (sexual) Congress of Vienna,¹⁹ unleashed a brutally pro-feudal reaction throughout Europe. Typical of the police-state reaction which Metternich unleashed upon all of continental Europe, were Privy Councillor Savigny and his accomplice, "state philosopher" (and Metternich agent at the University of Berlin) G.W.F. Hegel.²⁰ Savigny's notions of law served as the antecedent for the work of Carl Schmitt's establishment of crucial features of the law which consolidated Hitler's power in Germany.²¹

18. On this Robespierre and his patron, Duke of Orleans Philippe "Egalité," are distinguished, as British assets, from outright agents of Jeremy Bentham's British Foreign Service, such as the terrorists Danton and Marat. Former Franklin adversaries Robespierre and the Duke were, strictly speaking, Anglo-Swiss assets. The treaty with Britain which imposed that ruinous free-trade agreement under which France, guided by Lausanne's Jacques Necker, bankrupted its own government, like the Duke's storming of the Bastille as an election-stunt for Necker, attest the Anglo-Swiss aspect of the Duke of Orleans' policy. A rigorous classification of the Robespierre-Orleans freemasonic circles, must first peek under France's carpet, to that treasonous tradition of the Seventeenth-Century *Fronde*, whose Eighteenth-Century political-ideological expression is the French-Swiss physiocrats of the Quesnay-Turgot tradition. This is a continuation of the *Fronde* tradition which ruined France through "Sun King" Louis XIV's wartime reconciliation with it, which, thus, ruined France again, with the Turgot-promoted "free trade" alliance with Britain.

19. The Congress was managed, through Metternich's direction of his *Geheimpolizei*'s assignment to provide bedroom entertainments for visiting potentates, such as the Czar Alexander I who found the entertainment infectious. Fortunately for the historians, but unfortunately for the guests, the *Geheimpolizei* not only arranged the entertainment, but took copious notes on its progress. While the aristocratic celebrities were thus distracted, the bureaucrats controlling the Czar's foreign affairs, chiefly Venice's Count Giovanni Capodistria and Carlo Pozzo di Borgo, worked out the details with Metternich.

20. Typical of the period, was Metternich's *Carlsbad Beschlüsse* (Carlsbad Decrees) of 1818-1819, establishing a pro-feudalist tyranny throughout continental Europe, which was repeatedly reinforced, and persisted, until the political upheavals of 1848. Neo-feudalist Savigny, as a member of Prussia's Privy Council, and his accomplice, Metternich spy Hegel, were, among their other roles, political controllers of the University of Berlin, in which capacity (contrary to the later, fraudulent report by Felix Klein) they worked to prevent, although without ultimate success, the introduction of modern mathematics (e.g., the calculus) and physical science. Hegel and Savigny had gone to extremes, to block Alexander von Humboldt from introducing a modern science curriculum to the University. Humboldt was obliged to habilitate some of the leading mathematicians and physicists of Germany at the Prussian military school, so that they might be legally qualified to teach at the university.

21. In my communication with Professor Friedrich von der Heydte on the subject of the similarities of judicial practice in the U.S. Federal Fourth Circuit, to the Nazi law of the notorious Judge Roland Freisler's court, the Professor corrected me. The degeneration of the practice of law in the U.S.

One might say fairly, that Savigny's opinions on law, were naturally most unnatural.

In the fields of science and art, Savigny is most notorious for rendering it almost a law of Prussia, that art should be practiced according to his personal, neo-Kantian precept, that *Naturwissenschaft* (science) shall be hermetically separated from *Geisteswissenschaft* (the so-called "humanities"). This was the irrationalist aesthetical dogma which Immanuel Kant had decreed in his *Critique of Judgment*. The Romantic's delusion was that music composed after Metternich's concupiscent Congress of Vienna, must be interpreted in a Romantic style.²² That silly rule is paradigmatic of the disordered state of mind otherwise revealed by unctuous allusions to *Weltgeist*, *Zeitgeist*, and *Volksgeist*, the mystical, heathen rant which still reverberates in academic circles as the hallmark of the Nineteenth-Century, Romantic reactionaries of post-Vienna Savigny's milieu.

The motive for such neo-feudalist reactionary dogma as Romanticism, was to nullify the influence of natural law. This was part of turning back the clock of civilization, to a revival of the pagan imperial law of ancient Mesopotamia, Rome, Byzantium, and the medieval Holy Roman Empire.

During the prolonged, 1815-1848, domination of Europe by that oligarchical reaction, there were two sets of oligarchical factions which remained in uneasy alliance against Reason and civilization. Throughout the continent of Europe, a precursor of today's rapidly degenerating United Nations Organization's (UNO) supranationalism, was the feudalist federa-

Federal system was worse than the German form of fascist law derived from v. Savigny's Nineteenth-Century Romantic school. The fascist currents in today's U.S. law-practice are derived from the tradition of John Locke, a variety of explicitly pro-slavery degeneracy in law, worse than, more dangerous than that derived from the German Nineteenth-Century, neo-Kantian Romanticism, of Madame de Staël, G.W.F. Hegel, Savigny, Franz Liszt, Richard Wagner, and Friedrich Nietzsche. Fascism in the U.S.A., he warned, would come from the root of Locke, potentially worse than Hitler's fascism. On reflection, I have stood, thankfully, corrected by Professor von der Heydte, to the present day.

22. This arbitrary, and, in fact, silly dogma, is prevalent today. As Plato had shown, it is impossible to arrive mechanistically at a rational notion of tempering of the musical scale through even ordinary means for constructing incommensurables. J.S. Bach was a true scientific revolutionary, in the way he made Classical counterpoint possible through establishing vocal and vocal-instrumental polyphony, which decency, and the principle of contrapuntal inversions, obliges the conductor to direct, with bel-canto-trained singing voices, in a well-tempered mode, fixed at C=256. The comprehension of the implications of Bach's discovery, as typified by Bach's *A Musical Offering*, led to Mozart's discovery of that principle of *motivic thorough-composition*, which separates Classical compositions absolutely from Romantic ones, such as those of Franz Liszt and Richard Wagner. The last great practitioner of the strictest motivic thorough-composition, was the Johannes Brahms who died in 1897, after having composed an agapic masterpiece of motivic thorough-compositional perfection, his Opus 121 *Vier Ernste Gesänge* ("Four Serious Songs"). The prevalence of the teaching, that the late Beethoven and Schubert were tending to be Romantics, and that Brahms must be performed so, shows the lack of both morality and sanity among the relevant strata of the population.

tion known as Metternich's "Holy Alliance." This power was based upon an uneasy, temporary partnership with a "new Venice," the latter represented by the Anglo-Dutch monarchy's maritime-financier oligarchy of Britain's Jeremy Bentham, Castlereagh, Canning, and Palmerston. This oligarchic rule, whether by decadent, landed aristocracies, or insurgent financier nobilities of the Venice-Dutch-British type, was challenged repeatedly, although repeatedly victorious, on the continent, whether by Lafayette's noble last effort to revive France, or as at Hambach and the revolt of the "Göttingen Seven" in Germany, until 1848.²³

After that 1848 revolution, which had been organized in the name of Palmerston's London-based head of "Young Europe," Giuseppe Mazzini, the relative power of the continent's old landed aristocracy dwindled. Step by step, it was humiliated, stripped of its former great power, to become either absorbed into the ranks of the rising imperial power of the Anglo-Dutch "bourgeois" financier oligarchy, or to be relegated to the status of virtual museum-pieces.

Throughout the preceding, 1815-1848 period, despite the intrinsically reactionary, increasingly overreaching imperial power of London in Europe and the Americas, there was gradual recovery of those strata of Europe's population which had been, earlier, intellectually allied with the international figure of Benjamin Franklin and the cause of the American Revolution. These had been the Eighteenth-Century strata led by the "poets and thinkers" of all Europe. Throughout the Nineteenth Century, this same stratum was represented most prominently, as in Germany and Italy, for example, by a network of scientists, in the scientific tradition of Gottfried Leibniz, rallied around the twin images of Carl F. Gauss and Alexander von Humboldt. Especially in Germany, these strata were actively associated with the Leibniz tradition active inside the U.S.A. This latter connection was typified by Benjamin Franklin's great-grandson, West Point graduate Alexander Dallas Bache, and, as Bache also typified this, that Henry Clay-Henry C. Carey Whig Party which produced the Republican Party under the leadership of Carey and President Abraham Lincoln.

Beginning the 1850s, especially following the Crimean War, the United States developed close ties to the intelligen-

23. As the aborted achievements of France's Marquis de Lafayette signal this fact, Metternich's personal domination of Europe waned, beginning the early 1830s. Nonetheless, the pro-feudal reaction he represented persisted; the period of Jeremy Bentham's filibustering in Hispanic America, is characterized both by the contradictory impulses of a growing political resistance to Metternich's tyranny, and by British operations to gain hegemony over chunks of continental Europe, at the expense of the anachronism of the Holy Alliance. Britain's early successes on the latter account included Spain and the partially liberated Greece under the rule of the London-appointed Venetian, Count Giovanni Capodistria of Vienna Congress notoriety. This 1815-1848 process of Britain's virtual takeover of the European continent, was capped by the explicit takeover of France, by Lord Palmerston's agent, Louis Napoleon, in the wake of the 1848 revolutions.

tsia of Germany and Russia, and, later, to, first, the Meiji Restoration in Japan, and in fostering China's patriotic movement led by Dr. Sun Yat-sen. Although these U.S. allies and partners included, from early on, such patriotic aristocrats in the tradition of France's Louis XI as Czar Alexander II of Russia, the core of the political allies which the mid- to late-Nineteenth-Century U.S.A. found in Europe, represented Europe's patriotic intelligentsia, an intelligentsia for scientific and technological progress, featuring scholars, scientists, farmer leaders, labor leaders such as the U.S.A.'s Terence Powderly, and industrialists, thus echoing the nationalist composition of forces dedicated to freedom and progress inside the U.S.A. itself.

Thus, when we speak of law, we must take into account these and related facts of history. We must recognize, as the Classical Greeks did, that we are dealing, in ancient, medieval, and modern history, with, principally, two distinct species of social organizations: republican versus oligarchical.²⁴ Respecting the political, social, and legal institutions of society, of nations, we are dealing with a fundamental conflict between these two species of social organization.

However, proceeding along that pathway of inquiry, we must also recognize, that one of these species, the republican, is morally and demographically superior to the other, the oligarchical. Once this fact were taken adequately into account, we must recognize the difference between oligarchical and republican law, as presenting us with a Classical form of ontological paradox. As the Parmenides of Plato's dialogue could not have done, we must find a higher standard of law, which stands outside and above both oligarchical and republican forms. We can not solve the paradox created by juxtaposing the two, mutually exclusive forms of law, until we have focussed our attention on the overriding fact of the matter: that the republican form, as the Leibnizian *Preamble* of the 1789 U.S. Federal Constitution best typifies this in practice, has always been superior to the oligarchical form, the latter as fairly exemplified by the moral and related inferiority of the Lockean Confederate States of America. As President Lincoln echoed his mentor, Henry C. Carey, on this subject: the U.S.A. could not have survived as one nation, had it continued to be both slave and free. The natural law is the efficient principle which underlies, and thus defines that characteristic difference.

The core of such natural law is elementary. The fact, that mankind is composed of individual persons each made in the living image of God, and that this mankind, by means of those

24. cf. (Professor) Friedrich Schiller, lecture on the subject of *The Legislation of Lycurgus and Solon* (1789), George Gregory, trans., *Friedrich Schiller: Poet of Freedom* Vol. II (Washington, D.C.: Schiller Institute, 1988), pp. 273-305. The related paradigm is that of the anti-oligarchical Plato vs. the teacher of Aristotle, Isocrates, who headed the Athens School of Rhetoric, and who, like Aristotle, associated himself, as an enemy of Alexander the Great's cause, with support for what was termed, variously, the "Persian model," or "oligarchical model."

qualities of the individual, exerts increasing dominion of our species within this universe. That fact, is the hard kernel of truthfulness, upon which knowledge of the natural law depends. During slightly more than the recent three centuries, the progress of science in European civilization has provided us the means, through the science of physical economy, to measure the relevant differences in performance. However, the better we understand the modern science of physical economy, the better insight we have into the way in which this conception of natural law was already known during earlier millennia, as early as *Genesis* 1:26-28.

The proposition central to natural law in its entirety, is that mankind's validated, revolutionary discoveries of principle, are actions through which the universe submits increasingly to man's will. The power to generate, and to replicate such validatable discoveries of principle, and assimilate these for practice, is located within the individual person. This nature of the individual person is a developable capacity, to such effect that the increase of life expectancy and knowledgeable practice of the individual, is a self-determining increase of mankind's power to command nature. The uncovering of those conceptions, by means of which this process is fostered, is the path of truth; this truth is the natural law, which mankind may discover, and may obey, but is not alterable by mankind's whim.

Let the stones speak! Such is the manifest design of the universe, this in the only manner in which that design is knowable to mankind. Hence, that design expresses the intent of the Creator of this universe. In other words, the universe is pre-designed to submit to specific characteristics of human Reason. This experimentally adducible coherence of the individual person's developable processes of cognition and the universe's response to those processes, is the basis for human knowledge of natural law.

The thus-adducible intent of natural law, is not expressible in the form of a fixed set of *shibboleths*, a fixed contract. It is neither a covenant, nor a decree by a mortal emperor or other law-maker. The universe changes; its principles are the principles governing a constant process of change. Similarly, knowledge is not mere schoolbook learning; it is not a fixed set of rules of behavior. Knowledge is a prescribed direction of axiomatic changes of society's behavior, transitions which must be directed to follow from what natural law demonstrates to have been a relatively inferior culture, to a relatively superior one.²⁵

Such is the nature of mankind, and of the human individual. By such means, the will of the Creator is manifest to the individual person.²⁶ So, we human beings must deal with the

25. It is sufficient to acknowledge, that those enemies of humanity known as "cultural relativists," would not agree with any of this. Indeed, experience indicates that they would tend to foam at the mouth.

26. So, also, is the nature of the Creator knowable. This, however, requires attention to an additional matter, which I have addressed in "The Essential

universe, with one another, and with our ancestors and our posterity.

Natural law as Socratic

The crucial scientific proposition of the recent two centuries, is young Bernhard Riemann's revolutionary, 1854 habilitation dissertation.²⁷ It is more than merely the first published articulation of a valid sort of non-Euclidean, or physical geometry. On reflection, it is to be recognized as a fulfillment of a long process of development of the principles of human knowledge, the principles of that method of *hypothesis*, running from Plato's Socratic method, through the work of Gottfried Leibniz and Carl Gauss, into Riemann's own breakthroughs.

As Plato defined the folly of the Eleatics' attacks on Pythagoras,²⁸ it is the characteristic, common delusion of the so-called "materialists," empiricists, and positivists, as of sophists and brutalized minds generally, that they locate reality as that which corresponds to fixed objects as putatively defined by sense-perception. As Plato's *Parmenides* indicates, the reason the Eleatics could not solve the relevant ontological paradox, is these fellows' hysterical refusal, over millennia, to acknowledge the most important fact common to all experience of our universe: *change*. The glaring factual error common to all these tribes, is the refusal to accept that such change is the elementary quality of ontological *fact*.

The background-argument most relevant to showing the Manichean heresy pervading Novak's religious views on the nature of man, is as follows.

Given a series of experienced, mutually distinct physical states. Which is *more real*: those states considered one at a time, or the principle of *change* which underlies the transition from one of these to another? This brings the dialogue within the *Parmenides* to the challenge posed by Heraclitus earlier: Is such *change* an ontological actuality? If its ontological actuality is acknowledged, then, which is primary: the individual states, or the change which orders the succession of those states?

Go directly from that, to the crucial theological question underlying the political issues posed by the Cardinal's statement: Is God within, or outside the universe? Is God's presence manifest within the universe which He has created, but as a presence free from the bounds of time? Is God located, as Plato locates the *Good*, above, and ruling the inferior realm of that *Becoming* which is always inside particular lapses of

Role of "Time-Reversal" in Mathematical Economics," *Executive Intelligence Review*, Oct. 11, 1996 (also published in *Fidelio*, Winter 1996). This point will be developed as we proceed now, approaching the point I address directly, the Manichean streak in Novak's practice.

27. *Über die Hypothesen, welche der Geometrie zu Grunde liegen* ("On The Hypotheses Which Underlie Geometry *Bernhard Riemanns gesammelte mathematische Werke* H. Weber, ed. (New York: Dover Publications reprint, 1953); pp. 272-287.

28. i.e., *Parmenides*.

time? In the language of Christian theology, does God not dwell in the simultaneity of eternity? Is this not, for the Christian, also a key to the special nature of the individual person?

This is, very much, a political issue. It is, as I shall indicate here, the most crucial functional issue of principle in economics, to such effect, that no advocate of “free trade” could be better than merely a “virtual Christian”: a play-acting Christian on stage, but not in his actual belief and character of practice outside the theater of hypocrisy.²⁹

For me, the most distinguishing of the common functional characteristics, the distinguishing wickedness, of the Manichean and the empiricist alike, is Bernard Mandeville’s, Friedrich von Hayek’s, and Professor Milton Friedman’s denial of responsibility for *foreknowledge*. Since Classical Greece, this has been the most crucial issue of theology, as Aeschylus’ *Prometheus Bound* presents the inevitable doom of false gods.

This issue of foreknowledge, is integral to the Christian notion of God as dwelling in the simultaneity of eternity. It is also the crucial point which distinguishes Classical from banal art. It is the chief underlying issue of both scientific method and statecraft. It is the difference between the moral accountability for the consequences of one’s acts, and also omissions, which is attributable to persons, as distinct from the notion of anything analogous we might expect from lower forms of life. It is the difference between Gulliver and the Yahoos. This is crucial for the Christian comprehension respecting the nature of man and of God. This is the test which separates the Manichean political faith of Novak from Christianity. For anyone familiar with Plato’s Socratic method of hypothesis, this is the conception in natural law which Riemann’s 1854 dissertation helps greatly to render more transparent.

Foreknowledge is individual conscience. Conscience is the faculty of acting, in defiance of Tony Blair’s Britain, to prevent a holocaust of famine in North Korea, or, in defiance of today’s Hitler-Britain, to stop a Museveni-led holocaust of millions of Hutus and others, in Africa, an atrocity being wittingly funded by former U.S. President George Bush’s associates. Conscience, is frustrating those decrees by the International Monetary Fund, the which must, if allowed, cause the millions or more deaths we might prevent. Where does the human faculty of foreknowledge reside? Where does conscience sleep?

The question of the possibility of foreknowledge by man, and of perfect foreknowledge by God, has been, quite properly, the elementary question of all competent Christian theology, down to the present day. This issue is correctly understood as intertwined with the question of the *ontological proof for the existence of God*; that connection is expressed by Classical Christian theologians in terms of the notion of the loca-

29. e.g., *I Corinthians* 13.

tion of God’s existence in “the simultaneity of eternity.” The only defensible proof, in both cases, is supplied by Plato’s Socratic method of hypothesis. Here, in addressing the Manichean characteristics of Novak’s adaption to Locke’s, Mandeville’s, Quesnay’s,³⁰ Adam Smith’s, Jeremy Bentham’s,³¹ and Margaret Thatcher’s heathen doctrine of “free trade,”³² it is the issue of foreknowledge which is of primary concern. In service of that argument, I summarize the relevant argument, on the subject of “time-reversal,” which I have supplied in earlier locations.³³

In all known cultures, the characteristic feature of successful economic behavior, is the fact that man is capable of making successful changes in his present mode of behavior, which changes are governed by foreknowledge of future consequences of such choices. In this way, the future acts efficiently, for better, or for worse, to determine the present. The general nature of the universal principle involved, can be adduced in only one way, by way of Plato’s Socratic method of hypothesis.

The propositions elected as theorems of any deductively consistent system, are adducibly determined, Socratically, by a ruling set of underlying assumptions, called an “hypothesis.” This signifies, that a sequence of theorems determined by that hypothesis, is *implicitly foreknown*, on condition that the hypothesis is known. That is, the hypothesis predetermines which future propositions will be accepted as members of a theorem-set so determined.

This comprehension of the matter, leads upward, to the higher case, in which discoveries of principle change the definitions, axioms, and postulates according to the requirements of a newly discovered reality. In the general form of the latter type of case, we are presented with a series of mutually exclusive hypotheses. This series is intrinsically a formally discontinuous series, analogous in form to a generalized Riemannian case.³⁴ Thus, this series is as discontinuous as the

30. i.e., *laissez-faire*.

31. i.e., *Introduction to the Principles of Morals and Legislation* (on the subject of the “felicific [hedonistic] calculus”); *In Defense of Usury*; and, *In Defense of Pederasty*.

32. i.e., The Mont Pelerin Society and such of its appendages as the Washington, D.C., Heritage Foundation, American Enterprise Institute, et al.

33. e.g., “The Essential Role of ‘Time-Reversal’ in Mathematical Economics,” op. cit.

34. The relationship of an hypothesis to a corresponding formal (e.g., deductive-inductive) theorem-lattice, is the condition, that no proposition may be a theorem of that lattice, if it contradicts any among the set of definitions, axioms, and postulates constituting the lattice’s underlying hypothesis. Thus, any change in the set of terms which the hypothesis represents, changes the conditions defining any and all propositions of the former theorem-lattice as theorems. This change within an hypothesis, even as the assumed mere addition of a new physical principle might be that change, thus creates a new hypothesis, which is inconsistent with the relevant hypothesis extant prior to the change. For example, Eratosthenes’ measured estimate for the length of the Earth’s meridian, which assumed merely that the Sun is a very large distance from the Earth, showed a definite rate of curvature of the measured

expanding number of validated principles upon which it rests.³⁵ Yet, it is coherent, despite its characteristic discontinuities, since it is generated by a constant principle of change.³⁶ That principle supplying coherence, is, the experimental interaction between the cognitive-directed actions of the human species, and the universe in, and upon which the human species acts.

In Plato, this notion of a higher-than-mathematics methodology, an *Analysis Situs*, is subsumed by the general term *hypothesizing the higher hypothesis*.³⁷ The simplest illustration of the role of such a generative ordering-principle, is the distinction between orderings which correlate with physically entropic processes, and those which correlate ostensibly with physically anti-entropic processes.³⁸

All rational meaning of this term is banned from certain

distance from Syene (Aswan) to Alexandria, in Egypt. This showed, that at each tiniest interval along the meridian, any apparent straight line is curved. Thus, we must measure the Earth's surface not in two dimensions, but three. The third dimension, makes any such putative straight line "infinitely discontinuous" in the most extremely small interval. This is representative of the general case, that every new hypothesis is deductively absolutely discontinuous with the relevant preceding hypothesis. This approach, as developed, by way of the experimental principles implicit in biquadratic residues, into a general theory of curvature, by Carl Gauss, was the starting-point for Riemann's revolutionary discovery of a true physical ("non-Euclidean") geometry, upon which modern representation of non-linear functions depends.

35. e.g., its relative cardinality, corresponding to the implicitly enumerable density of discontinuities for any arbitrarily selected interval of continued (not continuous) action of a real process.

36. In this case, the principle of change is cognition, as we have identified the method of solutions for ontological paradox here. In both Riemannian physics, in which each new discovery of principle increases the mathematical cardinality of the representation, as in the economic reality determined by realization of such discoveries, the ordering determined by cognition is anti-entropic. Since the universe obeys man only through such anti-entropic action, this demonstrates that the universe itself is axiomatically anti-entropic. In the statement above, we are focussed upon a phase of such a process. In this special case, it is permissible to reference an higher hypothesis as a "constant principle." In the more general case, the development of the cognitive processes results in improved higher hypothesis, such that a series of higher hypotheses is generated, a series identified in Plato as "hypothesizing the higher hypothesis."

37. The term *Analysis Situs* was introduced, to this effect, by Gottfried Leibniz, and later, famously employed, with restricted applications, by Bernhard Riemann. However, the method is that already employed and described by Johannes Kepler. This is "higher than mathematics," since it rests upon conceptions generated solely within the sovereign domain of individual cognition, where discoveries of principle are posed for experimental validation.

38. "Ostensibly," since the universe in the large is shown, by its obedience to mankind's generation, and efficient use of validatable principles, to be intrinsically an anti-entropic process. One may say, that, like the material which passes through the living organism which is our individual body, the "inorganic" quality attributable to particular dead things within the universe, does not determine the characteristic of the universe as an ordered process in its entirety. Hence, the absurdity of the manner (fallacy of composition) in which the so-called "second law of thermodynamics" was argued to be a universal law of nature, algebraically, by Clausius, Grassman, Kelvin, et al. Notably, the method employed, relied implicitly upon the arbitrary, and false, assertion of linearity in the extremely small.

factions in mathematical physics, notably those which attempt to superimpose as a universal dogma, the purely arbitrary, pathological notion, that mathematical linearity is preserved in the extremely small, as, for example, in nuclear microphysics.³⁹ In all serious modern science, since Nicolaus of Cusa's *De docta ignorantia*, the fundamental issue has been the issue of how so-called "non-linear" (i.e., discontinu-

In all known cultures, the characteristic feature of successful economic behavior, is the fact that man is capable of making successful changes in his present mode of behavior, which changes are governed by foreknowledge of future consequences of such choices. In this way, the future acts efficiently, for better, or for worse, to determine the present.

ous) processes are distinguished from one another by differences in underlying ordering principles of a type cohering with Plato's notion of hypothesizing the higher hypothesis. This is the method of Johannes Kepler, the founder of the first comprehensive mathematical physics, the method of Gottfried Leibniz, that of the Monge-Carnot *Ecole Polytechnique*, and of the Gauss-Weber-Riemann founders of modern relativistic physics.

Among the ranks of persons who are putatively literate in scientific or related matters, the only significant opposition to this view has come entirely from the Ockhamite founder of the anti-Renaissance "Enlightenment," Paolo Sarpi, and his followers. These followers include, among those most notable, Francis Bacon, the Rosicrucian Robert Fludd, Thomas Hobbes, John Locke, and other empiricists, Cartesians, and positivists, such as Abbe Antonio Conti's self-styled "Newtonian" faction.⁴⁰ This opposition is identical with those cur-

39. Such as Leonhard Euler, Joseph Lagrange, Marquis de Laplace, Augustin Cauchy, Hermann Grassmann, Rudolf Clausius, Lord Kelvin, Hermann Helmholtz, J.C. Maxwell, Lord Rayleigh, Bertrand Russell, et al. Cf. Lyndon H. LaRouche, Jr., "How Cauchy Ruined France," *Executive Intelligence Review*, June 20, 1997.

40. The apotheosis of black-magic cultist Sir Isaac Newton, was an ideological prank concocted by the Paris-based controller of Venice's intelligence service, Abbe Antonio Conti. In fact, as was reluctantly acknowledged by the Newtonians, early during the Nineteenth Century, Newton had never actually produced a calculus, but merely a bad, unworkable parody of the calculus produced more than a decade earlier by Gottfried Leibniz. Conti's

rents of empiricism-positivism which produced that Manichean doctrine of “free trade” popular among today’s “theo-conservatives,” as also others.

That said, shift the location of the idea of Platonic foreknowledge, from focus upon individual selections of ordinary hypotheses, such as those of a Euclidean geometry, to the standpoint of higher hypothesis, as exemplified by a physical, or “non-Euclidean” geometry, such as that of Riemann. This is the case, in which newly discovered, and validated principles of nature, and of the human cognitive processes themselves, oblige us to replace, repeatedly, our underlying beliefs about nature. Not only that, but as we apply, or fail to apply this newly acquired knowledge to society’s behavior, we bring either happy, or bad results upon the heads of future generations.

Then, if we have understood those ordering principles, which belong to the domain of higher hypothesis, we are able to adduce the *types* of consequential situations we may be bringing upon mankind, through our choices of operating principle in physical economy, as also in other ways. I may justly invoke the fact, that I have been shown to have been the world’s most successful economic forecaster in this respect, to indicate here, that this view of higher hypothesis, is the indispensable basis for competence in relatively long-range forecasting.

To illustrate the practical relevance of this notion of hypothesis to day-to-day life of national economy, consider, briefly, some crucial facts about modern industrial management. The operation of capital-intensive industrial development, in the context of relatively high rates of technological attrition, presents us, in each brief interval, with product design and productive potential supplied by the past, by means of whose productive output, a reinvestment in needed productive potential, improved product-design, and technology of increased productivity, is supplied to the future. The failure to reinvest in the manner needed to offset the technological attrition of the environment, and other errors of commission and omission, could be fatal to the future existence of the firm, or of the economy in general.

Compare this with the case for public investment in maintenance and improvements of basic economic infrastructure.

