

EIR

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LaRouche: The coming Pearl Harbor effect
Thailand heads 'down Mexico way'
Colombia's Bedoya leads in Presidential bid

**Can the House of Windsor
survive Diana's death?**



In 1945, the world looked with horror at the genocide by Britain's marcher-lord Hitler, and cried out,

"Never again!"

On April 4, 1997, the world stood by, as Britain's marcher-lord Yoweri Museveni proclaimed,

"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."



EIR SPECIAL REPORT **NEVER AGAIN!** London's Genocide Against Africans

Part 1: London's gameplan leads to Nazi genocide in Central Africa

1990-1997: The death count so far

London's coordinated military fronts in East Africa

The chain reaction of catastrophe

From their own evil mouths:

British press outlets advertise plans to recolonize Africa

The LaRouche movement led the fight to stop African genocide

Part 2: Genocide in Africa: Some of the truth comes out

A holocaust is reported in the world's press

Documentation: Reports from political groups and refugee and humanitarian organizations

Part 3: London's raw materials cartel runs the Africa genocide

How the British raw materials cartel put Kabila into power

Part 4: Who sabotaged the multilateral aid force?

Why there was no rescue mission for Rwandan refugees in 1996

Part 5: Nyerere's 'Kindergarten': Dar Es Salaam University and the training of the 'KKK'—Kabila, Kagame, and Kuguta Museveni

'Bankers Radicals' protect Bush, abet African genocide
Yoweri 'Mussolini' Museveni on Fanon

'Revolution 101' at Dar Es Salaam
'Black Handlers' Jean-Paul Sartre and Jean Genet:
'Nostalgia for the Mud'
Sartre's Ideas on Violence
Fanon's Economic False Consciousness

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From the Associate Editor

Just about everybody in the world is going to want to know what Lyndon LaRouche has to say about the death of Princess Diana. I refer you to page 43.

Whatever may ultimately end up being discovered about the tragic events of Aug. 31, the overriding political context is the war between the British Empire and the world's nation-states, particularly the United States of America. The outcome of that war will determine the future of every person on this planet.

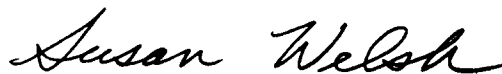
During the past three years, *EIR* has produced a series of special features, analyzing the historical role and current deployments of the British imperial grouping known as the Club of the Isles. The first was in *EIR* of Oct. 28, 1994, "The Coming Fall of the House of Windsor," which focussed on Prince Philip, who has personally directed his World Wildlife Fund in genocide against the population of Africa. In that report, LaRouche warned, however, against "any self-deluding scapegoating" of Prince Philip. The problem is *oligarchism*, LaRouche emphasized. "Our task is not to punish the Windsors (although we may be hastening their retirement), but rather to act with greater prudence than any ruling culture has shown at the close of any earlier time or place of apocalyptic crisis."

A second major study, in *EIR* of May 24, 1996, was titled "The Sun Never Sets on the New British Empire." It detailed the role of the British Commonwealth, the Queen's Privy Council, and the directorates of the titled nobility and corporations that have a stranglehold on key commodities and raw materials worldwide.

Third, in our Aug. 22, 1997 issue, was "Britain's 'Invisible' Empire Unleashes the Dogs of War." That report showed how the Club of the Isles uses *private* networks—in the military, the church, and business—in its war against the nation-state.

If you're not reading *EIR*, you can't possibly make sense of what's going on. If you haven't read these special features, order a copy through your sales representative.

Elsewhere in this issue, don't miss the reports from the semi-annual conference of the Schiller Institute and International Caucus of Labor Committees, including the keynote speech by Lyndon LaRouche on "The Coming Pearl Harbor Effect."



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A U.S. Representative from California for 12 years, Mr. Dymally has travelled widely. He is president of Dymally International Group, Inc., a consulting and financial advisory firm, and is a Distinguished Professor at Central State University in Ohio.

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Greenspan protects the derivatives bubble

by Richard Freeman

An increasingly bitter fight has emerged between Federal Reserve Board Chairman Alan Greenspan, and the Norwalk, Connecticut-based Financial Accounting Standards Board (FASB), the national body entrusted with setting corporate accounting standards governing how to report corporate holdings of the highly speculative instruments called derivatives. Currently, corporations either do not report certain categories of derivatives, or when they do report derivatives, they report them off their balance sheet, buried in footnotes, in small type in annual reports. Information concerning the size and exposure of a corporation's derivatives holdings is not readily available, nor is the derivative usually accounted as an asset or liability.

Since 1987, derivatives have grown cancerously in the United States. Banks hold huge derivatives portfolios, but the derivatives holdings of non-financial corporations are growing rapidly, too. Derivatives are speculative side-bets which suck dry the underlying physical economy. Over the last few years, Orange County, California suffered a \$1.7 billion derivatives loss; Barings Bank experienced a \$1.1 billion derivatives loss, which caused the bankruptcy of the bank; corporations such as Procter & Gamble and Gibson Greetings Cards bought exotic derivatives contracts and suffered multimillion-dollar losses.

Yet, there is no way of knowing from what a company lists on its balance sheet, what derivatives it holds.

During the past 18 months, the FASB has formulated certain accounting rule changes, which would require that 15,000 publicly traded U.S. corporations *report their holdings of derivatives openly, and "at fair market value," on their balance sheets*. The new rules would go into effect on Jan. 1, 1999.

On July 31, Fed Chairman Greenspan wrote the third in a series of letters to FASB Chairman Edmund Jenkins. Greenspan demanded that Jenkins drop the proposed new reporting rules. Curiously, on the same day, a group of leading bankers wrote to Jenkins, making the same demand. Republicans loyal to the New York banks have threatened to hold Congressional hearings on the matter. The Aug. 24 *Washington Post* reported that an aide to one Republican senator said, "Why is the FASB so immune to all this criticism . . . ? It seems as if they're pushing generally rejected accounting practices." The hearings are a highly unusual step, as this accounting procedure does not normally fall within Congress's purview; it is simply a pressure tactic to try to make the FASB back down.

Why all this concern over an accounting rule? First, it would force corporations that have lost on derivatives not to hide the loss, but put it on the books. Second, and of paramount importance, just reporting the derivatives on the books would show that the notional value of derivatives in the United States alone is over \$30 trillion, indicating both the scope of the speculation and the depth of the bankruptcy of the U.S. banking and financial system. Indeed, this situation obtains for all the major Western nations' banking systems.

Greenspan fears that reported news of this could pop the derivatives bubble, with dire consequences.

Origins of the FASB

The 1933 and 1934 acts which created the Securities and Exchange Commission gave the SEC the responsibility to promulgate and enforce accounting standards for the companies that have publicly listed stock, and trade on a stock exchange regulated by the SEC. Today, there are 15,000 compa-

nies that are so regulated by the SEC. In the 1930s, it was decided that instead of having a public institution—the SEC—set the accounting standards, a private institution would do that. That function was originally performed by the Committee on Accounting Procedure of the American Institute of Certified Public Accountants. In 1973, the FASB was created to perform that function. In addition to derivatives, the FASB defines the accounting procedure for reporting retained earnings, depreciation, and so forth. The FASB is independently funded by the Big Six and other accounting firms, and by many U.S. corporations. It is governed by a seven-member board.

The FASB's proposal

In his July 31 letter to FASB Chairman Jenkins, which attacks the FASB standards, Greenspan wrote, "We understand that the [FASB] Board intends to adopt a new [accounting] approach as a final standard without exposing it for public comment and debate." Just the opposite is the case. The FASB started looking at ways to have derivatives reported on the balance sheet ten years ago. On June 20, 1996, the FASB issued a proposal for improved standards for accounting for derivative financial instruments and hedging transactions. It requested and received hundreds of comments from corporations on the proposal through Oct. 11, 1996. The FASB then held public hearings on the proposal during mid-November of that year.

The FASB's proposed new rules would require all U.S. corporations, including banks, to report their derivatives holdings on their balance sheets. Further, the FASB proposed new rules that would require that there be "fair market-value reporting" of the corporations' derivatives, which would mean that where the rule is applicable, which depends on the type of derivatives, the derivatives holding would be reported at its current market value, not at its historical purchase price or book value. This is called marking the portfolio to market.

Under the FASB rule changes, a corporation must not only report a derivative on its balance sheet, but it must report it as part of its assets or liabilities, and also report the earnings arising from the derivative. According to an FASB spokesman, the FASB would create a new accounting category, called "other comprehensive income." Certain categories of corporate derivatives and hedges would have the earnings or losses arising from the derivatives contract reported immediately in the corporation's earnings (or loss) statement. Other categories of derivatives, in which the derivatives contract is to be completed at some future, indefinite date, would report the earnings or loss from the derivative contract in the category "other comprehensive income." At the point that the derivatives contract is completed, the earnings or loss would no longer be reported in the corporation's "other comprehensive income" column,

but rather in the final earnings and loss column. Either way, the earning or loss is reported. In parallel, the recording of the derivatives contract as either an asset or liability, would also be reported.

One practice that would be ended, would be one in which a corporation incurs a derivatives loss, but skillfully hides it. For example, under the new rules, were a corporation to sustain a large derivatives loss, it could not continue to list the size of its derivatives portfolio at the old book value, which it paid for the derivatives originally, as if nothing had happened. This is the procedure that many corporations now follow. Rather, the corporation would have to mark down the size of the derivatives portfolio by the size of the loss. Further, it would have to report the loss rather quickly in its earnings-loss account.

On Aug. 29, *EIR* asked an FASB spokesman why some corporations are resisting the proposed FASB rule changes. He said, "They don't want the derivatives showing up on their books. They don't want people knowing how it is affecting the company." The FASB spokesman also commented on the case of Procter & Gamble, which lost tens of millions of dollars in derivatives contracts. "Some corporations hope they can work the derivative out, and reverse the loss. They keep trying, and don't want this on the books," he said.

Further, there are some types of derivatives contracts which many corporations refuse to report at all. An FASB spokesman reported on Aug. 29 that derivatives contracts which are interest rate swaps usually are not reported by corporations. He stated, "In an interest rate swap, a corporation swaps a fixed interest rate stream for a variable interest rate stream, or vice versa [these are heavily used derivatives]. The corporation that makes the interest rate swap will show on its books the management fee that it paid to some broker [usually a bank] to make the swap, but not record the value of the swap." These swaps can be several tens of millions of dollars, and in some cases, above \$100 million, apiece.

Pushing the strategy forward

On Sept. 2, the FASB released a 134-page document, "Accounting for Derivative Instruments and Hedging Activities," which it hopes will be the final version of its proposal, except perhaps for some minor adjustments. Four days before the report's release, the FASB spokesman said, "We are issuing a report . . . that will go to the Financial Instruments Task Force, a task force made up of accountants from the Big Six accounting firms and other industry experts, which has more than two dozen people in all. The Task Force will see if the proposed new FASB standards for derivatives and hedging instruments are operational, that is, will they function or are there some things to be worked out? There will be a public comment period through the middle of October. . . . Then we

will go forward with the new standards. We set the date of Jan. 1, 1999 to put the new standards into operation in order to give the companies one year's time to make the accounting changes needed to comply."

SEC Chairman Arthur Levitt is publicly supporting the FASB proposal.

Greenspan and the banks attack

But, Ayn Rand worshipper Greenspan is hell bent to derail this.

The FASB, through these rule changes, is not attempting to shut down the derivatives market, as well it should, but only to bring derivatives into the light of day. But this is seen as enough of a threat to the derivatives market to send Greenspan and the bankers into orbit. In his July 31 letter to FASB Chairman Jenkins, Greenspan stood reality on its head, stating, "The proposal may discourage prudent risk management activities and in some cases could present misleading financial information"! Greenspan said that the FASB must abandon the derivatives reporting requirement.

Further, Greenspan asserted in his letter, "major companies in a number of industries that use derivatives have expressed serious concerns" about the FASB's proposed rules. Greenspan's reference is to the heads of 22 corporations, who sent a letter to Jenkins, not accidentally, on the same day as Greenspan wrote his letter attacking the FASB rule changes. Who then, are these titans of industry? The signers include the heads of Bankers Trust, Chase Manhattan, J.P. Morgan, NationsBank, Wells Fargo, BankAmerica, First Chicago NBD, Goldman Sachs, and American International Group Insurance. Other signers include Sens. Alfonse D'Amato (R-N.Y.) and Phil Gramm (R-Tex.), and U.S. Reps. Tom Bliley (R-Va.) and Michael G. Oxley (R-Ohio).

Thus, the signers are those bankers whose banks are the high rollers in the derivatives market, which have created a global derivatives casino economy, which is destroying the world economy. They are joined by their pitch-men in the Congress. Along with Greenspan, this crew might be called the Derivatives Liberation Front.

Explosive growth in derivatives

Greenspan and the banks don't want the size of derivatives reported, because the derivatives market is growing so fast. The growth is occurring both in the United States and globally (see **Table 1**).

Some of the derivatives figures are affected by the change of a nation's currency relative to the dollar; in the case of one country (Japan) an additional bank's derivatives holdings were reported in 1995 that were not reported in 1994. But, the United States banking system holds one-third of the world's derivatives absolutely, and the U.S. and British banking systems hold 44% of the world's derivatives, making the U.S. and British banking systems bankrupt many, many times over.

TABLE 1

Derivatives holdings of top nations

	1994 Notional value of derivatives holdings (billions \$)	1995 Notional value of derivatives holdings (billions \$)	1995 Derivatives holdings per capita (\$)
Belgium	508	689	68,130
Canada	2,460	3,321	112,718
France	11,695	9,374	161,674
Germany	3,117	4,258	52,187
Italy	177	483	8,446
Japan	9,867	11,532	92,186
Netherlands	1,250	1,596	102,948
Sweden	1,026	1,278	145,558
Switzerland	5,327	6,321	877,673
U.K.	6,655	7,367	126,455
U.S.A.	20,301	23,129	87,859
Total	62,638	69,348	

Source: "Public Disclosure of the Trading and Derivatives Activities of Banks and Securities Firms," a joint report by the Basel Committee on Banking Supervision, and the Technical Committee of the International Organization of Securities Commissions.

EIR is trying to obtain figures on the assets of the banking systems of the respective countries listed in Table 1, to compare them to the size of the derivatives bubble. But, looking at the 1995 notional holdings of derivatives per capita, it can be seen that in most countries there are at least \$50,000 of derivatives per person held by that country's financial system, and in some countries, several times that amount. Each individual banking system is bankrupt, but more important, the interconnected banking system of the Western world is bankrupt. There is not sufficient wealth produced to sustain the derivatives bubble.

Furthermore, as of the first quarter of 1997, the United States is now up to \$32 trillion in notional amount of derivatives held by its commercial banks, investment banks, and insurance companies. Therefore, were the United States to continue to hold one-third of the world's derivatives—which seems likely—it can be safely estimated that the world's holding of notional amount of derivatives is now up to \$100 trillion.

Thus, the fight over the FASB's derivatives accounting standards is more than just a fight over accounting rules. Full reporting of derivatives is a minimal step. But bringing to light the full derivatives picture would tell the world that the world financial system is hopelessly bankrupt, something that Greenspan does not want out in the open. The world derivatives bubble is headed toward disintegration, and Greenspan is insanely attempting to keep it afloat.

Thailand heads ‘down Mexico way’

by Michael and Gail Billington

Friday, Aug. 29, closed the darkest week so far for financial markets in Southeast Asia, as the collapse of currencies and stock markets slid to near panic levels, while concern rises that the rippling shocks in the region must, sooner, rather than later, produce even greater seismic effects in the European and U.S. markets. Only four weeks earlier, on Aug. 4, the International Monetary Fund (IMF) signed a “stabilization deal” with Thailand providing up to \$20 billion for the ostensible purpose of stemming the speculative attack on the Thai economy, the most vulnerable of the former Southeast Asian “Tigers.” Touted by IMF Managing Director Michel Camdessus as the biggest IMF package since the 1994 Mexico deal, when \$50 billion supposedly “saved” Mexico, the deal, in fact, simply cannot work, just as the Mexico bailout did not work. Despite the early repayment of the loans to Mexico, collected through vicious austerity imposed on the Mexican economy and population, the bubble is back, as detailed in a study published in the Feb. 28, 1997 issue of *EIR*, entitled “The Debt Bomb Is Set to Explode in Mexico—Again.”

EIR also reported, at the time of the 1994 Mexican breakdown, that it was *not a Mexican crisis*, but a reflection of the looming bankruptcy of the international banking system, and that the Mexican collapse had very nearly brought down the entire global financial structure. The same is true of the current Southeast Asian collapse, only now the bubble is far bigger. In response to a question on the Thai crisis in a radio broadcast on Aug. 19, *EIR* Founding Editor Lyndon LaRouche said: “We’re not looking at a business cycle collapse coming up. We are in the middle of an earthquake for which there is no comparison in European *history* since the 14th-century New Dark Age collapse of the banking system. . . . So, we shouldn’t look at it as a stock market collapse. This is something much more serious, and what happened in Southeast Asia is a warning to all of us: *It will happen here*, unless the United States government takes some very specific precautions between now and no later than October.”

IMF attacked by name

IMF officials are clearly aware of the potential global disaster which is percolating out of the boiling Southeast Asian markets. The *Wall Street Journal* reported on Aug. 28

that IMF Asia Pacific Department director Hubert Neiss, who had negotiated the Thailand package, held an “unusual on-the-record briefing for journalists and economists . . . to allay fears that its rescue package is insufficient.” He failed in that effort.

Two days after “Black Friday,” Malaysian Prime Minister Dr. Mahathir Mohamad, who has been at the forefront of Southeast Asian leaders in denouncing George Soros and other international speculators as criminals, who use their ill-gotten wealth to loot weak nations like common thieves, dramatically escalated the counterattack by directly accusing the IMF itself of *sponsoring* the speculators, and of acting as an institution of *subversion*. Dr. Mahathir took issue with the IMF’s request that Malaysia slow down construction of a series of capital projects, stating, “That is what the IMF has been saying all the time. Because we didn’t slow down, they are now very happy that the actions of the foreign investors have shown that they are right. The IMF is only interested in saying, ‘I told you so,’ even if they had to subvert our economy just to prove that they are right.”

Mahathir then specifically warned its neighbor Thailand against the efficacy of the IMF loan: “The baht [Thailand’s currency] is still sliding and the Thai economy is still in bad shape after borrowing \$21 billion from the IMF. So why do you borrow from the IMF if it is not going to help at all?”

The IMF conditions

To see what is in store for Thailand under the gun of the IMF—even if the global system were somehow to survive for several more months—it is useful to compare the conditions imposed on Thailand with the *results* of the 1994 conditions imposed on Mexico. First, the Thai situation.