For any moral form of society, state economic responsibility for the provision and regulation of public infrastructure, is morally unavoidable, since its function pertains to the requirements of the whole nation, its entire population, its entire area, without regard to divisions defined by employment or private property-titles. Therefore, only an immoral government, or blind fools, would propose the general privatization

object in his apotheosis of Newton, was political. At that time, Leibniz was the most powerful intellectual influence throughout Europe, an influence which extended with increasing force into Eighteenth-Century English-speaking America. The effort to discredit Leibniz’s unrivalled accomplishments as a scientist, was the flank upon which Conti et al. deployed a far-flung network of “Newton-cult” cells among key centers throughout Europe. Voltaire was a key agent of Conti’s in this enterprise, as was the pro-Malthusian (e.g., Giammaria Ortes) cabal of Maupertuis, Euler, et al. at Frederick “the Great’s” Berlin Academy.

of infrastructure.

These requirements include treating the territory of the nation as a wise farmer prepares a field for cultivation of a specific quality of crop. The development of general water-management, of related sanitation of entire areas, sources and distribution of power, health-care facilities and public health programs, general education up to the level required, technologically and otherwise, from the future generation of adults, and fundamental scientific research and development, are matters which could never competently be left to the confines of private ownership. Nor is there any way in which to meter the benefits of public infrastructure in such a fashion, that a private toll-system, rather than a combination of taxation and government rates-regulation, could function in this domain, in the sense it may be shown to function very well in sales of the output of agriculture, mining, and manufacture, for example.

Foreknowledge is crucial for government in matters of designs and commitments for programs of maintenance and improvement of public infrastructure.

Measure the impact and replacement of infrastructure in terms of half-life spans: Half the number of years the installation in question might be expected to function in a satisfactory way. There are two such half-lives to be considered. One, is the simple physical half-life, assuming no significant sort of relevant change in technology. In such an assumed case, the chief variable factor would be degree of net wear and tear. The second, is the acceleration of the potential obsolescence of the installation, as affected by increases in rates of technological attrition in the economy generally. Also, take into account, the span of life required to make these installations.

The related policy decisions must be made with regard for developments, years, even decades into the future. Thus, foreknowledge of the future is not only indispensable, but we must shape the making of those policies today, through taking efficiently into consideration the foreknowable impact upon the future.

The obvious difference, between the nature of God and man, lies in the imperfection of human foreknowledge; the similarity, lies in the principle of foreknowledge. Thus, Plato differentiates the attainable competence of mortal mankind to lie within the bounds of what Plato terms the *Becoming*. That conception correlates with a generalized notion for *hypothesizing the higher hypothesis*. Since God exists within the simultaneity of eternity, when we reference God’s nature, according to natural law, instead of “hypothesis,” or “Becoming,” we must speak, as Plato does, of the *Good*. Conscience is, then, foreknowledge governed by the ordering-principle intrinsic to *agapē*.

Mandeville: The Principle of Evil

If one were to ask, “What is the single example of behavior in U.S. churches today, which most efficiently betrays something rotten afoot within the American religious psyche,” I would answer, “The singing of a hymn called ‘Amazing



“Rock Against Racism” in New York City. “To the replacement of Classical music by Romanticism,” LaRouche writes, “or by more vulgar expressions of mass musical entertainment, such as the frankly satanic rhythms of ‘rock,’ the Christian says, ‘With this, I disagree absolutely.’”

Grace.’ ” How could God’s noblest creatures, assembled ostensibly to address the Almighty Himself, refer to themselves as “a wretch like me”? Who is their god? Is he some monstrous Babylonian tyrant, ostensibly spawned by the bowels of Baal, before whom the slave must debase himself? Or, is our loving God foolishly blind, that he would love trash, would have created such trash, and would not be embarrassed to have packs of such miserable creatures, like filthy beggars, grabbing at his garment, claiming him as their Father? That hymn reeks of Manicheanism. Or, to say the same thing, it expresses the Babylonian misconception of human nature which is axiomatic for the modern British culture of Francis Bacon, Thomas Hobbes, John Locke, Bernard Mandeville, Adam Smith, Jeremy Bentham, Mrs. Margaret Thatcher, and Friedrich von Hayek’s Mont Pelerin Society.

Contrary to the plaintive, off-key cries of such professedly worthless creatures as those poor singers, the Christian defines himself, or herself, as what Christ expects mankind to become. To the Christian, at worst, man betrays his nature, if he becomes like an angel fallen into the endless abyss, or, strays as a redeemable “prodigal son.” Man and woman were created to be the noblest creatures of this universe, and, each person ought to live up to that. Our frailty is, that each of us has but a brief span of mortal life, during which each must find the meaning of his personal existence within God’s simultaneity of eternity. Each must use the mortal journey and its inhering passions, as the cognitive processes of thought make use of the living organism in which they reside; but let none of us lose his or her sense of identity, to become ruled

by unleashing of the blind passions of the vehicle we briefly occupy. Each among us has little time to waste, and, therefore, should get quickly about that business.

Man becomes bad, only when he, like Mani, like the Bogomils, like Hobbes and Mandeville, repudiates the sense of ultimate self-interest in living a life of continuous atonement with the God Who loved him.

We express those Christian truths, when we look at individual people in general as also God’s noblest creation, when we care efficiently about the nature of the cultural, political, and other conditions which powerful, often too-powerful institutions impose upon this individual, noblest creature of Creation.

Turn your attention, now, to that assortment of practicing modern Manicheans and buggers, typified by Francis Bacon, Thomas Hobbes, John Locke, David Hume, Adam Smith, Immanuel Kant, Jeremy Bentham, Friedrich von Hayek, Mrs. Margaret Thatcher, and Michael Novak.⁴¹

41. Otherwise known in Italy, as “Cathari,” in France as either “Cathars” or *les bogres*, or, in England, as “buggers.” In the account of Lord Shelburne’s Gibbon, the Bogomils were a variant of the Manichean cult previously established in Byzantine Thrace (modern Bulgaria), by the Byzantine emperor for political-strategic reasons. That account, some errors noted, is essentially accurate. They still exist in southern France today, as was observed when President François Mitterrand participated in a family christening rite at one of the more famous cult-sites; they have been sponsored by Dominique Schlumberger de Menil, who, with her sister, were long-standing associates and supporters of the Mitterrand household. They are most notorious, of course, for the sect’s medieval colonies in the region of Toulouse and Albi, but were also powerful in the Rhône region of France and Switzerland.

The general principle, upon which all among these premise their recipes for the governance of society, including its economic affairs, is the Hobbes-Mandeville-Quesnay doctrine of what is identified variously by Hobbes' "war of each against all," the slave-owner's dogma of John Locke's "Life, Liberty, and [you are my] Property," the feudal landowning aristocrat's insolence of François Quesnay's "laissez-faire," the "moral philosophy" of Adam Smith's drug-traffickers' doctrine of "free trade," and the "felicific [hedonistic] calculus" of terrorist controller Jeremy Bentham's *Introduction to the Principles of Morals and Legislation*. Here, amid this Manichean collection, lies the political soul of Michael Novak, and, for that matter, of wretched Associate Justice Antonin Scalia, too.

The common characteristic of these fallen creatures, is the Manichean doctrine, that man is intrinsically given to evil, and that society must be designed and ruled accordingly. All premise their moral philosophy, on the demand, that the greatest freedom to the interplay of each, among themselves and their friends, be afforded to such individuals' lusty pursuit of the Seven Deadly Sins, the which, in their view, define the inherently sulfurous qualities of "human nature," especially their own. All of these derive their social theories, from the same cloth of anarchy, even if they cut the garments differently.

This cloth has two most notable characteristics. On whatever class of persons its proponents bestow the free expression of lusty libertarianism, they insist that no principle contrary to the axioms of mephistophelean anarchy be imposed, and no other form of regulation than those upon which the participants in warfare or other bodily-contact sport might agree among themselves, in the spirit of covenanting mutually tolerable rules of the game. On this point, it is convenient to compare the fictional Lemuel Gulliver's account of a journey to Hugh Walpole's Houyhnhnm-Britain, with a recent utterance from the indefatigably nasty Lord William Rees-Mogg.

View Houyhnhnm-Britain, then, and now, according to the sportly image of "rules of the game." The ruling spectacle of lordly horses' posteriors, compared with the illiterate and constantly rutting Yahoos, presents us a spectacle reminding us of the contrast of the murderous oligarchy and hapless slaves of Lycurgus' Sparta. The Houyhnhnms, like today's U.S. National Endowment for Democracy, allow their victims the greatest degree of libertarian license to do almost anything

Otherwise, they share the pro-satanic characteristics, and penchant for strange sexual practices, with the still very significant representation of Gnostic cults generally, as in Venezuela and Colombia. They are most notable for their conception of the "elect," a feature of their religion which was syncretically coopted into John Calvin's argument. There are also syncretic cooptings of this in the Rosicrucianism of Robert Fludd et al., and in branches of modern freemasonry. The Faust image of "pact with Satan," as portrayed in Christopher Marlowe's *Dr. Faustus*, is fairly representative of their ideological type. They also acquired standing among Hitler's Nazis, including the circles of Nazi Professor of Philosophy Martin Heidegger.

to one another, but engage in literate utterance, or actually shape any among the crucial policies of their government. To precisely the same effect, a real-life pompous ass, Lord William Rees-Mogg, lauds the lunacy of Newt Gingrich's Alvin Toffler, with the happy information, that all of these antics with "information society" will end up with ninety-five percent of the population denied any education at all. Meanwhile, according to Rees-Mogg, the lordly five percent, whose bodily functions mysteriously secrete "information," will sequester themselves in safety, in isolatable, sanitary locations, such as the Channel Islands, away from the mayhem and epidemic diseases of the majority.⁴²

The essential point, as the case of Houyhnhnm-Britain, then and now, illustrates, is that the would-be overlords, for the first part, do not wish outsiders to think that the master-class would tolerate any *outside* regulation of its libertarian sport. Their overlordships, as insiders, may choose to regulate themselves, *privately*, but will permit no government under the influence of "outsiders" to interfere in their peculiar forms of economic, or other heteronomic pleasure-seeking. Not only is lusty libertarianism their hedonist's peculiar pleasure, but, as the wicked Adam Smith, Professor Milton Friedmann, and George Soros concur on this point, they are also amused to spread the "freedom of anarchy," such as free use of dangerous recreational substances and activities, among their intended victims. In the latter case, anarchy, with its inexhaustible, mephistophelean capacity for creating mischief, might do its corrosive work, keeping the inhabitants of the slave-quarter either stupefied, or busily at one another's throats. Such freedom given, is freedom effectively denied.

Thus, the first leading feature of their dogma, is the same satanic sophistry familiar to students of such forms of gnosticism as Manicheanism and the *Bogomils*. This brings us to the second leading feature of their mind-set, the "magic of the marketplace." If you are one of those who smells a secret, voodoo, or Bogomil ritual, in that enunciation of "magic," you are on the right track.

From the standpoint of mathematics (and the medieval Bogomil loan-sharks were a notoriously calculating crew), the theory of the "magic of the marketplace," reduces itself to the argument, that an overdose of entropy brings on a state of negative entropy. In other words, the doctrine of "free trade," as presented by Quesnay or Adam Smith, is a pure and simple, intentional hoax, perpetrated by Wall Street and kindred used-stock salesmen upon their all too credulous intended victims. Just as the most powerful, most advanced among the Eighteenth-Century nation-states, France, was bankrupted in less than a decade by adoption of a "free trade" policy, the same ruin has been suffered by every nation, begin-

42. Lord William Rees-Mogg, commentary in the Jan. 4, 1995 London *Times*, "It's the Elite Who Matter; In Future, Britain Must Concentrate on Educating the Top 5%, on Whose Success We Shall All Depend."

ning with Portugal, which was foolish enough to submit to this British dogma.

It happened to the U.S.A. under Jefferson, Madison, Jackson, van Buren, Pierce, Buchanan, Teddy Roosevelt, at the end of the Woodrow Wilson regime, under Andrew Mellon's Calvin Coolidge, under the pre-Korean War Truman, under the second Eisenhower administration, under Carter, Reagan, and Bush, and, with some qualifications, still rules the national economic roost under Clinton. As I have presented the case in earlier locations, during the present century to date, the only time the U.S. was not sliding downward in physical-economic terms, as it has been throughout the 1970-1997 interval to date, was during mobilizations for possible, or ongoing general warfare. Only under those conditions, was "free trade" curbed to the degree, that the natural inclination of our pre-1966 economy toward prosperity was permitted efficient expression. Every other nation has had similar experience with playing its turn as sucker for the "free trade" pitch. Experience says, that perhaps, President Abraham Lincoln's famous quip should be corrected, to emphasize, that when it comes to free trade, "you may fool nearly all of the people, nearly all of the time — except in times of war."

The acceptance of "free trade" does not come from experience. It comes from a self-destructive ideological streak within the mind of the dupe. Sometimes this is expressed by extremely "unagapic" gloating by the typical citizen over the cheaper prices at his store, should he encourage unemployment among Americans, by producing the same articles with cheap, sometimes virtually slave labor, abroad. There is a satanic element in this expression of greed by the typical, foolish citizen. The poor fellow will find himself, herself, and family suffering from his own, greedy, credulous folly, soon enough. He has made, in that way, a gnostic's Faustian pack with Satan, the Tempter who said, "Give me your free trade, and I will give you things at cheaper prices." He believes in "free trade," not because of lack of overwhelming, historic evidence that this is a swindle. He believes in "free trade" as he believes in "lucky numbers" at the gambling table where he lost his family's fortune. He has joined the gnostic church of British mysticism.

I mentioned, above, another, mathematical dimension to the "free trade" hoax. The swindle is called, euphemistically, "statistics." The method employed is inherently fraudulent. Pick a set of monetary and other statistics. After a sufficient number of tries, concoct what is termed "a fallacy of composition." Construct this in a way which will delude the intended onlooker to believe that he is seeing what the relevant "Wizard of Oz" may tell him is "A very robust statistical correlation." If the victim appears to be duly impressed by this admission to the arcana of mathematical mysteries, the wizard in question will lay it a bit thicker, as hoaxsters are wont to do; he may even go so far as to lure his prospect into the Alpine remoteness of "the ergodic theorem."

The decisive observation to make on such wizardry, is,

that there is no reason underlying the supposed statistical correlation. There is no necessary connection; there is merely sleight-of-hand, the suggestion of magic. This is the same principle of magic used by Gnostics and other religious swindlers, since no later than early Semitic cultures of Mesopotamia, to hoodwink the credulous. It "works," not because there is rationality involved in the so-called proof; it is purely tricksterism, worthy of the priests of Abraxas, or of the cult of Delphi. The suckers are hooked by their own propensities for erotic moods of cupidity. Like all pro-satanic cults, the cult of the marketplace is based upon the catechism of Mephistopheles, the will to cheat, even at the price of a pact with the Devil.

In history, the waxing and waning of such cultish influences as that of "free trade," is associated with the increase or decrease of what is called "cultural pessimism." We are presented, as in the process of transforming depressed post-World War I Germans into future Nazi Party members, with the persons whose natural, childish optimism toward life is crushed, and who, in that degraded state of mind, lose faith in God himself, and would, if not altogether repudiating him, prefer, at least for a time, a cozy nook in Hell, to the glories of martyrdom. *Sic transit gloria Novak!*

The New Dark Age in progress

What is behind all this, which the pathetic case of Novak reflects? What is the inner logic which has caused the precipitous degeneration of religion in the U.S.A., and elsewhere, during the recent thirty-odd years? If we look at the condition of the Catholic Church, world-wide, for example, the proliferation of strange cults and alien doctrines there, is comparable only to the religious condition which spread through Europe like a pandemic during the Fourteenth Century's New Dark Age, the time to which modern Catholic officials frequently refer as that confession's "Babylonian captivity." The situation outside that Church, is, if anything, far worse, the decadence, even depravity, more virulent in its character and rapidity of spread. The history of this virtually world-wide pathology, suffices to prove that the root of the problem inside the Catholic Church, for example, has nothing to do with the inner proceedings of Vatican II.

The paradigmatic character of the onset of this presently accelerating global catastrophe, is the rapid spread of the "New Age" youth-counterculture, the rock-drug-sex counterculture, and the 1969-1970 launching of the mass-based "ecology movement" hoax. In the U.S.A., as in Germany, France, and Italy, for example, this countercultural ferment, was devised chiefly by the so-called "Frankfurt School" of Theodor Adorno, et al., in concert with the London Tavistock Clinic/Institute, and under the direction of the Prince Consorts of Britain and the Netherlands, with their World Wildlife Fund/"1001 Club" backing. The initial target of this countercultural operation was the university youth, in other words, those whose subsequent "march through the institutions"

would determine the philosophy and moral character of the future, top-most positions of power in government, universities, science, educational institutions, and churches.

Although then in a relatively very modest role, I participated in the losing, rear-guard effort to stem that countercultural tide, during the entirety of the second half of the 1960s. I did not succeed in that aspect of my efforts, except to earn the undying hatred of the other side, including the circles behind this operation, including the Ford Foundation's McGeorge Bundy. I know that history, in painfully intimate detail, as it is said, "like the back of my hand." I do not need statistics to tell me what happened; I knew, first-hand, promising young minds which were destroyed, step by step, over an interval of several or more years. From my experience with this in the U.S.A., and the nature of my increasing involvement in activities in other continents, I was pre-qualified to delve deeply, and clinically, into the similar processes ongoing in Europe and in Central and South America. From that combination of first-hand and correlated experience, then and later, I report that most of the published reports on the transformations of mind-set which occurred within the "68" university-campus generation then, are, in their principal features, fairy tales, composed to console some special pleading.

Very simply, two processes unfolding during the 1961-1968 interval, must be taken into account, to understand what happened to the minds of the majority of that U.S. generation of campus "Baby Boomers." On the one side, there was the optimism fostered by President Kennedy's manifest executive capacities in handling the steel barons and other matters, and, especially in the impact of his launching of the "crash program" for the later manned landing on the Moon. On the negative, depressive side, the obvious events, were the critical week of sheer terror during the 1962 missiles crisis, the subsequent assassination of the President, the post-Kennedy escalation of the Indo-China adventure, and the 1968 assassination of Reverend Martin Luther King. The pessimistic factors added up to a Tavistockian "shell shock," producing a stunning display of ultra-labile suggestibility in the majority of the campus student population which I was in a position to study, either directly, or through clinical study of the relevant proliferation of literature from radical-student and other sources from that period.

There was a deeper, less visible, but powerful stream, a stream more directly relevant to religious belief.

Cultural optimism in modern society is most widely associated with the individual's sense that he, or she is sharing with peers a personally confident outlook conveyed by the vernacular "I can do it," or, "I can learn to do it." In U.S. history, this quality of optimism is associated with a sense of actual or prospective participation in a generality of scientific and technological progress in qualities of products and science-related services, and in the productive powers of labor. Even in the case of the present, or former pupil who falls into Friedrich Schiller's category of *Brotgelehrte*, the pupil who

trains to sing for his, or her supper, not the music, something of the music slips through, as if osmotically, if the general social climate is one of optimism.

From the considerations I have outlined earlier here, the relationship between personal cultural optimism so fostered, and *agapē*, is obvious. The individual's reenactment of discoveries of principle, evokes that *agapē*, and encourages the student, for example, to seek to locate his, or her personal identity in terms of that experience of *agapē*, in so-called technical matters, but, also, a correlated enhancement of the disposition for enjoyment of this same quality in Classical forms of art. The most crucial factor in the manifest shifts to countercultural, existential pessimism, within the "68" generation, was, principally, the argument that the missile-crisis and the Vietnam escalation proved that the generation of the students' parents was evil in allowing these things to be brought about, and that technological progress was bad, and should be superseded by a flight from reality, into "inner" existentialist gratifications implicitly proposed by depraved Herbert Marcuse's *One-Dimensional Man*.

Characteristic of the shift, was the sudden eruption of "consumerism." Whereas previous U.S. generations had defined themselves as both producers and consumers, we were suddenly faced with a large ration of these students who viewed insanely those who produced the goods on which life depended, as if the working operatives who produced wealth were the arch-adversary of themselves, as consumers. In this specific connection, it would be difficult to overstate the shocking, almost amoebic degree of lability, which I witnessed within a sampling of the majority of the "68" generation. The victims of this lability became the self-defined "useless generation," parasites who took personal pride in the allegedly superior morality of that personal "commitment." In short, like Hermann Hesse's wretched *Steppenwolf*, they had developed such Heidegger-like, hate-filled, existentialist pessimism toward both society their own selves, that they filled the prescription of *Amazing Grace*—minus the rescue.

What happened to religion during those years, was no product of some suspected aberration within the proceedings of Vatican II. During those years, virtually the entire world had been driven morally insane. The 1962 missiles-crisis was as much a symptom of the issue, as a causal factor; it were fairly described as the detonator of a social charge of pessimism which had been building over the course of the century since the assassination of President William McKinley, brought those spawn of the Confederacy, Teddy Roosevelt and KKK co-sponsor Woodrow Wilson, into the U.S. Presidency. In addition, there was the accumulation of two World Wars, the fraud and evil of the Versailles Treaty, a deep Depression, the rise and horrors of fascism in Europe, and President Truman's willful plunging of the U.S. economy back into a virtual new economic depression, at the close of the war, an accumulation which exploded with the succession of cultural shocks hitting the world's adolescent campus popula-

tions during the middle of the 1960s.

Now, as to the immediate and longer-term future: what does the presently hegemonic, “New Age” cultural-paradigm portend for religion, and for the very existence of civilized life?

The short answer is, that the danger comes not so much from any other source as what we might conveniently identify as “The Sodom and Gomorrah Principle.” As measured in the only really meaningful terms, physical-economic terms, the U.S. economy has been contracting by a net amount in excess of two percent per year during the recent twenty-five-odd years, since 1970. The attempt to maintain financial profitability of some enterprises, has therefore found a substitute for national-economic profitability in escalating rates of looting of previous decades’ former capital investments, by both government and private interests, in all categories of basic economic infrastructure, education, physical-economic standard of living per-capita of labor-force, in liquidation of entire industries, and in the mountain of financial indebtedness which has been increasingly a substitute source of income for financial markets and personal-credit-card holders.

We have reached the point, world-wide, that this planet is currently operating, in physical-economics, so far below the break-even point, that any significant continuation of presently hegemonic “New Age” measures, such as those pushed with violence by Britain’s Prime Minister Tony Blair, brings us to the brink of the condition, that the inevitable chain-reaction disintegration of the present international financial bubble, would be echoed by a similar collapse of physical economy itself. Given the presently hegemonic cultural paradigms in policy-shaping of leading governments and supranational institutions, it would be inevitable that the planet as a whole, including China, would be drawn into an accelerating collapse of the conditions required to sustain human life, planet-wide. The combination of murderous anarchy, now being unleashed on Africa, and in the Korea peninsula, spreading across continents, launches the legendary “Four Horsemen of the Apocalypse” on all continents, portending a general collapse of the human population toward a maximum population of not more than the several hundred millions potential which was characteristic of this planet over the span of the centuries from the establishment of the Roman Empire into Europe’s Fourteenth Century.

This outcome is not yet inevitable, but, unless we change what must be changed very soon, it will become so.

The lesson to be applied, is the cruel fact, that during the estimated two millions years mankind has existed on this planet, most of the once-dominant cultures were eradicated for reason of their clinging too long to a cultural paradigm which doomed them, as cultures which had lost the moral fitness to survive, as if they were of the class of Biblical, doomed Cities of the Plain. For reason of many things, this present planetary civilization is very near to the brink of a global catastrophe of that type. I do not anticipate that such a



British Prime Minister Tony Blair. The “New Age” measures he advocates, will bring upon us the “Four Horsemen of the Apocalypse.”

collapse would end the existence of our species, though we are coming close to such a catastrophe. I anticipate, that as in most of human existence to date, cultures which have remained too long morally unfit to survive, are naturally purged from the human species, by such catastrophes as may be sufficient to expel such degraded cultural-paradigms from human culture at large. I do not propose that that outcome is inevitable in the present case; I propose, merely, that it will happen, unless we quickly change our ways, and repudiate the New Age cultural-paradigm-shift so visibly dear to those behind Britain’s Tony Blair today.

What is happening to religion, to Christianity in particular, may be viewed most profitably as an echo of the so-called “Babylonian captivity” of the Fourteenth Century’s New Dark Age. It were wiser of us, in viewing that state of religion today, to spend less effort in either adapting to, or lamenting such a state of affairs, and more in reversing it. For both practical and spiritual reasons, the most crucial aspect of the New Age corruption which must be reversed, if the U.S.A. is to assuredly outlive this century, is the kind of Manicheism which Michael Novak expresses by his gnostic’s reliance on “the magic of the marketplace.”

London uses food weapon to starve out North Korea

by Kathy Wolfe

Millions will die in the famine now ravaging North Korea, and food aid is being used to impose political conditions upon Pyongyang, Gerald Segal, head of the Asia Pacific Program at London's International Institute of Strategic Studies (IISS), told a journalist on June 24. "It is like during the Great Leap Forward, when 30 million Chinese died," he said; "something similar" will happen in North Korea. "Large numbers of people will die," no large amounts of food will "pour in," and "there will be no blind aid" freely given. At least half of North Korea's 24 million population is at risk, but none may eat—until London's political conditions are met.

Meanwhile, "a bit more than 5 million people are in such a bad situation, that they will die shortly if they don't get food now, and also medical assistance," International Federation of the Red Cross official Ole Gronning said in Geneva on June 20.

Yet, despite President William Clinton's personal support for significant food aid, the Anglophile current of the U.S. Department of Defense and State Department, including U.S. officials trained by Her Majesty's London IISS, continued on June 25-26 to repeat their genocidal mantra: that 2.6 million dying children in North Korea cannot be fed, because of an alleged "communist threat."

"We don't have an obligation to do a huge, comprehensive bailout, a subsidizing, of a communist economic system, as long as this regime is a deliberate threat to our allies and to us," said a spokesman for Deputy Assistant Secretary of Defense for Asia Dr. Kurt Campbell on June 26. There will be "no Berlin air lift-style program," only token shipments.

Campbell, who led a seminar at the National Defense University on June 25 to discuss scenarios for a collapse of North Korea, was a Fellow at London IISS. He took his doctorate at Britain's Oxford University, and has been funded by the British-run Olin Foundation. Campbell's spokesman

flatly denied reports in the June 26 *Wall Street Journal* that the Pentagon was mobilizing food relief for North Korea, saying, "We are doing no such thing."

State Department spokesman John Dinger on June 25 also repeated his department's standing policy that "we are not going to bail out a communist regime." The United States, he said, thus far has agreed to send about 60,000 tons, but no more—when 600,000 is the minimum needed.

Yet, when *EIR* injected the reality of *genocide* in North Korea into the Denver Summit of the Eight on June 22, asking President Clinton about the Red Cross alert, the President confirmed that he is anxious to ship the food. "I discussed this personally one-on-one with a number of the leaders," President Clinton replied, "and I believe you will see more action on this, and I'm certainly committed to that. I'm very concerned. . . . I'm deeply troubled."

Genocide, and treason

What is going on inside the State Department, the Department of Defense, and other agencies blocking the food aid, amounts not only to genocide, but to treason.

Lady Margaret Thatcher and her sympathizers such as Sir George Bush have already decided to push confrontation on the Korean peninsula to a "flash point," as *EIR* reported on June 20, to further Britain's game to encircle China with hot spots preceding the July 1 reversion of Hongkong to China. Thatcher, Bush, and this group have made it clear that their gameplan is to wreck President Clinton's policy for cooperation with China and peace talks in Korea—and to carve up China.

According to Lyndon LaRouche, "The key figure in the imminent genocide against an estimated one-fifth of North Korea's population, is Britain's Prime Minister Tony Blair. Blair appears to be the controlling influence in the South Ko-

rean President's blocking survival for the estimated 5 millions North Koreans now facing imminent death from famine." LaRouche said, after Blair met privately with President Kim Young-sam in New York on June 23, "I find it relevant, that Blair represents the same British Privy Council which is behind the holocaust still ongoing against millions of Hutus and others in Central Africa."

Segal at London IISS was the first to openly propose the partition of China in 1994. IISS fellow Campbell was a top influence in the DOD's February 1995 report "United States Security Strategy for the East Asia-Pacific Region," which identified China as a potential "hegemon" in Asia, and thus a supposed military threat to the United States. Unfortunately, the pedigree of the DOD's Campbell typifies the sort of London brainwashing through which so many U.S. officials have passed.

Thatcher's minions inside the DOD have even of late come out in public attacks against the President on trade with China. Dr. Peter Leitner, Senior Strategic Trade Analyst of the DOD's Defense Technology Security Agency, attacked President Clinton's China policy in testimony before the Joint Economic Committee of Congress on June 17. He charged Clinton with the "evisceration of our national security export controls," with exporting vast amounts of matériel to China, including "the open penetration of U.S. high-tech industries, national, and military labs by Chinese and other foreign nationals . . . the massive U.S. decontrol of supercomputers," and "wholesale transfer of military factories to China," including an entire B-1 bomber factory from Ohio.