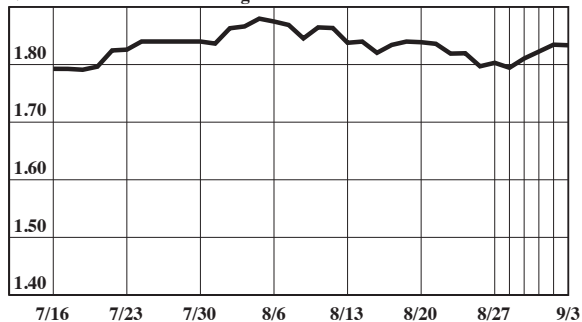
Thailand’s Finance Minister Thanong Bidaya described the following conditions accepted by Bangkok in exchange for the emergency loan:

- \$3 billion in budget cuts, a 3% increase in the regressive Value Added Tax, from 7% to 10% (effective Aug. 16), and a mandatory “balanced budget”;
- the establishment of on-shore derivatives markets, essentially assuring the right to unrestricted speculation;
- the closing of an additional 42 of the nation’s 91 finance companies, in addition to 16 closed earlier, and the agreement

Currency Rates

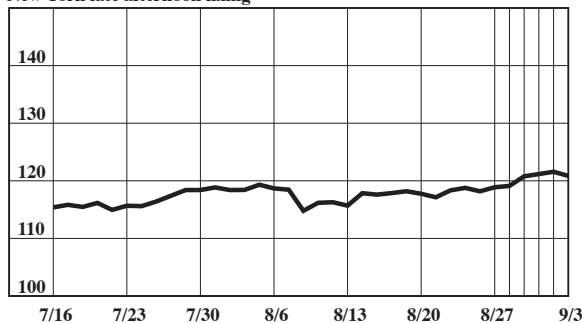
The dollar in deutschmarks

New York late afternoon fixing



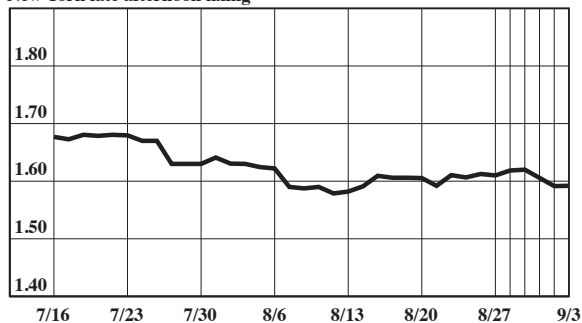
The dollar in yen

New York late afternoon fixing



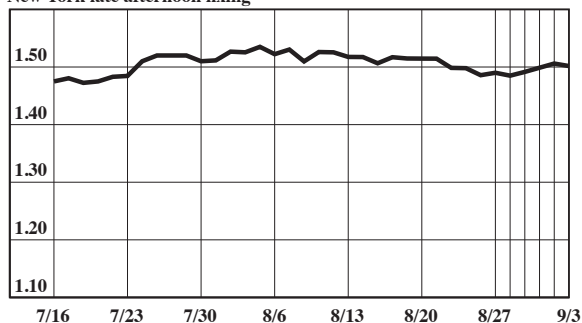
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



to allow foreign banks to own an even higher percentage of Thai firms than the current limit of 25%;

- the privatization of more state enterprises, and an end to state subsidies to state agencies;
- a freeze on wages to the nation's workforce.

Some of the acknowledged consequences of these conditions are: vastly increased unemployment, cancellation of at least some of the major development projects currently under way, high inflation, and further stalling of the effort to develop the interior regions of the country—i.e., allowing the overcrowded, polluted capital of Bangkok to be further destroyed, while the rest of the country rots. Any competent actuary could calculate the number of people who will die as a result of these conditionalities, who would otherwise have lived, as perhaps the best measure of the source of the profits to speculators envisioned by the IMF program.

Finance Minister Thanong repeated the required IMF mantra for the press: "Will we be placed under [the IMF's] control, as has been widely reported? The IMF was established to help create stability in the world's financial system. It is well experienced in solving the economic problems of more than 40 countries worldwide. Its efficiency in achieving economic recovery has been highly recognized. . . . It is a step backward in preparation for firm steps forward."

Let's look at the *leap backward*, called "economic recovery," in Mexico since 1994, to see what the IMF has in mind for Thailand.

Mexico's 'recovery'

Mexico, before the 1994 crash, was described as the "Mexican Economic Miracle," and cited as a model for other developing countries. The reality was quite the opposite, just as the "Asian Tiger Miracle" was, in fact, a bubble ready to be burst. After the 1981 debt crisis in Mexico, which was the first of the exploding "debt bombs" of the 1980s, the IMF launched early stages of the "globalization" process. Mexico's small, but growing manufacturing sector was dismantled, while thousands of *maquiladoras* were constructed along the U.S. border, employing some of the growing army of unemployed at a pittance, to work in low-technology, export industries, living in wretched shantytowns. Later in the 1980s, Thailand and the other Asian economies would experience exactly the same boom in low-skill, low-pay "process" industries, contributing nothing of value in terms of infrastructure, technology, or educational improvement to the host nation.

In Mexico, the "miracle" increased unemployment (including disguised unemployment and under-employment) from 25% to 41% between 1981 and 1991, while foreign debt rose from \$75 billion to over \$100 billion during these same years (despite debt *payment* of over \$150 billion in that period).

When the bubble burst in December 1994, the IMF conditions imposed in exchange for the bailout demanded *more*

deregulation, more “freedom” for foreign companies to build *maquiladoras*, and more privatization of state industries to foreign interests. As documented in the *EIR* study, the productive capacity of Mexico’s real economy, measured in the national output of standard market-baskets of consumer goods, producers’ goods, and infrastructure, collapsed a *further* 6% after 1994, on top of the 16% collapse between 1981 and 1984, while providing enormous profits to the international financial institutions. Foreign debt, public and private, leaped from \$136 billion to \$180 billion, a 32% increase between 1994 and 1996. All of this must be paid, of course, in dollars purchased with devalued pesos.

Another result of the IMF program was revealed in the Aug. 22 issue of *EIR*, in an article entitled “British Banks Establish Death Grip over Ibero-America.” As in Thailand today, the Mexican banking system, loaded with foreign debts, faced collapse under the weight of the non-performing debt accumulated during the speculative bubble-economy years. In 1995 and 1996, the Mexican government pumped \$29 billion into bailing out the private banks—and then sold the *performing* parts of these institutions to British Commonwealth banking giants for a fraction of their value. In 1992, only 2% of Mexico’s banking assets were under the control of foreign banks (with “control” measured conservatively as 20% or more direct partnership). Today, that figure is 59%. Of the largest four Mexican banks, three are controlled by the Hongkong and Shanghai Banking Corp., the Bank of Montreal, and the Bank of Nova Scotia—all three identified in the book *Dope, Inc.* as leading British drug-money-launders. This British invasion has not been limited to Mexico—over half of the banking assets in most Ibero-American nations are now under British imperial control.

Thailand’s future under the IMF

The parallels to the Thai “stabilization” package are obvious. The IMF is particularly anxious to assure two things on the financial side: first, that the billions and billions of profits made by George Soros and his fellow speculators in the run on the baht are paid when due; and, second, that the bad debt of the financial institutions is taken over by the government (i.e., the taxpayers), rather than through further foreign borrowings *before* these institutions are sold off to foreign banks. To that end, the IMF deployed a team from the World Bank to Bangkok on Aug. 27, assigned the task of creating a government body, based on the Resolution Trust Corporation set up in the United States to take over the bad debt of the savings and loan banks, before the S&Ls were sold off to the New York multinationals.

The new institutions would take over the bad debt, placing the losses on the government account. The IMF conditions already assured that none of the \$20 billion loaned to Thailand will go to meet the bad debt of these financial institutions, while also setting in motion the lifting of restrictions on for-

eign takeover of the “sanitized” institutions, once the bad debt has been passed on to taxpayers. Even before the run on the baht, the government had injected about \$17 billion into bailing out the financial institutions.

Bank of Thailand Gov. Chaiyawat Wibulswasdi revealed on Aug. 21 that, besides the several billion dollars spent directly in trying to defend the baht against the speculators in July, the government also purchased \$23.4 billion in forward contracts—promises to sell dollars at the old rate—which come due in September. This is one of the primary reasons the IMF money is to go entirely into backing up foreign reserves—the piper must be paid, first. Thus, the nearly \$40 billion in reserves held by Thailand before the crisis is practically wiped out; an incredible, criminal looting by speculators, with the full support and defense of the IMF! IMF official Neiss tried to play down the enormity of this crime by claiming that some of the contracts might be rolled over, “sparing the central bank any *immediate* losses” (emphasis added). This \$23.4 billion debt is *in addition to* the nation’s \$90 billion in foreign debt, of which some \$40 billion is short term, due within one year. The source of most of this short-term debt was the Bangkok International Banking Facility, the offshore facility set up in 1992 to launder untraceable hot money into the system—one of the innovations praised by the IMF minions as evidence of the “Tiger” miracle in Thailand.

‘Goo-goo’

Thailand is also a test case for the IMF’s current push to expand its “world government” powers over target nations beyond the role of economic policy per se. Under the guise of needing “good government” in order to succeed in imposing their economic dictates, the IMF is getting directly involved in setting *political* conditionalities, in addition to economic and financial ones. This is nothing new, of course. At the end of the 19th century, as the British were successfully subverting the American System policies implemented by Lincoln and his circles, the Morgans and other British agents financed “Good Government” societies (known as the “Goo-goo” movement) to target pro-development nationalists on allegations of “corruption.” So, also, today, are the British rebuilding their Empire.

The Thai target of these “Goo-goos” is Prime Minister Chavalit Yongchaiyudh. Prime Minister Chavalit has, in the nearly 10 months since his election, played a critical role in neutralizing British destabilizations of Thailand’s neighbors, Myanmar and Cambodia, while forging strong ties with China and India for regional peace and development. This includes plans for building a southern route to the Eurasian Land-Bridge, initiated by China, through the Southeast Asian nations and into India. It also includes the development of the Mekong River, pacification and development of the “Golden Triangle” in Myanmar (a necessary precondition for eliminating drug production in the region), and rebuilding the “Burma

Road” connecting India with China and Southeast Asia. These are precisely the programs the British want to quash, in favor of further “globalization” and speculative looting.

Chavalit has attempted to balance his development perspective with that of globalization, an impossible task. Now that the bubble has burst, the IMF is demanding Chavalit’s head, in favor of trusted toadies who will scrap the development and peace perspective in favor of austerity, and the likelihood of renewed regional conflict. Leading the offensive against Chavalit is Anand Panyarachun, a long-standing front man for IMF policy in Thailand. Anand was twice prime minister, and is now heading a committee drafting a new constitution. In classic British colonial style, Anand declared that “the people have lost faith in their own government and prefer their financial and monetary affairs to be managed by the IMF.” He described the IMF as a good doctor, who will provide the painful surgery required and apply the proper medication, including the new constitution being prepared under his direction.

The problem, according to Anand, has nothing to do with globalization, speculation, or the global financial crisis, but is all due to the lack of “Goo-goo”: “A major problem,” said Anand, “is that we have not got a government which can administer the country effectively.” Backing Anand is the

Anglophile press in Thailand, led by *The Nation*, which railed against Chavalit in its Aug. 17 issue: “It is surprising that the prime minister has still not fully realized that his prolonged presence in office is a major liability to the country and will only further aggravate the situation, now that public confidence in his leadership has evaporated because of the bad company he refuses to dump.”

Despite these and similar diatribes calling for Chavalit’s resignation from IMF-backed interests, the prime minister still enjoys support in the country and may retain his position. Resistance to IMF demands may buy a little time, but there is no solution to the crisis within Thailand itself. The truth is that the *IMF is bankrupt*, as well as the Western banking system as a whole. As that fact becomes self-evident over the coming weeks and months, Thailand, like all developing nations, must position itself to be part of a new, “Great Project” development effort, such as the Eurasian Land-Bridge and the regional Mekong development program, precisely the policies pursued by Chavalit, in league with his Asian neighbors. Such commitment to nation-building, which serves the shared, common interest of all nations, must become the objective of a new world monetary system—the prerequisite to reversing the current collapse into a new Dark Age.

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France needs the Superphénix

Emmanuel Grenier reports on the political fight raging around the fast breeder reactor program, which the government decided to terminate.

Even in France, the country with the highest share of nuclear electricity in the world (80%), it is highly unusual to see a grassroots movement in defense of nuclear power. That is nevertheless what is going on around Creys-Malville, near Lyon, where the Superphénix fast breeder reactor has been constructed. In April, anticipating the parliamentary elections in June, the Socialist Party and the Greens signed an agreement committing the new government to stop two of France's major infrastructure projects. One was the Rhine-Rhône canal, an important waterway between central Europe and the Mediterranean countries, whose construction had just begun. That project is now completely stalled. The second is the Superphénix, a 1,200 megawatt fast breeder reactor, jointly built by French, Italian, German, and Belgian electricity utilities. After many initial problems, it operated excellently in 1996, reaching a 95% availability rate. It has now been condemned to death by the Red-Green coalition, for purely ideological reasons. On June 19, newly elected Prime Minister Lionel Jospin announced to the National Assembly that he would close the plant.

Up to now, people working in the French nuclear industry have felt somewhat protected, unlike their colleagues from other countries. They have relied on a consensus existing in the country, for the continuation of a strong nuclear industry as a science driver. After World War II, Gen. Charles de Gaulle created the Commissariat of Atomic Energy, which led the national effort to master nuclear technology, both for military and civilian purposes. This was supported by all the political forces coming out of the wartime Resistance movement, from the Gaullists to the Communist Party. In the 1970s, a massive effort led to the building of 54 nuclear plants, producing 75% of France's electricity.

But, with the gradual replacement of the generation of pioneers, the situation has changed. Baby boomers, having no experience of the fight necessary to implement a new technology, are now in command in the nuclear industry. Living under the umbrella of administrative support inherited from the past, they have never had to fight on a matter of principle.

But there is a new generation coming up, some members of which were shocked by the loss of the plant. These young nuclear engineers have joined local entrepreneurs and elected officials to form a Committee to Save the Superphénix, and

they are waging a non-violent guerrilla war against the Greens. The employment of 3,000 people depends on the Superphénix, and the life of the whole region is threatened, if the plant is closed. Moreover, this is only the first domino: After the Superphénix, the plutonium recycling plant at La Hague, in Normandy, will be threatened, and then the entire nuclear industry. For one year, the facility at La Hague has been subjected to constant attacks from the green lobby. The antinuclear militants allege that a small cluster of leukemia cases in the region is due to effluents from the plant. Greenpeace, which has sharply reduced its operations in France, has nevertheless dedicated a number of its irrational media shows to La Hague, which it considers as its number-one priority in the country. There is also an offensive going on, jointly led by free-marketeers and greenies, in order to make sure that the next electricity utilities built in France use gas as their fuel. According to them, gas is the least costly way of producing electricity.

In this situation, the members of the Committee to Save the Superphénix have understood that they must wage a fight on the highest level possible. It cannot be just a defense of "our jobs," but requires that the operation of the world's most advanced fast breeder be continued, in a global context of expanded use of nuclear energy (China, Korea, Iran, etc.).

Technology for the 21st century

Propaganda against the fast breeders has been so strong, playing on people's irrational fears of plutonium and sodium, that it is useful here to recall why France, Russia, Japan, and India have planned and implemented this kind of nuclear technology.

First, imagine yourself back in the 1970s, the time of Henry Kissinger's "oil crisis," when people were told that we were running out of natural resources. The Club of Rome forecasts that there will be no more oil by the beginning of the 1990s. Hysteria reigns. In Belgium, it is forbidden to drive a car on the weekend. In France, you can't heat your apartment to more than 19°C (69°F). In this context, nuclear energy appears as the optimal solution, to overcome a shortage of resources.

France invests heavily in nuclear technology, and is not the only country to do so. But this poses the question of the



Members of the Committee to Save the Superphénix. These nuclear engineers are battling the propaganda of the Greens.

world's uranium resources: Far from being inexhaustible, these would run out in about 60 years, at current rates of consumption.

So along comes the idea of the breeder reactor, which "produces more fuel than it burns." Sounds like magic? Let us explain. Imagine mariners shipwrecked on a desert island. It is raining, and everything is wet, except a tiny bit of dry wood. The mariners light a fire, but know it will not last long. One clever mariner comes up with the idea that, by putting some wet wood around the fire, maybe it will dry out. They

try that, and realize that you can dry more wet wood than you burn dry wood. The shipwrecked mariners have just invented the "breeding" of wood. They can consume all the wood on the island, not only the tiny dry part.

This is exactly what goes on in a fast breeder. Here, the dry wood is the plutonium; the wet wood corresponds to natural uranium, which, submitted to neutrons from the fission reaction, transforms itself into plutonium. The neutrons have to move at a high speed: hence, the word "fast" breeder.

As shown in **Table 1**, the breeder functions as an amplifier

TABLE 1
Fast breeders compared to standard pressurized water reactors (PWRs)

	Fast breeder	PWR
Energy provided by 1 kg of natural uranium (1 kg of oil gives 5.5 kWh)	5,000,000 kWh	50,000 kWh
Consumption of natural uranium for a 1,000 MW reactor producing 7 TWh per year, with an availability factor of 80% (reference reactor)	<2 tons/year	330 tons/year
Quantity of plutonium in the reactor (kilograms)	200	1,000
Gaseous radioactive effluents of the reference reactor in Terabecquerels per year (TBq/yr); rare gas plus iodine	0.3	14
Liquid radioactive waste of the reference reactor, before conditioning		
Volume in cubic meters per year	75	300
Activity in TBq/yr	2	20
Theoretical time before exhaustion of the uranium resources reasonably usable for 4,000 TWh/yr (today, the nuclear plants of the world produce 2,000 TWh/yr)	1,700 years	30 years

Source: *Fusion*.

of natural resources, because it allows us to multiply by 100, approximately, the energy that is generated by classical nuclear reactors. This makes nuclear energy a renewable resource, whose fuel is relatively inexpensive. In a fast breeder, the operating costs are mainly the salaries of the highly qualified men and women working on it.

What went wrong?

In view of all this, how is it that the fast breeder has not met with success? The first reason is, of course, the worldwide dismantling of the nuclear industry. The number of reactors built turned out to be much smaller than predicted, and uranium reserves were not strained at all. On the contrary, prices went down, when post-Soviet Russia dumped its enriched uranium on the world market. Second, the greens concentrated all their forces against the breeder, which appeared to them as the “lead duck” of the flock: If you stop it, you stop the rest of the nuclear industry. They succeeded, first in the United States, during the Carter and Reagan administrations, then in Germany, and now in France.

In a situation where leaders are thinking on a very short-term basis, and where very specific conditions, such as a low value for the dollar, allowed gas-fired plants to be competitive, leaders of the energy sector come to the conclusion that breeder reactors are unnecessary. That is the kind of linear reasoning that led bankers to plunge into real estate speculation, with disastrous results.

The situation today gives one the illusion that uranium reserves will never run out; but this is untrue. The greens often wax rhetorical about “future generations.” Let’s take them at their word, and see what the perspective will be, for



The core of the Superphénix reactor, while under construction. This vital project has been halted, thanks to an agreement between the Socialist Party and the Greens.

TABLE 2

The world’s fast breeder reactors

	Electric power	Start-up date
France		
Creys-Malville (Superphénix)	1,240 MW	1986
Marcoule (Phénix)	250 MW	1973
Russia		
Obninsk (BR5)	(10 MW th)	1958
Melekes (BOR 60)	12 MW	1969
Beloyarsk (BN 600)	600 MW	1980
Kazakhstan		
Aklau (BN 350)	150 MW	1973
Japan		
Oarai (Joyo)	—	1977
Monju (DFBR)	300 MW	1995
India		
Kalpakkam (FBTR)	15 MW	1985

Source: *Fusion*.

the grandchildren of today’s decision-makers, some 50 years from now. (The reasoning presented here proceeds from a European standpoint, but it remains more or less valid for other members of the Organization of Economic Cooperation and Development, OECD.)

Fifty years from now, North Sea gas will be completely exhausted. The uranium price will have increased greatly, making nuclear energy scarcely competitive. As for oil, it may be necessary to wage “bloody little wars,” as Margaret Thatcher, François Mitterrand, and George Bush did against Iraq, in order to make sure that the nations possessing the greatest reserves behave themselves. Of course, there is the potential of nuclear fusion. But, with the freezing of credits for the International Experimental Reactor (ITER), its advent seems to be forever pushed back in time. And it is difficult to base humanity’s future on a technology that has not yet been proven from an industrial standpoint.

What is left? Renewable energy sources? They will not allow us to meet the needs of modern industrialized societies at an acceptable economic and environmental cost. Therefore, the fast breeder is absolutely necessary in the long term. The fight to defend the Superphénix is, therefore, not a fight to defend nuclear energy per se, but a fight for the continuation of the fast breeder option.

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Walking straight into the trap

British nastiness adds to Chancellor Helmut Kohl's many financial and political problems.

One of the many "coincidences" of recent German history had it, that about the same time in mid-August that Finance Minister Theo Waigel hinted that he would like to quit his job, an intense media campaign began in Britain, calling into doubt the German government's commitment to the agreed-upon schedule for the introduction of the full European Monetary Union (EMU) and its all-European currency, the euro, in January 1999.

The first salvo in the media campaign was on Aug. 20, when the *Daily Mirror* ran an article headlined, "Kohl's Secret Bid to Delay the Euro." The paper wrote: "A secret plan to postpone the start of the single currency in 1999 was proposed by German leader Helmut Kohl, it can be revealed. Chancellor Kohl suggested the shock move to French President Jacques Chirac earlier this year, but was rebuffed."

"More recently, the Germans made a new attempt to put back the single currency start date," the daily continued. "They informally sounded out Tony Blair, telling him that if his government agreed to join the EMU in 2000, the German and French governments would be happy—and relieved—to postpone the starting date so as to include Britain. Again they were rebuffed."

On Aug. 24, Ferdinand Mount, who was an aide to British Prime Minister Margaret Thatcher in the early 1980s, wrote a similarly nasty article, under the headline, "Auf Wiedersehen, Old Wunderkind," gloating over the economic and political problems which the Kohl government in Bonn is faced with, nowadays.

Then, on Aug. 25, the German weekly *Der Spiegel* carried an essay by Frederick Forsyth, a British author whom many suspect of being linked to the London intelligence community. Forsyth wrote: "The cat is out of the bag, as we used to say in England. In all secrecy, Chancellor Kohl is knocking at the doors of Europe's capitals, with his proposal to postpone the euro by a year or two.

"Chirac has rejected the idea flatly. Tony Blair, who was offered that Germany would wait until the year 2000, if Great Britain would join then, did the same."

Forsyth revealed that when he proposed a delay on a May 11 talk-show in Berlin, he was attacked by Kohl's Christian Democratic Union (CDU) party manager, Peter Hintze, with the argument that this would mean the end of European civilization. But today, Forsyth noted, Bonn has come to recognize that its pet project, the euro, cannot be realized on time, because the European Union's "budgeting criteria" cannot be met. (These criteria include strict limits on Federal budget deficits.)

Forsyth portrayed Kohl's project as one from which only speculators would benefit. The bill would be paid by the central banks, which would pump hundreds of billions of dollars in currency reserves into the defense of the euro.

This Forsyth attack, in particular, hit a raw nerve in Bonn, where Kohl has tied his personal political fate to the EMU timetable. *EIR's* inquiries on the matter met a barely concealed hysteria in Bonn: For example, a spokesman for the Finance Ministry called Forsyth's story "extremely im-

probable," because the official government policy on the euro is just "the opposite." Neither the Chancellor's office nor that of the CDU's Hintze would give any comment. Other offices in Bonn insisted that the 1999 timetable for monetary union would absolutely be adhered to.

But during the week of Sept. 1, many doubts were in the public debate. For example, four renowned German economists announced their intent to take the German government to the Constitutional Court, should it stick to the EMU timetable—which all the experts say will only be possible if the budgeting criteria are heavily manipulated. A 1993 ruling by the Constitutional Court determined, however, that any such manipulation or undermining of monetary and budgetary stability, would go against the constitution, so that the EMU could not then become German law.

The four plaintiffs, who plan to file a document against the government as soon as it signs the final agreements on the EMU, are led by Wilhelm Noelling, a former member of the national central bank council.

Hans Tietmeyer, the governor of the German central bank, himself called the EMU timetable of Chancellor Kohl into doubt, when, in an interview with the first September issue of the weekly *Die Woche*, he declared that, while he would not directly recommend any postponement of the EMU, a delay in the timetable would, however, not be a catastrophe.

Finding the doors in London and Paris closed to his secret proposal for changes, Kohl will not be able to change anything now, without losing face. Having tied his fate too closely to the EMU, Kohl has walked into the trap that London prepared for him. Wrote Anatole Kaletsky in the London *Times* on Sept. 3: "Kohl's doom is good news for the euro."

Business Briefs

Infrastructure

Bridge will link Asia to African continent

Representatives of the Egyptian and Japanese governments signed an agreement to construct a 70-meter-high suspension bridge across the Suez Canal, linking the Sinai peninsula and the African part of Egypt, Egyptian television reported on Aug. 26. Construction will cost approximately \$100 million, of which Japan will contribute \$65 million. All feasibility studies were conducted by Japanese experts during 1996 and 1997.

The bridge will include both rail lines and highways. Egyptian TV reported that the bridge "will not only link the new economic region in Sinai, but will also contribute as a link between Africa and Asia." Egypt is carrying out an ambitious program to bring water to Sinai to cultivate about 500,000 acres of land, and create an industrial zone on the eastern side of the Suez Canal, in cooperation with China.

Russia

The death of the Far North regions

In the past five years, more than 50% of the population of Russia's Far North has left these regions, due to desperate conditions of life and employment. Interviewing some of them, *Izvestia's* Vladimir Shmyganovsky found that most of these people loved the North and did not want to leave, but were forced out by months-long wage delays. According to Vladimir Pavlenko, head of the Center of Arctic Exploration of the Russian Academy of Sciences, the level of morbidity is 40% higher in the Far North than the average level in Russia, and the mortality rate is 70% higher. Life expectancy among indigenous ethnic groups such as Chukchas has decreased to 40-45 years.

After the collapse of the Northern Sea Route, its infrastructure is severely devastated. In Valkumei, former center of tin mining, the entire population, except pensioners, has not gotten wages for over a year. Dead

bodies of starved people lie in their apartments for weeks. The Krasnoarmeysky settlement, previously belonging to the Pevek petrochemical factory, has disappeared. Except for the young and energetic new mayor of Pevek, almost everybody is sure that this town will also disappear from the map. Retail prices in the region are astronomically high (1 kilogram of potatoes costs 23,000 rubles, compared with 2,000 rubles in Central Russia). It costs 17,000 rubles to ship 1 kg of food to the North.

The author mentions that, since the recent reform that let private banks into the gold trade, the banks are treating the gold miners like slaves. There had been speculation in the media that workers would earn more under the reform, but reality has been the opposite.

Climate

The most severe El Niño in 150 years is forecast

The rise in ocean temperature measurements in the Pacific for July is "the largest in 150 years of recorded data; before that we simply didn't keep data," according to a paper by climatologist Jagadish Shukla, presented on Aug. 26 at a UN conference on climate in Geneva, Switzerland. The effect of an *El Niño* is to shift trade winds and the jet stream, which disturbs major stable weather patterns, such as those over the Rocky Mountains and the Himalayas, leading to periods of extreme drought or extreme flooding around the world.

The forecast is, that as this *El Niño* hits the western coast of North and South America this winter, it will lead to severe flooding there, and likely drought in Brazil, Australia, and Africa. "This *El Niño* is shaping up to be the weather event of this century until it finally breaks sometime next spring," Shukla told Reuters.

"The danger is, this one could be far worse than the severe *El Niño* of 1982-83," noted a City of London financial source who is close to leading meteorologists in the U.K. "Then, the world had ample grain surplus stocks. This time, however, we have let the surplus run down to near danger levels, so

the impact on world food supply and on world financial markets into next year could be devastating."

Labor

UPS strike a 'school for Russian unions'

An article in the daily *Pravda Pyat* on Aug. 23, on the strike by United Parcel Service employees, marks a break in the impression generally promoted by the Russian media, that labor strikes are an activity favored by unreconstructed Bolsheviks in Russia, and that they don't take place in the West. The article, by Feliks Beleyubsky and Taras Muranivsky, headlined "An American School for Russian Trade Unions," analyzes the strike, and the labor policies that provoked it.

The article identifies the strike as the largest, "and, importantly, most successful," trade union action in the United States in the past 25 years. It describes the paralysis of a large part of package shipping for 16 days. The strike was prepared long in advance and in painstaking detail, the authors write; trade union leaders "were in no hurry to resort to the weapon of a strike. They conducted prolonged negotiations with UPS. Only when all other means were exhausted, did the employees take the decision to bring the huge shipping company to a standstill." The authors explain that the motivation was the unacceptable practice of hiring part-time workers, who receive an average pay of \$8.50 an hour, as opposed to \$19 an hour for full-time workers. These part-time jobs are profitable for the company, because medical insurance, pensions, and paid leave are not provided to the part-timers.

The authors reviewed the support for the strike, quoting AFL-CIO leader John Sweeny that "supporting this strike is an honor for every member of the labor movement." It quotes the London *Independent's* coverage, which said that the UPS strike may be a warning signal, that not all is well with the U.S. economy, contrary to the assurances of economists and political leaders. The authors cite polls, that showed 55% popular support for the striking workers, and the re-

LORD DENNIS HEALEY warned that “the euro will provoke riots and street fights,” if the austerity necessary to meet the single monetary union criteria are imposed, the Aug. 30 *Frankfurter Allgemeine Zeitung* reported. The former British secretary of the treasury recently turned 80.

JAPAN'S Foreign Economic Cooperation Fund will lend Turkmenistan \$39 million to upgrade its rail network, including the renovation of the Ashkhabad depot, providing maintenance equipment for locomotives, and computerizing the traffic control system.

TRADE between Ukraine and Iran will reach \$1 billion by year's end, a tenfold increase over 1996, Volodymyr Butyaga, Ukraine's ambassador to Teheran, stated in an interview with *Iran News* on Aug. 26. “Ukraine is Iran's window to Europe,” he said. Ukraine will import Iranian oil, for refining and re-export, in exchange for industrial goods.

THE CZECH government, in a fit of free-market insanity, said on Aug. 27 that it will privatize or abolish 37% of the rail network in the Czech Republic by 2000, and lay off 17,000 workers, Czech Television reported. The electricity distribution company Prazska Energetika recently cut power to the headquarters of the Czech Railroads firm for nonpayment of 304 million crowns (\$9 million).

MITSUBISHI Heavy Industries Ltd. said on Aug. 25 that it will form a consortium to tender for an estimated \$1.7 billion nuclear power plant project in Turkey. The units would have an output of 2,000 to 2,800 megawatts.

UNEMPLOYMENT will reach more than 5 million in Germany this winter, Horst Siebert, director of the Kiel World Economics Institute and a member of the government's economic advisory council, and Ursula Engelen-Kefer, vice chairman of the German labor federation DGB, warned in separate reviews. Officially, unemployment is now 4.3 million.

fusal of President Clinton to invoke Taft-Hartley to stop the strike.

Belelyubsky and Muranivsky enumerate the main elements of the settlement: the reduction in creation of new part-time positions, the creation of new full-time jobs, and the denial to UPS of control over the pension fund. “On the whole,” they conclude, “a victory that is quite instructive for Russian workers.”

Britain

No advantages found in rail privatization

Geoffrey Allen Pigman, an American teaching political economy at the University of Birmingham, England, warned against privatization, based on the results of the 1996 privatization of the state-owned British Rail system, in the Aug. 27 *Journal of Commerce*. His warning comes as a December 1996 Cato Institute report, which argues for British-style privatization of Amtrak, is now being examined in the U.S. Congress.

Cato's report says that the market alone should decide which routes in Amtrak's already skeletal national network should survive, and at what prices rail service should be offered. Pigman warns, “Without even debating the broader question of whether the already minimal public investment of Amtrak—less than 0.07% of the annual federal budget—is a good investment for the American taxpayer, the flawed idea of rail privatization should be exposed for what it is.”

The British experience: 1) reduced operating efficiency (harming the consumer) because whenever any service problems occur, the new private railway operators always blame another company, with continued service delays at no cost to the negligent operators. 2) Privatization does not yield the advantages of direct competition that its supporters claim; even in Britain, it was not deemed commercially feasible to permit more than one firm to operate similar service over the same rail line. 3) Privatization has not ended the need for public funding of passenger rail service. Under the terms for selling off the rail network and franchising pas-

senger services, a huge, ongoing investment in tax monies is included, because it was unlikely that stock floatations would have succeeded for rail operators, or that private firms would have bid on rail franchises, had they been expected to operate their service without any government support.

Whether run privately or not, Pigman asserts, passenger rail service must remain a regulated monopoly, because a regulatory authority sets standards of service. He states that Congress should recognize that a modern, energy-efficient passenger rail system, like interstate highways, airports, and sea-ports, is a public good, and fund them accordingly. Congress should consider the advantages of a balanced and future-oriented national transportation system in which a revitalized Amtrak can play a leading role, rather than “be fooled by the wrongheaded privatization experiment of a now-defeated government in Britain.”

Health

Food-borne bacteria affects children

According to the first national survey in Australia on childhood illnesses, carried out over three years, 80 children have suffered kidney failure and ended up on dialysis, caused by eating contaminated food, the *Age* reported on Aug. 12. The survey, launched at the Australian Pediatric Conference in Christchurch, New Zealand, said that the children have all been infected with previously unrecognized, but highly toxic strains of bacteria.

Dr. Elizabeth Elliott, director of the pediatric surveillance unit at Sydney's New Children's Hospital, said that this number was “just the tip of the iceberg.” There are far more children suffering from serious food poisoning, with many going undiagnosed, because there are few laboratories in the country that can test for these new strains of bacteria, which are different from those seen in Europe and the United States.

The Food Safety Campaign Group, a government and industry working group, said there are more than 2 million cases of food-borne illnesses each year.

The coming Pearl Harbor effect

by Lyndon H. LaRouche, Jr.

The following keynote speech was delivered to a conference sponsored by the International Caucus of Labor Committees and the Schiller Institute in Reston, Virginia, on Aug. 30.

I would hope, and I think there are grounds for hope, that in the years to come, you may look upon this day as one of the most important in your life. We are, at this moment, already in the middle of the worst crisis which European civilization has faced in 600 years, since the great banking collapse which is associated with the term New Dark Ages during the Fourteenth Century. That was a time in which the entire banking system collapsed; it was then called the Lombard banking system.

It was a time in which there had been, over a century before, since the death of Frederick II Hohenstaufen, who had been the leader of Europe, a process of degeneration of European civilization from the level it had achieved earlier. So, that, by the middle of the Fourteenth Century, with a long process of decay, and, then, the collapse of the banking system, the number of parishes and the population of Europe had fallen by one-half, through famine, epidemics, and insanity, including religious insanity.

Today we're in a comparable situation, but much worse. Today, the crisis is not limited to European civilization. Today, it is worldwide. Today, already, Africa is being destroyed by a mass murder, run by the largest power on this planet, the British Empire.

The British Empire exists. The same British Empire, as you'll hear tomorrow, is organizing the same threats throughout Central and South America. In Mexico, Colombia is already nearly destroyed. The force behind the druglords in Colombia, is the British Queen; and, you'll hear about that tomorrow. The same threat is directed against Peru, through its borders with Ecuador, and other threats. Brazil is in immediate danger, and, the forces inside and outside Brazil, which are trying to destroy the country in the very near future, are British. The same forces of the



The Japanese attack on U.S. naval forces at Pearl Harbor, Hawaii, Dec. 7, 1941. "Within two hours of the announcement of the Pearl Harbor bombing," says LaRouche, "the American population, or at least most of it, underwent a fundamental transformation in their beliefs, the way they thought about the world, the way they thought about themselves."

British Empire, which we see behind the genocide spreading throughout Central Africa.

We see mass death, the acceleration of the death rate, in what was formerly the Soviet Union. We see chaos in Central Asia. We see in Southeast Asia what was praised up until a few months ago as the Asian Tiger model: the Asian Tigers are dead pussycats that won't bounce. They're doomed, at least under the present system.

Before the end of this century, every major part of the present international financial and monetary system will be gone, including the entire International Monetary Fund system, and the present form of the Federal Reserve System here in the United States. They are doomed. They are gone.

There are other things of which I'll speak.

Under these conditions, unless we can replace the present IMF system, which is bankrupt and doomed, in the way you would leave the *Titanic* when it begins to sink; unless we get the passengers, the nations, and the people, off this system before it sinks, this civilization globally is doomed to what we see developing in Africa, what is going on in the disintegration of Colombia, under the patronage of the British drug queen, Queen Elizabeth II, and her local drug-pusher, Samper Pizano.

The United States, too: This nation can be torn apart and destroyed, in a very short period of time. I'm talking about months. Imagine the day in which every bank is bankrupt, in which the U.S. dollar's convertibility is in question. A day in which the savings have been wiped out, because the banks

that contain them don't exist. A day in which all the mutual funds are long dead, and nobody can recover any money out of mutual funds. A day in which the New York Stock Exchange has dropped well below 1,000 from its present 8,000 vicinity, maybe to nearly zero. And the local bank, with the savings in it, is gone—closed. Not put through bankruptcy, just *closed*. In which there's no credit, there's no movement of food—or very little. There's no movement of services.

What happens, then, to the United States, as it is now happening in Africa, and as it's spreading throughout Central and South America, and in parts of Asia? When people don't eat, when sanitary conditions break down, when violence and desperation break out, what happens? The Four Horsemen of the Apocalypse.

Bertrand Russell: mass murderer

The most efficient mass-murderer of the Twentieth Century was a mass murderer called Bertrand Russell, who in 1923, '22-'23, after returning from educating the leadership of the Communist Party in Shanghai, proposed that unless the black, brown, and yellow races begin to sharply reduce their population, that the British and their friends *must* reduce these populations "by methods which are disgusting but necessary." That's Bertrand Russell. That is the leadership of the British Labour Party, which is now administering the British end of the British Empire. And they have the same policies today, as they had then. Different disguises; same content, different package. The paper bag wore out, and they got a

new one. But the contents are the same; and, they haven't improved with age.

These are the conditions we face. These are the conditions that the typical American and others in European civilization will deny: but less and less. More and more people, during the recent weeks, with the fluctuations in international financial markets, have begun to suspect that this system is not going on forever: that the great gambling orgy in mutual funds and stocks, and other things, and credit cards that are practically blown out, that this orgy is over, coming to an end. People are thinking about a crisis any moment. And it could happen any moment. *The entire system could blow out in a matter as short as three days from the onset of a crisis which collapses the derivatives bubble.*

Just to indicate the order of magnitude: The amount of current debt, that is, debts which are due to be paid within this year on derivatives alone, are in the order of \$100 trillion or more. That amount of debt, current debt, which is collectible this year, exceeds by several times the total product of all the world's nations combined. The United States itself, and its banking system, is carrying *one-third* of that debt. *Every bank in the world is bankrupt. Every stock market is bankrupt. Every mutual fund is bankrupt. Every insurance company is bankrupt.*

It's just waiting for the day when all that gasoline that's getting hot down in your cellar, it's waiting for the day that somebody throws a match down there. And, then what will happen?

Those are the conditions which people are beginning to smell. They are conditions which I know. Even the press, in the past month or so, around the world, first in Europe, and then a few leaks here, has begun to talk about the Great Crash. They talk about a 25 percent, or even a 50 percent collapse in the stock market, by October, or sometime like that. Nobody knows what day it's going to come, but it's coming. And it is *unstoppable. There is no government on this planet, or no combination of governments, or the International Monetary Fund; there is no combination which has any plan, or any hope, or any possibility of devising a plan which could deal with such an emergency, which could strike any week, any month in this period.*

And, that is the breakdown of the whole system. That's the day the *Titanic* of the world economy goes under the water—*unless we do something about it.*

Now, I know what to do about it. What we need to do, is very simple. Anyone who's a good lawyer knows what you have to do. When the bank goes bankrupt, what do you do? You have the government put it in bankruptcy. You reorganize it.

What do you do when an entire banking system, like the U.S. banking system and credit system, goes bankrupt? You have the government, the federal government, together with the states, put the whole system into bankruptcy reorganization. That is, since the Federal Reserve headquarters in Wash-

ington is a few streets down from the relevant government agencies, the fellows, with their certain order, Executive Order from the President of the United States, walk over there, under the emergency powers of the President, and say, "Gentlemen, we're taking over. You're bankrupt. We are the people who are now appointed to administer this institution."