This, in a world where China may not even buy a peaceful nuclear power plant from the United States.

This testimony was the immediate subject of a June 19 press release, "Leitner Blows the Whistle on Clinton," faxed throughout Washington by Frank Gaffney, an assistant secretary of defense in Sir George Bush's administration, who has been working closely with Thatcher, former Defense Secretary Sir Caspar Weinberger, and others who propose a U.S. military mobilization against China, North Korea, Iraq, Iran, and others that they label "rogue states."

Famine? What famine?

Segal made it very clear that the lie repeated by South Korea's Kim Young-sam government—"there is no famine in North Korea"—is emanating straight from London, as *EIR* has previously documented. "There are fears, that this is just another way of the regime to manipulate the international community," Segal said. North Korea's government is just showing pictures of starving children "to manipulate public opinion." In general, he said, there are widespread "doubts about the integrity and intentions of the regime."

What London wants, Segal said, is "political conditions" to be slapped on North Korea—which is a direct threat not only to the sovereignty of that country, but also to the national sovereignty of China, and meant to be seen as such in Beijing. "The discussion now among political leaders is about the

extent of political conditions put on aid. We need guarantees that aid is going to where it is needed," he said. One of the "conditions" Segal cited is that North Korea must agree to attend four-power talks among the two Koreas, the United States, and China. Another is that Western monitors must be allowed in to supervise food distribution.

The peace talks, which were proposed by President Clinton, are well and good, although they should be expanded to include Russia and Japan, *EIR* Founding Editor Lyndon H. LaRouche said recently. North Korea in fact wishes to attend them, diplomatic sources of all stripes have told *EIR*. Segal and his cohorts know that precisely the way to *prevent* peace talks, however, is to threaten North Korea with conditions, however ostensibly benign—because no nationalist government such as that in Pyongyang (or in Beijing) is going to do anything under threat of blackmail.

As to the right of Western agencies to "monitor" who eats in North Korea, not only is this less than Christian, but it is, again, a calculated attempt to raise hackles in Pyongyang, and make cooperation nearly impossible. "The regime is in a no-win situation: If they make no changes or if they won't, they are doomed," Segal said.

"The Chinese are in a most difficult situation," he said. The hope is that the North Korean regime will fall, and be forced under IMF-style free trade "economic reform." This would be an enormous threat to China.

"We are looking only at humanitarian aid" of the 60,000-ton scale already offered, Campbell's spokesman said. "We are not going to do large-scale overhaul of a communist system that's failing. We are not going in to feed everybody."

The aide went on, North Korean Premier Kim Jong-il is part of a faction "which contemplates the war option" by invading South Korea, in Campbell's view, confirming *Washington Times* reports of a press briefing Campbell gave on April 23. "There are some people in the North Korean regime that are very public and very outspoken about the fact that the only way they can survive is to attack and to be aggressive militarily. . . . As long as they will continue to be such a threat to South Korea, Japan, and the entire Asia Pacific area, we have no obligation to go in and bail them out."

Campbell's aide also threw cold water on efforts by President Clinton's representative, Rep. Tony Hall (D-Ohio), who urged a mobilization of food shipments after touring North Korea on April 4-7. "We have not had access, they won't let us travel over the countryside, we can't come up with an exact figure," the aide said. "Tony Hall will be the first one to tell you that he didn't get complete access. He has admitted that he was only shown what they allowed him to see."

Only "humanitarian assistance," which is too little and too late, will be permitted, the aide concluded. "There's a difference between going in and doing some humanitarian assistance to get them by the next 4-6 weeks, versus go in and do a one-year, two-year program—Berlin air lift-style. . . . We are not the remedy to their structural or systemic problems."

Mexico's Cárdenas is as fascist as the IMF

by Carlos Cota Meza

It is universally acknowledged in Mexico that the “conditionalities” that the International Monetary Fund (IMF) imposes in more than 100 nations around the world are based on the economic policy of Nazi Germany. So, what do we call someone whose bid for power in a country is premised on the planned application of those very same policies? Such is the case of Cuauhtémoc Cárdenas, who has taken off his mask while campaigning for the post of Mexico City's mayor in the July 6 elections, and stands revealed as what he has always been — a national-socialist.

Since the inception of his current electoral campaign, Cárdenas, candidate of the Party of the Democratic Revolution (PRD), has repeatedly insisted that he has “changed” since his 1988 Presidential campaign — when he cultivated an anti-IMF image. Now, he has declared himself a supporter of the free market and, along with other PRD leaders, has repeatedly assured Mexico's international creditors that the foreign debt of the country *will* be paid, come what may, and that the orgy of privatizations launched under President Carlos Salinas de Gortari (1988-94) will *not* be reversed. As Cárdenas told a group of New York bankers and businessmen last May, “We believe in the free market.”

With this program, and with such public guarantees, Cárdenas has just received the open support of none other than Michel Camdessus, managing director of the IMF. Speaking to the Los Angeles World Affairs Council on June 17, Camdessus claimed that a victory for the opposition should not be cause for concern, given that the opposition leaders (such as himself) will “behave responsibly” — a euphemism for sticking to the IMF's rules.

Camdessus's backing for Cárdenas's candidacy is intended to pave the way not only for his election to the powerful Federal District post, but also for the pro-terrorist PRD to capture the congressional majority, which the ruling PRI party has held for decades. These two developments would cause a dangerous paralysis of the Mexican Presidency and other national institutions, and would facilitate the bankers' plans for the disintegration of Mexico.

PRD's economic program

Camdessus has every reason to trust that Cárdenas and the PRD will “do their part”: a quick review of the PRD's Program for Economic Development with Social Justice, confirms that trust.

The PRD announced that in preparing its economic program, it not only used a “macroeconomic” model, but also a “microeconomic” and even “mesoeconomic” model! The words are meaningless: As the PRD members themselves explain, their program uses as its point of departure “the economic results of 1996 and some economic projections for 1997, very similar to the results of the Ciemex-Wharton economic model.”

The era of econometric modelling in Mexico was inaugurated during Miguel de la Madrid's term (1982-88), with the application of the University of Pennsylvania Wharton School of Business model. That model had been created by Lawrence Klein, who was given the Nobel Prize for economics as his reward.

The results were already quite visible at the end of the De la Madrid government: a budget deficit greater than that left by the previous López Portillo government, devaluation of the peso and hyperinflation, massive unemployment, and economic depression. However, Cárdenas and his technocratic whiz-kids now say that that same policy will create “5 million new jobs, of which at least 3.5 million will be permanent, and the rest, eventually.”

But in the “how” part of the program, one finds the following constructs: To create the million and a half “eventual” jobs, the PRD will promote “the creation of jobs in sectors with major participation in the market of non-commercial goods,” and to prevent “the increase of jobs impacting on the competitiveness of the economy on the international market, these will be created in labor-intensive branches of the economy, producers of wage-goods and low imports.”

“Non-commercial goods”? “Wage-goods”? This is nothing less than the infamous National Solidarity Program (Pronasol) of Carlos Salinas. The community will be organized, says the PRD, to construct “infrastructure works . . . as well as works related to public and social services, such as potable water and sewerage, street paving, electrification and housing, among others.”

Paragraphs like these can be found in any report issued by the Salinas government, and in any speech by Carlos Rojas Gutiérrez, President Ernesto Zedillo's secretary of Social Development (Sedesol).

Pronasol, whether it belong to Salinas or Cárdenas, has the same origin: the Obligatory Work Service (*Arbeitsdienst*) of Nazi Germany, created and run by Col. Constantin Hierl, who maintained that the idea of “obligatory work service means something very different from just a temporary resource born of difficult times, to fight massive unemployment. The idea rather incorporates the logical continuation and necessary fulfillment of the idea that led to obligatory education and obligatory military service.”

After World War II, nations ruled by communism created “voluntary” work services, “international brigades,” and later the famous Cuban “Pioneer” brigades, which were sponsored year after year by Cárdenas and his mother.

For the creation of permanent jobs, the PRD program proposes “to increase the generation of jobs in the agricultural, construction, and tourism sectors, as well as in the *maquiladora* industries.”

In other words, Cárdenas is promising the permanent application of the same program imposed by De la Madrid, Salinas, and now Zedillo, as well as by the PAN governors who claim to be the main job creators in the *maquiladora* zones of the country which, as is well known, have as their main “competitive advantage,” the availability of cheap labor. By saying that his job program “will not impact on international competitiveness,” Cárdenas is saying that he will not raise wages.

It is also important to note that Cárdenas and the PRD economic program propose a devaluation of the peso. According to the PRD, the Bank of Mexico’s monetary policy “has provoked an appreciation of the peso,” and as “the best alternative,” they propose “a flexible exchange scheme, favoring the lower end. A floating band with a floor but no roof, has the advantage of maintaining undervaluation, without running the risks of excessive inflows of money.”

PRD President Andrés Manuel López Obrador insists that he has no fundamental differences with President Zedillo. At least in this, they share the same economic policy. The government’s National Program for Financing Development also seeks a “free-floating” exchange rate, to be seen as “one more price of the economy.”

Cárdenas, Bush’s new darling

It is clear that Cárdenas has already told certain political forces in the United States what he will do should he reach power in Mexico. One can attribute to this the shameless promotion that Cárdenas is receiving from representatives of George Bush’s “new world order.”

In a forum offered by the Washington-based Brookings Institution, Richard Feinberg, currently a dean at the University of California, former director for Latin America of President Clinton’s first National Security Council, and the ex-president of the Inter-American Dialogue, spoke of Cárdenas’s “probable victory,” and urged Wall Street not to “exaggerate” or “mistakenly interpret” such a victory. Feinberg, a longtime advocate of ousting the PRI, expressed confidence that Cárdenas’s PRD is sufficiently “mature” to avoid provoking any shocks to the financial markets. He added that many Ibero-American leaders were coming to power with “populist” ideas, only to undergo a metamorphosis and become adherents of the “free market.”

Reiterating comments that he made in early 1994, Feinberg boasted that the Zapatistas were alive today, thanks to the North American Free Trade Agreement (NAFTA), whose pressures forced the Mexican government to refrain from a military response to the terrorists. The PRD today serves as a legal facade both for the Zapatistas in Chiapas, a state rich in oil and minerals, and for the Popular Revolutionary Army,



Cuauhtémoc Cárdenas now declares himself a supporter of the free market, and receives the blessing of the IMF’s Camdessus.

based in the drug-producing state of Guerrero.

The Inter-American Dialogue was created in 1982 as a southward extension of David Rockefeller’s Trilateral Commission, and its purpose is to prevent a resurgence of nationalism in that portion of the hemisphere; national armies must be destroyed, and a “collective military force” created, to “preserve,” “defend,” or “impose” so-called democracy. It further proposes the “selective” legalization of drugs and the imposition of “limited sovereignty.”

Julius Katz stated at that same forum that “the expectation is that Cárdenas will win and the PRI will lose the Congress,” but that “nothing will happen” to the markets. Katz stated that Wall Street has “already assimilated” the probable victory of the opposition in Mexico. Katz is recognized as George Bush’s number-two NAFTA negotiator; he is also one of the advocates of the idea that “intelligence operations are carried out through trade,” a concept imposed since Bush was CIA director. That idea led directly to the creation of a “private CIA” at the service of the world’s leading trade cartels.

Feinberg and Katz were promoting a book, *Coming Together? Mexico-U.S. Relations*, written by Luis Rubio, a former Mexican officer of Citibank during the Salinas de Gortari government, when Salinas’s brother Raúl laundered millions of narco-dollars through that banking institution.

So, what are these banking agents doing, giving their support to Cuauhtémoc Cárdenas? Laurent Kabila, the Hitler of Zaire, first made his deals with the great mining consortiums, and then came to power. The PRD’s Program for Economic Development with Social Justice, 1998-2000, shows that Cárdenas has struck his deals, as well.

London marcher lords prepare final solution for Burundi

by Linda de Hoyos

A “final solution” against the Hutu population of Burundi is being prepared, according to a June 17 release from the National Council for the Defense of Democracy (CNDD) issued from Brussels.

This final solution will come at the hands of the Burundian monoethnic Tutsi military, in combination with forces from Yoweri Museveni’s National Resistance Army of Uganda, from the Tutsi Rwandan Patriotic Army of Paul Kagame, and from forces reportedly promised by Laurent Kabila, President of the Democratic Republic of Congo—the same mercenary force that seized Zaire in a seven-month war of genocide from November 1996 to June 1997, funded in part by British Commonwealth mining companies. Now, the CNDD warns, Burundian Hutus are in for the same murderous treatment as this marcher-lord force gave to the Rwandan and Burundian refugees in Zaire.

The Tutsi military of Burundi

Since July 25, 1996, Burundi has been ruled by a military junta led by former President and military dictator Pierre Buyoya. Buyoya overthrew the last vestiges of the government that had been elected in June 1993, led by Melchior Ndayaye, head of the Frodebu Party. In October 1993, Ndayaye was brutally murdered in an attempted coup from the Burundi military. The Frodebu is a multi-ethnic party, but the Burundi military has been monoethnically Tutsi since 1966. After the assassination of Ndayaye, the international community worked to impose on Burundi a power-sharing agreement, begun in September 1994, which gave increasing powers to the Burundian military at the expense of the elected government.

Meanwhile, as *EIR* has documented, the military carried out a systematic campaign of assassination against both Hutu leaders, and especially against any Tutsi leader who opposed the caste-superiority mentality of the Tutsi militarists. Over half of the country’s 15 provincial governors were murdered over the span of two years; one-third of the elected parliament was assassinated or forced to flee the country for their lives.

When former U.S. Ambassador to Burundi Robert Krueger in 1995 protested the assassinations and the military’s unrelenting murder of Hutu farmers, his life was threatened by radical forces associated with the Tutsi military, and at one point, his convoy, during a tour of the countryside, was attacked, and Krueger barely escaped with his life.

The government of President Sylvestre Ntibantuganya eventually became a mere fig-leaf for the growing power of the Burundi military.

The only force that has offered a significant challenge to the Burundian military is the CNDD, founded by Leonard Nyangoma, the interior minister in the Ndayaye government who is credited with organizing the June 1993 election victory of Frodebu. Forced to flee for his life from Burundi in March 1994, Nyangoma organized the CNDD and its armed wing, the Front for the Defense of Democracy (FDD), convinced that Hutus and allies in Burundi must defend themselves from the Tutsi military.

Over the past two years, the FDD has made it impossible for the Burundian military to rule over large sections of the country, especially in the north. By the end of 1995, Burundi was in the midst of full-scale civil war. At the point that Tanzania, in combination with the Organization of African Unity, was preparing to bring a so-called “peacekeeping force” into Burundi, the Burundi military pulled a coup on July 25, 1996, ousting the Ntibantuganya government completely.

The coup was ostensibly carried out to preclude the deployment of any foreign troops on Burundian soil; however, the coup was also a precondition for the invasion of Zaire from Rwanda, Uganda, and Burundi that followed in October 1996. Among the targets of the Zairean invasion were the FDD and CNDD bases of operation in Zaire, opposite to Burundi. Many Burundians were killed in Uvira and Bukavu, Zaire, in the first days of the invasion of Zaire. Further, even the British-tainted United Nations High Commission on Refugees (UNHCR) and aid agencies reported that, as Burundian Hutu refugees were driven back into Burundi, they were met with ferocious slaughter by the Burundian military. Protests to the UN Security Council brought no relief for Burundian refugees, however. In May, Peter Kessler of the UNHCR told the *New York Times* that, in Burundi, “it’s really dangerous” for returning refugees. “The International Red Cross pulled out after some of its delegates were killed. The UNHCR has no presence in the countryside. Three provinces are completely banned to aid workers for security reasons.”

Back to Burundi

Now that the job in Zaire appears to be completed, London’s marcher-lord forces are now turning their attention back

to Burundi. On the weekend of May 24-25, top officers of the Burundian and Rwandan military met to map out their strategy. Reports from Uganda have indicated that in early June, up to 3,000 Ugandan troops were being deployed to Burundi to aid the military against the FDD. As of June 25, Rwandan and Ugandan troops were massing at Uvira, Congo, directly opposite the capital city of Bujumbura. In this context, the CNDD release specifies that:

"1. The military regime in Bujumbura is preparing for a total war against Hutu populations and the CNDD's freedom-fighters in the following manner:

"1.1. The regime's Ministry of Defense has ordered a huge number of Mortar 60, as many as to equip every section of six soldiers of their army. The first consignment has already arrived via Angola.

"1.2. After receiving all the mortars, there will be a generalized attack against the population, and against the CNDD positions all over the country.

"1.3. The said invasion will lead the army into an invasion of Tanzania directed at the Burundian refugee camps. The army plans to kill as many healthy men as possible, and then to proceed to a compulsory and forced repatriation for the men who would have survived the slaughter, plus women, children and old people, exactly like it happened in Zaire/Congo recently.

"1.4. The junta minister of the interior, Epitace Bayaganakandi, said on May 19, 1997 in Gitega town, that Laurent Kabila in Congo-Zaire has promised to help them.

"1.5. Civilian Tutsi are being trained in secret. Their role will be to remain the rear base of the army and to guard the Tutsi population against retaliation and to guard the strategic points in the absence of the army which will be up-country and in Tanzania."

It is possible, the CNDD notes, that the campaign against the Hutus in Burundi will involve the removal of President Buyoya, and his replacement by Jean-Baptiste Bagaza, the military dictator of Burundi from 1978-87. Bagaza is chairman of the Parena Party, which opposes any negotiations with the CNDD or any other parties. Bagaza, who handed over Burundian state money to fund Yoweri Museveni's war to power in the Ugandan bush in the early 1980s, is known to coordinate closely with both Museveni and with Kagame in Rwanda.

Another key player is Mathias Hitimana, a Burundian arms dealer who carries a Belgian passport. Hitimana had funded and help organize the attempted coup of June 1993 against Ndadaye. Hitimana travels frequently to Kampala for consultations with Museveni, according to sources.

It is the Tutsi forces arrayed around Bagaza and Hitimana who are demanding that there be no negotiations to settle the war and constitute a government. The CNDD and Buyoya have held preliminary negotiations in Rome, under the aegis of the Community of Saint Egidio. In addition, there are negotiations scheduled to begin at the end of June in Arusha, Tan-

zania, under the auspices of former President Julius Nyerere, which would include the CNDD, the Buyoya government, and factions of the Frodebu led by former Speaker of the Parliament Jean Minani. This latter group wants a return to the conventional agreement of September 1994, whereas the CNDD is demanding the implementation of the Constitution of March 9, 1992, which ensures national elections, among other key points.

In the meantime, fighting is intensifying in Burundi, with fighting 15 miles from the capital city of Bujumbura.

Final solution already in progress

But, against the backdrop of war and fighting, the Buyoya regime has already begun a final solution for the Hutus of Burundi. In December 1996, the military regime began rounding up peasants and placing them in concentration camps. Today, there are up to 50 camps in 6 out of the 15 provinces of Burundi, holding 800,000 people. Uprooted from their homes and with no means of subsistence, these people are being starved to death and are also dying of disease, given the terrible health conditions in the camps.

The World Health Organization reported on May 12 that the camps were the site of the "most severe typhus epidemic in the world since the Second World War." Over 20,000 cases were reported in two northwest provinces. WHO official Bernard Lala noted that the sickness "always comes in the wake of war. . . . Its spread is accelerated by the close proximity of people in the camps."

The UN Department of Humanitarian Affairs also noted in April that the camps represented "catastrophic conditions" for those forced into them. A team from Doctors Without Borders found a malnutrition rate in the Karuzi camps of 18.7%, with severe malnutrition at 4.9%. The U.S. State Department has also protested the mass incarcerations, the last time in April, stating, "The United States finds Major Pierre Buyoya's self-declared Interim Government's policy of forced regroupment to be highly objectionable. . . . The forced resettlement of civilians into camps disrupts traditional rural life and places an already vulnerable population at risk of violence, malnourishment, and disease. . . . Until all Burundians are allowed to return freely to their homes and farms, the U.S. government will hold Major Buyoya and his government responsible for the lives and welfare of the inhabitants" of the camps.

However, it is now two months later, and the incarceration policy remains, as Hutus, particularly the very young, the very old, and pregnant women, continue to die in the camps.

The situation highlights the problem: The Burundi military has repeatedly demonstrated its capacity for ruthless mass murder, and is preparing now for a final solution to the Hutu problem in Burundi. Unless the United States takes action against the British Empire and its unleashing of the marcher-lord forces of Museveni, Kabila, and Kagame, the world can expect to see many horrors to come in Africa.

London's plan for destroying Africa

Linda de Hoyos addresses a seminar in Washington on June 18, which released an EIR Special Report, "Never Again! London's Genocide Against Africans."

I would like to try to give you an idea of what type of evil has been unleashed in Africa, and how it has been unleashed deliberately, and therefore, by virtue of the evil that it represents, under any circumstances it would have to be stopped.

I would like to begin by reading some quotes from a very interesting paper that was written in 1969; you can find excerpts from it in the *EIR* Special Report. The paper is entitled, "Fanon's Theory of Violence: Its Verification in Liberated Mozambique." The author of the paper begins by quoting from Frantz Fanon, who is the author of *The Wretched of the Earth*, the Little Maoist Red Book for many so-called revolutionaries. He quotes from Fanon as follows:

"At the level of individuals, violence is a cleansing force."

The author then proceeds to comment, "Fanon advocated violence in order to bring about total and authentic decolonization. He says, 'Decolonization, which sets out to change the order of the world, is, obviously, a programme of complete disorder. But it cannot come as a result of magical practices, nor of a natural shock, nor of a friendly understanding. The naked truth of decolonization evokes for us the searing bullets and blood-stained knives which emanate from it. For, if the last shall be first, this shall only come to pass after a murderous and decisive struggle between the two protagonists.'" In other words, says the author of the paper, "Fanon acknowledges *violence as the highest form of political struggle.*"

The author then proceeds to relate the way in which this concept was put into practice: "More important still, it was more remunerative to get the masses themselves to kill enemy troops. Such *visual aids* help the native—the dehumanized black man—to realize his potentiality and power vis-à-vis his enemy."

In other words, the author believes: "*Violence is the highest form of political struggle; power lies in the capacity to kill.*"

The author of these words is Ugandan President Yoweri Museveni. I can tell you absolutely for sure, that he would not repudiate one bit this paper, which he wrote as his dissertation in 1969 at Dar Es Salaam University. Last weekend, he founded, at Makerere University in Kampala, a replica of his Revolutionary Student Front, which he had organized and led in Dar Es Salaam, and which included John Garang and Stokeley Carmichael.

However, I do not think that Museveni has the last word on decolonization or how to fight oppression. Another leader was far more prophetic about what would unfold in Africa over the last three years. And this man wrote the following:

"Hence, the basic question which confronts the world's oppressed is: How is the struggle against the force of injustice to be waged? There are two possible answers. One is, resort to the all too prevalent method of physical violence and corroding hatred. The danger of this method is its futility. Violence solves no social problems; it merely creates new and more complicated ones. Through the vistas of time a voice still cries to every potential Peter: 'Put up your sword!' The shores of history are white with the bleached bones of nations and communities that failed to follow this command. If the American negro and other victims of oppression succumb to the temptation of using violence in the struggle for justice, unborn generations will live in a desolate night of bitterness, and their chief legacy will be an endless reign of chaos."

The man who wrote that was Martin Luther King, Jr. It is not at all accidental that Museveni wrote his paean to violence one year after Martin Luther King had been killed.

But it is in fact Martin Luther King, and not Museveni, who accurately predicted what would occur in Africa, as we can see from the results of the convulsive revolution that Museveni has unleashed in eastern Africa since 1990. Here we see the headlines of the *Washington Post*, Oct. 13, 1990: "Invasion Stirs Tribal Tensions in Rwanda"; the *New York Times* Oct. 7, 1994: "Mass Graves Found in Rwanda"; the *New Africa* magazine of July 1994, "The New Genocide." The picture at the bottom is the famous scene of the bodies of human beings floating in the Kagera River.

We skip now to the invasion of Zaire in 1996-97: the *London Times* of April 30, 1997, "Aid Workers Catalogue Barbarities of Zaire Rebel Forces"; *New York Times* of May 22, 1997, when the news of the horrors in eastern Zaire finally began to break in the U.S. press after a silence of six months, "Reports Point to Mass Killing of Refugees in Congo"; and the *Washington Post* of June 11, 1997, "Massacres Were a Weapon in Congo Civil War," which indicates quite correctly that the massacres were not an epiphenomenon, but were a central part of the military strategy for taking Zaire.

This is the train of violence that has been wreaked by



Ugandan President Yoweri Museveni (right) in Germany, January 1996, with German President Roman Herzog. "Violence is the highest form of political struggle; power lies in the capacity to kill," wrote Museveni, who compares his British-directed drive to create an East Africa empire, with what "Hitler did to bring together Germany."

Yoweri Museveni as the *British* warlord of Africa today. What the EIR Special Report shows, and what I will briefly amplify here, is:

1. That far from being an "anticolonial convulsion" to bring in a new order, Museveni's doctrine of violence in East Africa is bringing about the *recolonization* of Africa.

2. That the soldiers of Museveni's National Resistance Army, of Paul Kagame's Rwandan Patriotic Front, of Pierre Buyoya's Tutsi Burundian military, are not finding their liberation in killing colonialist white men, but that the 3 million victims of their violence in the last three years have been black Africans. Probably at least half of those black Africans are children under the age of 15; and probably at least a third are victims dead at ages under five years.

3. That far from eradicating ethnic divisions, Museveni's theory of violence has unleashed the most ferocious ethnic warfare we have ever witnessed.

4. That far from ushering in a United States of Africa, Museveni's marcher lord force is bent on destroying the nation-state in Africa itself.

5. That the beneficiaries of such violence are not the citizens of the victim nation, of course, but not even the citizens of the aggressor countries, but are the *mining companies*, the crown jewels of the British Privy Council and the British monarchy, who have already established their deals with Museveni, Kabila, and others.

6. That far from ushering in a new Africa that will be industrialized and prepared to enter the 21st century, Muse-

veni will return Zaire and rest of the African countries under their control back to the days of the *Heart of Darkness*, when mining companies and private companies come in, set up enclaves for extractive production, and the rest of the territory is left as a *terra incognita*, with nothing, absolutely nothing, for the rest of the population.

7. That far from being independent-minded revolutionaries, not listening to the Western world, Museveni, Kabila, Kagame, Buyoya are basically puppets of the British ambassadors to their countries, or the British Ministry of Overseas Development, which has sent dozens and dozens of personnel into Uganda, to work in the second positions throughout the state bureaucracy.

8. That the conquering of Zaire had nothing to do with liberating Zaire from a derelict and despicable dictator, but was designed to capture Zaire's mineral wealth and use Zaire's position in central Africa as a springboard to let loose a quagmire of spreading death and chaos.

9. Lastly, we can show that if the Clinton administration does not take decisive action to halt this Museveni marcher lord force, it is the United States—not Great Britain, or its junior imperial partner France—that will be blamed for the spreading holocaust of death and destruction, as is already happening. This blame is already beginning to be stated.

Uganda the linchpin

The linchpin for London's operation to destroy Africa is Uganda, which has to do with Uganda's geopolitical position.

First, in terms of population density of Africa, Uganda has an area around Lake Victoria that has a relatively high population density, compared to other areas in Africa. Uganda is also right next to the areas of Rwanda and Burundi which also have a relatively high population density. If you were, as Prince Philip enjoys doing, unleashing a population war, Uganda, with its military tradition, would be one of the first places to look to start such a war.

Uganda is also an extremely important country to be under the control of British intelligence, because it stands at the headwaters of the Nile River Basin (Figure 1).

Figure 2 is a map of the shields of Africa and “X” marks the spot there for Uganda. The crystalline area is the mineral-rich area; the sedimentaries are oil; and the crystalline area is the minerals. You can see that Uganda is in a strategic position.

Although Uganda is landlocked, which is a disadvantage for itself, Uganda’s location, right at the center of East Africa, makes it a perfect springboard into Sudan, into the Horn of Africa, to the west into Zaire, further south down into areas generally associated with South Africa.