And a whole series of things are done by government, which, one would hope, that this government is prepared to do. Because these actions will have to be taken on a day's notice, a moment's notice. The actions have to be prepared. They're all feasible. We've done things like this before, under wartime or similar emergency conditions. And we're going to have to do it again. *Because if you don't rescue the country and the people, what have you got?*

We care about the people first

We're coming to the time that *we don't give a damn about the banks. We don't care* about the stock market. *We don't care* about the major creditors. Because, we have to care about the people first.

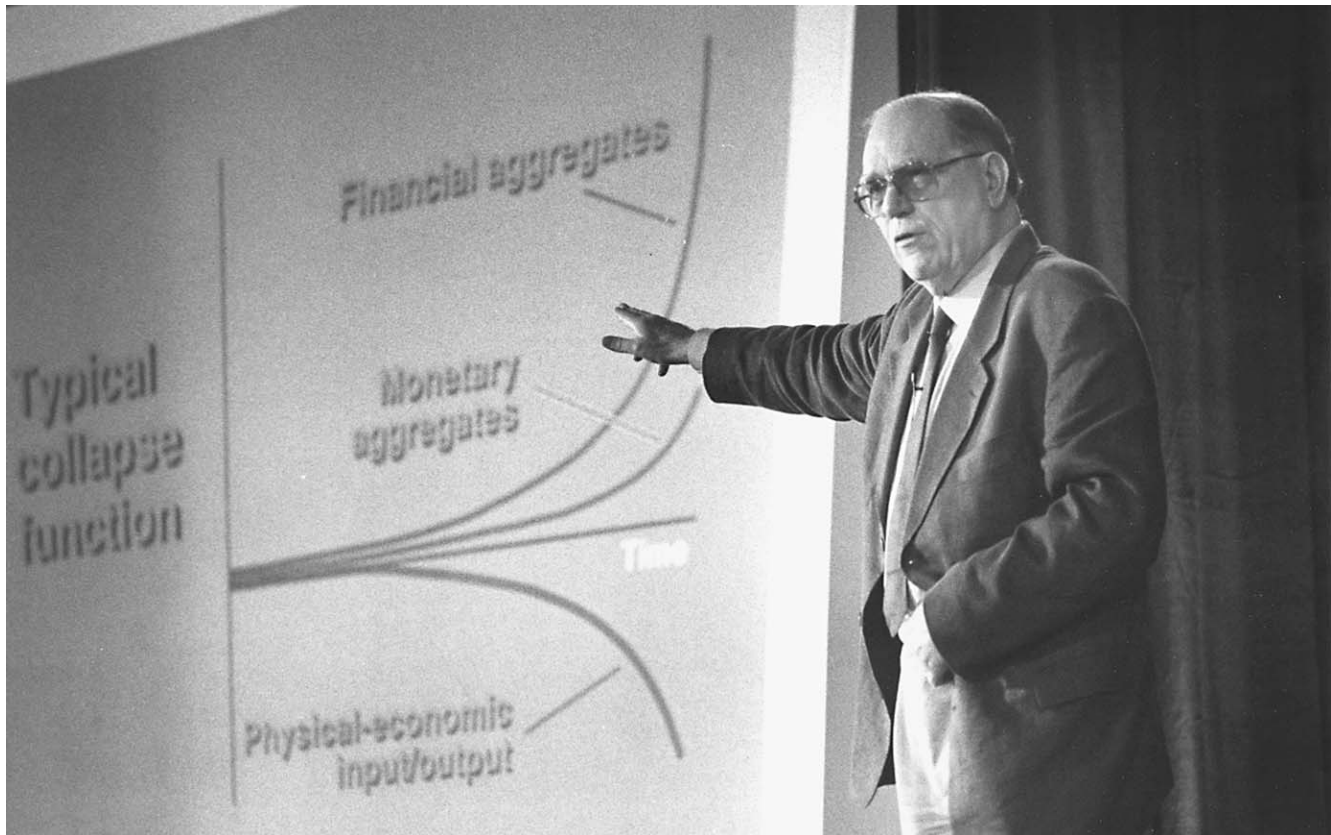
Now, of course, that is presently visible as the fight between the President of the United States, Bill Clinton, and the leader of the fascist death squads, whose name is Greenspan, who is the head of the Federal Reserve System, and a spokesman for the New York bankers, who are the local cannibals of our country.

Greenspan says: "You must save the monetary system. You must save the financial system." The President says, "But I've got to save the people first, as President. I've got to save the essential institutions. I've got to save the Treasury of the United States. I've got to defend the U.S. currency. I've got to keep the economy moving. Your financial people would have to wait, in case of a crash." "No!" says Greenspan, who is a descendant, spiritually of Ayn Rand. You know what that means? "I don't care about people, it's all me—me, me, me." Only one note. Johnny One-Note. Alan Greenspan: "Me, me, me, me." He thinks the President is the king of the United States, but he's emperor.

Now, the question is: *Can we make the changes that we have to make, to save the people, and the nation, its essential institutions, and keep the economy moving? Can we also do that on a global scale?*

We can. The question is, where is the *will* to do it? The President of the United States, as far as I can tell, is intellectually prepared to do what is necessary—intellectually. But, as you may have noticed, Bill Clinton has a couple of weaknesses. Now, Bill is not exactly a Manichean. Not like that Alan Greenspan. See, a Manichean is a person who believes that the devil runs the world of the flesh, and that you're only holy when you get into church, or into spiritual exercise. We know a lot of people like that. They don't declare themselves Manichean, but they behave like that. Get out of church, and they'll steal. They'll even steal chicken in church.

The problem is, the President believes—not like the Man-



Lyndon LaRouche addresses the conference of the Schiller Institute and International Caucus of Labor Committees on Aug. 30. Behind him is a graph of the “typical collapse function,” showing the hyperbolic growth of financial and monetary aggregates, while the physical economy undergoes a corresponding downward plunge.

ichean, that you have to do evil, as some people do, like the liberal economists. That you have to do evil, because the devil rules the world, and if you don't do evil, you're not doing the king's bidding. You're not doing the king's bidding. The devil is king. Satan is king. That was the doctrine of these Bogomils in France, who were otherwise known as Buggers. It was the doctrine of the Manicheans, and the doctrine of a lot of other people. They said, “People are evil. People are naturally dirty, because they're the flesh. They've got to do evil. They can do nothing about that. They just naturally have to be evil.” That's British human nature. And the British try to live up to that.

But the President believes, not that he has to be evil; he believes that he has to be sneaky about getting a little good into the world of evil. And, he decided a long time ago, that politics is the chief headquarters of evil. Then, he discovered there was a worse headquarters of evil. It was called the New York Federal Reserve System. And, the British; but he always knew they were no good, but, that's a different story.

So, therefore, how do we find the will for the nation to induce its President to do, under his executive powers, and under his leading position among nations, as the chief executive of this country, how to do the thing, as a nation, that we must do, to save our people, and to save this civilization?

Where do we find the will?

Well, I'm going to refer you to several things this afternoon. First of all, I'm going to indicate what the problem is. Because, before you can understand the solution I'm giving to you — which is why today is going to be important to you; it's important to know that you can survive, that your children can survive, that your grandchildren can survive, that this nation can survive. That's the important news.

The question is, how do you get there? How do you do it? What's the problem? What's the solution? And where can we find in ourselves the wisdom and the will to do what we must do, to cause our President, and other forces, to do what they must do, to save humanity from the worst scourge known in all modern or medieval history? That's the good news, and that's the issue.

Some people will go crazy

Well, let's look at the problem in a different way. This crisis, which is destroying us now, did not start recently. It started, in the United States, about 30 years ago. Let me tell you how it happened.

But, let's go back a couple of steps earlier. We've had crises which, in some respects, are politically similar to what we face now, in the past. And it's important to reflect upon those crises of our past, because they tell us something about

what we're going to go through, in terms of shock effects, as this financial crisis and its by-products, hit us harder and harder now, over the coming weeks.

Some people are going to go crazy, absolutely insane, out of their skulls. They can't take it. *Because: the world as they have believed it should be, and will be forever, is suddenly coming to an end.* The day in which you can make money on the stock market, is coming to an end. The day in which you're not considered a lunatic if you have money in mutual funds, is coming to an end. The day in which you trust in banks, is coming to an end. The day in which you trust that you have a right to a job, is coming to an end. The day in which you believe your grandchildren and children will survive, is coming to an end.

This way of life, as you believed you had it, the way you believe "they" would make things happen, that "they" would see that this couldn't happen; all those things are coming to an end. *All evil things are becoming possible.* And that is going to become apparent to you rapidly, over the coming weeks ahead.

Therefore, it's important to understand what goes on in your own head, as the shock effects of this crisis begin to hit you. And the first lesson you have to learn, so that you can share it with your neighbors and friends, and as many others as possible, is to anticipate the shock you're about to experience, or already beginning to experience, so that this shock does not take you over. You know how to cope with it.

It's like the day you're told you've got cancer, eh? You have to *know*: Get over that shock, and get down to business, and deal with the problem you've got. You've got to look at it that way.

We've had shocks before. Let's take some shocks we've had. I was born in the 1920s. A few of you know what the 1920s were. We were pure sinful people then. We came out of World War I, and Woodrow Wilson, the guy who re-founded the Ku Klux Klan and built up its membership to about 4.2 million members, with the aid of Hollywood. Goldwyn and Mayer of Hollywood, for example, produced and distributed a film. It was called "The Clansman," otherwise known as "The Birth of a Nation."

And this film, which was praised from the White House by Woodrow Wilson, who himself was a great admirer of the Ku Klux Klan, the first Klan; he had the second incarnation of the Klan launched from the White House, with this film. And this great, benign, beneficent President, this "*great Democrat*," as soon as World War I came to an end, shut down the U.S. economy, with the help of his owners. And from there into 1922, we went into one terrible Depression.

From 1925 on, the U.S. farm sector, agricultural sector, was already in a depression. Don't talk about 1929 or '39. *We were already in a depression for most people in the United States, before 1929.* We'd been in a depression in the 1920s, early 1920s. We went into an economic depression, for most people in this country, starting with the farm sector, in about

1925. The development and expansion of railroads halted at that time, as a signal of a general degeneration of the whole U.S. economy.

The people that you knew, the adults of that time, were called, generally, "Flappers." And they flapped more than their mouth. They were a sinful, disgusting people. And suddenly these sinful and disgusting people, when the stock market crash hit, even though the Depression was already on, woke up. Because they'd lost their faith in an illusion. There was not real prosperity, there was great poverty in the United States during the 1920s. As a child, *I saw it. I remember it.* But there were a few people, lording it around, "I'm doing just all fine." And suddenly, the hammer fell. And they no longer believed in themselves. They no longer believed in the fairy tale.

Then, 1930, '34: the depths of the Depression. People were dying on railroad sidings during that winter. That was the winter of death, of economic death. Then Roosevelt got the economy moving, slightly. He wasn't able to fight Wall Street the way he wanted to. Didn't have the power. Didn't have the popular support.

But, then he prepared for war, because he knew it was coming. He made plans for war. From 1936 on, he made extensive plans for war. Didn't recruit many soldiers. The U.S. Army in those days used to be called "Useless Sons Accommodated." If his father thought his son was no good, he sent him off to the army, to get rid of him. And they acted that way in the army.

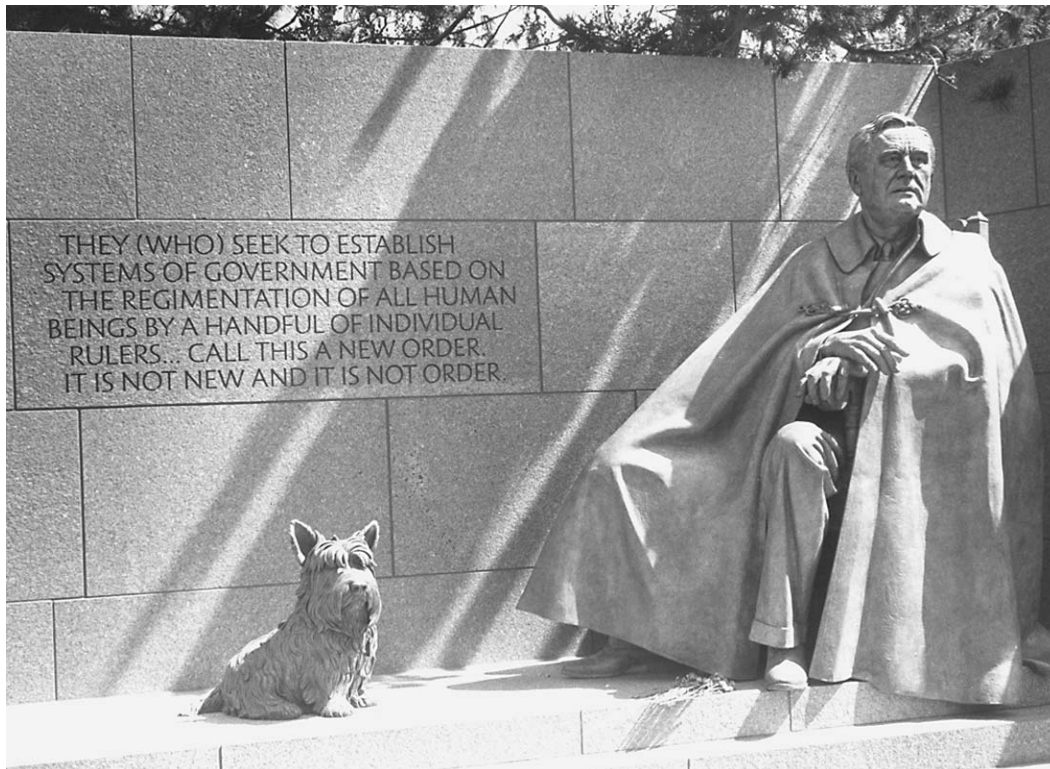
But then . . . Pearl Harbor

But then, Pearl Harbor happened. Now, some of you remember that day, and some of you have anecdotal experiences which are typical of what happened in this country on that day. I happened to be in New York City at that time. I'd been up that night before, Saturday night. Got up a little late in the morning, because I had an appointment that day. Some friends of mine had a business appointment, and I was going to tag along with them. I went over to the hotel where they were staying, to pick them up. And everybody was looking very strange around that hotel lobby. And it was after that, after that glance, that I heard what was coming over the radio.

Within two hours of that announcement of the Pearl Harbor bombing, the American population, or at least most of it, underwent a fundamental transformation in their beliefs, the way they thought about the world, the way they thought about themselves. It happened like that.

So, when somebody talks to you about political trends, and the way things are going, the way popular opinion is going, don't believe it. You can have something like the Flapper Age: While most people were poor, the Flappers pretended that everybody was rich and having a good time, and flinging out their legs in "the Charleston," or something like that.

But then came '29, and on, and, with that shock, it col-



The memorial to President Franklin D. Roosevelt in Washington, D.C.

lapsed. The day the stock market collapsed, that illusion was over. That was only a minor event, much overblown, in terms of its economic significance. The significance was psychological. The image of the Great American Boom, of the Great Wall Street prosperity, snapped like that, in one day.

Pearl Harbor, same thing. A whole way of thinking, of succession from the 1920s and the Depression of the 1930s: all the trends, what everybody believed, what everybody took for granted—gone! as if in a single day. In that case, in hours.

Then, Roosevelt died. And as each of us came back from overseas to the United States, under Truman, not Roosevelt, that was another shock. Because like the great Ku Klux Klanner, Woodrow Wilson, before him, Truman, who was a completely controlled asset of Winston Churchill, threw the United States into an unnecessary depression, which lasted from 1946 through 1948. We didn't begin to get out of the depression until somebody decided to have a war.

It was decided to go to war over Korea, and prepare for a war with the Soviet Union—a nuclear war. There had been much talk about “preventive nuclear war” against the Soviet Union since Bertrand Russell had first proposed it, that great peacenik, in 1946, the September issue of the *Bulletin of the Atomic Scientists*, which was edited, by the way, by a stooge of his, called Leo Szilard. And these stooges still run a good deal of the U.S. science community today.

It was a shock. Americans went into great pessimism. 95 percent of the people whom I served with overseas, and otherwise knew, turned into pigs by about the middle of 1946.

They were pessimists. They had been up to five years away in service. They were coming back in their late 20s or early 30s, after having been raised in the deep Depression of the 1930s, coming back to make up for lost time. Getting married, planning to have children.

And the wives were worse than the men: “Don't do anything to put our economic security into jeopardy. We have five years to catch up with. Hard times are here. Be careful what you say. Be careful where you look! Be careful what you associate with! Be careful where you go! Be careful to say what is expected of you.”

McCarthyism: a symptom

1946. That wasn't McCarthyism. McCarthy was a product of that. He wasn't the cause of it, he was a symptom of it.

Then we went into another period, the 1950s, the post-Truman 1950s: the era of Eisenhower. “I am a patriot, but . . .,” “I love my family, but . . .,” “I love my wife, but . . .,” and so forth. All these good things. “I'm neither this, nor that.”

And these people of my generation, 95 percent of them, who turned politically and morally into pigs—and that's a fair statement, not an exaggeration. I was there, remember, I saw it. And these were my friends, who I saw turn into swine, little curly tails and all. They raised children with these attitudes, children who were born either during the war, or right after the war. And these children were subjected to these immoral so-called “values” in their homes. The parents cau-

tioned them, and raised them to—“Look! Look! Be careful where you look! Be careful what direction you look in! Be careful what you say! Be careful what you’re overheard saying! Don’t forget to say this, too, if the question comes up.”

You want to talk about a bunch of brainwashed zombies out of Orwell’s *1984*? We had it right then. And, it got softer, after we got rid of that fascist Truman, under Eisenhower; but, it didn’t get morally any better; it just got calmer.

And then we had Kennedy. Kennedy was a brief period of optimism, of gradually cautious optimism, gradually ascending. By 1962, before the Missile Crisis, Kennedy was on the rise. Because he’d taken on the steel bosses. He’d taken on other things. He was threatening this, threatening that, acting like an American President, in the image of Franklin Roosevelt, which was the image which he adopted for his Presidency. Then he was shot.

But before then, we had the Missile Crisis, when everybody suddenly discovered God, but didn’t know who He was. That lasted for about several weeks. And then, those in charge, because the Soviets and the United States had come to an agreement with the British on what was called the process of détente, the Liberal Establishment in this country, as in England, and also in the Soviet Union, believed that the danger of a general nuclear war no longer existed, except, possibly, by accident, which they would try to manage.

And therefore, they said, “we no longer need an economy which is run by industrial giants, by men of industry, by men of science. We need the kind of economy in which people aren’t so well-educated, where people don’t talk back to their betters. Where people don’t demand so much education, don’t demand so much health care, don’t demand the high wages any more. Not needed! We don’t need a skilled labor force any more. We can use cheap labor, because we don’t have anyone to compete with militarily. We don’t need all that new technology; we’re not going to general war. We’re going to have a new kind of warfare.”

Which is what Vietnam signalled. Not honest war, but just killing, “adjusting diplomacy.” Wiping out some people, and letting others survive. Adjusting governments. Taking away the sovereignty of nation-states, as we see in Africa, as we see being done all over the world, with IMF conditionalities, which is nothing but the Emperor IMF, going around from one place to the other, telling the governments what they can vote for, what they can do for their own people, what health conditions can exist in their own country, what laws they can enact, what people they can appoint to office, who they can elect, who they’ll put in jail. The IMF dictating that to one government after the other, all around the world. Giving up sovereignty? Part of the process.

But 1962 was a shock. And then we had all these young people who were coming into or out of adolescence—some of them haven’t come out of it yet. And, these people were suddenly hit. They came from families where there were no moral values. Oh, there were shibboleths. There were even

so-called Christians, who were—these were hypocrites with chrome plate, chrome trim. But they had no moral values. Because they came from a family, in which truth was no longer a standard of behavior. You didn’t study to learn science; you studied to get a job. You didn’t want to learn the principles of science; you wanted to learn the right answers, the right formulas, to get that sheepskin, to get that job. Things like that. Get ahead. Live in the right neighborhood to promote your economic career, your image. Say the right things. Read the right publications, which do your thinking for you.

Concern for truth

The concern for truth did not exist in 95 percent of the families of my generation during that period. They became genuine liberals. Truth and evil were put on an equal footing, depending on which was more socially acceptable for that occasion.

And, the children of these people, who were the adolescents going into the universities during the 1960s: the adolescents who, by the laws of Nature these days, were going to become, within 20 to 30 years, the people who occupied the top positions of government, of business, of banking and education throughout the United States. And, they turned these people, who were *terrified* by the Missile Crisis, who had no morality whatsoever, no truth-seeking training. I know; I was on campus teaching these people, 1966 to 1973. I saw them. I know the types. I am not quoting from the back of some book. It’s what I saw, close up, clinically.

These were sad cases. I saw people in 1966—one guy called “J.J.” Now, in 1966, J.J., who came from a Jewish suburb in New York city, seemed like a fine, intelligent young person. By 1968, he was a zombie, swilling LSD, cheap wine, marijuana—the lot, and conducting sex with fireplugs, and I know whatnot else besides.

They took the majority of the Baby Boomers on the university campuses, who were the people who were entering that track which, under normal conditions, leads to top positions in government, industry, banking, education, whatnot; these people were being destroyed, morally and intellectually. And they’d had a bad start to begin with. It was not a good running start.

And under those conditions, we’ve had, over the past 30 years, what is called the “Third Wave”; what is called post-industrial utopia. Over the past 25, 26 years, we’ve had what’s called ecologism, which used to be known as something you do to monkeys, and now they do it to people.

See, ecology is the study of the equilibrium levels of population among lower species. And the human race was just dropped into it. Now, Prince Philip, with his Nazi bedfellow, Prince Bernhard of the Netherlands (who resigned from the Nazi SS with a letter to Hitler signed “Heil Hitler,” on the day he married the Dutch princess). And, Prince Philip himself, through his family connections, was trained by people who had trained Nazis, and was trained to behave and think like a

Nazi. So you had these two Nazis, who started the World Wildlife Fund in 1961, and they set this stuff into motion.

So, over a period of 30 years, you had a takedown of scientific and technological progress. Look at your sewer system. Look at your water system. Look at your hospital systems. Look at all the things we had in 1966 to 1970. Get the photographs. Think back. Remember: If somebody fell down in the street, and somebody said, "Get a cop!" what happened in New York City, then and now? What happens in Washington, D.C., then and now? What happens in most communities in the country, then and now?

What about the water systems? What about the sewage systems? What about the education system? What about the safety of neighborhoods? All of these things, which were important. Access to health care.

When did we have a mass of homeless on the streets? Including people who are homeless, who have incomes, but just don't have enough to afford the price of housing in that part of the world? When did we have these conditions? We've been going to Hell, inch by inch, over all these years. Then ecologism shut down our power plants. We now have a brownout, we're going to a blackout condition.

We're in danger, with the invasions around the Ebola districts in Africa, we're in danger of an Ebola breakout internationally, as well as other diseases, which turn up from obscure places, and can tend to become pandemic—epidemic and pandemic—for which humanity has no present immune potential; can kill off whole masses of people in very short periods of time, under these kinds of Four Horsemen of the Apocalypse conditions.

This is where we are. We're here because, over a period of 30 years, as the people of my generation and the generation before me, left the top positions of government, the top positions in all kinds of institutions, and were gradually replaced by this Red Tide of Baby Boomers flowing through the institutions, like an overflowing cesspool, that gradually all of our policies, our thinking, our education system, *everything has decayed.*

We're no longer productive. There's been no growth in this economy in the United States in the past 25 years. *None.* If you measure it in physical terms, how many jobs does it take, to match the standard average income of the median per-family household, in the United States, between 1966 and 1970, and today? How many jobs?

What are the public services you get, out of the taxes you pay out of that jobs income? You're down to *half*, approximately, today, of what we were. Or, if you even approach it, it's because you're working three jobs, instead of one. Probably one regular job, and two part-time jobs. Maybe a weekend job, and a part-time day job, after you finish your regular job. Maybe both adults in the family work—if you are not typical of the families which are only one-parent families, because of the breakdown of the family under these conditions.

'Mainstream thinking'

These are the conditions of life. Latch-key children, with no education, filled with rage, with very little focus on life, and on emotions, running rampant, with nothing to moor themselves to. We are destroying our economy, we are destroying our people, step by step, inch by inch. And this is what is called today, this flight down the sewer pipe to the cesspool of history, is called "mainstream thinking."

Therefore, you propose something today, and say we have to change the system. The President must act with the support of the majority of people, to do the things which will save this nation, and its people, and the world, from the New Dark Age, which will otherwise destroy civilization around the planet, unless we do something. And, the answer will come back, and many of you have run into it, many of you have even thought it at times: "But you can't do it. You can't do it. People won't go for it. Public opinion won't allow it." Say: "You forgot something. You forgot the 'Pearl Harbor Effect,' " as I call it.

When it becomes apparent to the majority of the people of this country, that this system, which they think they worship; these things that they believe in, because they read them in the newspapers, saw them on the television talk shows, their friends and neighbors all talk about it. They say, "Well, I agree with you, but my friends and neighbors would *kill* me if they knew I was talking to you about this."

That's bunk! And all of us who have lived long enough, and know history, know that's bunk. Because when a crisis occurs, you have two ways to go. *You can either abandon the policies which you have supported, such as liberal economics, such as a lunacy called ecologism, post-industrial thinking, Third Wave thinking; all of this nonsense, which has destroyed us, because you've consented to it. And therefore, the political process did it, because you consented to it. You accepted it as "mainstream thinking."* You said, "It has to be done that way, because; it has to be done that way, because; don't you read the newspaper?!" That kind of argument.

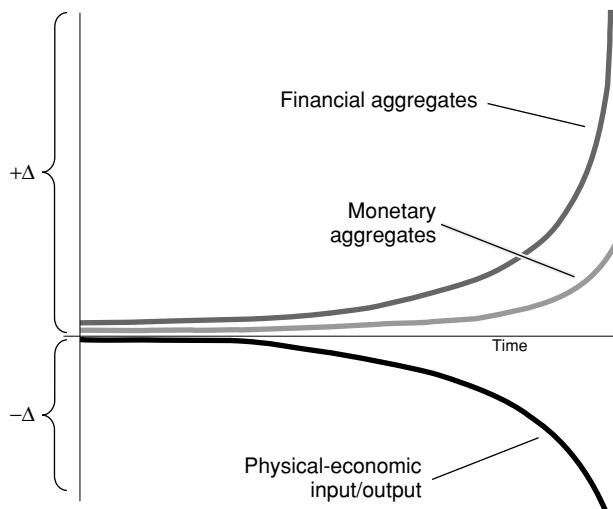
History, again and again, when a crisis like anything approaching this, like Pearl Harbor, like the '29 Crash; like similar things in history: When one of these crises hits with this kind of profundity, there's a shock to the psyche of the population, in which the population will go one of two ways: They will go to Hell, or they will get out of it. And they will suddenly, very rapidly, change their way of thinking, which is happening in the United States already today. We see it on the telephone, in the streets, in organizing and dealing with people in various parts of the world today.

There is a mood shift in progress now, which is like the sand on the beach leading to the ocean. You can see the Ocean of Change is right there, and it's coming up fast, with the incoming tide.

Our problem is that we must be intellectually prepared, on two grounds. First of all, we must know, not as a matter of learning it, but as a matter of truthful awareness, that it will

FIGURE 1

A typical collapse function



work: *what has to be done*. And, we must mobilize people, to get their politicians, and others in positions of influence, to agree to do it. We've got to get enough support for this President, for his doing *this, that he has to do*, to make it happen. And we can, if we can act like a virus, and become infectious. Infect the population with optimism, with a sense that there must be alternatives. If you're on the *Titanic*, and there's a lifeboat, shouldn't you get into the lifeboat if the ship is sinking? What do you think of the guy who says, "No, I'm going to stay with mainstream thinking"? That stream goes all the way down.

Now, let's look at, first of all, look at the nature of the crisis. Some of you have seen this, or heard this from me before, but it's necessary to identify it, at least summarily, so we know exactly what we're talking about.

Then I want to deal with the crisis itself, the emotional crisis, to indicate to you, I hope in terms that you can understand, even though many of you have never heard of this before. It is science. That's part of science. How the engineering of a change, a so-called *cultural paradigm*, occurs under shock conditions such as Pearl Harbor, or the far-greater shock now. And I can assure you: The shock that is coming to the American people and others around the world now, is far greater than Pearl Harbor, or the period of the Missile Crisis in 1962. This shock is far more profound. It's going to have a greater psychological effect on everyone, than anything in that period.

The 'Triple Curve'

Just to review this (see **Figure 1**). Three curves. These are drawn smoothly, because we're not talking about statistics in the ordinary sense. We're talking about *rates of change*.

And there's generally an exponential rate of change in these values in the U.S. economy, since 1966. So we're talking about, essentially, 1966 to 1996: 30 years. Thirty years of change. Thirty years of sliding down the paved road to Hell.

Now, there are three things to consider. First of all, *forget money*, in the first instance. Don't try to use financial statistics; you can't understand anything, because financial statistics are *faked*. *Do you believe that things are better in the United States, per capita, than they were 30 years ago?* Well, you've got the financial figures to show it. Do you believe those figures?

How many jobs does it take the person in the comparable standard of household income, from the 1966-1970 period: How much work do they have to do today, to get the same actual income, that is, physical income, standard of living, education, and so forth? Three jobs. Two members of the family working. The children, latch-key children left out in the street, or something similar. Or, at least, not given parental nurture.

It's not the fact that they're running around the street; *they are given no parental nurture. They're not given a sense of identity*. What are parents important for? They're important to help children develop a sense of *personal identity, of moral identity*, which is a precursor and foundation for education. And, it's very difficult to replace that, as the history of educating orphans shows that.

So, measure in terms of market basket. That is, to raise your family, such that your child, or your children, will be potentially as productive, as skilled, as useful, as you are, under future conditions. What kind of a standard of living do you have to have in your home? What do you have to have, in terms of nourishment, housing, and so forth? What do you require in terms of education, in terms of health care?

What are the things you require, to maintain the members of your family, and the family as a whole, in a way in which your children, going out of your family, can become members of society, as productive, at least, as you are today, and better? What do you require, in terms of investment in infrastructure? In terms of—like Washington, D.C.—what kind of a sewer system do you require? What kind of power availability do you require? What kind of potable water system do you require? What do you require in terms of security to your neighborhood? All of these kinds of things—schools, and so forth.

You require that. Provided by society, provided by government, chiefly; but, you require it, as part of your income. What's happened to our water systems? What's happened to our health systems?

And you require industry. You require technology, to improve the society, to conquer the new problems we run into, as we run society. You have to have an *investment* in industry. You have to have competent management, that makes the thing work. You have to have improvement in product design. You have to have processes by which technology is advanced.

These form market baskets, which we can measure in terms of labor force, average member of labor force, average household, per person and per square kilometer.

If you want equal conditions, in terms of things in the future that are no worse than they are today, and probably better; what's the standard you have to have, to have that?

So, that's this curve. So you measure that, by comparing market baskets, which have physical things, plus services, which are science services, health-care services, education in its general form. That's what you need, both for yourself, for the society, for the infrastructure development, for administration, and for agriculture and industry. You've got to have the same standard, always getting a little bit better. Minimum—that's your minimum target. This is sometimes called the *energy of the system, of the economic system*. What's the input you must supply to the population, to maintain the system in good functioning order, into the future, the next generation?

All right, that's been going down. Many of you remember 1966, under pressure of the environmentalists then, the population controllers, Johnson cut the Federal budget, so as to take most of the cutting edge off the investment in aerospace at that time. You had mass unemployment in the aerospace R&D sectors, such as around Route 128 in Massachusetts, around New England, and then, of course, on the West Coast, and places like that.

Then you had a general austerity which set in, from 1968 on. You had, in 1970-71, the 1970 recession, as it was called, the blowout of the Penn Central and Chrysler, and a few other things, which warned us of what was coming the next year. And Nixon, at that point, put in austerity, in the fall of 1970, and things began to become *worse* economically for most people in the country.

1971: the entire monetary system blew out. We went into a floating-exchange-rate monetary system; and you had Phase I, and Phase II, and Phase III, planned as step-by-step austerity, and Phase I and Phase II were carried out.

Then you had a fake oil price crisis in 1973-74, organized personally by Henry Kissinger, a British agent, who does all these good things. So we had a sudden surge in the price of petroleum. And we had plenty of petroleum. The Shah of Iran had the sea *covered* with ships, with Iranian oil, trying to sell it in the United States, and none of the Americans would buy it. So, *there was no oil shortage*. The London-controlled petroleum-marketing center, had orchestrated a worldwide price hoax. And that was the beginning of the destruction of the economy, because certain sections of the economy are much more sensitive to the price of fuel, than they are even to interest rates. That's 1974, '75, '77.

Then came Carter, and Carter was a disaster. He was a moron, and a disaster. He didn't even run the Presidency. Only when he had an ulcer, or something. He was a creature, not just of David Rockefeller. *He was a creature, entirely,*

from top to bottom, of the New York Council on Foreign Relations. Look at the roster of who ran his government for him. He was the fool of the administration, who'd go out and babble this, and babble that, and Carter this, and Carter that. But actually, these boys, the mice in the backroom, were running the administration. He didn't run anything at all. We went down fast.

'Controlled disintegration'

Then Carter put in—in 1979, he put in Volcker, Paul Volcker. And Paul Volcker instituted a policy, which he named by its right name. It was a policy which had been developed *for the Carter administration*, by Cyrus Vance, Zbigniew Brzezinski, and people of that ilk. It was called "controlled disintegration of the economy." And, when Paul Volcker was in England, campaigning up and down *England*, to be nominated as Federal Reserve chairman of the United States—why would he go to England, to get nominated for a position in the U.S.?—anyway, he said he is in favor of controlled disintegration of the economy, as an acceptable policy.

When he got into office in October of 1979, he immediately put it into effect, and the economy *collapsed*. We never came back since.

The first thing we were operating on: We went through petrodollars, late 1970s. We then went into junk bonds, through the help of George Bush, and some legislation he got through. He looted the banks, the savings and loan banks. Then, from junk bonds, which sort of went out of business with the 1987 crash, and died the following year with the Nabisco operation. Then we went with derivatives, which are pure gambling.

So, what happened is this: You had a spiral like this, of financial assets, pure gambling (see Figure 1). And the total amount of financial paper out there is going up and up, while per-capita real output is collapsing. The connection between the two, is simple. The financial speculation works on the basis of what is called financial leverage. That is, it's like a slumlord. In the old days, the 1960s and 1970s, you would find a slum, which was about to fall into the street, it was so rotten. *But it would sometimes command a higher market value, than a rental property in decent condition*. You say, "How is this possible?" Well, in the slum, they get more rent, per square foot. And therefore, in the slum building, the value of the building is not the value of what it would take to replace the building, but simply how much rent you get out of it.

So, if you've got a Harlem property in New York, with a high rate of turnover, and the landlord's dividing one apartment into two every time there's a turnover in the tenants, and raising the rents every time, 15 percent every time they get a turnover, you'll get, in a slum property, where the people can barely move between the cockroaches; that building will be worth more, per square foot, than a building in decent condi-

tion down the street. Because it's all financial leverage, where the yield, or the income—how much cash can I get out of this building? How much cash can I get out of this? What's the rate of profit on this? So you say, on the basis of the profitability of something, the amount of cash I can get out of it, is the basis for my financial capital evaluation. It's called financial leverage.

So, what's happened, is the financial leverage ratio, goes up. What drives it up? Well, speculation is based largely on borrowed money. So if you have cheap, borrowed money, pumped out of the economy by Alan Greenspan, and Volcker before him, to feed speculative spirals, this gives greater leverage. Therefore, the rate of turnover of money is faster, the growth of the bubble is bigger, and bigger, and bigger.

Now, where does the money come from? The money comes from the printing press. The Federal Reserve System owns the printing press. So therefore, the Federal Reserve System *prints money* to keep the financial bubble going. Well, how does the Federal Reserve do this? Very simple. It operates on the basis of government debt, and discounted other assets, which means, essentially, that every time they want to increase the paper flow, they take more out of your pocket, through government debt, and they take more out by lowering your wages, chiseling on this, chiseling on that, in order to increase the profit yield of business.

For example, take the UPS strike. United Parcel Service. They got a billion dollars profit, according to the reports, and they're operating on the basis of paying people half of what the job would be worth on a full-time basis. What's the point? *They chisel out of the people, drive people into slavery and the poorhouse, in order to increase the profitability, to enable the Federal Reserve System to keep pumping the money into the system, to keep the bubble, the financial bubble, going.*

Therefore, you have a leverage ratio between financial aggregates and monetary turnover. This is going up hyperbolically. This is about 1966. *The rate of growth.* For example, the zooming of the stock market to 8,000, the Dow Jones, or Down Jones, as we're going to call it next week, to 8,000 range, is a *hyperbolic rate of growth.* And in derivatives, it's even bigger.

Can you imagine: \$100 trillion of derivatives obligations currently outstanding, the United States stuck with about one-third of that. More than all the annual gross product of the entire world. That's been zooming. It's maintained by putting money into the system, to keep the turnover going, through financial leverage. This comes at the expense of looting the economy, turning past investments—like unrepaired sewer systems in municipalities, unrepaired buildings. Looting of firms, looting of their assets, invested sometimes over 50 years. Looting them, converting them into cash at a discount, in order to pump this system up.

Now, you get the ratio of the monetary growth to the rate of physical economic output. Then you get the ratio of monetary growth to financial growth. And what you have, is a hyperbolic relationship, which, in a physical system, would

be called a boundary layer, a boundary condition. It's a terminal state of the system. You don't have to know what the figures are. All you have to do, is see that the ratios among these things have become hyperbolic. And that shows you the whole thing is *finished.* It can't go any further. There's no place to go. Because you're in a boundary layer.

It's like going from, in a plane, when you go from a sonic speed, to a supersonic speed, you pass through a region, which is called a *transsonic speed.* And the transsonic speed, which is a boundary layer separating the speed of sound from the transsonic layer, is a period of turbulence. And this is a *boundary condition* of that sort.

And that's where we are.

Why are liberal economists incompetent?

Let's take the next one (see **Figure 2**). Now, why are all economists generally, all generally accepted economists, why are they incompetent? Why is Marx incompetent, why is Quesnay incompetent, why is Adam Smith incompetent? Why are all economists incompetent? A very simple reason: because they designed an economy which, in mathematical terms, would seem to work as well for monkeys as it would for people. And when you monkey around with an economy, you may not get a good result, which is what these guys do.

What is left out? What does Marx leave out, for example? The crucial thing in an economy, is a *human being.* Now, what is there about a human being that makes a monkey an ecologist, and makes a human being an economist? Because that's the difference. The difference between man and monkey, is the difference between ecology and economy. A monkey—the apes—have a generally, approximately, *fixed relative population potential*, that is, relative to the development of the conditions under which they're operating.

Mankind has been living on this planet, for between 1 million and 2 million years. We know that from archeological studies, which show that certain artifacts, even in sites beyond a half-million years ago—one recently in Germany, 600,000 years ago, throwing spears, very finely refined, which indicate an intellectual level of development of man at that time, which is equivalent to modern man, in terms of general mental aptitude.

So obviously, 600,000 years, that's about three good Ice Age cycles ago, and we've had Ice Ages on this northern part of the planet, for about 2 million years. And we have evidence which indicates, from the sites, of man's existence, as what we would call "modern man," intellectually, and existing on this planet, for somewhere between 1 million and 2 million years.