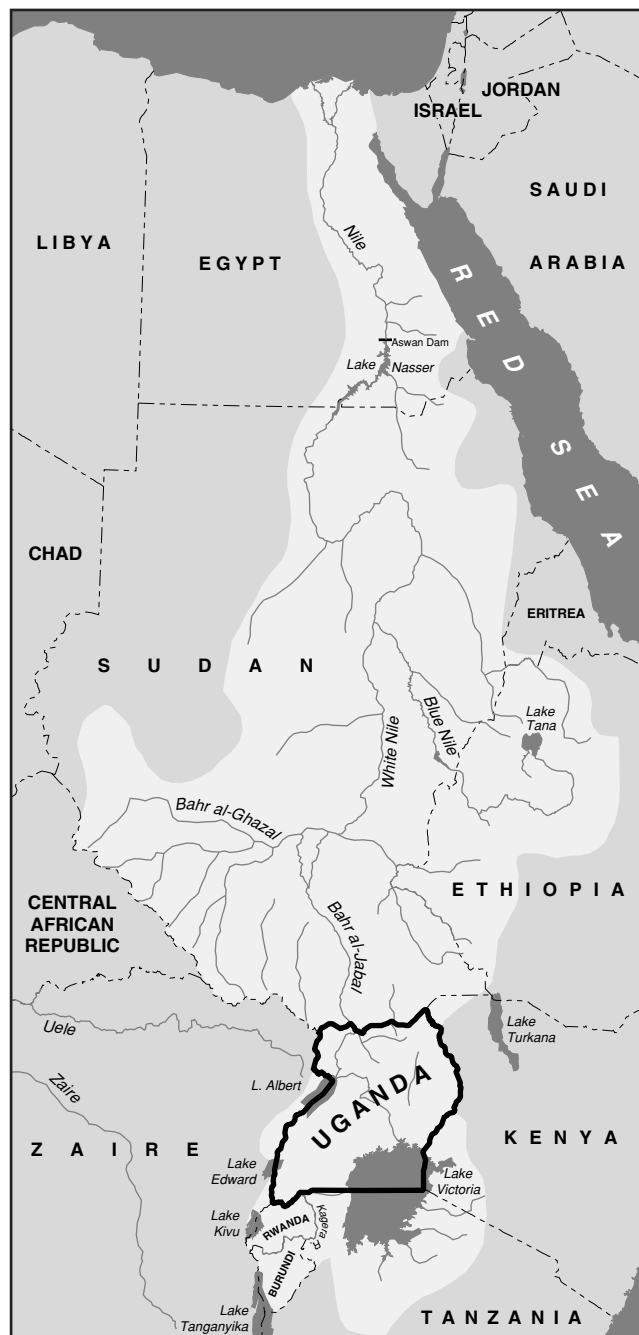
This is the Uganda to which Museveni came to power in 1986. The man put into power in this linchpin country had been properly trained in this theory of “purgative violence,” permanent “social revolution,” chaos without end. Museveni’s war in the bush, from at least 1983 onwards, was backed by the Lonrho corporation; it was backed by the Tutsi government of Burundi; it was backed by Mashood Abiola of Nigeria, who was also a moneybags for Museveni; it was backed by Libya. In 1983, once John Garang had relaunched the war against Sudan in southern Sudan, Museveni began to enjoy the aid of the Western press, largely through the services of Roger Winter, of the U.S. Committee of Refugees. A drumbeat began in the Western press against the government of Milton Obote, and Museveni was finally able to come to power—in the middle of negotiations, mind you—in Kampala in 1986.

Since 1986, let’s see how far Museveni has come.

By 1994, Uganda had taken over Rwanda, which was also attached as a unified command with the Tutsi military of Burundi. The Tutsi military in Burundi was more of an aberration in the region, up to this point. However, with the taking of Rwanda in 1994, this becomes a tripartite military combine. In the same year, Eritrea, led by Isaias Afwerki, who was also a Dar Es Salaam baby and longstanding friend of Museveni, suddenly decided to break relations with Sudan, and Asmara, Eritrea, became the base of operations of the Deputy Speaker of the House of Lords, no less, Caroline Cox, who traipses in there constantly, to organize the so-called political opposition to the government of Sudan, the National Democratic Alliance. So Eritrea comes into the map.

Under great pressure, finally in July of 1995, Meles Zenawi, another communist, an offspring of the Albanian Communist Party, succumbs to pressure from the United States

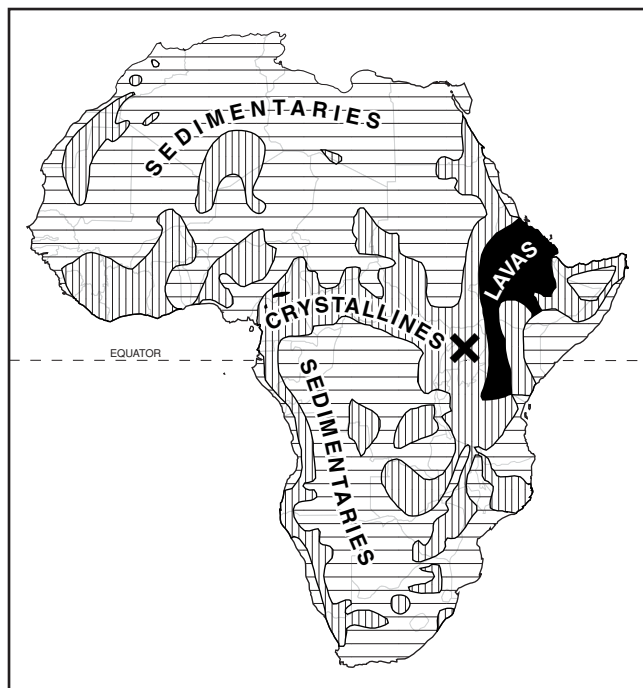
FIGURE 1
The Nile River system



and Britain, and announces that the government of Sudan is responsible for the attempted assassination of Egyptian President Hosni Mubarak, when Mubarak was in Addis Ababa for the summit of the Organization of African Unity in June 1995. This charge became the excuse for preliminary sanctions being imposed on Sudan, and further sanctions could still be imposed. Ethiopia joins the Museveni combine.

FIGURE 2

Rock formations of Africa



Uganda (marked with cross) is at the center of the strategic mineral deposits of central Africa.

In 1996, Mozambique, site of Museveni's successful field studies, joins the British Commonwealth, which gives an indication of where their sympathies will lie.

Here we are in June 1997 (*Figure 4*); a lot of progress has been made. First, is the seven-month war against Zaire, which was successful after the six-year "eating out" of Zaire since 1990. This takeover was accomplished with Angolan troops, with logistical aid from Zambia, Tanzanian troops were involved in the training; Eritrean and Ethiopian troops were also involved in the training of Kabila's forces. Kabila himself did not have that many forces; it is now widely admitted, as the *Washington Post* did last week, that most of Kabila's forces are Ugandan and Rwandan. I think we could say that, from a propaganda standpoint, the "Banyamulenge rebellion" has bit the dust—it no longer exists in anybody's mind.

In January 1997, there was an invasion of Sudan from the east, and from the south in March 1997 by Ugandan forces. These invasions were not successful, but a low-intensity war continues against Sudan in its territory.

Three factors for success

What makes the stunning success of this marcher lord force successful? I would like to identify three factors.

First, is the *erosion* and *collapse* of institutions of national

sovereignty within African countries themselves—primarily through the vehicles of the International Monetary Fund, the World Bank, and diplomatic pressures, in combination with the cataclysmic fall in the terms of trade for African exports. African economies have been reduced to terrible situations, reversing the gains that had been made in the 1960s and early 1970s. Now, African nations face a collapse of their life expectancies as a result of this. Therefore, the economy has driven a collapse of national institutions in African countries, which might otherwise have been able to resist this onslaught.

Second, if you become a marcher lord on London's behalf today in Africa, you get money. Uganda has received debt relief and other forms of donor largesse. In the case of Ethiopia, in December 1996, one month before Ethiopia invaded Sudan, the donor countries decided to give Ethiopia over the next two years \$2.5 billion, which is a phenomenal sum of money for any African country to receive. This is half a billion more than Ethiopia had even asked for!

Money also comes in through the hiring of national armies as *mercenary* forces. It has to be understood that the army of Uganda, the army of Rwanda, the army of Burundi—are *no longer national institutions*. They have nothing to do with the national interests of Uganda. If you ask Ugandans, whether they agree with Uganda's wars of aggression against Zaire and Sudan, 85% at least would say, "What are we doing this for? What does this have to do with us? Isn't all the money we need being siphoned off for war? We have no problem with our neighbors." So this marcher lord policy has nothing to do with the national interests of the aggressor countries.

What we are seeing is a mercenary force, and even in the press, this is not even hidden. As is well known, the De Beers company, in the last week of April, gave Kabila a chunk of money to continue his march across Zaire. We know that on May 9, there was a conference in Lubumbashi. The American presence at this conference was highly publicized; however, let's look at the roster of companies that gave \$50 million to Kabila right on the spot to finish the job. They were: Value Investing, London; Bunting Warburg, Switzerland; Goldman Sachs, United States; Deutsche Morgan Grenfell, Germany and Britain; C.M. Olivier, Canada; Canadian Imperial Bank; Northern Mining, Canada; Nile International, United States; National Securities, Britain; Marathon Securities, Canada; Yorkton Securities, Britain.

America Mineral Fields, based in the home town of Clinton, is a *Canadian* firm, an offspring of De Beers, which itself is owned by Anglo American. There is Barrick Gold, which has the former President of the United States, Sir George Bush, prominently on its international advisory board. This is a Canadian company. These are the crown jewels of the British Commonwealth coming into this region *behind the armies, behind the Dar Es Salaam revolutionaries*, to clean up the strategic minerals of the Great Rift Valley down the eastern side of Africa. This is another reason why even today, Kabila is not too interested in western Zaire, since it does

not have the strategic minerals that the British controllers of Museveni et al. are really after.

The idea is that as these armies move through, these regions will be recolonized by private companies. There will be no colonial administration. It is not going to be back to the “good old days” of colonization; forget that. We will be back to the Belgian Congo of King Leopold.

You don’t have to take my word for it, because in the *EIR* Special Report, we have James Morgan of the BBC’s World Economic Service, evidently doing his duty, by commenting on May 27, 1995, that:

“The state has broken down in much of Africa: Sierra Leone, Rwanda, Somalia, and others have ceased to function. The UN Development Programme says this is a growing trend. . . .

“Yet, should many of these places be states in the first place? If some countries, especially in Africa, were to be run along the lines of commercial enterprises, rather than states, investors might find much that was attractive.

“Why should not states in Africa follow the example set by the corporate sector itself? . . .

“This is not an argument for imperialism. Instead, groups of small countries could form some kind of federation and buy in common services. The World Bank and IMF are involved in

setting up tax systems for their clients; they could go the whole hog and run the tax-collecting operations.

“Other international institutions could play a more useful role than they do today by actually becoming suppliers of what have been regarded as government services. Private bodies could be involved. Overseas representation—who know? Moody’s?

“What room does this leave for democracy? That question can be asked everywhere. In a world where the bond markets dominate much of the decision-making process in the wealthiest nations, democracy is, in one sense, on the way out. . . .”

This gives a good example of how what we see in Africa today is the future of us all, if we do not act.

The third factor that has made the advance of Museveni’s marcher lord force so stunning, is a unifying ideology of the major commanders of this force. This harkens back to Museveni’s glory days at Dar Es Salaam University, which we reprise in the *EIR* Special Report.

Granted that Museveni was at Dar Es Salaam University a while back, is this real today? To find out, we found a book called *Pan Africanism, Politics, Economics, and Social Change in the 21st Century*. This book reports on the Seventh Pan-African Conference, which was held in Kampala, Uganda, April 3-8, 1994. Those days are significant, because in the middle of that conference, on April 6, two Hutu Presidents were murdered at Kigali airport, and the holocaust of Rwanda began.

The Sixth Pan-African conference had been held in 1976. Eighteen years later, the Seventh was held in Kampala, and rallied forces to the precise ideology that lay behind what was to ensue in East Africa in the next three years. The introduction to the book is called “Reclaiming Africa for Africans: A History of Pan-Africanism from 1960 to 1994.” This is by Nigerian writer Tajudeen Abdul Raheem. He does not sound too differently from the BBC—there is a certain difference in flavor, not in content.

He writes: “Since the late 1950s, there has emerged a proliferation of states which Pan-Africanists may not recognize as they epitomize our lack of unity and we must get rid of them.”

One such small state—Rwanda—was being gotten rid of, as he spoke.

He continues: “Our not agreeing with their existence, however, does not remove the fact that they are there and we have been up to now unable to do anything about them. The fact that most of them are illegitimate if judged against the goal of satisfying the greatest interest of the greatest number of our peoples is not the issue.”

This man then makes perfectly clear that any Pan-African state, or a United States of Africa, will not come about through a process of cooperation, collaboration, development, and diplomacy. Anyone who were sane, would say that the route to a United States of Africa would be by building up African

DO YOU KNOW

- that the American Revolution was fought ~~against~~ British “free trade” economics?
- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?



READ

The Political Economy of the American Revolution

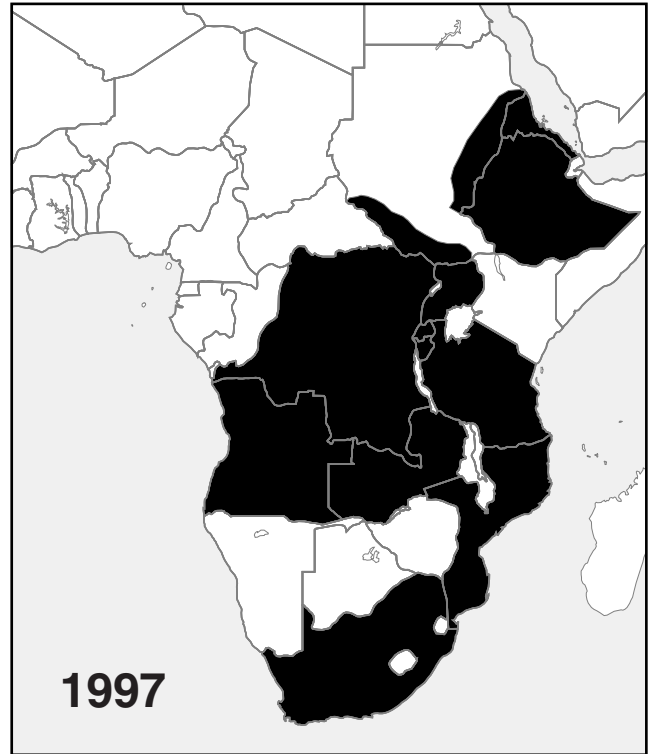
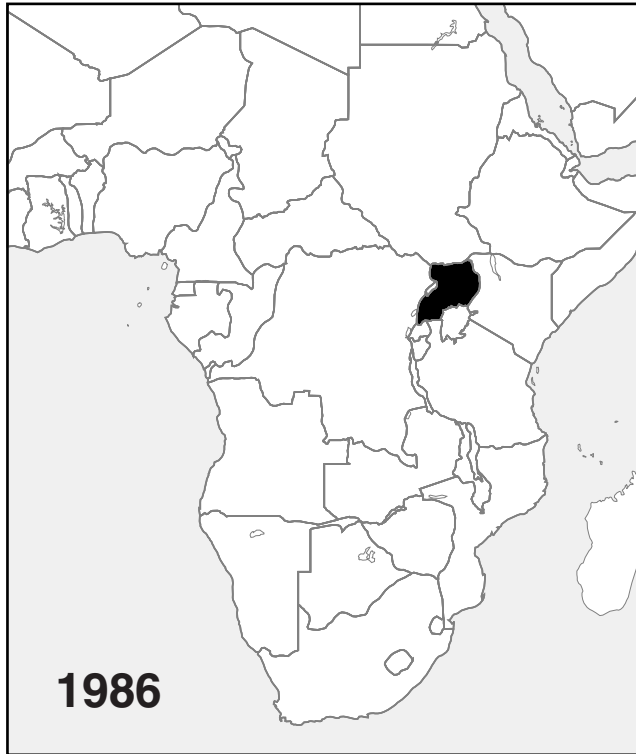
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FIGURE 3

London's marcher-lord force



nation-states, organizing them around a community of principle, in cooperation around development projects and the education of our people, and on this basis, and through the trade that follows among nations, then we would begin to break down the borders, as we reach a greater commonality of interests.

That is not his idea, however. He makes clear: The Pan African “movement, though it has its cultural and social components, has always had as its primary goal the seizure of political power by Pan Africanists.” The idea is to put the Pan-Africanist revolutionaries in power in each location and they, with their armies and their violent methods, can then dissolve the borders by military fiat.

The most dramatic presentation at the conference was by Arthur S. Gakwindi, who is today deputy ambassador of Uganda to Ethiopia, with special responsibility for the Organization of African Unity.

Gakwindi calls for the redrawing of the borders which were etched out at the 1884 Berlin conference. He says: “The breakdown of central authority in Somalia and Liberia, the destructive civil wars that have crippled Angola, Mozambique, and Chad, the threats of secession in Sudan and Zaire, as well as the ethnic tensions that abound in many states on

the continent . . . all call for the re-evaluation of the viability of post-colonial African states and the sanctity of their borders.”

He then says that the “center of the problem does not lie in *economics*, but in politics. Africa’s economic stagnation is the result of *political stability*, and not the other way around” (emphasis added).

In other words, “It’s all indigenous, folks.” The IMF has never been a problem; the World Bank has never been a problem. Nobody ever came in and manipulated an ethnic war. There is no legacy of colonialism—it is just that you guys don’t know how to behave. Once we *teach* you how to behave, then we will be able to march forward. That is Gakwindi’s idea.

Then he presents his map. This is the New Africa. This is the plan (**Figure 3**). It is interesting that Uganda in this plan somehow remains intact. Just about everyone else loses something; Ethiopia loses a little sliver there. Sudan goes: cut right in half. These six fiefdoms, which are to be administered, presumably, by Moody’s and IMF tax collectors, will be brought into being through *war*.

The Pan-African Congress was three years ago. Is it really the plan for today? We called up Col. Kahima Otafiire to find out. He is the chairman of the Pan-African executive

FIGURE 4

Museveni's plan

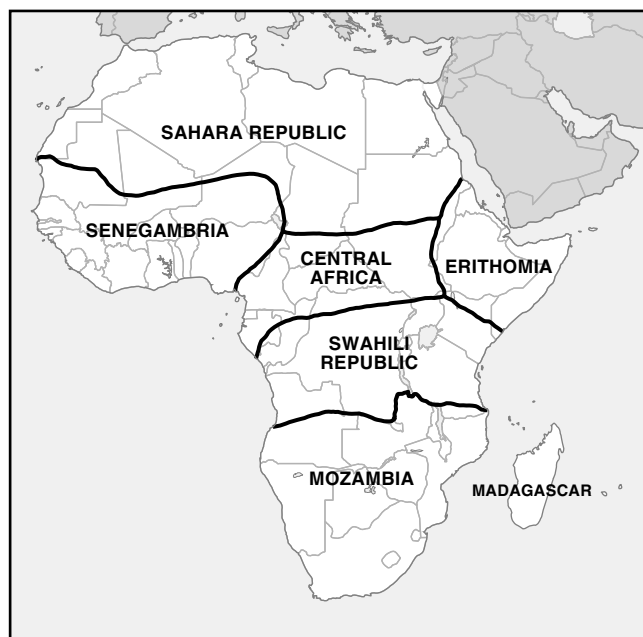
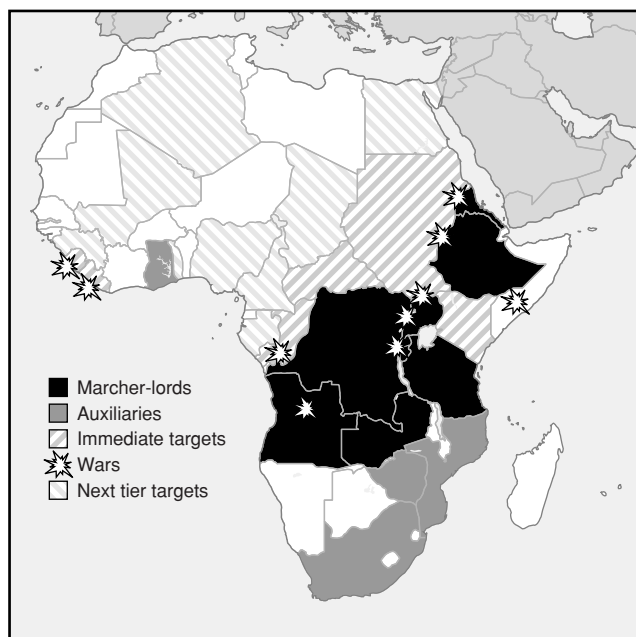


FIGURE 5

The qaumire



committee that was organized out of the Seventh Conference. He is also a colonel in the National Resistance Army of Uganda, and he is currently in charge of the “pacification program” in northern Uganda. For the last 11 years, northern Uganda has been the scene of a war that has killed 300,000 people. We asked Otafiire to what extent he thought the recent developments in Africa would help in implementing the decisions of the Seventh Pan-African Congress, and here is what he said.

[Tape recording of conversation with Otafiire]: “You see, what is happening in Africa now, I think, is an unavoidable transformation, from a post-colonial regime, to an African regime. Because we see, all these people being thrown out, all these governments which are being thrown out, are mainly post-colonial governments, colonial governments of people who inherited the mantle of leadership, at independence, but who more or less behaved like colonial masters, all have been surrogates for colonial masters.

“So what I believe, is that this is the second independence movement for the African continent. People are now beginning to assert their authority, and take charge of their destiny, and it’s a kind of revolution that is going on. Because, you see, things have gone for worse, since independence in Africa. Now the African peoples of today cannot accept that kind of status, of status quo to remain. So, what is going on, is an attempt by African peoples to cleanse themselves of their last vestiges of colonialism.

“So that’s why you find people like Mobutu under pres-

sure, these military dictatorships under pressure, you know, all these people who think they can control the population, getting overthrown. So we can say, it is a reawakening of the African continent, it’s a rebirth of the African revolution, and I think it is a very, very healthy contradiction. It’s a struggle for democracy, for anybody who takes over in the name of the people, if they don’t fulfill, if they do not satisfy peoples’ desires and expectations, they themselves, get overthrown.”

I think that all together, this should prove that what we are seeing in Africa today is the unfolding of the Dar Es Salaam ideology of Frantz Fanon, the idea of purgative violence. I am not sure that the 3 million Africans who have died in East Africa in the last three years found this a healthy experience.

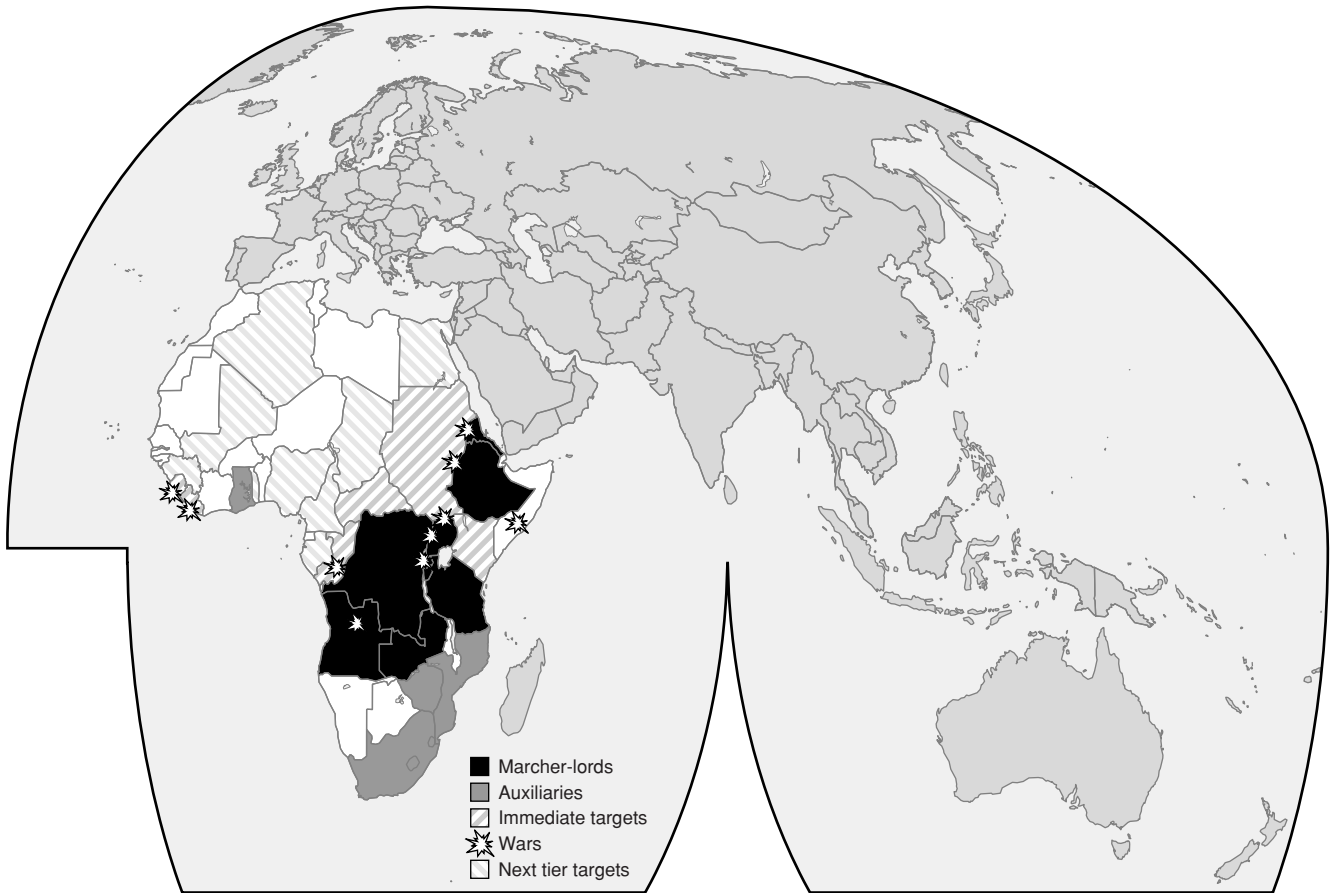
Museveni himself is more honest about it. In a speech delivered to the East Africa Law Society General Assembly on April 4, Museveni declared:

“My mission is to see that Eritrea, Ethiopia, Sudan, Uganda, Kenya, Tanzania, Rwanda, Burundi, and Zaire become federal states under one nation. It is not a *choice* now, but a *must* that East Africa become one nation. Either we become one nation or we perish. . . . As Hitler did to bring together Germany, we should also do it here. Hitler was a smart guy, but I think he went a bit too far by wanting to conquer the whole world.”

The *New York Times* of Sunday June 15 is slightly more polite; they are calling Museveni the “Bismarck of Africa,” in reference to the grandiose conference of 1884. I think,

FIGURE 6

The quagmire in perspective



however, that this image does not give the truth of what Museveni et al. are doing. Hitler, genocide, and murder are far more to the point.

The spreading quagmire

As British intelligence’s Hitlerian experiment in the 1930s and 1940s in Europe should have taught us by now, once you set such a marcher lord force into motion—a force which has this type of ideology where killing is the political goal—that force itself cannot stop itself. It is inherently incapable of stopping itself. There is no goal which these people can reach that can enable them to stop.

They are incapable of reasonable discussion. Just review the times when Museveni has been led into negotiations. First was in Nairobi in 1986, and there was a negotiated agreement between Museveni and the Ugandan Armed Forces. But at the same time, Museveni was ordering his troops to march into Kampala, and that is what they did, and they took over.

In 1990, there were negotiations here in Washington, D.C., where Museveni and Rwandan President Habyarimana

had been brought together to negotiate and work out their problems over the Banyarwanda. And from here, during those negotiations, Museveni ordered his troops to invade Rwanda.

In 1994 April, the Arusha Accord between the Rwanda Patriotic Front and the Habyarimana government had finally been worked out. The President of Rwanda was on his way home to implement that accord. He was murdered in cold blood at the Kigali airport, and many people say that the Ugandan military was responsible for that death.