Now, if man were an ape, as Prince Philip claims to be—maybe that's why Queen Elizabeth's children didn't turn out so good, eh? Monkeying around with the family tree. All right.

But if man were a great ape—Now, look at man, look at him physically. Now, go down to the zoo, and look at Prince Philip—I mean, the great apes. Now, when you look at man *physically*, you say, "What are man's aptitudes, physically?"

FIGURE 2

Development of human population, from recent research estimates

	Life expectancy at birth (years)	Population density (per km ²)	Comments	World population (millions)
Primate Comparison				
Gorilla		1/km ²		.07
Chimpanzee		3–4/km ²		1+
Man				
Australopithecines B.C. 4,000,000–1,000,000	14–15	1/10 km ²	68% die by age 14	.07–1
Homo Erectus B.C. 900,000–400,000	14–15			1.7
Paleolithic (hunter-gatherers) B.C. 100,000–15,000	18–20+	1/10 km ²	55% die by age 14; average age 23	
Mesolithic (proto-agricultural) B.C. 15,000–5,000	20–27			4
Neolithic , B.C. 10,000–3,000	25	1/km ²	“Agricultural revolution”	10
Bronze Age B.C. 3,000–1,000	28	10/km ²	50% die by age 14 Village dry-farming, Baluchistan, 5,000 B.C.: 9.61/km ² Development of citites: Sumer, 2000 B.C.: 19.16/km ² Early Bronze Age: Aegean, 3,000 B.C.: 7.5–13.8/km ² Late Bronze Age: Aegean, 1,000 B.C.: 12.4–31.3/km ² Shang Dynasty China, 1000 B.C.: 5/km ²	50
Iron Age , B.C. 1,000–	28			50
Mediterranean Classical Period B.C. 500–A.D. 500	25–28	15+/km ²	Classical Greece, Peloponnese: 35/km ² Roman Empire: Greece: 11/km ² Italy: 24/km ² Asia: 30/km ² Egypt: 179/km ² * Han Dynasty China, B.C. 200–A.D. 200: 19.27/km ² Shanxi: 28/km ² Shaanxi: 24/km ² Henan: 97/km ² * Shandong: 118/km ² * * Irrigated river-valley intensive agriculture	100–190
European Medieval Period A.D. 800–1300	30+	20+/km ²	40% die by age 14 Italy, 1200: 24/km ² Italy, 1340: 34/km ² Tuscany, 1340: 85/km ² Brabant, 1374: 35/km ²	220–360
Europe, 17th Century	32–36		Italy, 1650: 37/km ² France, 1650: 38/km ² Belgium, 1650: 50/km ²	545
Europe, 18th Century	34–38	30+/km ²	“Industrial Revolution” Italy, 1750: 50/km ² France, 1750: 44/km ² Belgium, 1750: 108/km ²	720
Massachusetts, 1840 United Kingdom, 1861 Guatemala, 1893 European Russia, 1896 Czechoslovakia, 1900 Japan, 1899 United States, 1900 Sweden, 1903 France, 1946 India, 1950 Sweden, 1960	24 32 41	41 43 40 44 48 53 62 73	90+/km ² Life expectancies: “Industrialized,” right; “Pre-industrialized,” left	1,200 2,500
1970 United States West Germany Japan China India Belgium		71 70 73 59 48	1975 26/km ² 248/km ² 297/km ² 180/km² 183/km ² 333/km²	3,900

The way the environmentalists look at man. What are man's aptitudes? They are those of a great ape. And look: A man is weaker and slower than a baboon, weaker than a gorilla, not as nasty or capable as a chimpanzee, can not do acrobatics the way a gibbon can do, and things like that. And he can, like an orangutan, fall out of trees and break bones.

The total great ape population of this planet, could never have exceeded several million individuals. Now, man looks like a great ape, especially if he's Prince Philip, who *claims* to look like a great ape, and who gets that kind of expression on his face when he hears my name.

So, the difference with man is, that man is weaker than the apes. So, how is man capable of having a population *far in excess of the total population of great apes all put together*? Because man is not an ape.

Why not? What's the difference? Physically? The apes—the baboons have the advantage—did you ever get in a fight with a baboon, get threatened by one? Gorillas generally don't threaten, they make a little noise. Chimpanzees can be very nasty. They tend to be very nasty. They're carnivorous, among other things. They like meat. Can't keep them out of a butcher shop, you know?

But, what's the difference? *Man, the mind of man*. What do we do? What's our mind do? What is it about our mind, that enables us to increase man's power over nature, as no baboon can do? *We make discoveries of principle concerning the universe*. We then employ those discoveries. We share those discoveries, by showing other people how to repeat those discoveries in their own mind. Then we agree to *use* these discoveries of principle, to make new designs of tools, products, and so forth. And, we master nature. It's a very simple process, which I'll get to, in due course here.

But that's man. So, what you see is a history of man. And these figures are generally accepted figures among academic types, which means they're not too reliable, but they're useful for indicating the general trend of what these jokers think the evidence is. And, you see, there's a general progress in the human population, in life expectancy, declines in infant mortality, all these nice, good things, up until about 1966, when this policy change was made.

Let's take European population, the next chart (see **Figure 3**). Now, this is for the European population alone. And there's a very specific point to be made here, to zero in on the crucial point, as quickly as possible. That by about the time of Hellenistic culture, in the late 200 to 100 years B.C.; in that period, the population of humanity, for the first time on this planet globally, reached a level of perhaps 200 million or less. The human population on the planet as a whole, did not exceed several hundred million individuals, until the Fifteenth Century in Europe.

Before there were nation-states

Why? Because the human condition was, prior to the Fifteenth Century, in every general part of the world, there were

no nations. Not in the sense that we talk about a nation as a nation of people. There were no such nations. You had a ruler, who made law, if there was any law to be made. You had lackeys around the rulers, fellow lords and lackeys; and, that never amounted to much more than 5 percent of the total population. (Ninety-five percent of the population, in every part of humanity, lived as serfs, slaves, or in worse condition. Therefore, there wasn't much intellectual activity, among people who were being treated as slaves, and serfs, or worse.

For example, the Aztecs. Shortly before Cortez conquered Mexico—presumably, which he actually didn't; he led the defeat of the Aztecs, which is different than the conquest at that point—the great inauguration which occurred of the Great Temple, now in Mexico City, tens of thousands of captive Indians were marched up in four rows, up the stairs of the temple. As each person reached the top, within a matter of seconds, these Aztec priests, working in teams, would cut the living heart out of these individuals, and throw the body down the stairs. And these victims would march up, one by one. This took two days, and the priests worked in teams.

That is a worse condition of mankind than slavery. And those kinds of conditions existed; *because the image of man, as in the image of God, did not exist, in practice, in society*. There was always a policy: Some people should be slaves, preferably 95 percent, at least. And that is the condition of what we call oligarchism, or the imperial system.

Now, even though Christianity was the first religion to identify the universality of mankind, as in the image of God, that was not the practice in European civilization, despite efforts in that direction, as by those associated with St. Augustine, or associated as advisers to Charlemagne. It didn't happen. There were efforts. There were continual efforts to build a society, which was based on the principle of the individual person being made in the image of God. And therefore, the conditions of life, the political conditions, the physical conditions of the individual, must be those which are fit for a creature made in the image of God to exert dominion over the planet; but, they didn't exist, these conditions, despite the efforts.

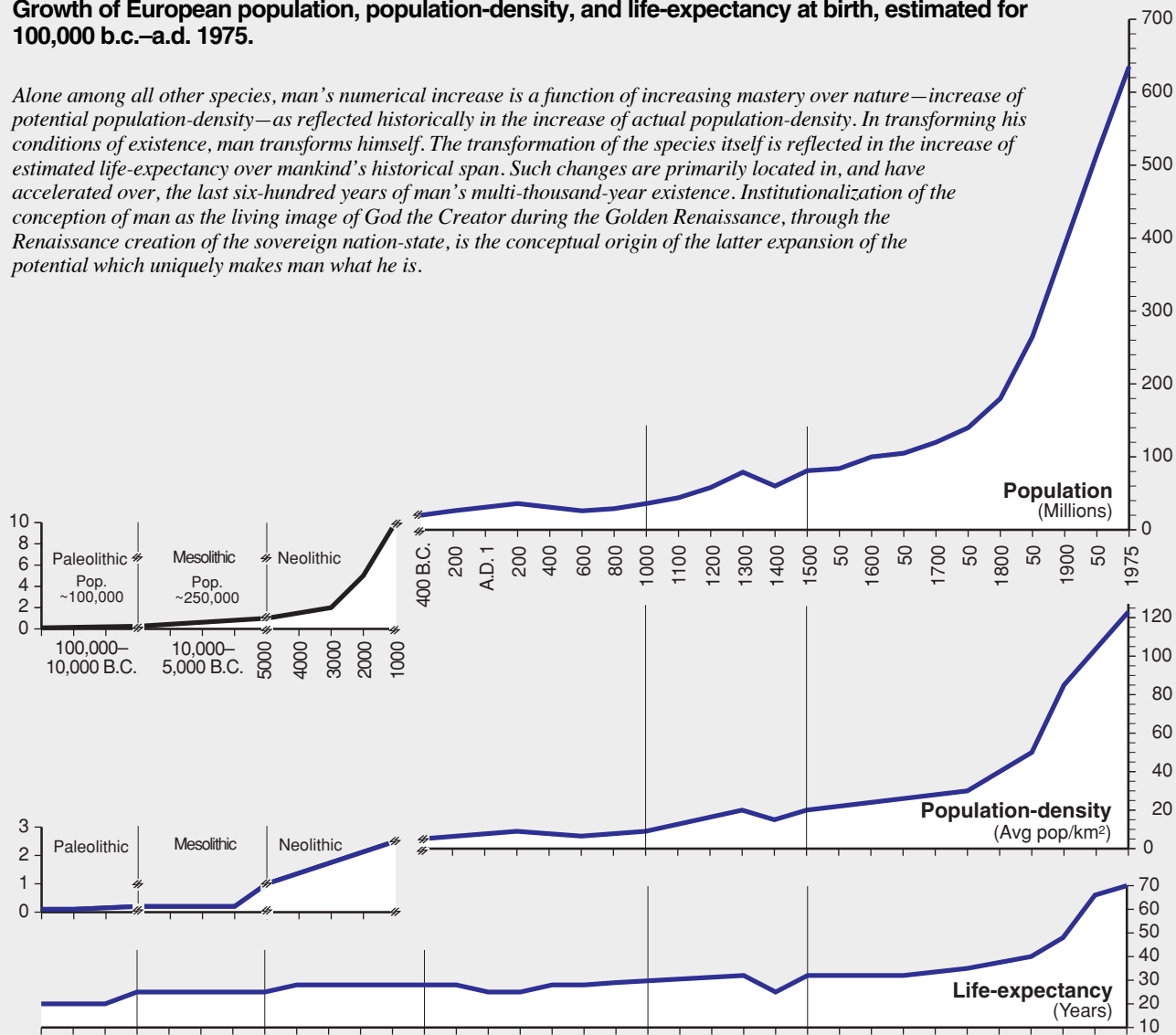
Until a great crisis of the Fourteenth Century, which sank the banking system, created a shock and a new condition, under which some of the ideas which had been developed earlier, toward developing a nation-state, were perfected, during the middle of the Fifteenth Century. And, out of this, came the first nation-state, which was formed under a guy who was part of a conspiracy. If you don't believe in conspiracy, you don't believe in history.

Louis XI of France, between 1461 and 1482, established the first steps toward a nation-state, and established a nation-state in principle. *That is, that the state was designed for the individual member of society, the benefit of the individual member of society, and that the oligarchy must give way to the rights of the individual*. That science must be fostered, that education must be fostered; that the intelligentsia, not the

FIGURE 3

Growth of European population, population-density, and life-expectancy at birth, estimated for 100,000 b.c.–a.d. 1975.

Alone among all other species, man's numerical increase is a function of increasing mastery over nature—increase of potential population-density—as reflected historically in the increase of actual population-density. In transforming his conditions of existence, man transforms himself. The transformation of the species itself is reflected in the increase of estimated life-expectancy over mankind's historical span. Such changes are primarily located in, and have accelerated over, the last six-hundred years of man's multi-thousand-year existence. Institutionalization of the conception of man as the living image of God the Creator during the Golden Renaissance, through the Renaissance creation of the sovereign nation-state, is the conceptual origin of the latter expansion of the potential which uniquely makes man what he is.



All charts are based on standard estimates compiled by existing schools of demography. None claim any more precision than the indicative; however, the scaling flattens out what might otherwise be locally, or even temporally, significant variation, reducing all thereby to the set of changes which is significant, independent of the quality of estimates and scaling of the graphs. Sources: For population and population-density, Colin McEvedy and Richard Jones, *Atlas of World Population History*; for life-expectancy, various studies in historical demography.

Note breaks and changes in scales.

oligarchy, must be the leaders of society. That the young must be given the opportunity to receive this kind of education, must be given this kind of opportunity in adult life. That technology must be fostered, that infrastructure must be improved, that commerce must be improved. That wars must be avoided, if at all possible, particularly feudal types of wars. And, that was the beginning.

Isabella in Spain had the same view, though others in Spain had a different attitude. There was a group in England,

which had a similar attitude, in the same period, in the early Tudor period, under Henry VII. These were the roots; these were the roots of our modern civilization.

And in the course of time, because of the *inability* of the Europeans to establish a true nation-state, the first nation-state on this planet, of a modern form, was the United States, as formed as a Federal republic, in 1789. A state which was based, contrary to the blabber which is taught in some schools, was based on the teachings of Leibniz, such as "life, liberty,

and pursuit of happiness.” Leibniz. The influence was largely Benjamin Franklin, who was the leader of the enterprise.

The Preamble of the Constitution, is, by intent, the fundamental law of the United States. It is not an introduction to the Constitution: It is the Constitution. The rest of the Constitution is implementation, a structure of self-government to implement the policy of law, which is embedded in the Preamble. That we are accountable, not to impress our opinion, or majority opinion on society. We are accountable to what we do to society, *as it affects our posterity*. The posterity have a vote, buddy, under our Constitution. You can’t do something to them, because you *like* it. Preference doesn’t mean anything. You are accountable to what you do to future generations, as some of you know, and all society should know.

We are not only accountable to our own nation; we are accountable to all humanity. Because what we do as a nation, in terms of improving the conditions of humanity, is *essential* for our posterity. It’s our human obligation, to help other nations. To do no harm to people, because all men are made in the image of God, and must be so treated. And our nation must be an *instrument* to realize that policy upon this planet.

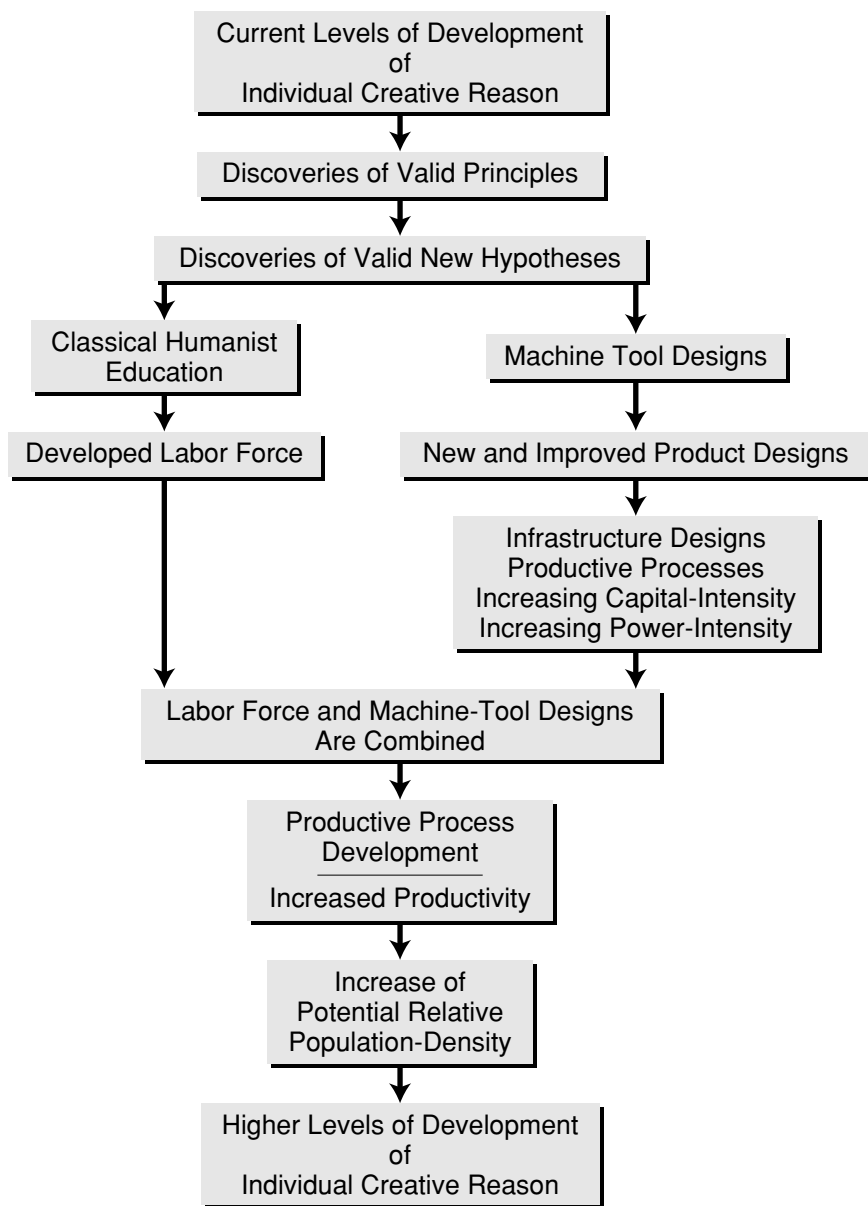
Carnot’s revolution in France

How does this work? Let’s take the next one (see **Figure 4**). Beginning, essentially, in 1793-94, a revolution was made in France. It was not the French Revolution, which was bad. It was a revolution made by a man in France, who was known as the Organizer of Victory. France was invaded by foreign armies. It was on the verge of being *crushed and dismembered as a nation*, and Lazare Carnot was appointed to head the military forces of France. And Lazare Carnot made a revolution in warfare, and in economy, within a two-year period, which culminated with Robespierre and Saint-Just losing their heads.

Now, this was not entirely successful in France, because there was a fellow called Barras, who was a very evil fellow, who took over France at that point, and brought in Napoleon

FIGURE 4

How the Machine-Tool Principle is situated



Bonaparte as his protégé. So France was not a very good nation. Napoleon was a very bad person, in point of fact.

But the accomplishments of Lazare Carnot and his friend, Gaspard Monge, who had been formerly his teacher, was a revolution in economy. Lazare Carnot invented the machine-tool industry. He invented it under wartime conditions. It was used, first, for mass production of products, through machine tool design. And he laid down the principles in some of his writings. He was also a scientist, as well as trained as a military professional; but also as a scientist.

His associate and former teacher was Gaspard Monge. Gaspard Monge was probably one of the leading scientific thinkers of all modern history, who founded, together with others, what was called the Ecole Polytechnique, which took young boys—again, the same old principle of the Oratorians and of the Brotherhood of the Common Life before it—took young boys, and educated them in what were called “brigades.” These brigades essentially started out at a secondary school level, and produced, literally, brigades of leading scientists and engineers. And, this is during this period.

This is how the French won the war of 1793-1794. Carnot revolutionized warfare, introduced modern machine-tool technology to the conduct of warfare, conducted scientific revolutions, and implemented them, within a period of two years, with his friends. How do you like that for today’s bureaucrats? That’s how you win a war. He started from nothing.