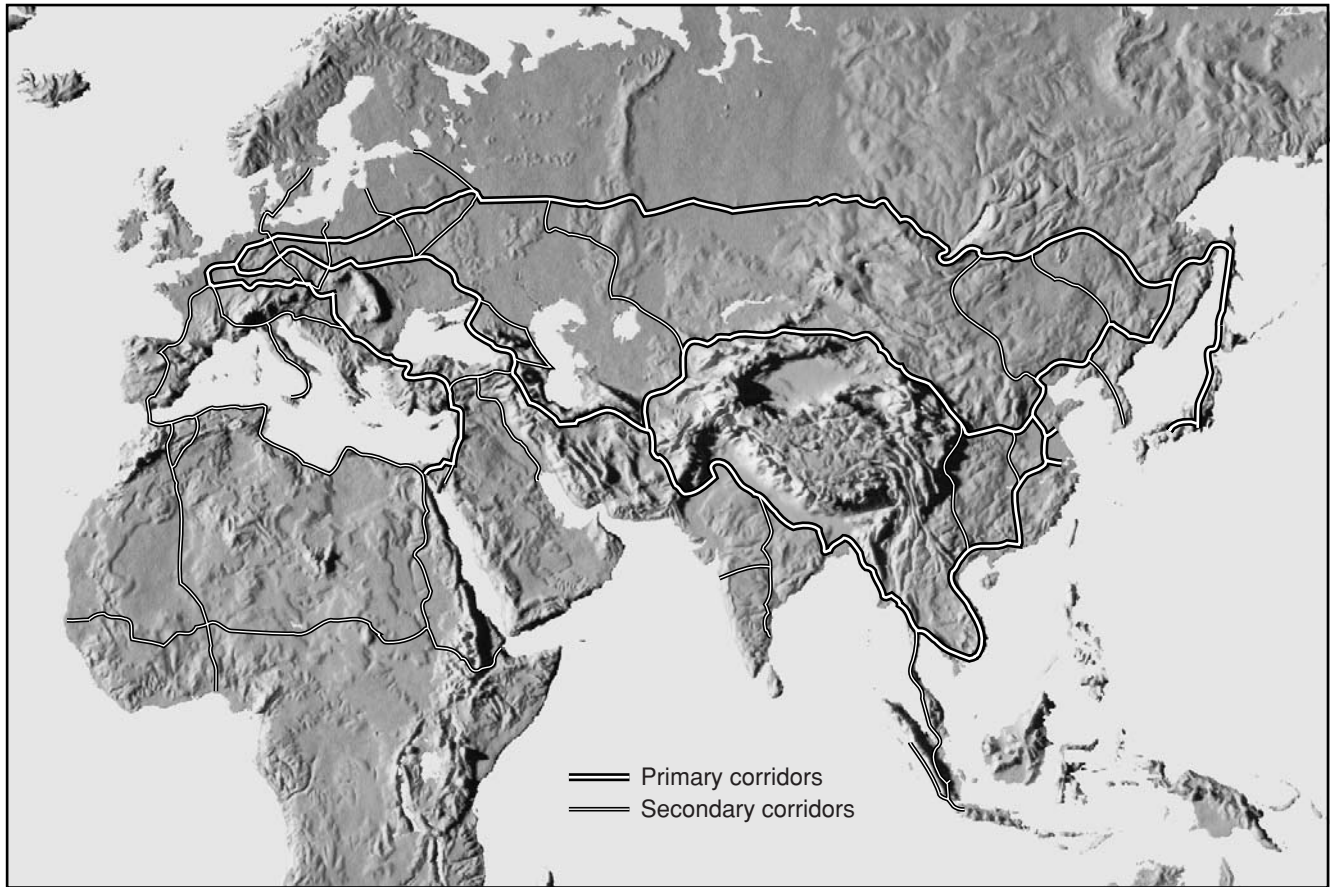
So what are negotiations for such a force? Negotiations can only be accompanied by the threat of a far more powerful force if there is no change. If this is not done, we can begin to look at the quagmire that will ensue in Africa (**Figure 4**).

Today in Africa, we have the marcher lords: Zaire, Angola, Uganda, Rwanda, Burundi, Tanzania, Ethiopia, and Eritrea. There are auxiliary assets of this force: South Africa, Zambia, Zimbabwe, Mozambique, and also Ghana, according to British sources, is being built up militarily.

Then we can see that since Kabila took Kinshasa, there have been new wars and conflagrations in the region:

FIGURE 7

Some main development corridors of the Eurasian Land-Bridge



Sierra Leone: No matter what the complaints of the coup in Sierra Leone, it is bringing into power a Maoist force, the Revolutionary United Front, which is a spin-off of Charles Taylor of Liberia. It would be interesting, if you identified all the Maoist leaders of West Africa, to see where they are in a year from now. How many of them will be in power?

Liberia: The peace negotiations will tend to break down there under the pressure of the war in Sierra Leone.

Congo-Brazzaville: There is a war now, which is due to be ingested into the Democratic Republic of Congo.

Angola: What was supposed to be a mop-up operation by Angolan government forces against Unita, has turned into a much more significant conflict.

Burundi: 3,000 Uganda troops have been moved into Burundi in an attempt to annihilate the National Council for the Defense of Democracy, which is not a Hutu group, but a multi-ethnic group which organized the party that won the elections there in June 1993.

Rwanda: Fighting has broken out in northern Rwanda, and there will be destabilization in eastern Zaire as well—

fighting will build, but it will be sporadic and ineffective.

Somalia: There was just a new incursion against Somalia from Ethiopia in the last two weeks.

Sudan: There is a build-up in the northern border area of Uganda against Sudan, and a build-up in the Eritrean border with Sudan, and if this is not reversed, then we can expect escalated war against Sudan, which will have major implications for more than just the African region. Roger Winter, executive director of the U.S. Committee on Refugees, told Congress that Khartoum will fall by September. Some people, including Winter, had predicted that Khartoum would fall in 1995, when it was first invaded by Uganda. Then, in December 1996, Sadig el-Mahdi fled Sudan and predicted that Khartoum would fall in January, and that by that time, there would be major uprisings throughout the country to overthrow the “hated regime” in Sudan. Ted Dagne, a sidekick of Roger Winter’s at the Congressional Research Service, said in November, at a forum of the Carnegie Endowment for Peace, that in two months, Khartoum would fall; and, there has been a double invasion of Sudan, in January and March. But Sudan

is still there, because, unlike Zaire, Sudan has national institutions that are prepared to fight for their nation.

But what if Khartoum does fall? Let's ask that question. They don't know. There is no real force to run the country that the population would accept. Recently, I heard the news that if Khartoum falls, John Garang is going to become President of Sudan. Do you believe this? Does anyone really think that the nation of Sudan is going to tolerate John Garang as President for five minutes?

So what are we talking about? Are we talking about a government in Sudan? Are we talking about disciplining an "outlaw nation"? Or, are we talking about the disintegration of a nation? Are we talking about *holocaust* in eastern Africa, and the murder of millions more?

If the war against Sudan becomes protracted, then it is likely that there will be major pressures against the Central African Republic and against Kenya. They may or may not be military, but they will certainly be there.

There is a second tier of targets. Going into the west is Nigeria, Gabon, Chad, Togo, Guinea, Mali. This is to clean up the colonialist francophone influence: This will be the battle cry of this destabilization, which is on its way. Nigeria is a target for the British. The United States has played a restraining role, not supporting, but also not pulling the plug on Nigeria, over the last period. But Nigeria—with oil, with food self-sufficiency, and with 100 million people—is the major target in western Africa.

In the east, Egypt is a target. I doubt that the Egyptian military and government have any illusions that the destruction of Sudan means the destruction of Egypt.

Development is the name for peace

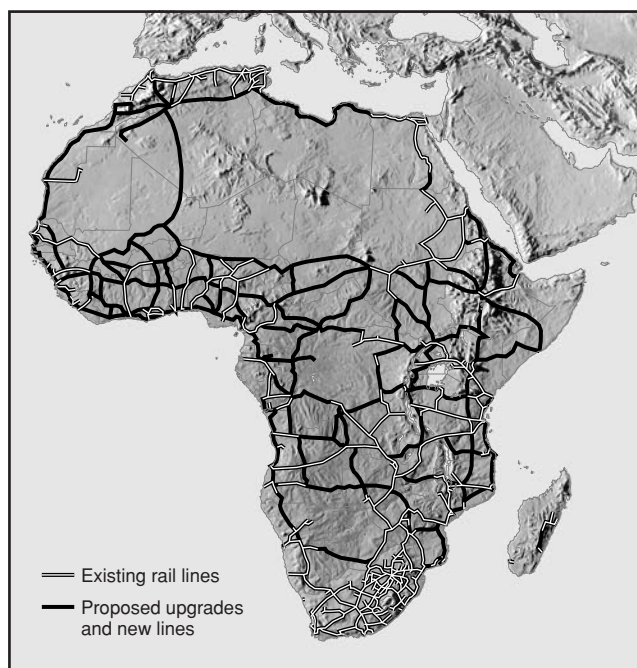
A lot of people in the United States will argue that we are supporting this Hitler Museveni, in order to protect our investments in Africa. Now look at this map (Figure 5). I ask: Is this a good environment for investment? Do you think that investments are going to be protected in this region? Or are we simply talking about wars that permit British mining companies to place property titles on nations, and thus permitting the British oligarchy to dictate terms after the impending collapse of the world monetary system? These wars could be unleashed in Africa over the next six months, with no problem, if enough money is pumped in to do it. Is this an environment for Americans to make money? I don't think so. I think this is an illusion.

Take this destabilized Africa and place this in the context of the eastern hemisphere (Figure 6). It is obvious that major destabilization across Africa will extend eastward into the Middle East and the Indian subcontinent, and northward into Europe. By the unleashing of the capability represented by Museveni, the British are unleashing permanent destabilization—volatility, the shattering of nation-states, the destruction of interests of nations, including the United States.

There is an alternative, and this alternative has been put

FIGURE 8

Africa railways, existing and proposed



forward by Lyndon LaRouche. This is the program for a Eurasian Land-Bridge (Figure 7), which he put forward as a followup to his program for a European Productive Triangle, which he proposed in 1990, at the point of the fall of the Berlin Wall. This program calls for massive development throughout the corridor of Asia to Europe, linking Yokahama to Paris, by means of railroad corridors. By railroad corridors, we do not mean simply laying down tracks, but creating a corridor of industrial development 50 miles wide on either side of the rail line. This would be extended into Africa.

If the United States had a policy which was in its own national interests, as opposed to the interests of the British Empire, then this is what we could and would do.

This map (Figure 8) shows what we could begin to do in Africa, constructing rail lines that actually link Africa with itself. This is what we will be working on over the next few weeks, to prepare an economic program that would signify the true decolonization of Africa. This might mean a community of nation-states organized around the development of their countries, organized around the education of their children, and organized projects that would require the cooperation of many African countries, with Europe, Russia, China, and the United States. We can thus begin to reverse the terrible cataclysm that has afflicted Africa. It is my belief that so goes Africa, so goes humanity. I believe that the day that Africa gets a fair deal, we will have far fewer problems to solve.

Pope John Paul II brings message of inspiration to his native Poland

From May 31 to June 10, His Holiness Pope John Paul II visited his native Poland. Millions of people, especially young people, followed him in his pilgrimage through some of the major historic Polish towns, including Wroclaw, Legnica, Gniezo, Poznan, Jasna Gora, and Krakow. The impact of his message has been deeply felt, not only in Poland, but everywhere in the world. John Paul II addressed some of the most profound aspects of human life today. On several occasions, he made clear how true politics is not separate from, but is congruent with, true religion. The following are excerpts from some of his speeches.

On social justice and human labor

Homily at a mass in Legnica, June 2:

Many times I have dealt with social questions in my talks, and above all in my Encyclicals: *Laborem Exercens*, *Sollicitudo Rei Socialis*, *Centesimus Annus*. Yet, as long as there is an injustice in the world, no matter how small, we must return to these themes. Otherwise the Church would not be faithful to the mission entrusted to her by Christ—the mission of justice. Times in fact do change, circumstances change, but there are always in our midst those who need the voice of the Church and that of the Pope, to give expression to their anxiety, pain, and misery. They must not be disappointed. They must know that the Church was and is with them, that the Pope is with them; that he embraces with his heart and with his prayer all who are affected by suffering. The Pope will speak out—and he cannot fail to speak out—on social problems, because here man is involved, concrete individuals.

I speak about this in Poland too, because I know that my nation needs this message about justice. Today, in fact, in these times of the building of a democratic state, in these times of dynamic economic development, we see with particular clarity all the shortcomings in the social life of our country. Every day we become aware of how many families are suffering from poverty, especially large families. How many single mothers are struggling to take care of their children! How many old people there are who are abandoned and without means to live! In institutions for orphans and abandoned children, there is no lack of those without enough food and clothing. How can we fail to mention the sick who cannot be given proper care because of a lack of resources?

On the streets and in the squares, the number of homeless people is increasing. We cannot pass over in silence the presence in our midst of all these brothers and sisters who are also members of the Mystical Body of Christ. As we approach the Eucharistic table to be fed with his Body, we cannot remain indifferent to those who lack daily bread. We need to talk about them, but we must also meet their needs. This is an obligation that rests especially on those who exercise authority: those who are at the service of the common good have the obligation to establish appropriate laws and to guide the national economy in such a way that these painful phenomena of social life find a proper solution. But it is also a common duty of us all, a duty of love, to provide help according to our abilities to those who expect it. “As you did it to one of the least of these my brethren, you did it to me” (Matthew 25:40). Our Christian work is needed, our love, so that Christ present in our neighbor will not suffer want.

In our country, much has already been done about this. The Church in Poland too has done and is doing much in this regard. The Church’s pastoral activity now includes regular programs to help the needy, the sick, and the homeless, not only in this country but also abroad. Volunteer associations and works of charity are developing. I therefore wish to express my appreciation to all those among the clergy, religious, and laity who every day show sensitivity to the needs of others, the ability to share their assets generously and a great commitment to the well-being of others. Your service, often hidden, often passed over in silence by the media, remains a permanent sign of the pastoral credibility of the Church’s mission.

Despite these efforts, there still remains a wide field for action. I encourage you, Brothers and Sisters, to become ever more sensitive to every kind of need and to work generously with others to bring hope to those who have none. May the Eucharist be for you an endless source of this sensitivity and of the strength necessary for putting it into action in daily life.

4. I would like to dwell for a moment on the question of human work. At the beginning of my Pontificate, I devoted to this problem a whole Encyclical, *Laborem Exercens*. Today, 16 years after its publication, many problems are still with us. Many of these are even more acute in our country.



Pope John Paul II during a visit to Germany in 1987. "How many individuals and entire families have fallen into extreme poverty because of . . . the reorganization of businesses and agricultural enterprises?" the Pope asked, referring to free-market reforms. "How many young people no longer see any reason to take up studies or to raise the level of their qualifications, because they are faced with the prospect of lack of employment in their chosen profession?"

How can I fail to mention those who, following the reorganization of businesses and agricultural enterprises, have found themselves faced with the tragedy of the loss of their jobs? How many individuals and entire families have fallen into extreme poverty because of this! How many young people no longer see any reason to take up studies or to raise the level of their qualifications, because they are faced with the prospect of lack of employment in their chosen profession! I wrote in the Encyclical *Sollicitudo Rei Socialis* that unemployment is a sign of social and economic underdevelopment in states. . . . Therefore, everything possible should be done to prevent this situation. Work, in fact, "is a good thing for man—a good thing for his humanity—because through work man not only transforms nature, adapting it to his own needs, but he also achieves fulfillment as a human being and indeed, in a sense, becomes 'more a human being' " (*Laborem Exercens*, 9). On the other hand, for Christians who own means of production, it is also an obligation springing from faith and love to work for the creation of jobs, and thus contribute to the solution of the problem of unemployment around them. I pray earnestly to God that all who desire to earn an honest living by the work of their own hands will find the right conditions to do so.

Alongside the problem of unemployment, there is also the attitude of those who consider the worker as a tool of production, with the result that man is insulted in his personal dignity. In practice, this phenomenon takes the form of

exploitation. It is often manifested in conditions of employment in which the worker not only has no guaranteed rights, but is subjected to such an atmosphere of uncertainty and fear of the loss of his job that he is in practice deprived of any freedom of decision. This exploitation is also often seen in the fixing of work schedules which deprive the worker of the right to rest and to provide for the spiritual good of his family. This is often associated with inadequate pay, together with a negligence in the areas of insurance and health assistance. Nor are there lacking cases in which the right to personal dignity is denied, especially with regard to women.

Human labor cannot be treated merely as a resource necessary for production—the so-called "workforce." Man cannot be regarded as a tool of production. Man is the creator of work and its craftsman. Everything must be done to ensure that work does not lose its proper dignity. The purpose of work—of all work—is man himself. By means of his work he should be able to perfect and deepen his own personality. It is not right to forget—and I want to emphasize this strongly—that work is "for man" and not man "for work." God places before us great tasks, demanding from us testimony in the social sphere. As Christians, as people who believe, we must sensitize our consciences to every kind of injustice and every form of exploitation, open or disguised.

Here I speak first of all to those brothers in Christ who give work to others. Do not let yourselves be deceived by

visions of immediate profit, at the expense of others. Beware of any semblance of exploitation. Otherwise every sharing in the Eucharistic Bread will become for you an accusation. On the other hand, to those who undertake work, any type of work, I say: Do it responsibly, honestly and accurately. Take on your duties in a spirit of cooperation with God in the work of the creation of the world. "Subdue the earth" (cf. Genesis 1:28). Take on your work with a sense of responsibility for the promotion of the common good, which is to serve not only the present generation but all those who in the future will dwell in this land—our homeland—Poland.

5. "See, I have set before you this day life and good, death and evil. If you obey the commandments of the Lord your God which I command you this day, by loving the Lord your God, by walking in his ways, and by keeping his commandments and his statutes and his ordinances, then you shall live and multiply, and the Lord your God will bless you" (Deuteronomy 30:15-16)—these words from the testament of Moses resound today with great force in our land. "Therefore choose life!" (Deuteronomy 30:19), Moses exhorts.

Which road shall we take into the Third Millennium? "I have set before you this day life and good, death and evil," the Prophet says. Brothers and sisters, I beg you: "Therefore choose life"! This choice is made in the heart, in the conscience of every person, but it is not without effect also in the life of a society—of a nation. Therefore, every believer is somehow responsible for the shape taken by life in society. A Christian who lives by faith, who lives by the Eucharist, is called to build his own future and the future of his Nation—a future based on the solid foundations of the Gospel. Have no fear therefore of accepting responsibility for the social life of our homeland. This is the great task placed before man: to go with courage to the world, to lay the foundations for the future; so that it may be a time of respect for man, a time of openness to the Good News! Do it with the unanimity that is born of love of man and love of country.

At the end of this century, what is needed is "a great act and a great work"—thus wrote one day Stanislaw Wyspianski (*Przy wielkim czynie i przy wielkim dziele*)—to fill the civilization in which we live with the spirit of justice and love. There is need of "a great act and a great work," in order that contemporary culture may open itself wide to holiness, that it may cultivate human dignity, teach contact with beauty.

The spiritual foundations of European unity

On the millennium of the death of St. Adalbert Gniezno, June 3.

Dear brothers and sisters, after so many years I repeat the same message: A new openness is needed. For we have seen, at times in a very painful way, that the recovery of the right to self-determination and the growth of political and economic freedom is not sufficient to rebuild European unity. How can

we not mention here the tragedy of the nations of the former Yugoslavia, the drama experienced by the Albanian people and the enormous burdens felt by all the societies which have regained their freedom and with great effort are liberating themselves from the yoke of the Communist totalitarian system?

Can we not say that after the collapse of one wall, the visible one, another, invisible wall was discovered, one that continues to divide our continent—the wall that exists in people's hearts? It is a wall made out of fear and aggressiveness, of lack of understanding for people of different origins, different color, different religious convictions; it is the wall of political and economic selfishness, of the weakening of sensitivity to the value of human life and the dignity of every human being. Even the undeniable achievements of recent years in the economic, political, and social fields do not hide the fact that this wall exists. It casts its shadow over all of Europe. The goal of the authentic unity of the European continent is still distant. *There will be no European unity until it is based on unity of the spirit.* This most profound basis of unity was brought to Europe and consolidated down the centuries by Christianity with its Gospel, with its understanding of man and with its contribution to the development of the history of peoples and nations. This does not signify a desire to appropriate history. For the history of Europe is a great river into which many tributaries flow, and the variety of traditions and cultures which shape it is its great treasure. The foundations of the identity of Europe are built on Christianity. And its present lack of spiritual unity arises principally from the crisis of this Christian self-awareness.

Brothers and sisters, it was Jesus Christ, "the same yesterday and today and for ever" (cf. Hebrews 13:8) who revealed to man his dignity! He is the guarantee of this dignity! It was the patrons of Europe—Saint Benedict and Saints Cyril and Methodius—who grafted on to European culture the truth about God and about man. It was the ranks of missionary saints, recalled to us today by Saint Adalbert, Bishop and martyr, who brought to the peoples of Europe the teaching about love of neighbor, even love of enemies—a teaching confirmed by the gift of their lives for the sake of others. This Good News, the Gospel, has sustained our brothers and sisters in Europe over the course of the centuries, down to the present day. This message was repeated by the walls of churches, abbeys, hospitals and universities. It was proclaimed by books, sculpture and painting, by poetry and musical compositions. Upon the Gospel were laid the foundations of Europe's spiritual unity. . . .

On education and science

At a meeting with the rectors of Polish universities, Krakow, Collegiate Church of St. Anne, June 8.

The vocation of every university is to serve truth: to discover it and to hand it on to others. This was eloquently expressed by the artist who designed the Chapel of Saint

John Kety which adorns this Collegiate Church. The sarcophagus of Master John has been placed on the shoulders of figures personifying the four traditional faculties of the university: Medicine, Jurisprudence, Philosophy and Theology. This brings to mind precisely the image of the university, which, through the work of research carried out by many scientific disciplines, gradually approaches the supreme Truth. Man transcends the boundaries of individual branches of knowledge in order to direct them towards that Truth and towards the definitive fulfillment of his own humanity. Here we can speak of the *solidarity of the various branches of knowledge* at the service of man, called to discover ever more completely the truth about himself and the world around him.

Man has a lively awareness of the fact that *the truth is above and beyond him*. Man does not create truth; rather, truth discloses itself to man when he perseveringly seeks it. The knowledge of truth begets *a spiritual joy (gaudium veritatis)*, alone of its kind. Which of you, dear Ladies and Gentlemen, has not experienced in greater or lesser measure, such a moment in your work of research? I hope that moments of this kind will be frequent in your work. In this experience of joy at having known the truth we can see also a confirmation of man's transcendent vocation, indeed, of his openness to the infinite.

If today, as Pope, I am here with you, men and women of science, it is to tell you that *the men and women of our time need you*. They need your scientific curiosity, your perceptiveness in asking questions, and your honesty in trying to answer them. They also need that specific transcendence which is proper to universities. The search for truth, even when it concerns a finite reality of the world or of man, *is never-ending, but always points beyond* to something higher than the immediate object of study, to the questions which give *access to Mystery*. How important it is that human thought should not be closed to the reality of Mystery, that man should not become insensitive to Mystery, that he should not lack *the courage to plunge into the depths!*

5. There are few things as important in human life and society *as the service of thought*. The "service of thought" to which I am alluding is essentially nothing other than the service of truth in its social aspect. Every intellectual, independently of his personal convictions, is called to let himself be guided by this sublime and difficult ideal and to *function as a critical conscience* regarding all that endangers humanity or diminishes it.

Being a scholar entails obligations! First of all, it entails the obligation of a particular concern for the development of one's own humanity. Here I wish to recall a man known personally by many of those present and by myself as well. Linked to the scientific circles of Krakow, he was a professor at the Polytechnical Institute of Krakow. To our generation he became a particular witness of hope. I am thinking of the *Servant of God Jerzy Ciesielski*. His passion for science

was inseparably linked to an awareness of the transcendent dimension of truth. He united the meticulousness of a scientist and the humility of a disciple striving to hear what the beauty of the created world tells us of the mystery of God and of man. *He turned his service as a man of science, his "service of thought" into a path to holiness*. When we speak of the vocation of the scholar we cannot ignore this perspective either.

In the daily work of a scholar a particular *ethical sensitivity* is also needed. For it is not enough to be concerned about the logical, formal correctness of one's thinking. The workings of the mind must necessarily be nourished by the spiritual climate of indispensable moral virtues like sincerity, courage, humility, honesty, and an authentic concern for man. Moral sensitivity makes it possible to preserve a *connection between truth and goodness* which is very essential for science. These two problems cannot in fact be separated! The principle of freedom of scientific research cannot be separated from the *ethical responsibility* of every scholar. In the case of men and women of science this ethical responsibility is particularly important. Ethical relativism and purely utilitarian attitudes represent a danger not only for science but directly for individuals and for society.

Another condition for a sound development of science which I would like to emphasize is *an integral notion of the human person*. Here in Poland, the great debate on the theme of man in no way ended with the fall of Marxist ideology. It continues, and in some ways has even intensified. Debased forms of understanding the human person and the value of human life have become more subtle and for that reason more dangerous. Today there is need of *great vigilance* in this area. Here a vast field of activity opens up before the Universities, for men and women of science. A distorted or incomplete vision of man can easily make science change from a blessing into a serious threat to humanity. The great progress made by scientific research today fully confirms such fears. *From being a subject and goal*, man is not infrequently considered an object and even a form of "raw material"; here we need only mention experiments in genetic engineering which are a source of great hope but at the same time of considerable preoccupation for the future of the human race. The words of the Second Vatican Council, which I frequently refer to in my meetings with men and women of science, are truly prophetic: "Our age, more than any of the past, needs such wisdom to humanize man's discoveries. *For the future of the world is endangered unless wiser men are forthcoming*" (*Gaudium et Spes*, 15). This is the great challenge which academic institutions today face in the fields of research and teaching: the training of men and women not only competent in their specialization or full of encyclopedic knowledge, but above all endowed with authentic wisdom. Only people with this kind of education will be capable of shouldering responsibility for the future of Poland, Europe and the world.

An Armenian view of Iran's transformation

by Haik Babookhanian

The author is the editor-in-chief of Iravunk, newspaper of the Union for Constitutional Rights, Yerevan, Armenia. This article, which first appeared in that newspaper under the headline "Beyond the Southern Border," has been translated into English and slightly abridged.

Beyond the southern border of Armenia, there is a country about which our conceptions were very limited for a long time, by Soviet propaganda. Even now, since our independence, and even after the expansion of mutual relations with that country, these conceptions are far from complete and are, sometimes, distorted. Maybe this was one of the reasons that, on the initiative of Iran's Foreign Affairs Ministry and the embassy of Iran in Armenia, Armenian journalists had the opportunity to make the acquaintance of the strongest country of the region.

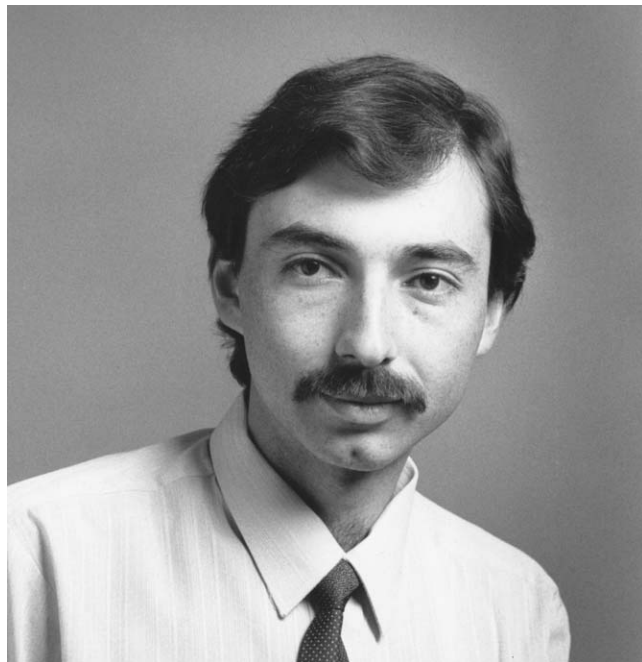
The population of Iran is 60 million, 98.5% of whom are Muslim. The territory is 1.648 million square kilometers. Iran has a unique geographical position, access to the sea, and natural resources.

With this article, we begin a series of articles about the political, economic, cultural, and social life of Iran.

The Presidential elections

On May 23, the Presidential elections took place in Iran. The people's attitude toward the elections was quite staggering. Long queues formed at the polling stations; it was obvious that people trusted in the fairness of the elections, as shown by their activities. Invalids in their wheelchairs, old men who could hardly walk, and even a woman whose leg was in a plaster cast, turned up at the polling stations to vote. In the evening, when the elections were over, we met a young man with tears in his eyes, who had arrived too late to vote. At first, I thought maybe there was a punishment for people who didn't vote, but the young man replied, "Nothing of the kind; it's just that I believe that maybe my vote could be decisive for my nation's future."

We learned that the elections were organized by the Ministry of Internal Affairs, and that the voting was half open and half closed, that is to say, there were no closed voting booths, but rather tables, not far from the ballot boxes. Iranians can



Haik Babookhanian, editor-in-chief of Iravunk, newspaper of the Union for Constitutional Rights, Yerevan, Armenia, gives a first-hand report on his visit to Iran, which overlapped Iran's Presidential elections on May 23. Many Iranians were passionately involved in the election, he reports, knowing that their vote could be decisive for their nation's future.

vote anywhere; every citizen has a voting book, in which a seal is set after voting, so that the person cannot vote twice. During the past 17 years, by the way, 17 elections took place in Iran.