We did something similar, but it came about in a process. We were isolated at that point. We had not a friend anywhere in Europe. Every nation in Europe was an enemy of ours. This was the meaning of George Washington’s Farewell Address. It wasn’t “avoid dealing with Europe,” it’s “we have all *enemies* in Europe. The British are our enemies, the Holy Alliance is our enemies. *We have no friends in Europe.*” Russia had been our friend, but that had changed, with Alexander I.

So we were isolated, until the 1850s. We had no allies. We had no friends. We had friends, as individuals, networks of people. *But there was no nation, no government, that was not an enemy of the United States, in any part of this planet.* We were isolated.

We had Presidents who were not so good, like Jefferson and Madison. (You shouldn’t play with Dolleys, when you get to be grown.) Monroe was not so bad. John Quincy Adams was a great guy. Jackson was terrible, Van Buren was a traitor, Pierce was a traitor, Polk was a mess, Buchanan was a traitor.

But we had people who were still fighting for what the United States represented: Carey, Clay, Quincy Adams, Henry C. Carey, and then, of course, their protégé, Abraham Lincoln.

When Abraham Lincoln became President, he set out to destroy evil in the United States. It was forced upon him, by the British-organized Civil War. The Confederacy was a creation of the British. It was a creation of Palmerston, Lord Palmerston in particular. That’s another whole story.

So he organized a war machine, on the basis of the principles of Carnot and Monge. This was already built into the U.S. military, because under Sylvanus Thayer, the commandant at West Point, the French system of the Ecole Polytechnique, the Carnot-Monge system, was incorporated in West Point, and West Point became the center of U.S. industry, and so forth. Connections from West Point: Alexander Dallas Bache, a graduate of West Point, the great-grandson of Benjamin Franklin, was the liaison to our friends in Germany, to Alexander von Humboldt, and Gauss, and others. He created the Coast and Geodetic Survey, created the first high school of the United States in Philadelphia: all these kinds of good things.

Economic buildup and war

So when the time came that Lincoln moved, this machine, freed of the succubus of the Confederate traitors—the slaveowners—proceeded to build the mightiest military and economic machine this world had ever seen. By 1876, there was no economy in the world which could match the United States for power and technology. And during this period, the United States utilized the lessons of Carnot, to build a machine-tool design system. In 1876, we were the leading industrial power in the world, the only one with a machine-tool design system.

Now, since that time, we have used that system only under three general occasions: once in World War I, where it was used on a limited basis to mobilize the United States for World War I. That’s under Woodrow Wilson.

Number two: Franklin Roosevelt, on a larger scale, created out of this—some of you remember what people’s faces looked like, in the end of the 1930s. They were gray faces. They were demoralized, pessimistic, people who had not had a decent job for eight to ten years, who had almost lost their skills from disuse. We took these people, in 1939-1940, we began throwing them into work. At first, they didn’t do so well. But by 1943, we had exceeded *every specification* of Roosevelt’s mobilizing program, by far. We went back to the machine-tool system.

At the end of the war, we shut it down again! We shut everything down! We had the mightiest economic machine on the planet, we shut it down! Then we decided to have a war again, so we got it cranked up a little bit.

Then the other thing we added, was a space program. *Everything we’ve gotten in this century, in the United States, in terms of general improvement, has come from economic mobilizations, utilizing this principle, either for preparing for, or fighting a war, or for a space program. That’s the only success we’ve ever had; so, that’s the secret of economy.*

How does it work? How does this kind of program work? Well, at the top, as you would expect with Lazare Carnot and Gaspard Monge, you have an education system, like the Ecole Polytechnique under Monge. Young boys being herded in brigades, into an adolescent education system, which turns out scientists and engineers of the top quality in the world.

Now, they’re also creating science—the same people. They’re involved in doing both: scientific research, development, and education, all at the same time. So you have discoveries of new principles, discoveries of new ways of looking at the universe. Out of this, you get machine-tool designs, which give us new kinds of products, improved processes, and, if you’ve educated the labor force, when you bring the machine-tool designs together with the labor force in production, you have a labor force *which can assimilate and improve upon these designs in the process of production.*

That’s how it works. The key thing, is the mind, the individual human mind. Now, pick up a textbook, and tell me where the mind is there. Where’s the mind mentioned? People say we can’t afford to educate people. But the only way the



American infantrymen in Belgium, January 1945. The gray-faced unemployed workers of the 1930s underwent a rapid transformation, thanks to Roosevelt's war economy mobilization, which created the mightiest economic machine on the planet.

human race ever survived, was by discoveries which were made by human minds.

Now, let's get to the next one (see **Table 1**). How do you make a discovery? I'm going to explain it to you. I'll ask for your concentration. It's really quite simple, and some of you already know it, so that will help me a bit.

But, how do you make a discovery of principle? Not discovering where John Brown lives, but how do you discover a principle of science, a principle of nature? And, there are two kinds of principles we discover. One, we call principles of physical principles, the other we can call principles of cognition, that is, principles of *how the mind works*, how social relations among minds work.

First of all, you have your senses and you have your beliefs. Now, you have, if you're a scientist, you have certain things you believe. You might call it "mathematical physics," just to use a loose term. These are things you believe, which you believe are all based on experimentally grounded evidence. You say, "This is what I believe."

Then, you have some evidence, some events which have occurred. These events are something which your existing belief about mathematical physics, says never could happen. But, the authority for the new ideas, the new evidence, is as strong as the authority upon which all your scientific knowledge previously is based.

So, now you have a contradiction. You have one set of facts, which support the old system. You have another set of

facts, which the old system says never could happen. Now you have to solve this problem. You have to make a discovery, which brings the universe back together again, so to speak. You have to discover the principle, which you've overlooked in nature.

The case of Eratosthenes

For example, we often use the case of the Eratosthenes estimate for the size of the meridian of the planet, which shows that you can not—very simply, that in all the estimates you were trying to make, in measuring large distances on the surface of the planet, as long as you were assuming that the Earth was flat, more or less flat, you came up with the wrong answer on a large scale; which meant that you had to take into account something you'd been overlooking. And, the evidence showed you'd been overlooking it, that you had to consider another dimension, another principle. You had to deal with a surface which is enclosed in a solid, that is, a spherical, or quasi-spherical surface.

So, here's two sets of facts: one set of facts which supports the old way of thinking, the old geometric way of thinking, and another set of facts which shows you something that couldn't occur under the old thinking. So, you must now discover what the solution is, which puts the universe back together again. You say, "Ah! We have to consider a *third dimension*, which is the perpendicular to the surface of the Earth, which is the radius of a quasi-sphere." Then everything comes back.

TABLE 1

Ideas

1. Physical ideas			
	All: Principles	+/- m	Notion Proposition/ theorem
Physical	axioms	paradoxes	Principles
Cognitive	axioms	metaphors	Ideas

2. Passions			
	All: Principles	Sensory Subsumed	Notion Principles (not entropy)
Emotion Agapê	True		
Eros	False	Defective	Particular (entropy)

In all scientific discovery, a physical principle is of that nature. You are faced with a contradiction, where you have evidence which supports what you believe, up to now; and you have evidence which the present belief says could not occur. There's only one place that this discovery could be made: that is *inside the individual human mind*. You can not make a discovery by committee. You can not make it by opinion polls. It has to be made inside the individual mind.

Now, how does that occur? Well, if we have a good educational system, which you don't have in the United States these days, haven't had for a long time; then the student is never taught from the textbook. The student is never given a questionnaire, a multiple-choice questionnaire for a test examination. Never! *No good school would allow such a thing even within 50 miles of the premises of the schoolyard.*

The student must relive the experiment. The student must become familiar with the principles which mankind has discovered before, and must, each time, come to an experiment, which shows evidence that what he believed up to then, is incomplete. That he now has evidence which showed that something happens, which the old system said could not happen.

And you must have the children in the class—not too large, not more than 15 to 17 children, generally—in that class, *go through this experience, of figuring out what the solution is.* And a good educational program structures the program, so the students go through each successive step, in a decent order, so that they're prepared for this next discovery, on the basis of the previous.

Now, if a child is educated in that way, what happens? The child is reliving a moment from the mind of an original discoverers, because the original discoverer did exactly the same thing that child does. Restructure education, so the child

is capable of rather rapidly reliving what happened in the minds of great discoverers, from as long as thousands of years ago.

Now, when the child lives, and is educated in that way, *the child now knows how to solve this kind of problem.* Because the child has developed his creative powers, and now knows how to use them. That's the kind of education system you need, one which is based on this experimental conception.

The question of the passions

Now, let's take another part, which Helga [Zepp LaRouche] will deal with in a different way tomorrow, on the question of the passions.

Now, there are some people who invented the myth, such as Aristotle, that objective knowledge is based on objectively looking at something, dispassionately, as by an abstract observer—someone who doesn't exist, in fact. If you can become someone who doesn't exist, you can be dispassionate, and you can be objective. The only problem is, who's going to pay attention to you? Unfortunately, some people do.

But, what is the nature of nature, as I've described it? *Nature is something that man is changing, by discovering new principles.* We are acting on the universe. The universe lets us do it, whenever we're right. If you make the right discovery, the universe will go along with you. It's as if the universe were predesigned to submit to man's will, whenever man discovers truth. If man's will behaves truthfully, the universe will obey him, in that matter, and will sit back and smile and say, "Okay, now make another discovery. If you want to do better, make another one. Solve another problem."

That's what we exist for, to solve problems.

But, we *change* the universe. So, when we're looking at the universe, what are we looking at? We're not looking at the universe. *We're looking at man's intervention in the universe.* That's where our knowledge comes from. We don't observe the universe. If you study all the great discoveries, in astrophysics, for example, no one ever observed the universe. All the people who did, never made discoveries. It was people who intervened, with innovations, who made the discoveries.

So, what are we looking at, when we look at man's knowledge? We're looking at *man's intervention* into the universe. When we increase our population, we're increasing the change in the relationship of man to nature. Therefore, man in nature is changing. What we're observing, is man is observing himself. Man in the universe; man as in the image of God, in the universe.

What is this? I can think a thought which I have, because I replicated exactly what Plato, or Eratosthenes, or Archimedes thought, thousands of years ago. As I said recently, I was much closer to Gottfried Leibniz, on a personal level, than I was to my own parents, in my adolescence. Because his thoughts, which I replicated, were more important to me, than anything I exchanged with my parents.

We live in the simultaneity of eternity in these relations. Our relations among human beings, are relations among *ideas*. They're relations among cognitive processes. Everything we're able to do, is a sharing of an idea with somebody, including somebody who died a thousand years, or two thousand years, or three thousand years ago.

Our relation with the future, is our relationship, through ideas, that are transmitted, of useful ideas from us, to those who come after us. Our relations with other people, if they're good relations, are based on ideas. We're not animals. We don't rub against each other like animals. At least, I hope not. Dangerous these days, with diseases.

We are not beasts who cuddle up. We are people who have as much affection, and passion, for the minds of those who have gone before us, long before us, who were valuable, as we do for the person next to us. The person next to us, is our responsibility, not necessarily because we like them. Even if you don't like them, they're still your responsibility. That's the tough part about the program.

And the people who come after us, we hope will be much better than the people next to us. They're our bigger, happier responsibility.

So, what we're dealing with, is social relations, in terms of this relationship of ideas, of man to the universe.

Now, there is no such thing as a contemplative observer. No one ever made a discovery without great passion. In Christianity, we often use the image of Christ in Gethsemane, as the image of *passion*. Passion. "I must do it. I'm presented with an impossible contradiction. Everything I believed up to now, is proven wrong, by this set of events. I must *solve* this. I must have a *passion* to solve it."

You never made a discovery without passion. *To maintain concentration against a seemingly impossible problem, requires passion, emotion, dedication. A commitment that will not let you go!*

So therefore, what we're talking about here, is we're talking about passion. And there are two kinds of passion we have, which is what I've indicated here. We have what's called *agapē*, which is referenced by the Apostle Paul, as in *I Corinthians*: 13, which is the quality of emotion we feel, when we actually make a breakthrough in a truthful discovery of principle. *It's joy, a joy beyond any other kind of passion we have. The joy of discovery, the joy of fighting for truth, and winning the fight for truth in that matter.*

This is the truth of art, the truth that is beauty, the truth that is justice, the love of justice, the love of truth, which is a sense of beauty.

Then you have the other kind, called *eros*, which generally deals with particular objects, sometimes—not always the best choice.

So, we have, on one level, we are dealing with principles; on the other level, we're acting a little bit like animals, dealing with objects, about "me, me, me, me." That Johnny One-Note thing again, right? It's entropic.

And therefore, as Helga will address this from a different standpoint tomorrow, *it's this passion. The education of the mind, cognitive education of the mind for intellectual achievement, can not be separated from the moral education of the mind, which is the education of the passions*. These passions involve—what? They involve, essentially, social relations. Our relationship to great minds of the past, is a social relation. What we hope to give, in terms of discovery, to our descendants in the future, is a social relation. When we try to share knowledge with people around us, that's a social relation.

These ideas that man creates, of this nature, are the distinction of man from the beast. And our relations must be based on those things which set us apart from and above the beasts, which are *ideas*.

The teaching of children is one of the greatest passions, if you do it well; because you're taking a little human being, and uplifting that human being, by enabling them to participate in some of the greatest moments of thinking of the greatest thinkers, of all history before. You are developing, as von Humboldt says, the *character, the moral character* of the child, by that kind of education.

And when we educate *ourselves* in the same way, we are developing our moral character, because we are locating our passions where they belong. We attach ourselves, commit ourselves to principles, to which we *should* commit ourselves. And that's how our moral character, and our ability to solve problems, is developed.

How can a person lay down his life in war for his country? How can a person make a sacrifice for all of humanity? How is this possible? It can not be possible as a sacrifice. It can only be possible as a *realization of a purpose, a mission, a passion, a devotion*. And that's what we are dealing with here.

The greatest cultural shock ever

So, we're dealing with a Pearl Harbor effect. You come to a crisis, like this one. You're about to experience the greatest cultural and psychological shock which you've ever known of: the disintegration of the entire world system, on which all your calculations and estimates of your future and present life, and of this nation's life, and the world's life, are based. It all is going to disintegrate. It's all doomed.

That's a horror which is worse than nuclear war. Nuclear war means that not all of us will be killed, and then the war will be over. A depression, mere depression: that's another thing.

But, this is something awesome: The entire world system, as most people have come to accept it, is finished. Something much more profound than the people of the Soviet Union experienced, beginning 1989. Much more profound. They had illusions, which they could nurture, that it was going to work out all right. We can have no illusions.

The problem here, is that our people are attached to ideas, which are sometimes called "mainstream opinion," to which, if they cling, if they continue to support those ideas, like

liberal economics, this, that, and so forth; you know the routine, then this nation is hopelessly doomed. Because the will can not be found, to do the things which must be done, which oppose those opinions.

So, the question is: How quickly are people willing to give up their opinions, on these matters? So this takes us to the question: Can we convert the *fear* into the *passion of discovery*?

And, this is always a matter of leadership, because man's nature is, that we are creatures of ideas. The nature of the thing is that ideas are generated not by masses of people, they're generated by individuals within the mass. They're not circulated by communication. *Ideas are circulated by helping the person next to you relive the act of discovery, as you relived it.* Then you can look each other in the eye, and say, "Now we understand each other." That's how ideas are communicated.

What we require, is optimism. What we require, is leadership, from people, who, because they are in leading positions, as persons of ideas, as persons of authority, as persons around whom you can rally, we need people who will lead the process of saying, "Let's go up the hill. Let's climb the mountain. Let's give this up, put it behind us. Climb the mountain."

This moment in history

Think of ourselves as living at the most important moment in history. If we fail, if we can't do this, what is going to happen to mankind? Oh, man will live, in some form. But man will go through a great self-purging. Most of the cultures which have existed on this planet before this, are dead. The great empires of the past, are dead. Why did they die? *Because they had lost the moral fitness to survive.* And when a nation, or a culture, loses the moral fitness to survive, when it clings too long to ideas of the type which have taken over this nation in the past 30 years, it's *doomed*. Unless it can change its ways in time, it is as doomed as Sodom and Gomorrah. And that's where we stand.

The great moment, now, is that we have an opportunity to prevent that from happening to this civilization. We have the opportunity. We have one of the most important opportunities which could come to anybody, or any people, at any time: the possibility to rescue the continuity of modern civilization, to cause it to begin cleaning itself up, to do what it must have done a long time since, at the last moment, before it headed itself to doom. This is our opportunity.

Now, what are we going to do? The point is, to get that passion, get that sense of passion. Don't try to convince people on slogans, don't try to convince them on other things. Do as the great artist does. Learn from the greatest Classical art, which is always addressed, not to the words, not to the notes on the paper. It's always addressed to the innermost mind of the individual toward whom it's directed, to uplift, to ennoble that individual.

And only ideas which are presented with that attitude, and

that intent, can move a whole people in a time of crisis. That's what we've got to do. Let's go through some of the things.

First of all, we have to have the President of the United States put the international banking system into government-supervised bankruptcy reorganization. We must do it, before the absolute bottom is reached. We must do it—we probably can not do it, *until the perceived crisis is sufficiently intense in the minds of enough people, so the support is potentially there, for the President to do that.*

We have to be prepared

But before we do it, we must have it *planned*. You can't wait until you find a popular sentiment for action; you've got to be prepared before the sentiment arises. Then, if you *know* what you're going to do, when somebody says, "Okay, go ahead and do it," you're prepared. So, we have to be prepared.

What we have to do, is put it into bankruptcy—and you can't do it by the United States alone. The United States President, because our system of government is the best in the world, constitutionally, we have imbedded in our structure the best form of government, which means a President who can, under certain circumstances, act, as no other person on this planet *can* act, to change things internationally.

No government in Europe can do this. The governments in Europe are rotten compromises, where they imposed a quasi-nation-state status, upon a monarchical or oligarchical system. So you have a parliamentary system, or a modified parliamentary system, in all of the nations of Europe.

There are no true governments, in the sense of the U.S. Constitution providing a government, in any nation in Europe. They're compromises. Most governments are headed by prime ministers, and that's a terrible thing. It's like the man who cleans out the toilet. He doesn't know whether he's going to have a job or not tomorrow. He can be fired in a moment. So, therefore, he has no executive capability for leading the nation.

The governments are dominated, which we already have too much of, by a permanent bureaucracy, a permanent civil service bureaucracy, which runs the government, while elected governments come and go. You have these bureaucrats, like the Justice Department creeps in the Criminal Division, who are a horde of creeps, degenerates, and traitors, to the United States, or at least to its Constitution; who continue to do as they please, disregarding the elected governments of the United States, making up law as they go along, and even framing up the President of the United States and leading institutions, and destabilizing the government. *That ought to be cleaned out!*

But in Europe, that's the situation all over. Sweden? Swedish democracy is the worst joke in the world. The Swedish system has ministers. The ministers are relics of the absolutist monarchy, or quasi-absolutist monarchy before. The parliament is simply an advisory body, effectively. The parliament has no control over the ministers. And all throughout

Europe, you have this combination of relics of feudalism, in this form, combined with a parliamentary system, which is, you know, it's a concession to the dupes out there, called the people.

In our system of government, we have a President, who, when he functions properly, can do what Roosevelt did. And we've come to the time when we badly need that. What he has to do, is to find some allies. We have some allies.

The allies include China. Now, China is a great power, but it is not a world power. Why is it not a world power? It's got over a billion people. That's pretty good. But it's not a world power, *because it doesn't think like a world power*. It thinks like a China power in Asia. It thinks in terms of its Middle Kingdom outlook.

Now, there are individuals in China, who are leaders, who we know of, who *do* think in world terms. But they're dealing with a culture which has never gone through this idea of—well, because, remember: One of the key things about the government of the United States, is that our Constitution is based on Christianity, and on the Christian conception of man, which is the universality of man, and the sense of a moral obligation of any government, to the image of man internationally.