By comparison with Armenia, the main difference between the governments is in their attitude toward the elections. The authorities of Iran consider that the people are the main wealth of the country. The day before the elections, the leader of the Revolution, Ayatollah Khamenei, assured the people that the elections would be free and fair, describing them as "a great national and Islamic test." He said, "There won't be any violence during the elections. . . . Elections are the most important events for civilized nations." He underlined that the atmosphere of the country around the elections must be a moral one. And then, on the day of the elections, the leader of the country said, "Every nation is obliged to be the master of its own destiny."

Asked what expectations he has from the new President, he answered that he expects him to be the servant of the people, and to work for the welfare of the nation and the country.

We were able to be present at the polling station when Mohammad Khatami [the eventual winner] was voting. The people's respect for him was obvious. He, in turn, did not shun his voters. Khatami enjoys wide popularity. A 19-year-old man told us that students and youth fully support Khatami.

A university teacher, a middle-aged woman, insisted that 99% of the intellectuals would vote for the most liberal and most progressive leader. The national minorities and the northern part of the country also voted in favor of Khatami. People expect from Khatami an increase in freedom of speech and of the press, expansion of the rights of women and youth, and an increase in the country's independence.

Iran is moving, step-by-step, away from the restrictions that characterized the revolutionary and military period, and the government is doing everything it can to expand the freedom of the people. A new, young power structure is emerging in the country, which is playing a decisive role in political and social life.

Reforms are evident in the internal policy of the country; probably the foreign policy will not change. The new President, at his first press conference, sharply expressed his views about the United States and Israel, characterizing the latter as a racist state. Relations with Turkey and Afghanistan are becoming strained. As the Foreign Affairs Ministry's press secretary expressed it, God gave Iran a good Christian neighbor—Armenia—and two Islamic neighbors—Turkey and Afghanistan, which always create problems. Iran considers Russia as its strategic partner, with which it has excellent possibilities for cooperation. There is also a desire to expand cooperation with the other CIS countries, as well as with China, India, and Greece.

Focus on economic development

Entering Teheran, the first things that strike one are the vast construction that is going on, the cleanliness of the city, and the abundance of flowers about the lawns and fountains. In the streets, they are only selling newspapers, juice, and ice cream.

It is important to emphasize the economic development of the country. In response to economic limitations and blockades launched by the West, Iran started to create a self-sufficient economy. In developing its own industry in various fields, it aspires to attain international standards of quality. In some areas, Iran has made a good showing. The country, which has huge resources of oil, is doing everything it can to reduce the dependence of its budget on oil exports. As Minister of Finance and Economics Mohamadhbbar told us, if the dependence of the country's economy on oil was 90% twenty years ago, then in 1989 it was reduced to 60%, and in 1996—to 15%.

Most of the big industrial enterprises were founded by Western and Soviet firms. But later, Iranian specialists developed the industry of their country. Thus, the biggest of the five motor plants, Iran Khodro, was founded in 1962, with a license from Chrysler, and during its first period, it produced 30 buses per month. After the Revolution, the plant broke off its dependence on the foreign firms and now, by its self-development, it is producing 6,500 buses, 6,000 micro-buses, and 100,000 cars per year. The plant has 8,000 workers. Many

other types of cars are being produced in Iran, and the production is exported to 26 countries.

The biggest steel production plant in the Middle East, near Spahan, which was founded 15 years ago and was built with the help of Italian and Japanese firms over a ten-year period, produces 2.5 million tons of steel per year; in three years, it will increase its production to 6 million tons. The production of the plant is exported to 26 countries.

We were surprised by the high level of industrial culture. The huge plants are spotlessly clean. The workers earn more than \$200. The factories, as a rule, have free hostels and clinics.

Iran is developing private property. Agriculture is almost completely privatized, and the number of the private schools and institutions is increasing. In regard to the private sector, the government exercises the functions of supervision and allocation of credit. It gives credits and privileges to promote industrial development. It is safe to say, that Iran is now an industrial country. In order to preserve the import-export balance, factories are allowed to import as much production as they have exported.

Iran is developing the infrastructural system of the country—the highways, pipelines, railways, reservoirs, and airports. It is planning to build new cultural centers, roads and bridges, libraries and museums, and so on.

Relations between Armenia and Iran

Armenia-Iran economic exchanges reached \$200 million in 1996. As the finance and economics minister told us, Iran is trying to support Armenia in the solution of its energy problems, supplying gas and electricity. As a joint venture, it is going to reconstruct its tire plant, and is planning to organize perfume production. Iran is willing to support Armenia in order to achieve high production quality.

At Iran-Khodas, we were informed that there is a project to organize a joint auto factory, and, after the agreement is signed, a new type of car will be produced in Yerevan, over the next 12-14 months. Economic relations with Armenia are considered to be of strategic importance for Iran, and it hopes to become Armenia's number one trading partner. During the development of the relationship, Iran is prepared to buy and sell Armenian products to third countries.

As for the Armenian colony in Iran, the almost 200,000 Armenians living there have the status of a national-religious minority, which provides them with substantial privileges and independence. There are 25 Armenian schools with 10,000 pupils, in Teheran alone. There are many Armenian churches.

Thus, beyond our southern borders is one of the most important countries of the region. And, it is obvious, that by the expansion of our relationship with Iran, Armenia will have a possibility to revive its industry. This is also a reply to the authorities, who are blindly implementing the destructive conditionalities of the International Monetary Fund, claiming that there is no alternative.

British launch new phase of their attack against the Italian nation

by Claudio Celani

Lyndon LaRouche's movement in Italy is leading a counter-offensive against the new phase of the British plot to dismember the nation. This new phase, as terrorism expert Gianni Cipriani wrote on June 2 in the daily *L'Unità*, aims at "provoking an evolution of separatist policy on the model already implemented by historical independentist movements such as ETA (Spain) and the IRA (Northern Ireland)." The Italian version of such movements is the Veneta Serenissima Armata (VSA), an offspring of the Liga Veneta-Lega Nord (the League of Veneta and the Northern League), which, during the night of May 10, shocked the nation by landing an armed commando squad of eight people in San Marco square in Venice, occupying the historic belltower, and issuing flags and proclamations of independence of the "Most Serene Venetian Government."

The commando squad was easily neutralized by anti-terrorist teams, and its members were arrested before sunrise. However, investigations soon revealed a larger network of clandestine, paramilitary groups ready to go into action against the "centralist state." Leaflets were found in several Italian cities, and telephone calls reached public offices announcing future retaliations, if the Venetian "patriots" were not released. But, more important, the Lega Nord, a party represented in the national Parliament and controlling numerous city administrations, organized backup for the *Serenissimi*, including legal assistance, money, and popular support for the "patriots." In a "referendum" held two weeks later by the Lega throughout North Italy, more than a million persons (4,833,000, according to the Lega) voted in favor of the independence of Northern Italy from the Rome government. Even if the figures given by Lega leaders might be exaggerated, many Northern Italians, although disagreeing with the idea of secession, believe that more "autonomy" could alleviate the deadly tax pressure which the Italian government is enforcing, in order to adhere to the European Union's so-called Maastricht guidelines. Lega leader Umberto Bossi, who is facing trial on July 2 on various charges, including conspiracy against the state, threatened "civil war" if state authorities do not back down to the Lega's political demands.

The coordination between the Lega and the VSA pushed Interior Minister Giorgio Napolitano to warn against a Lega-centered "gray zone" of destabilization. Author Gianni Cipriani described the content of police reports which were sent to

the interior minister, warning about "the existence of political groups which formally operate on a legal basis, [but] which are a front for the armed groups."

In a more precisely focussed statement, former prosecutor Carlo Palermo exposed the real source of the plans to break up Italy. Palermo is a well-known fighter against crime and terrorism, the only Italian prosecutor who survived a car-bomb explosion in the 1980s. In an interview with the Naples daily *Il Mattino* published on June 2, Palermo stated that the Lega's idea was elaborated, "not in Italy, but in London. It is a study made in the eighties by sociologists and economists, who asked themselves about the possibility of specific conditions to be created in Europe and in our country. These pre-existing elaborations are, in part, those which have been subjected to mutation by Bossi." Referring to the VSA commando squad, which called for reestablishing the old Venetian Republic, Palermo added: "That study referred to the old European oligarchies, one of which was for sure the Venetian one." Palermo concluded by calling for a serious investigation, from a "social and economic" standpoint, into "the English plan from which Bossi seemingly drew" his ideas.

The British plan referred to by Palermo is already known to *EIR* readers: It is the famous "Eurotopia" project, published in 1992 by Dutch beer magnate Alfred H. Heineken, as the result of years-long efforts with top British historian Cyril Northcote Parkinson (see *EIR*, Sept. 2, 1994, "Dutch Magnate Pushes Breakup of Europe"). Parkinson, now deceased, authored several studies on colonialism, aimed at learning from the mistakes of the British Empire. Another influence on the Heineken plan came from Prof. H.D. Wesseling, current head of the History Department at the University of Rotterdam, and educator of the Dutch crown prince. Wesseling, too, is an expert of colonialism.

The Heineken plan envisions the breakup of European nation-states into 75 mini-states, defined on the basis of ethnic and demographic criteria. The Italian portion of Heineken's Eurotopia map looks like a photocopy of a project issued by Lega Nord representative Francesco Speroni, a minister in the Italian cabinet in 1993.

EIR has also learned that the term "Padania," used by Umberto Bossi to describe his imaginary state of Northern Italy, was first used in a fictional book by William Gibson, the guru of the Cyberspace movement. A Canadian, Gibson

published a collection of novels entitled *Virtual Light* in 1990, one of which tells the story of a rich lady invited to a party, who would like to leave, but cannot. Her name is “Padania.”

First Africa, then Europe

The importance of the Heineken plan is that its author has also played a role in the current genocide taking place in Central Africa. The Heineken company, in fact, is perhaps the single largest employer in the Great Lakes region, and whose presence there dates back to the British-Dutch colonial empire. Heineken was assigned to start the production of a “Nigro beer,” which was used to introduce widespread alcoholism in the Anglo-Dutch plantation, as a primitive but effective means of social control. Furthermore, Heineken’s local revenues are an important part of the state budget of countries such as Rwanda and Burundi, which have co-financed Laurent Kabila’s invasion of Zaire. Thus, Heineken’s Eurotopia project has to be seen as part of the international oligarchical plans for the destruction of nation-states and for genocidal wars, intended by the Malthusians to reduce population.

It is not coincidental, therefore, that Heineken has been a member of Prince Philip’s 1001 Club, the “central committee” of the international oligarchy. Another member of that Club, Maj. Mortimer Bloomfield, was head of the Canadian branch of Heineken. His son, a banker, today is involved in separatist movements in Canada.

As Helga Zepp LaRouche recently warned, “What today happens in Africa, is tomorrow going to occur on the European continent.” Italy is the first in line: Next will be Germany.

The Italian model for a feudal Europe

The real target which the 1001 Club has set for Italy, is the destruction of the institutions of the nation-state and the establishing of a feudal system, where central power no longer exists. Territorial power is to be given over to the local oligarchs, with a national President (a Doge-Dux), who serves as figurehead. To keep up a semblance of democracy, the puppet President-Dux will hold popular referendums, in which the population will ratify decisions already made by the oligarchy. It is the modern version of the Nero model. In this process, both the economy and the population will shrink to one-third of their current dimensions.

If you read the recent Italian developments from this standpoint, you can understand how apparently contradictory forces are moving in this scenario, competing for the role of the “new Mussolini.” On one side, there is the separatist Lega Nord, with its Duce, Umberto Bossi; on the other side, the “man of Providence,” former prosecutor Antonio Di Pietro, a southerner who became a media “anti-corruption” hero, through his “Clean Hands” investigations in 1992-93. Di Pietro occasionally plays the “anti-Bossi” role, but in reality, both the Clean Hands operation and the Lega Nord are creatures born of the same mother, the “Romulus and Remus” born from a British horse. Robert McNamara’s Transparency



Campaign posters of the Lega Nord in Milan, 1994. The commando takeover of the belltower in St. Mark’s Square in Venice is part of a recruiting drive, and a new wave of terrorism.

International, the umbrella organization of the various national “anti-corruption” crusades of which Di Pietro is the Italian operative, is chaired in Italy by a Lega Nord representative.

Thus, it was no surprise when, thanks to the decisive votes of six representatives of the Lega Nord, on June 4, the special “Bicamerale” committee of the Italian Parliament passed a Constitutional reform that seems to be tailored to install Di Pietro as the new Mussolini. According to that reform, Italy will adopt a French-style Presidential system, where the head of state is also the head of government, and is directly elected by the voters. If that reform is confirmed with two-thirds of the vote in a Parliamentary plenary session, it is universally believed that, were Di Pietro to run as a candidate, he would be elected, hands down. Di Pietro has already accused both the government and the opposition parties of manipulating the election laws in order to block that possibility: “They are afraid that I will be elected,” he wrote, in his weekly column in the magazine *Oggi*, on the eve of the Bicamerale vote. His “enemy,” Bossi, had already stated, on May 27: “In a few

months, with the Presidentialist reform,” Di Pietro “will send all of them home.”

Di Pietro denied, in a public meeting on June 13, that he wants to be the “man of Providence” (a definition which was used for Mussolini). But the very fact that he had organized the meeting, summoning political and business leaders to his university room near Varese, speaks to the contrary. Di Pietro claimed to be satisfied with the Constitutional reforms, but warned political parties that, if they do not behave, he will mobilize “the public.”

The Bossi-Di Pietro comedy

When the trial against the VSA terrorists opened in Venice, on May 21, the defense attorney, Franco Gasperini, stated: “The real question at the center of the trial should be discussed in the Bicamerale.” Gasperini is a Lega Nord representative in the Italian Senate. The Lega has not only provided legal counsel to the VSA, but also money, through a front organization called LIFE (Liberi Imprenditori Federalisti Europei). The LIFE is a tax-revolt operation, half of whose members, small businessmen and retailers, come from the city of Treviso. Its current chairman, Anna Maria Giro, has opened a bank account for the VSA, to cover both legal expenses and payment of damages caused by the belltower commando squad. The founder of LIFE, Fabio Padovan, is under criminal investigation for having characterized the VSA commandos as “patriots.”

The trial was postponed to June 3. In the meantime, the Lega’s political assault against the state unfolded.

Galvanized by the success of the referendum of May 25, showing undiminished mass support for the Lega, despite the terrorism threat, Bossi decided to go for a showdown with the authorities, and launched his threat of civil war. On May 28, he released an interview to his official biographer, Daniele Vimercati, which he then officially denied, in order to avoid legal consequences. The key passage of the interview is the following: “The power in Rome must decide, either a referendum [on secession], or civil war. . . . There are hundreds of trials against me; I will really see whether the regime wants to go ahead with repression. If so, please: I will bring hundreds of thousands of people into the streets, in front of the courts, and then things will end badly. The hand reaches to the holster.”

Despite Bossi’s denial of having said that, the threat was delivered. Another separatist ideologue, Gianfranco Miglio, explained to the press on May 30: “The aim has been achieved. I would not talk so much of civil war, but rather of revolution. I believe that the shift to violent behavior is justifiable. The Northern people could start shooting. These times remind one of the period immediately preceding the French Revolution.”

Despite the outcry against Bossi coming from all political parties and even from President Luigi Scalfaro, the effect of Bossi’s threat was to intimidate the state and the Parliament. The day before the vote in the Bicamerale, another part of the comedy went on: In front of the court building where the

second session of the trial against the VSA was taking place, a practice run for a civil war scenario was played out. Without any plausible explanation, local police authorities allowed two demonstrations to take place, one pro- and the other anti-VSA. The only “precaution” taken, was that one demonstration had to take place to the left, and the other to the right of the court building. Of course, this did nothing to avert violence. Of all people, Liga Veneta founder Franco Rocchetta and LIFE founder Padovan showed up on the wrong side of the building; they were beaten up, after which the police intervened. The anti-VSA demonstrators threw stones, which, without expertise in geology, one could see had been not picked up on the spot, and the fight started. All this was of course played up by the media, reminding people of a dramatic past when Italy was torn by terrorist violence, and hinting darkly at a future repeat of those years.

The terrorist threat has apparently succeeded, blackmailing Parliament into the direction indicated by the Lega Nord and its masters. The next demand will be, as part of the Constitutional reform, that all Italian regions be given special autonomous power, similar to that conceded to Sicily at the end of World War II, at that time under the threat of a separatist movement led by the Mafia and the British oligarchy.

Parallels: separatists and Red terrorists

Although the VSA and other separatist formations do not yet represent a threat similar to the Red Brigades, and they are used by the Lega more as a psywar operation, they could soon reach that greater terrorist potential. For sure, the process of creating the new terrorism is identical to that used in the case of the Red Brigades. As in the 1970s, the first phase of the new movement consists in spectacular actions, aimed at impressing young people and convincing them to join. Before planting bombs, the Red terrorists of the 1970s started with interference in national radio broadcasts. Similarly, before the raid on the San Marco belltower, the VSA broadcast “independentist” proclamations, through interference in national TV programs. The raid itself was the spectacular action aiming at starting a massive wave of recruitment.

However, the new terrorism, like the old one, is no sociological phenomenon. On one side, its leaders are part of intelligence operations of the “Gladio” type, a secret NATO “stay behind” structure which was built up after the war, officially to be used in case of communist invasion. In reality, the Gladio networks were used to run terrorism.

On the other side, the larger membership of the terrorist groups is recruited through brainwashing, using a synthetic ideology. Both the Marxist version of the 1970s, and the new separatist one, are based on localism and anti-authoritarianism.

As concerns the first aspect, several elements corroborate this analysis. To start with, the top leadership of the Lega Nord is connected to Operation Gladio. The Lega faction leader in the Parliament, Domenico Comino, is a former military officer who was signalled as a potential member of

Gladio. Furthermore, several Lega Nord and Liga Veneta leaders are coming from neofascist circles which are historically contiguous to Gladio. This is the case, for instance, of Franco Rocchetta, founder of the Liga Veneta, and of Fabrizio Comencini, the current regional secretary of the Lega. The VSA commander, Luigi Faccia, comes from neofascist circles as well.

The structure of terrorism in Italy has historically used both “left” and “right” operations. The leaders of the Lega Nord, like Bossi himself, have a leftist background, as is the case of another member of the VSA commando squad. For the next phase, the old “Autonomist” movement founded by Toni Negri, which was the broader base of the Red Brigades in the 1970s, has been retooled into a “left independentist” movement, to be launched against the “right-wing *leghisti*.” The anti-VSA demonstrators in front of the Venice court were, in fact, Autonomist groups from Padova. Under direction from their historical leaders, such as Negri or Franco Piperno, the new generation of Autonomists has turned into a “municipalist” operation against the “centralized state.” Their hero is Mexico’s Subcommander Marcos, leader of the Zapatistas, and their only difference with the Lega Nord is that they proclaim themselves “anti-racist.”

Mythological lies from Venice

As for the second aspect, the belief structure of both the “left” and the “right” independentists has been fabricated by mythologies concocted by the Venetian oligarchy, which today acts as a subsidiary of the City of London. VSA commander Luigi Faccia has been reported to know by heart a book written by Alvise Zorzi, entitled *La Repubblica del Leone*. This book has been key in rewriting history from a standpoint favorable to the oligarchical Republic of Venice. In what Zorzi himself, interviewed by this author, calls the “rediscovery of Venetian roots,” the ancient Republic of Venice is described as a model state, where democratic mechanisms, social life, and culture are the best one could aspire to nowadays. This reality, according to Zorzi, has been suppressed by the culture of Italy’s Risorgimento, the national movement that united the country in 1860.

Zorzi, a descendent of the famous sex adviser to Britain’s King Henry VIII, formally distances himself from the VSA and even the Lega-Liga, which he considers “xenophobic” and “like Hitler,” but this is just a facade. It is the typical *modus operandi* of the Venetian oligarchy (which then became the British oligarchy), to deny paternity of the monsters they regularly beget. Similarly, it was the Venetian oligarchy that created fascism, only to distance itself from it later on.

In reality, the base for the separatist movements is exactly the “rediscovered roots” of a nonexistent Venetian people, an operation launched, in its most recent form, by Zorzi. The Venetian people, according to Zorzi, have intrinsic virtues such as dedication to work, which other Italian “peoples” (i.e., southerners) do not have. “In the past, we have been despised because we were poor, and we had to emigrate. Today, we

are oppressed because we are rich; we produce more than any other Italian region, and we are despised as well.” Zorzi, claiming that he does not want to talk about politics, insists that the Venetian people must be “recognized in their dignity” by the Rome authorities.

In distancing himself from the VSA, Zorzi rejects the idea of “rebuilding the Venetian Republic,” but he says that “a few lessons could be learned.” The Italian state could learn, for instance, the Venetian application of the “separation of powers” between Church and State. “Venice was a most religious republic; it had a state religion. But, at the same time, it was the most liberal republic.” In other words, principles do not interfere with political life.

Another teaching which could be taken from the Venetian Republic, is what then became “the British system of law, a much better system than the Italian,” says Zorzi. This system, under the cover of rejecting “legal technicalism,” prevented magistrates from being expert in law. “It was enough that you had an honest man who could judge with equity.” Zorzi does not say it, but at that point, you do not need the law.

Another lesson from Venice, is the concept of the “common good.” According to this idea, the elite of the nation shares “dreadful economic sacrifices” with the people in times of emergency, when the future of the nation (read: of the oligarchical *Fondi*) is at stake.

Even if Zorzi would deny that, it was exactly his work of “rediscovery of the roots” that brought the Liga Veneta-Lega Nord to light.

Emulating Zorzi, Liga founder Franco Rocchetta wrote a monumental *History of Venice and of the Venetians*, which was serialized in the 1980s in the local Venetian newspaper *Il Gazzettino*, and was the recruiting program for the Liga Veneta. The editor in chief of *Il Gazzettino*, Giorgio Lago, son of a fascist leader, is today pushing the “respectable” version of separatism. Writing for the daily *La Repubblica*, Lago interviewed Venetian business leaders who commented on the VSA raid. One of these, Count Pietro Marzotto, gave the following line: 1) The VSA raid is a serious warning to the country; 2) Italy must absolutely respect the Maastricht criteria; 3) family-based capitalism will come to an end; 4) the future of the world is in globalization.

More or less the same things were repeated by another star of Venetian business, Luciano Benetton, whom Lago described as follows: “He first learned to sell, and then to produce.”

This expresses the truth of the so-called “northeastern economic miracle,” a relatively modest upswing of economic activities in the regions of Veneto, Trentino, and Friuli, which was due to exports boosted by the 1992-93 devaluation of the Italian lira. This relatively positive economic result, compared to negative figures for the other Italian regions, has been used both to promote the Veneto region as the example of successful adaptation to “globalization” (a British study put it at first place for income growth in Europe), and to accuse the central state of parasitically draining resources from the

northeast, through excessive taxes.

The reality behind the mythology is that the economic structure of this region is most fragile. Basically no research and development is taking place, since the industrial firms are too small to do it. No new technology is being developed, and the modest penetration of products from this region to eastern European and Asian markets is done in the wake of bigger firms, either Italian (in this case, based outside the region) or German.

Other figures show that Venetians have very little “dignity” (to use Zorzi’s words) to defend: According to a national survey, 96% of inhabitants of the Veneto region consider Classical culture “a nonproductive capital which is not indispensable to growth.” The rate of school attendance in Verona, the city that half of the VSA commando squad comes from, is 61.4%, compared to the national average of 74%. In Padova, the city that the other half of the commando group comes from, only 85 persons out of 1,000 buy a daily newspaper—40 fewer than in Sardinia, and half of the Ligurian average. The number of libraries per capita in Padova is inferior to southern Italian cities such as Nuoro, Isernia, or Reggio Calabria. Such figures prompted a commentator in *Corriere della Sera*, the largest Italian daily, to suggest that “since ignorance is allowed only for one generation, the progressive exhaustion of an economic boom

on fragile legs” is foreseeable.

Behind the myth, the Veneto region is the forerunner of the oligarchical model of a 5% cultivated elite, ruling over a 95% of ignorant masses. That is the reality behind the so-called “municipalist” project that the British want to enforce upon Italy.

‘Municipalization’ of the economy

Unfortunately, the current Italian government is no effective obstacle to such projects. The British lobby inside this government, led by Economics Minister Carlo Azeglio Ciampi and his director general, Mario Draghi, has a decisive influence, as the recent moves toward privatization and budget austerity have once again confirmed.

Take, for example, the decisions involving one of the most important industrial conglomerates still under state ownership, Finmeccanica. A result of a historically successful process of bailing out private industrial firms, among them Ansaldo of Genoa, Finmeccanica is a high-technology producer in the fields of aerospace, shipyards, weapon systems, and electronics. Its chairman, Fabiano Fabiani, has been fired, and a new chairman has been appointed, who has a mandate to privatize the company. Commenting on the decision, renowned economist Marcello De Cecco has exposed a hidden strategy to dismantle Finmeccanica and return its pieces to Genoa, to the oligarchical families that owned and bankrupted the original firms saved by the state: “The circles and the men that now in Genoa anticipate the return of ‘their’ companies, have not invested one penny in them. They now plan to make ‘municipal,’ the money that the whole of Italy has put in those companies, and of becoming the protagonists of their ‘privatization.’ Their ancestors behaved no differently, when they called foreigners into Italy five centuries ago, to prevail against the other Commune, or the other Republic, or the other Signory, to look at one’s own *particolare*, hating the next one.”

De Cecco sarcastically warns: “Let us prepare for an orgy of Panglossism among our intellectual class, which will celebrate, supported by authoritative foreign opinions, the new municipalism, as a return to the real and deepest Italian traditions. . . . Engineering students should prepare to look for a job abroad.

“To the Panglosses who are ready to rediscover this Golden Age, it is worth recalling that, after the glorious fifteenth century, there came the sixteenth, and the seventeenth, the saddest centuries of our history, when in Rome, Milan, and Venice, people lived by the jobs for which today Bangkok is famous. And, in the nineteenth century, whole cities of central Italy trained their children to beg, and sent them begging throughout Europe. But at that time, at least, we did produce children. Today, we do not do that any longer.”

To use Bossi’s words, in a statement on May 25: “You cannot stop the globalization of the markets. That is what is changing the world.”

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It can be done, but must be done now

A debate about sound new approaches to reverse the economic depression has begun in Germany.

The June 1 French elections, which brought a Socialist-led coalition government to power that broadens the front against free-market neo-liberalism in Europe, has sparked new debates in Germany. Labor union members and the opposition Social Democrats have not only re-discovered the 1993 Delors Plan for investments and new jobs, but also re-discovered the U.S. labor movement as an ally in the struggle to create such new jobs.

The most spectacular development has been the script which Dieter Schulte, chairman of the German labor federation DGB, had with him, for the international labor unionists' meeting, organized by the AFL-CIO, with President Clinton in Washington on June 9. There, on the eve of the Denver Summit of the Eight, Schulte spoke of a crucial role that Clinton must have, in any strategy to overcome mass unemployment, internationally.

"Mr. President," Schulte wrote, "the Germans of my generation have experienced two outstanding developments coming from your country after the war: . . . the American generosity via the Marshall Plan, which 50 years ago made the reconstruction of Europe possible. . . . [And] the societal mobilization that was coined with the term *compassion* by one of your most important predecessors, John F. Kennedy."

"Compassion," Schulte said, implies the commitment to "the principle of social justice, which has to keep a society together and develop it," and that kind of commitment is required today, because "in the OECD countries alone, 36 million human beings are being pushed to the fringes of society, by unemployment."

"In my view, to change that, to provide juster opportunities for life, calls for all efforts possible, even unconventional ones. The impulse to do so," Schulte stated, addressing Clinton, "must come from a sovereign figure, that is received with worldwide respect and with confidence on the issue. That is why I urge you: Please do not wait for the next summit in the first half of 1998 to launch the fight against unemployment, but send out a clear signal now from Denver, together with your colleagues."

Such a signal was not sent out from Denver—the agenda was determined weeks ago, and no ad hoc changes were welcome. This was also the situation before the Amsterdam summit of the European Union (EU), held a few days before the Denver summit. But strong political pressure by the French government forced some concessions at that EU summit, some changes in the agenda, concerning the creation of new jobs. This proves it can be done, if there is a commitment to change things. The fact that the new French government tried something, is more important than the fact that it did not fully succeed, in Amsterdam.

Now, what Schulte wrote about "not waiting" for the next G-8 summit in London next spring, but doing something against unemployment in the near future, remains on the political agenda. One of the concessions extracted in Amsterdam by the French, was the announcement that a special EU summit on employment would be held in the autumn. This has been welcomed by the German labor unions, which, after the Amsterdam summit, called on the EU to reinstitute the original, 1993-94 impulse for an all-Euro-

pean program for public infrastructure projects, investment in small and medium-sized industries, and the creation of jobs. In June, Michael Geuenich and Ursula Engelen-Kefer, vice chairmen of the DGB, called for reviving the investment-employment dynamic of the Delors Plan—which is still there, even in the watered-down version of the EU White Paper, passed at the December 1994 Essen summit.

The Essen formula could create 1-1.5 million jobs. But, the original Delors Plan of 1993 envisioned the creation of 12-15 million jobs. This shows what the potential of a new EU employment strategy could be.

However, the EU employment summit would not include the United States, which is not part of the EU. The momentum for a new Marshall Plan for the Balkans and eastern Europe will have to come into play. When Clinton was in Brussels in May, a special EU-U.S. conference for such a new Marshall Plan was announced.

The two events can be held simultaneously. How to do this, was hinted at in the June 12 special session of the German parliament commemorating the 1947 Marshall Plan. There, Sigrid Skarpelis-Sperk (Social Democrat) outlined three elements of such an approach: cooperation of the governments with labor (as in 1947), the Delors Plan for western Europe, and a new Marshall Plan for eastern Europe. A lesson of the Marshall Plan, she said, is that money should not be pumped into the seemingly more profitable private sector, but into development of the bottleneck sectors of the eastern economies—transport and energy infrastructure.

This idea is worth elaborating further, and it will have the support of the German labor movement. So, what did not work out in Denver, can come to pass in Luxembourg, where the EU employment summit will be held.

High Court rips Constitution

Australia's High Court has been a bastion of British imperial control over the country from the beginning.

The legal profession's Aristotelian pettifoggery and utter lack of concern for truth, makes it a rightful object of scorn in many countries. Typical of the respect accorded the world's "second oldest profession," is the old joke:

Q: What do you call a million lawyers at the bottom of the Atlantic Ocean?

A: A good start.

Many in Australia would argue that that is a fitting place for their country's High Court justices, as well. An intense debate has broken out down-under over the last year, about the court's increasing "judicial activism"—its tendency to write whatever laws it feels like, instead of interpreting the law within the confines of the (admittedly problematic) Australian Constitution. The court has been attacked fiercely by elected officials at all levels, most notably Queensland Premier Rob Borbidge, who proclaimed the court to be "disturbing and dangerous," and who is organizing to clip its wings, either through direct election of its justices (now appointed by the government), or by instituting a higher Court of Appeal. Recent court decisions which have enraged many millions of Australians include:

- The 1982 Franklin Dam decision. The court explicitly violated the Australian Constitution, which specifies that each of Australia's six states has control over its waterways, by deciding that the "external affairs" clause of that same Constitution, allows treaties made with foreign powers to override it. So, the court decided that UN treaties on "natural

heritage" and the environment could override the Tasmanian state government's decision to build the much-needed Franklin Dam, a project fiercely opposed by the greenies. Since then, some 3,000 additional treaties have been negotiated, which also override the Australian Constitution.

- The 1992 "Mabo decision." The court found, in an obscure land dispute case in the Torres Islands off the northern tip of Australia, that Australia was not *terra nullius* (empty land) when the first colonists arrived, thus throwing open to question the ownership of much of the continent. Named for Torres Strait Islander Eddie Mabo, the case was orchestrated by Anglophile professor Henry Reynolds, a proponent of a separate "aboriginal nation."

- The December 1996 "Wik decision." Notwithstanding the Mabo verdict, it had generally been assumed that existing pastoral leases "extinguished" aboriginal land rights. But, the Wik decision said that "native title" could coexist with private landholdings, throwing the ownership of all of rural Australia into uncertainty—and the countryside into an uproar. As a combined result of the Mabo and Wik decisions, an astounding 80% of the Australian continent has been claimed by aboriginal groups.

Since even before the federation of Australia's six states into a Commonwealth in 1901, the legal profession served as a bastion of British imperial control over the country. The Constitution was drafted by an Anglophile lawyer, Sir Samuel Griffiths, and then,

with his permission, was secretly re-drafted in London, to make the Queen and her Privy Council, Australia's head of state and chief legal body. Griffiths became the first chief justice.

Over time, Australia became sufficiently housebroken to be permitted to rule itself, and the High Court replaced the Privy Council as the highest court in the land, though the chief justice himself was often a member of the Privy Council. Nowhere is this continuing imperial control clearer, than in the case of "aboriginal land rights"—a Crown plot to steal Australia's vast raw materials wealth—whose chief proponents are High Court justices and their families, whether in, or out of court.

The whole scam was initiated by Prince Philip himself, through the Australian Conservation Foundation, which he founded in 1963. A key initiator of the ACF, later its president, was Chief Justice Sir Garfield Barwick, a member of the Privy Council. The chief justice during the Mabo decision, and now, is Sir Gerard Brennan, whose son, Frank Brennan, S.J., is a Jesuit priest and one of the country's top land rights activists. Two recently retired justices, Sir William Deane, now governor-general, and Sir Ronald Wilson, have been two of the most outspoken advocates of Mabo/Wik, and together chaired the 2,000-delegate Aboriginal Reconciliation Convention in Melbourne at the end of May.

The High Court's degeneracy is also manifest in the person of Justice Michael Kirby, its most outspoken proponent of "judicial activism." In 1993, Kirby keynoted the founding meeting of the George Soros-funded Australian Parliamentary Group for Drug Law Reform. There, Kirby argued that the federal and state governments should legalize drugs—suggesting a new meaning for the term, "High Court."

A small step forward

India and Pakistan have set up joint working groups to resolve outstanding issues.

Promising a major breakthrough in the much-awaited normalization of bilateral relations, the foreign secretaries of India and Pakistan penned an agreement on June 23 in Islamabad, the capital of Pakistan, to set up eight joint working groups to address all "outstanding" and contentious issues, including the Kashmir dispute and cross-border terrorism and drug-trafficking. Special emphasis has also been given to efforts to maintain peace and security, including confidence-building measures.

The foreign secretaries agreed to also address Siachen, the Wullar barrage project, the Tulbul navigation project, Sir Creek, economic and commercial cooperation, and promotion of friendly exchanges in various fields. It was agreed that both sides would take "all possible steps to prevent hostile propaganda and provocative actions against each other."

Three days of deliberations were held in a congenial environment and followed closely by authorities and well-wishers, and the signing of the agreement has been hailed by both sides. Pakistan Prime Minister Nawaz Sharif was particularly elated, because India recognized for the first time that Kashmir is disputed. Delhi is equally happy that Islamabad has moved away from its oft-repeated demands of holding a plebiscite in Kashmir based on the 1949 UN Resolution to resolve the issue.

The decision to set up joint working groups, "a step in the right direction," as most observers here are tempted to call it, follows the pattern

of the process of normalization of the relations between India and China. In that case, too, a number of joint working groups were set up and, although the disputed border talks have continued to date without making much headway, concessions and accommodations by both countries in many areas have paved the way for greater trade and commerce, and provided a better understanding of mutual interests.

In taking the first step, the credit goes to the prime ministers of India and Pakistan, both of whom assumed their jobs less than six months ago. From the very outset, despite some vocal opposition within each country (more so in Pakistan than in India), they worked toward their stated objective of settling unresolved issues. It is also to their credit that the talks were held in a positive atmosphere. As Pakistan's President Farooq Leghari told the officers at the National Defense College in Islamabad, "There was no miracle, but there can be a change of heart."

The talks were undertaken at a time when both nations are trying hard to get out of the rut of slow economic growth and to overcome paralyzing weaknesses in their economic infrastructure. There is a wakening to the fact that India and Pakistan, once they settle the disputed issues, must participate in joint economic development, which will complement each other. The potential for India-Pakistan trade could grow to \$5 billion in less than three years. The present unofficial trade is close to \$1 billion.

India and Pakistan have to be the

economic linchpins in the southern tier of the Eurasian Land-Bridge, which passes through both countries to unite the Southeast Asian growth area to the energy-rich Iran and Central Asia, and beyond. The full-fledged development of the southern tier of the Land-Bridge depends upon strong cooperation between these two major countries, which together have a population of more than 1.1 billion people.

In addition, there are studies which indicate that an uninterrupted flow of natural gas, an important requirement if both India and Pakistan are to close the gap somewhat in their massive energy shortage, is perfectly viable through transnational pipelines from the Persian Gulf, once they settle their differences and work in their mutual economic interest to help each other.

It is evident that the majority of people in both countries realize the importance of normalizing relations. However, vested interests, particularly, in Pakistan, among the military hawks and the orthodox Sunni-Muslim groups under the control of the Jamaat-e-Islami, are against any accommodation with India. Just before the talks began, rumbles were heard, even from Pakistan's mainstream politicians, accusing the prime minister of a "sell-out" to India.

At the same time, mischief-makers from the West released reports just before and during the talks, about the unscheduled deployment of India's surface-to-surface missiles along the Pakistani border, and the discovery of a Chinese missile-manufacturing factory in Pakistan. Although it has now been acknowledged that the Indian missiles have not actually been deployed along the Pakistani borders, the attempt to muddy the waters prior to the talks was real. It is, however, to the credit of the mature minds participating in the talks, that they remained unswayed.

International Intelligence

Jordan's Hussein caught between two camps

Jordan's King Hussein, who signed a peace treaty with Israel in 1994, has been trying to restart the process of Palestinian-Israeli talks, meeting in mid-June with Israeli Labor Party leader Ehud Barak. However, at home, Jordanian sentiments against any peace with Israel have been fuelled by Israel's recent provocations, especially in Jerusalem. King Hussein, who is unwilling to face criticism of this policy, is therefore moving in the direction of snuffing out all debate.

Domestic confrontation has been building since May, around a proposed press law which would stifle criticism of government policy. The law is being especially protested by Jordan's 13 professional unions, the country's most powerful political bodies. The leaders of the unions had threatened to resign en masse unless the government withdrew the law, but reversed their decision on June 12, for fear the government would name replacements for them. Laith Shubeilat, who is the secretary general of the engineers' association, the most powerful of the unions, led the demonstrations against the proposed press censorship.

According to the Jordanian daily *Al Arab al Yawm*, the government is now planning to introduce a law banning the professional unions from taking part in political activities, and ending the provisions that make it mandatory for a professional to join the relevant union in order to practice.

Armenians take fight vs. IMF to the streets

On June 13, Armenia was shaken by the largest demonstrations organized in years, with 400,000 citizens calling for new elections and for an economic alternative to the International Monetary Fund dictatorship over their country.

The protests were organized by the opposition parties, including the Union of Constitutional Rights, some of whose leading members are the friends and collabora-

tors of the Schiller Institute in Armenia.

Protest organizers called for the demonstrations to take place in all the major cities, to avoid the government's being able to crush one large demonstration in the capital, as had happened in the past. The demonstrations opposed the IMF "reform" policies imposed by the government and demanded new elections for President, parliament, and municipal offices; a new constitution; and a jobs-creation program and improvement of social and economic conditions. Armenia's foreign debt has increased to \$600 million, an extreme burden for a small nation like Armenia, while living standards have collapsed. A retiree receives a monthly pension of about \$8, while a kilogram of bread costs 30¢ and a kilogram of meat \$2.30.

Mainz diocesan paper blasts butcher Kagame

The Mainz diocesan paper *Glaube und Kirche (Faith and Church)* of June 8, sharply criticized the decision of the German state government of Rhineland-Palatinate to host Rwandan Defense Minister Paul Kagame to celebrate the German state's 50th anniversary in May. Referring to Kagame's triumphal visit to Mainz Cathedral, Rev. Hermann Mayer headlined his article "The Assassins Sat in the Front Row." He wrote: "The Tutsis under Kagame got rid of their adversaries discreetly, in secret—but relentlessly. Any individuals who have any influence and who know about Tutsi crimes are threatened by the new dictatorship under the intelligent Kagame. . . . In 1994, three bishops in Kabgay were murdered by Tutsi soldiers 'by mistake.' "

In fact, wrote Mayer, "the founder of the Mainz-Rwanda church partnership, Bishop Phokas Nikwikize, was kidnapped and murdered, obviously on orders of Kagame, the guest of honor. . . . When the big Tutsi war began in 1994, Bishop Phokas fled to Goma [Zaire]. In November 1996, he wanted to return to Rwanda and trusted the Kagame government's promise of safe-conduct. At the border, he was stopped by soldiers, and taken away by an 'unknown officer.' He has been missing since—all those knowledge-

able are convinced he is dead."

Not exactly repentant, Rhineland-Palatinate Gov. Kurt Beck visited Rwanda on June 17, at the invitation of President Pasteur Bizimungu, and met with butcher Kagame.

Demand Britain open archives on Holocaust

Artur Brauner, president of Berlin's Janusz Korczak lodge of B'nai B'rith, published a full-page ad in the London *Times*, challenging Britain's royal family and government to open the archives on what was known about Hitler's Holocaust of Europe's Jews: "It is high time that the British nation and the rest of mankind were informed about the accessories that are to be held responsible for keeping this genocide secret." Brauner wrote. "Did the Royal Family know what was happening? . . . If so, how did the Queen react to this horrific revelation? . . . Meanwhile proof has been delivered, that Prime Minister Winston Churchill was informed about the genocide. Why he stood by without interfering or informing the public while the massacre took place must be clarified in the name of humanity."

Brauner wrote: "Fifty-six years ago today, on the 22nd of June 1941, the most gruesome and brutal war in the history of mankind began. Hitler named it 'Barbarosa.' It cost 55 million humans their lives. . . . Around 40% of the Jewish population were murdered. . . . The mass executions by the SD and other special detachments didn't remain concealed; the headquarters for deciphering war messages in London's Bletchley Park managed to crack SS-codes on the 18th of July 1941, thus being exactly informed about the systematic decimation of Jewish inhabitants under the German occupation from then on. . . .

"I, the undersigned Artur Brauner, lost 49 relatives from both sides of my family. In the name of these relatives and friends and the millions of other victims that were murdered, I want to appeal to the Royal Family, the British government and British people, to open their archives dating 1941-45 and make them fully accessible to the public."

LADY CAROLINE COX, head of the bloodthirsty Christian Solidarity International, was a main speaker on June 21-22 at a conference on Sudan sponsored by Germany's Evangelical Academy. The event organizer, Dr. Ernst-Albrecht von Renesse, who styles himself a "Christian," reminisced to a caller that a few hundred years ago, he would have burned every Muslim that he could find.

MOHAMMAD KHATAMI responded to congratulations from Pope John Paul II on his election as President of Iran on June 16, that cooperation among governments would serve to foster justice, peace, and freedom around the world. Khatami extended his best wishes to His Holiness and followers of all divine religions.

ARZAMAS-16 Nuclear Research Center in Russia's Nizhi Novgorod region was the scene of a serious accident on June 17, that left Russian scientist Aleksandr Zakharov in critical condition, after receiving a dose of radiation. Both Arzamas-16 and Chelyabinsk-70, the two elite former Soviet nuclear weapons labs, have been devastated by budget cuts, since the "market reforms." Chelyabinsk's director committed suicide last October, in despair over the conditions under which his staff is forced to work.

THE FRENCH government has begun pulling out the 1,500 French soldiers it dispatched to Brazzaville to help remove French nationals from the war-ravaged city. Congo-Brazzaville President Pascal Lissouba said on June 17 that the removal of that "buffer force" could lead to renewed fighting between his troops, and forces loyal to former military leader Denis Sassou Nguesso, the ally of Laurent Kabila.

THE AFRICAN Population Commission of the Organization of African Unity ridiculously appealed to member-states on June 16 to take measures to stem population growth on the vastly underpopulated continent. The OAU is currently run by Museveni side-kick Salim Salim.

Soros hailed in Bulgaria, condemned in Belarus

On June 13, President Petar Stoyanov decorated international speculator, drug-legalization godfather, and dictatorial democrat George Soros with Bulgaria's highest award, the Order of the Balkan Mountain Range. According to reports from Radio Free Europe, Soros said after the ceremony that he had made an exception in accepting the award, because it marked a turnaround from the suspicion displayed by the former socialist government toward his Open Society Fund.

Another former socialist government hasn't been so hospitable. The Minsk, Belarus office of Soros's Open Society Institute will appeal a huge fine levied by the Belarus authorities, Soros told the Russian publication *Ekho Moskvy* on June 19. Tax officials in Belarus imposed the \$2.9 million fine in May, accusing Soros's foundation of violating its tax-exempt status by becoming involved in politics. Minsk expelled the foundation's director in March. Soros accused the Belarus authorities of harassment and of trying to squelch democracy.

Netanyahu hands more power to Ariel Sharon

Faced with growing hostility at home and abroad, including within his own coalition, Israeli Prime Minister Benjamin Netanyahu has decided to go for broke, reshuffling his cabinet into a vehicle for de facto confrontation with the Palestinians. Netanyahu has named Ariel Sharon, the butcher of the 1982 invasion of Lebanon, to be his new finance minister, replacing Dan Meridor, who was forced out in a power struggle.

While he was infrastructure minister, Sharon built roads criss-crossing the West Bank and Gaza, to connect Israeli settlements, but isolating Palestinian towns and cities. With his new portfolio, he will build new settlements everywhere. According to a political adviser of Jerusalem Mayor Ehud

Olmert, the Israeli strategy is to build another 100,000 new housing units on the West Bank, to raise the number of settlers from 150,000 to over a half-million. They hope thereby, to establish a situation where the combined settlers and the Israelis in Jerusalem comprise two-thirds of the entire West Bank population. That is the situation which Netanyahu would like to consolidate before moving to talks with the Palestinians on their final status.

Sharon evidently dictated to Netanyahu that he will retain responsibility over two areas covered by the infrastructure ministry—Israeli land authority, and water—and demanded that Netanyahu let him become a member of the "negotiating strategy" team, over the objection of the other two members, Defense Minister Yitzak Mordechai and Foreign Minister David Levy.

Ramos-Horta in S. America praises narco-terrorists

East Timor's José Ramos-Horta, the Nobel Peace Prize laureate and "former foreign minister" of the separatist/terrorist Fretilin, resumed his Ibero-American tour in late June, after a brief stop in New York to seek UN protection for "armed resistance forces." His Ibero-American tour is aimed at drumming up support for the independence of East Timor. Having offered his services to the narco-government of Ernesto Samper in Colombia and the narco-terrorist FARC, as a qualified witness to their humiliation of the Colombian military on June 15, Ramos-Horta has embraced the FARC's Peruvian narco-cousins, the MRTA.

In Peru, Ramos-Horta charged that the Fujimori government had gagged the constitutional court and the media, among other accusations, and then made the presumptuous remark that, if "the majority of public opinion in your country believes that there is a dictatorship, I cannot disagree with what Peruvians think." Ramos-Horta is headed for Brazil—like East Timor, a former Portuguese colony—whose President, Enrique Cardoso hastened to congratulate Ramos-Horta on his Nobel Prize.

Denver ‘Summit of Eight’: a Mad Hatter’s tea party

by William Jones and Jeffrey Steinberg

The June 20-22, 1997 “Summit of Eight,” in Denver, Colorado, can be summarized by the following six observations. First, overall, the event was a Mad Hatter’s tea party, in which a non-head of state, British Prime Minister Tony Blair, played the part of the Mad Hatter, with Jacques Chirac a disgusting fill-in for the dormouse.

Second, no agreement on any substantive issue was reached. Third, the reason for the failure of the summit was the rabidly disruptive role of Blair. Fourth, the press leak insisting that that summit brought the Anglo-American “special relationship” back to life, was an outright lie, directly contrary to fact. Fifth, the failure of the summit was not a failure by President Clinton: He was given no opportunity, either to succeed or to fail. The failure was all on the side of the European representatives, who each and all sealed their impending political doom as a pack of fools who have lost all remnants of the political, moral fitness to remain much longer in office. Sixth, despite the absolute lack of any substantive accomplishments, the members of the summit patched together a soporific press release and pre-staged press conference, for the purpose of de-edifying the public.

Legacy of the Maastricht suicide pact

That outcome of the Summit of Eight was pre-ordained by the recent years’ suicide pact among all of the participating European officials, especially France’s “bipolar” President, Jacques Chirac, and German Chancellor Helmut Kohl, who have gutted much of what remained of their nations’ economies, and their own political bases of support, by proceeding stubbornly ahead with the Maastricht Treaty, in order to provide the London-centered European financial oligarchy with a single currency, the euro, the main purpose of which, is to

wage financial and economic warfare against the United States and the U.S dollar.

The only European elected official who has gingerly broken from the Maastricht insanity, and who might therefore qualify as a viable European partner for the United States, France’s recently elected Prime Minister Lionel Jospin, wisely, did not attend the Denver summit, where he would have been obliged to witness the hysterical anti-American rantings of President Chirac.

The case of the Privy Council’s hand-picked successor to John Major, the Labour-Thatcherite Tony Blair, is of special note, given the pivotal role that he played at Denver, and during a followup visit to New York City, before his return to London.

In a radio interview with the weekly “EIR Talks” on June 24, Lyndon LaRouche commented on Blair, and his performance in Denver:

“He was brought in so as to be chief of the Labour Party, in order to groom him as a member of Britain’s Privy Council, to become a prime minister under a Labour Party label, to deal with the mess which was being created by the fumbling administration of John Major.

“So, that was done, in the usual British way of doing these things.

“Now, his purpose was — two things he had to do, or three things, actually. He was supposed to try to woo President Clinton, through people like Al Gore and so forth, into a more friendly attitude toward a special relationship between the United States and Britain; that is, to get the United States to submit to the kind of relationship to Britain which the United States had during the Thatcher-Bush period.

“Second, he was supposed to intervene in Europe, to lead

Europe, to push Germany aside, to push France into a second position, and to take leadership over all of western Europe. He was supposed to push NATO, in an aggressive way, eastward, which is not what the United States view is. The United States—the view of the President—is to bring Russia into NATO, as a coordinating agency for Europe, as opposed to an aggressive conflict arrangement. . . .

“The other aspect is, that is, behind the move, was to bring the British financier interests into an unchallengeable top position in the world, in the course of the inevitable financial crash, which is now onrushing. . . .

“But, Blair is supposed to be the slick operator who can woo the United States; perhaps woo Clinton, through Al Gore; woo people in Europe, through Socialist Party influences in Europe, particularly if Kohl goes down, that sort of thing.

“Look behind the mask, at the reality. Don’t say, ‘He’s the new bright guy in the neighborhood, he’s much nicer to shake hands with, than old poor John Major.’ He’s not. He’s a nasty reptile, and the sooner that the United States realizes that, the better policymaking will go.”

At Denver, President Clinton, through several subtle gestures, indicated that he is no more enthusiastic about an Anglo-American “special relationship” with Blair, than he was when John Major was residing at 10 Downing Street. At the opening banquet of the Summit of Eight on June 20, President Clinton prominently displayed his warm personal ties to Russian President Boris Yeltsin, while, through an oversight, there was not even a chair at the heads of state table for Blair. Earlier in the day, President Clinton had barely squeezed in a brief private meeting with Blair, while he held long bilateral talks with President Yeltsin, Chancellor Kohl, and Italian Prime Minister Prodi. In his meeting with Blair, Clinton focussed the discussion almost entirely on the Northern Ireland situation, which has been a serious point of contention between Washington and London, since President Clinton’s first term.

Despite these events, and despite Blair’s subsequent direct attack against the Clinton administration for failing to reduce greenhouse emissions, at a speech at the United Nations in New York, following the Denver summit, the London *Times* of June 24 lied outright that the Blair visit to the United States “sealed a new special relationship” between the United States and Britain, and established Blair as the “linkman” between President Clinton and the rest of Europe.

Unprecedented breach of protocol

The clearest visible sign of the hostility in the air at Denver, came on the opening day of the summit, when French President Chirac, in a breach of summit protocol, stormed into the International Media Center, and held a press conference, at which he denounced President Clinton and the United States for everything from the ozone hole to the African crisis. Originally, all of the participating heads of state had been scheduled to hold individual press conferences at the end of the summit.

The other seven participants, including President Clinton, stuck to that arrangement.

In contrast to Chirac’s accusatory rantings, one of the few genuine issues discussed at Denver—at President Clinton’s initiative—was the need to do more to stop the descent into chaos and genocide in sub-Saharan Africa. At his post-summit press conference, in response to a question from *EIR* White House correspondent William Jones, President Clinton also expressed deep personal concern about the crisis in North Korea, where, according to Red Cross estimates, as many as 5 million people are on the verge of starving to death.

Secondary accomplishments

Given the underlying hostile state of affairs between the Clinton administration and the British-led western European suicide pact, President Clinton had few opportunities to achieve anything of note. He did, nevertheless, manage to further improve American-Russian relations, by placing President Yeltsin center-stage at the summit, as a “full partner” of the Group of Seven, and by reiterating his intent to assist Russia’s dying economy.

Weeks before the Denver summit, the U.S. Agency for International Development (AID) had cancelled a \$15 million contract with a Harvard University institute, headed by monetarist fanatic and George Soros stooge Jeffrey Sachs, to help re-write Russia’s commercial and tax codes. The move modestly undercut the International Monetary Fund’s murderous grip on Russia’s monetary and economic “reforms,” and was a blow to the IMF’s leading operator in the Moscow hierarchy, Anatoli Chubais.

LaRouche summarizes Denver results

In his June 24 radio interview, LaRouche summed up the Denver non-event:

“The conflicts among the various participants in what was in fact a G-8 meeting, rather than G-7—that is, Russia was a partner in this—the conflicts among them, as, for example, the conflict of Jospin, the new prime minister of France, with the Maastricht proposal, and with this kind of proposal, the conflict between Jospin and Tony Blair of Britain; the conflict between Blair, the prime minister of England—or of the British Privy Council—and the President of the United States, is sharpened. The difficulties of Germany are sharpened. The conflict with China is somewhat sharpened.

“The British are now trying to run an operation to build a bridge into the United States, hoping they can outflank and subdue Clinton, and get the United States back under British control, with the help of people like George Bush and folks like that. I don’t think that’s going to work.

“So, you have a crumbling financial system. Nothing has been addressed, nothing has been cured. Time has made the situation worse, less stable. The conflicts among the parties at the summit have not been lessened; they have increased, they have sharpened.”

GOP fractures over Gingrich's leadership

by Carl Osgood

For more than a week after the Republicans capitulated to President Clinton on the disaster relief bill, the major national press carried front-page stories on the fissure developing between House Speaker Newt Gingrich (R-Ga.) and the rest of the House Republican leadership. Indeed, all of the leadership, including Majority Leader Dick Armey (R-Tex.), Majority Whip Tom Delay (R-Tex.), Conference Chairman John Boehner (R-Ohio), Policy Committee Chairman Christopher Cox (R-Calif.), and Bill Paxon (R-N.Y.), who chairs the leadership meetings and is a personal protégé of Gingrich, all turned against Gingrich when the vote came up on the revised disaster bill on June 12. They were angry at the way Gingrich had brokered the deal that brought the revised bill to the floor, without a provision intended to prevent a government shutdown in the event that the appropriations bills are not finished at the end of the fiscal year on Sept. 30.

While Armey and other GOP leaders go to great lengths, in public, to deny any rift between themselves and Gingrich, their anger spills out nonetheless. Armey, when asked about Gingrich as he was leaving a press conference on June 17, simply said, "Y'all have a nice day now." He told the *Washington Post* on June 18 that, with regard to the budget agreement, "If you're not in the room and you don't make the agreement, you're not bound by it." Afterward, Armey appeared more conciliatory, denying in a statement that he had refused to defend Gingrich, and saying on NBC's *Meet the Press* on June 22, that he supported Gingrich "enthusiastically."

The unhappiness with Gingrich among the Conservative Revolution crowd was signaled in an article by conservative columnist Fred Barnes in the June 30 issue of the *Weekly Standard*. Barnes gave reasons for each of the members of the top leadership to want Gingrich to step down as Speaker. Barnes reports that "Gingrich has deeply alienated each of his deputies by his decisionmaking and his behavior towards them."

The trail of internal dissension and mini-revolts stretches back to Gingrich's ethics problems and the vote to impose a \$300,000 fine on him, last January. While Barnes does not acknowledge the effects of the ethics scandal, it nonetheless severely weakened Gingrich's control of the Republican Caucus, which he had previously maintained even after the debacle of the government shutdowns in late 1995.

The next stop on the trail was the vote on committee funding in March. Eleven conservatives broke ranks with the leadership on a procedural vote, because they believed that the funding bill gave too much money to the committees. Gingrich gave in to their demands, and compromised on the funding issue. The eleven, led by Matt Salmon (R-Ariz.) and Joe Scarborough (R-Fla.), later charged Appropriations Committee Chairman Bob Livingston (R-La.) with "blacklisting" them by reducing appropriations for Federal operations in their districts. Livingston, apparently, did not deny the charge.

Then came the confrontation with Transportation and Infrastructure Committee Chairman Bud Shuster (R-Pa.), after the May 2 budget agreement was inked between Clinton and the Republicans. Shuster fired off an angry letter to Gingrich complaining that the budget deal left transportation projects underfunded by not providing enough spending, and by using the transportation trust funds to paper over the budget deficit, an accounting trick that Shuster has always been opposed to. Gingrich agreed to let Shuster bring to the floor an alternative to the budget resolution. According to Barnes, Gingrich didn't consult with Armey, who had already told Shuster his bill would not get a vote, because it would bust the budget deal. Shuster's bill was narrowly defeated by two votes, on a vote which split the Republicans, but only after a "Herculean" lobbying effort by Armey and Delay.

The 'final fracture'

Then came what Barnes describes as the "final fracture" between Armey and Gingrich, the disaster bill. According to Barnes, Gingrich agreed to bring the bill to the floor without the government shutdown provision, but without consulting Armey or Delay, both of whom regarded the deal as a "total capitulation" to Clinton. After the vote, they saw Gingrich as pushing the blame onto them. However, the strategy of confrontation with the President, whoever was the architect of it, made other conservatives nervous. Budget Committee Chairman John Kasich (R-Ohio) said on June 15 on CBS's "Face the Nation" that, even though he didn't understand why Clinton would be opposed to that provision, "when the President indicated he wasn't going to sign that, we shouldn't have attached it. . . . We should have sent him a clean flood bill. We should have gotten it done right off the bat."

While internal dissension among Senate Republicans has not surfaced, Majority Leader Trent Lott (R-Miss.) has been exhibiting signs of stress. Appearing on ABC's "This Week with David Brinkley" on June 15, Lott took the high ground, focussing on the GOP's favorite populist issue, tax cuts. He claimed that Clinton "is not committed to giving working Americans, middle class Americans a tax cut." He called Clinton a "spoiled brat" because "he thinks he's got to have it his way or no."

The lesson the Republicans have failed to learn, is that being the majority in Congress, does not mean they control the government.

Christian pharisees target China, Sudan

On June 23, a gaggle of activists ranging from the “religious right” and neo-con networks, to liberal Democrats, held a summit on religious persecution overseas. The meeting, held at the Dirksen Senate Office Building in Washington, D.C., was to organize a grassroots, church-based movement to target certain nations allegedly persecuting religious minorities. These people are no more interested in protecting religious freedom, than the 1980s’ Project Democracy was intended to promote democracy. A look at one of the leading participants, Christian Solidarity International (CSI), shows clearly that what is being organized is a grassroots mob to cover for the foreign policy of the British oligarchy: the destruction of nation-states. The whipping boys for these modern pharisees are the two premier nation-states of the developing sector, Sudan and China.

The meeting included the London-controlled Freedom House of Leo Cherne (chairman of the Reagan-Bush President’s Foreign Intelligence Advisory Board), the Family Research Council of Gary Bauer (another specimen from the Reagan-Bush White House), Father Richard Newhouse, a radical epigone of Michael Novak, Michael Horowitz from the Hudson Institute, CSI’s Jim Jacobson, Ralph Reed of the Christian Coalition, and another Catholic radical free-trader, William Bennett of Empower America, among other cheerleaders for the “Contract on America.” The odd Democrat made for ecumenical window-dressing, including co-chair Sen. Joe Lieberman (Conn.). The event was sponsored by Empower America, and co-chaired by Bennett.

Nina Shea of Freedom House opened the gathering, with a broadside against Sudan, which is *de rigueur* for any meeting involving Lady Caroline Cox’s Christian Solidarity International. Cox is making a career of trying to overthrow the Sudanese government, under cover of saving Christians, and is currently organizing logistical support for Sudanese rebels who, under her influence, have refused to join the government-initiated peace treaty to end the decades-long civil war. Along with Lady Lynda Chalker, Cox is also organizing support for the Ethiopian and Eritrean allies of Ugandan dictator Yoweri Museveni, who are currently attempting to invade Sudan.

Shea’s diatribe, a catalogue from her book *In the Lion’s Den*, of hideous allegations of torture, genocide, and enslavement of Christians, made no mention of Sudan’s civil war, which was set up by the departing British colonialists between the predominantly Muslim north and the Christian-animist

south. Nor did Shea mention the peace efforts between Khar-toum and most of the southern rebel groups, culminating in April in the historic signing of a peace treaty—following which Cox’s operations were stepped up. Nor did Shea mention that 10 miles from Sudan’s southern border, in Congo-Zaire, the unparalleled slaughter has cost the lives of at least half a million Rwandan Hutu refugees and of opponents of Laurent Kabila and his backers in Kampala and London.

Sudan has earned itself pride of place on Britain’s imperial enemies list (it is the only former British colony that is not a member of the Commonwealth), because of its fight against colonialism and resistance to the International Monetary Fund predators.

Ravening Wolf

The other target of the meeting was China. Shea was followed by CSI’s chief Congressional lackey, Rep. Frank Wolf (R-Va.), who has led the campaign in Congress to break U.S.-China relations, using the cover of human rights violations. Ironically, Wolf and his friends cannot claim to have the backing of the Vatican for their campaign on behalf of “persecuted Christians.” Shea and Wolf’s methods are rooted in the British 19th-century tactics of Lord Palmerston: Build “popular” movements to destroy governments from within, in the name of liberating oppressed minorities. In the case of China, London’s point man has been Gerald Segal of the International Institute of Strategic Studies, who wrote the blueprint to break China up into pieces, along “ethnic” lines.

The grouping got its start in January 1996, at a conference on “Global Persecution of Christians,” when the National Association of Evangelicals issued a statement condemning religious persecution. In September, Congress passed resolutions targetting various Islamic governments and China for the persecution of Christians. In November, an advisory committee in the State Department was created to monitor religious persecution.

In May 1997, a legislative vehicle for the movement, the “Freedom From Religious Prosecution Act,” was unveiled by Sen. Arlen Specter (R-Pa.) and Rep. Frank Wolf at a press conference. The act introduces a White House post called “Director of Religious Persecution,” and mandates varying degrees of sanctions depending on the victim-nation’s alleged level of religious persecution. Such legislation, involving the creation of a human rights gestapo in the Executive branch of our government, would go a long way toward subverting the core of U.S. foreign policy, which is based on serving the national interests of this country through a commitment to the best interests and development of other sovereign nations—the long U.S. foreign policy tradition of a “community of principle.” The Congressional co-sponsors, including several who are directly tied to CSI, such as New Jersey’s Chris Smith (R) and Ohio’s Tony Hall (D), have been promised full support by Benjamin Gilman (R-N.Y.), the chairman of the House Foreign Relations Committee.

Medicare plan clears Senate Finance Committee

The Senate Finance Committee reported out its Medicare package by a vote of 18-2 on June 18. The package is intended to meet the criteria set out in the budget agreement between President Clinton and Congressional Republicans, and is part of the budget reconciliation bill which will make the changes required by the budget agreement.

The plan would make major changes in the Medicare program, including a choice program which would include private insurers and demonstration projects for medical savings accounts, competitive pricing, and the use of third-party contractors to handle enrollment. The most controversial change, however, is the raising of the Medicare eligibility age from 65 to 67.

Finance Committee Chairman William V. Roth (R-Del.) said, "We have built a strong package that begins to address some of our nation's biggest entitlement problems, and is a major building block in our efforts to balance the budget." He claimed that the package will save \$100 billion over five years.

Even though only two committee Democrats voted against the plan, it faces stiff opposition on the Senate floor. The day after the committee vote, Edward Kennedy (D-Mass.) said that the bill "will, tragically, undermine Medicare as we know it." He said that, if the eligibility age increase passes, "we will be breaking a compact made with millions of working Americans." He added that rather than giving senior citizens "more choice," it instead "tips the scales heavily in favor of private insurers. It reduces payments to doctors under traditional Medicare, inducing them to either limit the number of Medicare patients

they treat or leave the program. At the same time, it allows doctors in some private plans to charge fees far above what current law allows."

Burton gets unilateral subpoena authority

The House voted along party lines on June 20 to give House Government Reform and Oversight Committee Chairman Dan Burton (R-Ind.) unilateral subpoena authority as part of his committee's investigation of fundraising practices, including of the Democratic Party during the 1996 Presidential campaign. "Unilateral" means that Burton does not have to submit his subpoenas for depositions to the Democrats for approval or a vote before issuing them, but rather is only required to "consult" with Democrats. House Rules Committee Chairman Gerald Solomon (R-N.Y.) insisted that Burton needs such authority because of the "obstructionist tactics" of Democrats.

Democrats denounced both the blatant partisan nature of the investigation, and the power given to Burton. Joe Moakley (Mass.) complained that the Republicans "do not seem to be out to get facts as much as they are to get Democrats." Henry Waxman (Calif.), the ranking Democrat on the committee, pointed out that Burton has already issued 156 unilateral subpoenas for documents, only 10 of which were directed at Republican targets. This record, said Waxman, "proves that it is being used as a partisan tool."

Burton presented his case for the investigation by listing a number of alleged instances of corruption of the Democratic Party by foreign, mostly Chinese and Indonesian, money. Paul Kanjorski (D-Pa.) blasted Burton because, "obviously, his facts are found,

his conclusions are made, and the purposes for this investigation are for no other purpose but for political purpose." Kanjorski urged the House to adopt a different form of the resolution, one which would give the Democrats on the committee a voice in the direction the investigation will go.

Egypt stripped of aid by Senate subcommittee

The Senate Foreign Operations Appropriations subcommittee on June 18 voted to zero out foreign aid to Egypt, while leaving intact aid to Israel. Ever since the 1979 Camp David peace agreement, Egypt and Israel have been the largest recipients of U.S. largesse. Last year, Israel received \$3 billion, which level remains unchanged, and Egypt received \$2.1 billion.

Justifying this provocative action, subcommittee Chairman Mitch McConnell (R-Ky.) said that "the emerging military, economic, and political ties to Qaddafi reflect Egypt's shift from a partner in peace, to an advocate for a terrorist state armed with chemical weapons." To this bizarre accusation, McConnell added that President Hosni Mubarak had undermined the Hebron talks, and Israeli-PLO negotiations in general. "He convened the Arab League in Cairo, where there was a vote to reimpose the economic boycott of Israel. President Mubarak was the only leader who rejected President Clinton's summit call last September."

Robert Byrd (D-W.V.), in remarks on the Senate floor the next day, blasted the action as sending "precisely the wrong signal to the Egyptians, whose assassinated leader [Anwar Sadat] was the pioneer in this peace process." Byrd strongly criti-

cized the Israeli government of Prime Minister Benjamin Netanyahu, "which has promoted the construction of new and entirely unnecessary Jewish settlements in Arab portions of Jerusalem, a development sure to engender violence and the disruption of the peace process."

Byrd praised the role of Egypt in attempting to mediate between Israel and the Palestinians. "Egypt should be commended" for these actions, he said, "not seemingly punished for her courage. Is Israel to be symbolically rewarded for the unnecessary and provocative action it has taken in building entirely unnecessary housing settlements in sensitive Arab lands?"

War of words escalates over proposed tax cuts

Ever since the Republican and Democratic tax plans were released, a war of words has escalated over whose plan benefits more lower and middle income workers.

On June 19, House Minority Leader Richard Gephardt (D-Mo.) said, "There is a different way to provide tax relief other than rewarding traders of stocks and bonds for a bull market brought on by the Democrats' economic recovery." Minority Whip David Bonior (D-Mich.) said that under the Republican plan, "two-thirds of the tax cuts go to families earning more than \$100,000 a year. Under the Democratic plan," he continued, "more than two-thirds of the tax cuts go to families earning less than \$100,000 a year."

House Ways and Means Committee Chairman Bill Archer (R-Tex.) fired back, saying, "Contrary to the economic class warfare rhetoric of some in the Democratic Party, fully

93% of the tax relief in our bill goes to taxpayers with annual incomes under \$100,000." Archer ridiculed the tax distribution tables provided by the Treasury Department, which the Democrats rely upon for their critiques. He said that these tables "were dismissed by the Joint Committee on Taxation many years ago because they artificially inflate people's incomes."

All of this back and forth ignores the looming collapse of the speculative financial bubble. Even though the Democratic proposal does not apply the capital gains tax reduction to stock transactions, Gephardt, in his statement about not rewarding stock and bond traders, misses the point. Archer's plan reflects the drive by Wall Street to suck larger numbers of lower-income people into speculation, in order to prop up the bubble a while longer.

New initiative on China human rights issue

On June 23, a group of congressmen led by Reps. David Dreier (R-Calif.) and Bob Matsui (D-Calif.) announced that they plan to introduce legislation that would provide a forum to address human rights and other concerns over China, outside the annual debate over Most Favored Nation trade status for China.

Rep. John Porter (R-Ill.), who, along with Jim Kolbe (R-Ariz.) and Sander Levin (D-Mich.), joined Dreier and Matsui at the press conference, explained that he backed this initiative because his past votes against MFN for China had become useless ways of venting frustration at the human rights situation in China. "I believe," he said, that "the United States must adopt a pro-active policy to ad-

dress human rights concerns in China, one that will not simply be a message sent once annually, but will impact Chinese society in a way that will change for moving toward democracy, human rights, and the rule of law."

The two major components of the proposal are to "dramatically" increase broadcasts of the Voice of America and Radio Free Asia into China to 24 hours a day, and to promote the "building of democracy in China" by giving the National Endowment for Democracy another \$5 million for activities in China. (The NED is an unconstitutional, fascist ideological tool of the secret, "parallel government" apparatus, which is used against nations, including U.S. allies.)

Other provisions include a voluntary code of conduct for U.S. businesses in China, the cutoff of visas for "weapons proliferators" and "human rights abusers," requiring more reports on human rights conditions in China, increasing the number of human rights officers in the U.S. embassy in Beijing, and creating and maintaining a list of commercial enterprises connected to the People's Liberation Army.

Dreier, who proudly proclaimed his membership on the board of the International Republican Institute, which is part of the NED, announced that a number of members of Congress who oppose renewing MFN support this initiative, because "they recognize the importance of our goal of increasing NED funding." Matsui and Levin both indicated that they see this proposal as a way of separating these concerns from the MFN debate. Levin said, "We need a policy, not a protest. We have these annual spasms and nothing much happens." Levin also said that he thought that the World Trade Organization is a better forum for dealing with economic issues between the United States and China.

National News

100,000 rally to back Detroit press strike

The fast-spreading political labor ferment in the United States reached a new height on June 21, when 100,000 trade unionists joined AFL-CIO President John Sweeney, and other labor, political, and religious leaders, in Detroit at the "Action Motown!" strike support rally. Unions representing 2,000 workers at the *Detroit News* and *Detroit Free Press*, owned by multinational conglomerates Gannett and Knight-Ridder, struck on July 13, 1995 against unfair bargaining in violation of federal labor laws. The newspaper giants went out and hired replacement workers, locked out the strikers, and continued to publish.

In a victory just before the two-day strike support rally, on June 19, National Labor Relations Board Law Judge Thomas R. Wilks ruled in favor of the unions on almost every unfair labor practice charge they had brought, most importantly that the strike was over unfair labor practices: This means that the companies have no right, under federal law, to hire permanent replacements if the strike was not over economic issues, and therefore strikers must be rehired, and replacements let go. The companies now also owe back pay and benefits to the strikers.

On the same day, in Erie, Pennsylvania, some 3,000 workers rallied to increase pressure on General Electric to negotiate fairly before the national union contract, covering 46,000 workers, expires on June 29. This is the largest number of workers in the manufacturing sector with a 1997 contract expiration.

Pat Robertson college gets Murdoch funding

Through a financial transaction between televangelist Pat Robertson and British Empire media mogul Rupert Murdoch, \$147 million has been transferred to the account of Robertson's Regent University in Virginia, according to the *Washington Times* of June 15.

Murdoch gave \$1.2 billion to Robertson and entities he controls, to merge with lucrative cable television giants: Murdoch's Fox Kids Worldwide network with Robertson's International Family Entertainment.

Through this transaction, Regent University has become one of the 25 best-endowed colleges in the United States. The school is a center for networking of British intelligence and global institutions' front operations of all kinds, including religious, diplomatic, and banking activities.

Robertson's "Operation Blessing" is still in trouble in Virginia, where State Sen. Janet Howell (D-Reston) has demanded that Attorney General James Gilmore investigate charges that the charity to aid sick and starving African children diverted funds to a diamond-mining operation in Congo-Zaire. Gilmore, the Republican candidate for governor, has declined to investigate, using the excuse that it is being handled at the level of federal and Commonwealth attorneys. Robertson has made at least two contributions, each \$50,000, to Gilmore's campaign.

'Afghansi' terrorists extradited to U.S.

Mir Aimal Kansi, who killed two CIA employees and wounded several others in a shooting spree outside CIA headquarters in Langley, Virginia on Jan. 25, 1993, was captured in Afghanistan through the joint efforts of the FBI, CIA, and local officials in Pakistan and Afghanistan. Kansi, a native of Pakistan, and an "Afghansi" veteran, was brought back to the United States on June 17. U.S. officials refused to reveal the details of the capture, but described the effort as very complex, that probably involved the collaboration of Afghan tribal leaders who were promised part of the \$2 million reward.

Kansi's return occurred on the same day that another accused terrorist, Saudi national Hani Abdel Rahim al-Sayegh, arrived in Washington from Canada, following his agreement to cooperate with U.S. investigators. Al-Sayegh is suspected by U.S. officials of participating in the 1996 Khobar Towers bombing in Dhahran, Saudi Arabia, in which 19 U.S. servicemen were killed.

While much of the U.S. press has played up the possible links between al-Sayegh and Iran, it should be recalled that *EIR* published an extensive profile of the "Afghansi" narco-terrorist international, created by the George Bush networks during the 1979-89 Soviet occupation of Afghanistan. Osama Bin-Laden, the London-based Saudi terrorist and leading Afghan mujahideen bankroller, has been linked to participants in a number of the terrorist incidents, since Clinton became President, including the Feb. 26, 1993 World Trade Center bombing. In recent interviews, Bin-Laden took credit for the Khobar Towers bombing, and an earlier car-bomb attack against a U.S. military training site in Riyadh, killing two Americans.

The captures of Kansi and al-Sayegh could lead to more serious breakthroughs against a London-protected apparatus engaged in deadly warfare against the United States.

Rep. James scores media on Africa genocide

Pennsylvania state Rep. Harold James (D-Philadelphia) wrote an editorial commentary for the *Philadelphia New Observer* of June 17, explaining the truth about the British Empire genocide in Africa. James, chairman of the state Legislative Black Caucus, is a signer of the African Civil Rights Movement's call to stop the genocide in Africa.

"Although, initially, much of the mass media reported favorably on the recent developments in Zaire, the reality appears to be the exact opposite.

"In fact, reports from central Africa indicate that the biggest land grab since colonial times, mainly by British corporations, may be under way there, along with a massive genocide comparable to the Nazi holocaust. It also appears certain that American political figures, such as former President George Bush and conservative leader Pat Robertson, are involved.

"I am calling upon all Americans of good will, particularly African-Americans, to encourage an investigation into the situation in Africa and to organize support for President Clinton to take the actions necessary to stop

the crimes being committed there.

"I recently discovered first-hand how the reality of Africa can be totally different than that portrayed by the established media. I visited the African nation of Sudan in February as part of a fact-finding delegation organized by the Schiller Institute. My experiences convinced me that there is a campaign of disinformation against Sudan . . . designed to justify economic sanctions by the United Nations and military attacks against that nation by neighboring countries, such as Ethiopia and Uganda, backed by the British establishment. . . .

"Is there a British-backed plan to 're-colonize' Africa and re-draw its map using the military power of the Ugandan regime of Yoweri Museveni?"

"A Ugandan newspaper published a shocking speech by Museveni, delivered April 4 before the East African Law Society, where he said: 'My mission is to see that Eritrea, Ethiopia, Sudan, Uganda, Kenya, Tanzania, Rwanda, Burundi and Zaire become federal states under one nation. . . . As Hitler did to bring together Germany, we should also do it here. Hitler was a smart guy, but I think he went a bit too far by wanting to conquer the whole world.' Ugandan troops have reportedly been heavily involved in the recent military activities in Zaire.

"It is fitting and proper that concerned African-Americans take the lead in defense of Africa from its enemies, wherever they may be found. Let us resolve that the victims of the ongoing African holocaust shall not have died in vain, that the criminals responsible for genocide shall be brought to justice, irrespective of their rank in society; and that Africa shall have a new birth of freedom and true economic development in the 21st century."

Jerusalem amendment aimed at Mideast peace

State Department spokesman Nicholas Burns called on Congress in late June to remove provocative, GOP-backed provisions from the Foreign Relations Authorization bill, which passed the House on June 11, that would force the United States to move its

embassy in Israel to Jerusalem, and recognize Jerusalem as the capital of Israel.

Burns told the press: "We hope very much that this particular provision will not end up in a final piece of legislation that the President will have to sign or not sign. . . . We hope that this amendment will be taken off the bill before it reaches the final stage of consideration in conference." He continued, "Jerusalem is the most emotional, the most complex issue that the Israelis and Palestinians will negotiate in the permanent status talks. We do not believe it's wise or appropriate or good policy to prejudge that issue and to take initiatives which, in effect, move that issue in a certain direction before the parties to the conflict have even had a chance to discuss it themselves."

Wall St. Journal attacks Starr as 'irresponsible'

Whitewater special prosecutor Kenneth Starr came under attack on June 19 from an unlikely quarter: the *Wall Street Journal* editorial pages. The *Journal's* "Politics & People" columnist, Albert Hunt, opened his harsh treatment of Starr by quoting former White House counsel Abner Mikva, who also served on the federal appeals court in Washington with Starr for six years; Mikva accuses Starr of conducting "an irresponsible, politically motivated inquest of the President." Mikva continued, "I am very disappointed in Ken Starr. He has diminished the institution of the Presidency and exacerbated all of the problems of the independent counsel."

Hunt cites Starr's blunders, including his representation of tobacco companies which wanted to defeat Clinton, speaking at the law school "of the notorious Clinton-hater Pat Robertson," almost resigning to take a post at Pepperdine University, funded by Richard Mellon Scaife, and authorizing a *New York Times Magazine* piece "for which his office appears to have discussed confidential grand jury proceedings." Hunt concludes, "The purpose of an independent counsel is to depoliticize a sensitive investigation. Ken Starr has gone the other way."

THE WHITE HOUSE turned over to Whitewater prosecutor Kenneth Starr notes of conversations between First Lady Hillary Clinton and her attorney, after the Supreme Court on June 23 refused to hear the White House appeal of a lower court ruling that Mrs. Clinton's attorney-client privilege did not apply to the notes, which had been taken by White House lawyers.

HAROLD EVANS, publisher of Random House, and his wife, Tina Brown, the editor of the *New Yorker*, threw a lavish party for Britain's new Labour Prime Minister Tony Blair in New York on June 22. According to the London *Guardian*, both British natives Evans and Brown are being considered for the post of British ambassador to Washington.

HUBERT HUMPHREY Institute of Public Affairs Dean Edward Schuh, praised Uganda's Hitler, Yoweri Museveni, telling the student newspaper: Museveni "is providing exceptional leadership for Uganda and for other parts of Africa. . . . I had a meeting with him Friday afternoon [June 13] and he's just doing magnificent things with the economy there." The Humphrey Institute refused to honor students' demands that the honorary degree granted Museveni in 1994 be revoked.

MARTIN LUTHER KING'S family told a special edition of the ABC News broadcast "Turning Point" on June 19 that they believe that James Earl Ray, who pleaded guilty to killing King, is innocent as he now claims, and is demanding that he be given a proper trial.

SAN JUAN, Puerto Rico, residents have had enforced water rationing since mid-June, with running water only every other day for 390,000 of metropolitan San Juan's 1.8 million people. The restrictions will continue until the city's reservoirs are replenished by rain water, according to the Aqueduct and Sewer Authority.

Ecology today: worse than Hitler

As heads of state from all the world gathered at the United Nations in New York City the week of June 23, there were indeed life-or-death questions to be discussed. Above all, there is the *ongoing* holocaust in Central Africa, where, already, 3 million people have been slaughtered over the past three years, and tens of thousands continue to be hunted down and hacked to death, by Ugandan dictator Yoweri Museveni's legions.

But the heads of state had not convened to discuss how to stop the worst genocide since Hitler. Instead, British Prime Minister Tony Blair, fresh from wrecking the Denver summit, further heated up the atmosphere with talk of combatting "global warming," and cutting back on life-saving industrial development, in order to "save the environment." The UN meeting, called to follow up the Rio Earth Summit of 1992, followed close after another major conference on endangered species, which was held in Zimbabwe in June. There, on the very continent where people are being slaughtered, the concern was to "save the elephants."

How did we descend to such an obscene condition?

The answer lies with the birth of the modern ecology movement itself. The oligarchical class has always had an intrinsically anti-human outlook, wanting to preserve the forests, lakes, and wide open spaces for its own enjoyment — and get rid of "excess" people. In particular, the British oligarchy has viewed Africa in this light, and sought to preserve it for safaris, not industry. This movement took off with a vengeance, when Prince Philip, Queen Elizabeth's Royal Consort, and Prince Bernhard of the Netherlands, established the World Wildlife Fund in 1961. Within the following decade, the anti-people, "pro-ecology" movement spread like a virus throughout the world's institutions.

In fact, the genocide in Central Africa today, is directly related to the growth of Prince Philip's ecology movement. The wildlife parks, the non-governmental ecology organizations, the anti-population, anti-development credit policies of the International Monetary Fund and World Bank — all are part of the set-up for Museveni's legions' killing sprees.

Now, in the face of this horror, comes a new offensive to impose ecologism — led by none other than Britain's *enfant terrible*, Tony Blair. Blair spearheaded the drive at Denver for stricter environmental controls, and he went on to do the very same at the UN session. His slogan was, "Rescue the global environment!" If he'd been honest, he would have added, that we should just go ahead and kill the people.

Prince Philip, who is the demonic head of the international environmental movement, has been brutally honest. In August 1988, he told the German Press Agency, "In the event I am reborn, I would like to return as a deadly virus, in order to contribute something to solve overpopulation." This is the core of the modern ecological movement: People are considered the enemy, so people must be removed.

Tony Blair, modern ecology's new salesman, cannot be considered unwitting in this objective. In his few short weeks in office, as well as earlier, he's shown his fascist colors, by embracing the Thatcherite policies of economic austerity, while promoting the effort to "save the environment."

Back in 1972, Lyndon LaRouche published a major blast at the ecology movement which was then taking root. This movement has nothing to do with preserving clean air and water, and the equipotential of nature, for future generations, LaRouche argued. No, this movement to cut consumption and production — in the name of saving nature — was nothing but a "Blueprint for Extinction," which must be fought as the fascist policy which it is.

In the immediate weeks ahead, *EIR* will be taking renewed aim at the Blair-led ecology offensive, including the broad revival within popular culture, of the cult of death and depopulation. We will unmask the murderous consequences, and intentions, of the modern ecology movement, and provide you with the ammunition you need to destroy it, and its punk spokesman, Tony Blair.

It's long past time we destroyed this evil cult of mass murder.

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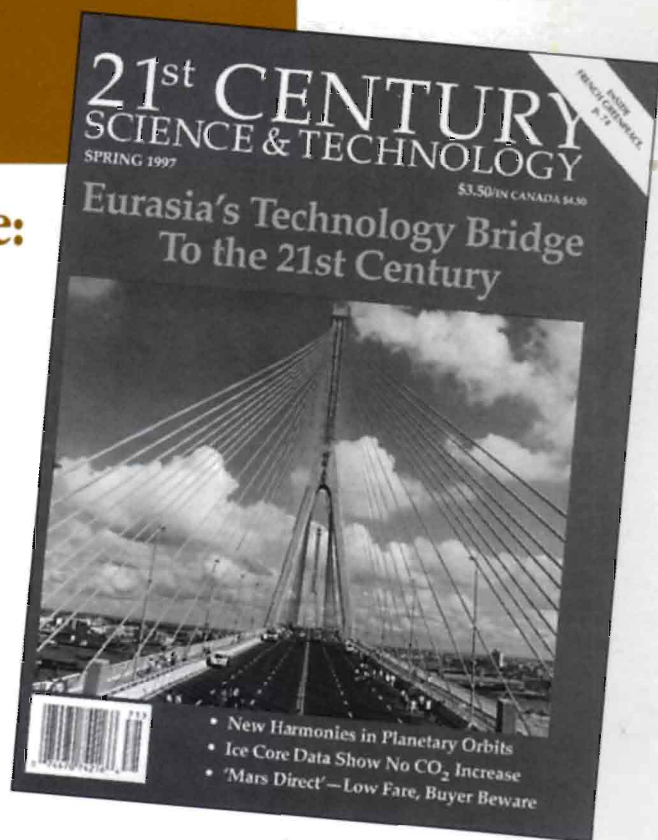
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