So, it's not a question of some kind of cooperation among nations. We in the United States think of ourselves as an individual in a neighborhood, that we are responsible for the whole neighborhood, implicitly. When trouble comes, we are responsible.

So, our system of government is designed in that way. We are a nation of concern. For those of you who lived during the end of World War II, Roosevelt was going to *eliminate* the British, Dutch, French, Portuguese empires, at the end of the war. Eliminate them! We had the power to do so, and he was going to do it. And that's real American thinking.

And, all of us who served overseas, who saw the imperial conditions, said, you can not expect to have peace and security for the United States, if you allow these conditions to persist in other parts of the world. How can you do it? Can't be possible. You must bring justice to the nations of the world, or we are not secure. We can't go around sticking our bayonets, or something, into every country, telling them what to do. But we have to have a commitment, to the degree that we have influence to shape things in the way which moves things in that direction.

So, China is that kind of a nation. It has some very good thinking. India is very important. Cooperation between India and Pakistan, and with Iran, as China with Iran, is extremely important at this time. You have chaos in Central Asia. Without dealing with China, and some people in Moscow, and Iran, you can't deal with the crisis in Central Asia. It's not possible to deal with it. These places can blow up. And you have Americans, and mainly Brits, monkeying around there, causing all kinds of problems. And this whole area, Uzbeki-

stan, Kyrgyzstan, Tajikistan: The whole thing could blow up! It's on the edge of doing so right now.

The key thing is, when you're trying to recover from a depression, the private sector is on its last legs. It can't function. You can't sit back and say we're going to let the private sector do this, the private sector do that. It's not going to work. They're not going to do it. They can't do it.

Government must act

So, that means that government must act. Now, government has to be very careful about how it acts in running an economy. Government is not good at running a lot of small firms. Government is good at doing certain things, of the character of basic infrastructure, which nobody else can do.

Who is responsible for *all* the land of a nation? Who is responsible for *all* of the people of the nation? Some private interests? No. The government has to be morally responsible, to see to it that the needs of development of the whole land area are taken care of; that the development of all the people, their education, their welfare, their health, are taken care of. And that opportunities are created for those who wish to do good in the private sector, to do good, and to get blessings of government, in the course of doing it.

So, therefore, government should concentrate itself on the things it does well; and, what the government must do, and what it does well, better than anybody else, is large-scale infrastructure development. Railroads, power systems, water systems, and so forth. That kind of thing. On the Federal and state level, that's the way we've run our system effectively, for many generations.

So, what we need, is a large-scale—We need a new monetary system. We can do that, that's easy. We need a large-scale development program, which will start the wheels of economy moving, and will also create the opportunity and stimulation for the private sector to begin functioning again. How do you do that? Large-scale infrastructure projects, with the private sector participating in the development program. Like the building of the railroads, like the building of power systems, and things of that sort.

Develop the Eurasian heartland

Now, what we have, we have Eurasia. Eurasia is the heartland of the world (see **Figure 5**). Asia alone contains about three-fifths of the world population. You have China, 1.2 billion or more. India, about the same amount. Pakistan, Bangladesh, Southeast Asia. Iran. And then to the north.

This is the majority of humanity. And their development is very poor. China has a coastal area, which is fairly well developed, the interior not. Central Asia is almost a vast wasteland, in terms of utilization of land area. India has got a problem, a sociological problem, because of the heritage of the caste system. So it has a vast underdevelopment, in a population which also has a fairly well-developed techno-

FIGURE 5

Eurasia: future main routes of the Eurasian Land-Bridge



logical capability. Pakistan can not function without India; economically, it's part of India, for historic reasons. It can not function, except in collaboration with India; Iran is a perfect excuse for that kind of function, it's the gateway to Europe.

So, what we've proposed for some years, is the development of development corridors, across Eurasia, which are not only transportation corridors, but which will be development areas, just like the Transcontinental Railroad that we developed in the 1860s. On either side of the transportation route, you have 50, 60, 70 kilometers, which is close to the transportation route, which therefore becomes an area of economic development.

So, our objective is to build zones of economic development along development corridors, across Eurasia. And there are about four major routes which we've proposed. China has agreed generally to three of these, and a fourth one, India has taken the initiative in, with China, in developing, which goes down into places like Jakarta, and then goes up to Teheran, and around into Europe, and down into the Middle East, and down into Africa.

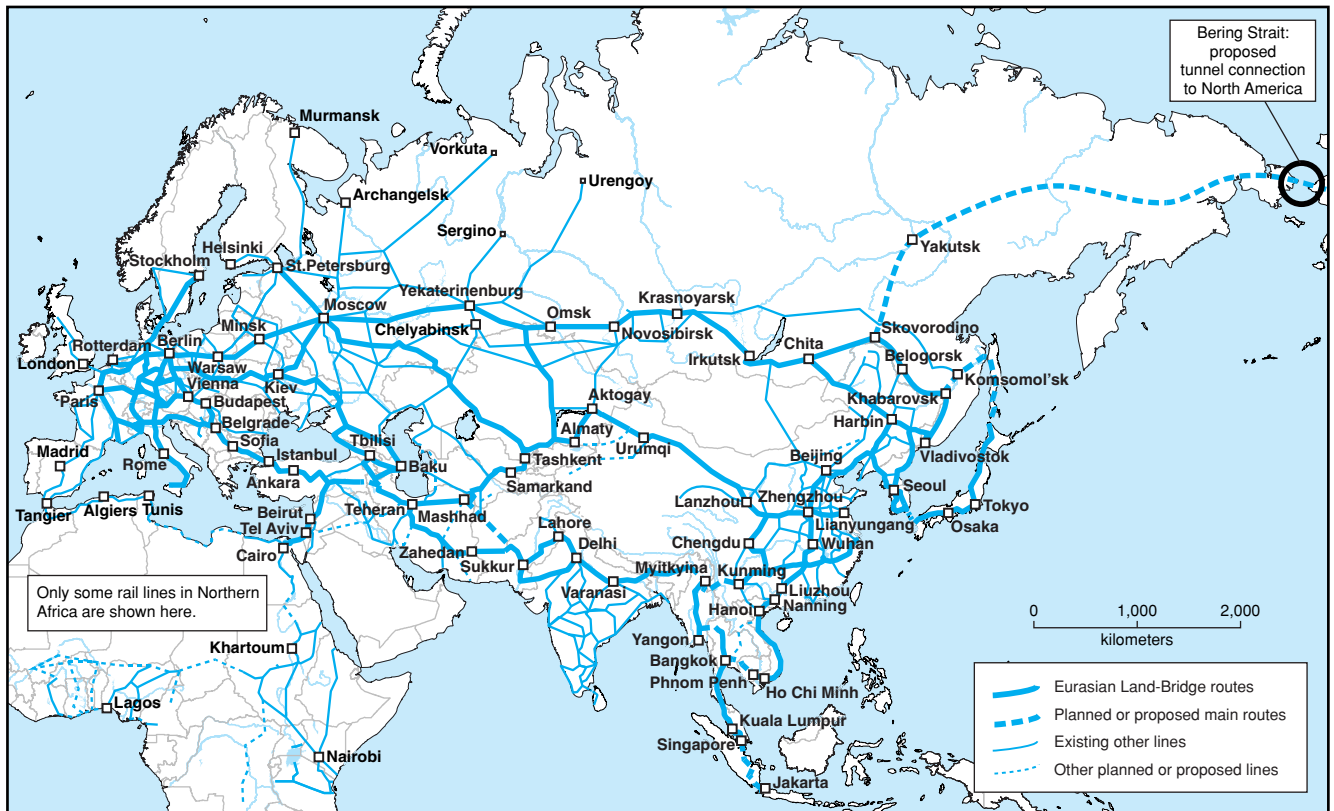
We haven't shown here the Africa business, but that's also part of the same thing.

So, the point is, let's take the nations here. If we can have peace between Pakistan and India, maintain stability in Bangladesh, keep the collaboration with Iran going, and China. And then, among these nations, you have a core of nations, which are all committed to a great project, each to their own advantage, and each to their own benefit, which need a new monetary system, to be able to turn this project into a general economic development and recovery of this region of the world.

So, why shouldn't those nations, and other nations, which are prepared to break with the British Empire — which is opposed to this, and *will be opposed to it*. It's the enemy. Why shouldn't we, around the President of the United States, gang up on the other guys, by one weekend announcing that we all agree to do this? If the other guys [the opposition] don't like it, it won't work, because once the United States, together with other nations, declares the system bankrupt and in bankruptcy, it *is* bankrupt and in bankruptcy. That's one of the powers the President has, if he has backing from some other nations.

FIGURE 6

Eurasia: main routes and selected secondary routes of the Eurasian Land-Bridge



The IMF ceases to exist

At that point, the IMF, in its present form, *ceases to exist*. Just like that. That simple. Because, once you take away the negotiability, the convertibility of power, credit, and so forth, from an institution, it no longer exists as a financial institution. It's finished! It must come begging at the door, and say, "Please let us in. We, too, are paupers, and we need management."

Under those conditions, then we can do that. The way we can do it, is because *we have a project, we have a purpose*. Infrastructure development. For example, let's take the India case, this Southeast Asia case. From Jakarta, across Singapore, through Malaysia, across Bangladesh, into India, and so on; also, with a route going into Kunming in China, and so forth. Also to this area.

So, we have a project. Now, along this particular area, there are relatively few kilometers of area, which are not already linked by rail. The major problem is a few bridges, like a giant bridge across the straits from Singapore into Sumatra, which would bring us, essentially, into Jakarta.

So, the project is *eminently feasible*, in terms of preparatory steps, which could begin now. The preparatory steps

would be immediately beneficial to these economies. The bringing of the private sector in, in the areas, in terms of contractors, and so forth, to support the process, would mean you would immediately stimulate growth in these areas. You would be converting *wasted assets* into productive assets. When you take people off the unemployment lines, and put them to useful work, you have recovered lost wealth. When you take land area, productive capacity, and put it back into production, for some useful purpose, you have recaptured lost wealth. And our greatest resource, asset, on this planet today, is the possibility of recapturing lost wealth in that way—as Roosevelt did, in his own limited way; much more limited than this, in rebuilding the U.S. economy, under the conditions of the late 1930s and the 1940s. We can do it again.

What we have to do, is, as I say, overcome—the great problem is the resistance.

The larger picture

Let's go ahead with this next one (see **Figure 6**). This is just more of this—this includes, across Siberia, a railroad bridge, across the Bering Strait, which comes down through Canada, into the United States, and essentially will run down

to most of the continent. We can extend it down into South America, which means, that you could actually have a land route, with a matching development corridor, which will connect virtually every continent on this planet, except Australia, and we'll figure out how to deal with that one in other ways.

So, that's the nature of the project, so that everybody benefits. And a good principle is, when you develop a project, try to develop a project in which everybody gets their fair share of the pie, so to speak. That's a good thing, even though it is somewhat erotic. But we agapic people will allow some people to be erotic, as long as they don't do bad things with it.

So, that is my message, essentially. A lot of things I've skipped over, or brushed over, because I wanted to give you just enough to give you a concept. Policy has to be centered on a simple fact, which none of the present economists take into account: The source of wealth is the creative powers of the individual human mind, which must be developed, and which must be given suitable expression.

The purpose of government, is not to please the people, but to give them happiness, which is much better. The happiness of knowing that their lives are meaningful. The essential thing about policy is to recognize that each of us is born—I hope. We don't know these days, with this new Third Wave stuff going on. I'm suspicious about some of these members of Congress, as to whether they were born.

And we're all going to die. Hopefully, we can postpone that. We have a dear friend of ours in Germany, whose birthday we just celebrated with her. She had some illness, so she wasn't ready for a mob scene. She's one of the world's great singers, and she's 94 years old. And we had a gay old time for about two hours with her, visiting with her, to celebrate her birthday with her. And her "kid brother" was there, who is 89. It was a grand old time.

So, we would hope, when you look at the beauty that some of these people in their 90s represent, which I think that our dear friend is going to do, if she gets that hip fixed up, you see that the preservation of individual life, and to extend it so that we may enjoy the blessings of great individuals for a longer period of time, is rather important and feasible.

But, in general, nonetheless, we're all going to die. And, that poses the question of what are we, if we're all going to die? What does life mean, if we're all going to die? Isn't that the question that government has to face, in real statecraft, in real law? Isn't that the question? Do we provide for the individual the opportunity for a meaningful life, a life which can be so lived, that it implicitly answers the question, what is the meaning of that travel, that transit from birth to death?

The bearers of great ideas

This can only be answered in the realm of ideas. It's not possible for any animal, in that way. Because if we are the bearers of great ideas, of truthful ideas, which we transmit to other generations; if we are custodians of the trust which is placed in us, the trust of humanity, while we are alive, if we

are *good* custodians; if we solve problems when we must solve them, because we're there to do it; if we contribute to the stock of ideas that make humanity better, can not government say, without being accused of bringing in religion, can not government say that the responsibility of government, is to give to each person the opportunity to realize themselves, as creatures made in the image of God, within the universality and simultaneity of eternity?

That should be the purpose of government. That, I believe, is the spirit of *agapē*. And that is what we must do. And we must find the connection between the practical, which I've just summarily indicated, which is the measures we must take, and realize that the obstacle is not the measures, because these measures are quite feasible, and they're based on many precedents which we can call upon, with respect to implementation.

The problem is, the need for the will, the commitment, the passion, to make the change. And the great challenge before us here in the room today, and many others like us, is to become like a virus, to infect humanity with optimism, and with the means to find the will to bring about the change. And if we can do that, and you have benefitted, in any degree, from either what I've said today, or the repercussions of it in the time ahead, then I hope this may have been the most important day in your life.

For previews and
information on
LaRouche publications:

Visit EIR's Internet Website!

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

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e-mail: larouche@larouchepub.com

Can the House of Windsor survive Diana's death?

by Jeffrey Steinberg

Were Princess Diana, the Princess of Wales (1961-97), still alive today, she might have been passing a warm September weekend, in London or Paris, leafing through the Aug. 22, 1997 issue of *EIR*, headlined "Britain's 'Invisible' Empire Unleashes the Dogs of War."

This is not idle speculation. As you will learn in the pages that follow, between the end of 1994 and March 1997, the Princess of Wales, through her personal secretary, maintained an occasional correspondence with a representative of Lyndon LaRouche. She received, and acknowledged having personally reviewed, the Oct. 28, 1994 *EIR* special edition, titled "The Coming Fall of the House of Windsor." Copies of that issue were made available to every member of the royal family. She, alone, chose to respond to the mailing with a personal reply—at a time when the London establishment was abuzz over the LaRouche journal's exposé of the "invisible hand" of the Windsors, behind the already hideous genocide in the Great Lakes region of Africa. *EIR*'s "Coming Fall of the House of Windsor" exposé, furthermore, was known to have been based upon crucial leads, provided by sources within the elite circles of the United Kingdom, which were then pursued by a team of *EIR* researchers in Europe and the United States. The fact that the *EIR* study had been sparked by "inside information," only added to the climate of hysteria around Buckingham Palace and the headquarters of Prince Philip's World Wide Fund for Nature (WWF).

Princess Diana later received a series of economic writings by Lyndon LaRouche, and other material pertaining to the tragic economic disintegration of Russia. In March 1997, she sent, through her private secretary, a second communiqué, expressing her gratitude for the material, and thanking the correspondent for his expression of support for her own efforts on several humanitarian fronts.

The Princess Diana whom one gets a glimpse of, through

this brief correspondence (see p. 44), was a very different person from the "gliteratti" personality portrayed in both the mainstream and tabloid media, throughout her short life. The fact that she chose to maintain a correspondence, albeit private, with a representative of the LaRouche political movement, following *EIR*'s publication of the most comprehensive exposé ever of the House of Windsor and the allied Club of the Isles, is certain to force many people around the world to give pause, and reassess their, perhaps, too glib views about the late princess. Her efforts on behalf of victims of war in Bosnia and Angola stood in contrast to the often-stated wish of her father-in-law, Prince Philip, that he be reincarnated "as a deadly virus, in order to contribute something to solve overpopulation."

A complex factional struggle

Following the airing of a several-hour interview with a reporter from BBC Panorama, conducted on Nov. 19, 1995, the Princess of Wales emerged as a central figure in a controversy that is still unravelling, and that threatens to bring an end to the House of Windsor. In that interview, which was aired on Nov. 24, 1995, Princess Diana candidly stated that she doubted Prince Charles's qualifications to serve as monarch. The princess carefully chose her words, in response to the question, "Do you think the Prince of Wales will ever be king?"

"There was always conflict on that subject with him when we discussed it," she began, "and I understood that conflict, because it's a very demanding role, being Prince of Wales, but it's an equally more demanding role being king. And being Prince of Wales produces more freedom now, and being king would be a little bit more suffocating. And because I know the character, I would think that the top job, as I call it, would bring enormous limitations to him, and I

don't know whether he could adapt to that." Earlier in the same interview, Princess Diana had stated, "I'd like to be an ambassador for this country. I'd like to represent this country abroad."

Her Panorama interview helped spark a high-visibility brawl, within the ranks of the Club of the Isles, between shifting coalitions of pro-Windsor, anti-Windsor, pro-"republican," and "reform monarchy" factions.

News accounts at the time suggested that the circles of the former prime minister, Margaret Thatcher, had been courting the Princess of Wales as an ally in the drive to bring down Queen Elizabeth II. At the time of Princess Diana's BBC interview, the monarchy was already making preparations to dump the Tory Party and John Major, and replace them with Privy Councillor Tony Blair, and his "New Labour Party," a fact that only further fueled the longstanding personality clash between Thatcher and the Queen.

The purpose of the Crown's orchestrated parliamentary shakeup was to take some of the heat off of the deeply discredited Windsors, and to put a more "Europe-friendly" face on the British regime, to better lure France, factions in Germany, and the Eurosocialist bureaucracy at the European Commission in Brussels, into a British-led alliance against the United States.

Those byzantine factional details aside, the climate in Britain at the moment that Diana made her broadside against the Windsors, was being decidedly shaped by LaRouche's "Coming Fall of the House of Windsor" exposé.

Tragic and mysterious death

The death of Princess Diana, her friend Dodi al-Fayed, and their chauffeur, Henri Paul, in an automobile wreck in a

Paris tunnel in the pre-dawn hours of Sunday, Aug. 31, 1997, remains very much a mystery as this issue of *EIR* goes to press. Virtually all of the details provided in the mass media must be considered suspect, at best.

There are seven "paparazzi" photographers under investigation by the French authorities for possible indictment on charges of involuntary manslaughter, failure to assist accident victims, and interference with the rescue effort.

Differing eyewitness accounts of the incident suggest the possible involvement of other, unidentified motorcyclists, who may have cut in front of the Mercedes Benz, causing the crash. At least one eyewitness reported having heard what sounded like a gunshot, just before the crash. Reports that the chauffeur, Henri Paul, was intoxicated at the time of the crash, have been contradicted by family members and by people who saw him earlier in the evening. Paul was a highly trained and skilled professional driver, who had earlier been an Air Force pilot. As deputy security director of the al-Fayed owned Ritz Hotel, he was hardly a likely candidate to perish as a high-speed drunk driver. A fourth passenger in the car, one of al-Fayed's bodyguards, survived the crash, and is expected to live. It is still too early to determine whether he will be able to shed any further light on the incident.

While *every* media-reported detail about the tragic crash must be considered highly suspect for the time being, certain facts are clear.

In the weeks leading up to her death, Princess Diana had resumed her high-profile criticisms of the House of Windsor. Her blossoming love affair with Dodi al-Fayed was, itself, an outgrowth of the brawl around the monarchy. Dodi's father, Mohammed al-Fayed (a super-wealthy Egyptian business-

(continued on next page)

Statement on Release of Letters

Diana: Shame on the daily media

by Lyndon H. LaRouche, Jr.

Sept. 4—We at *EIR* did serious soul-searching in the course of reaching the decision to publish the late Princess Diana's correspondence to my representative. On balance, we were persuaded, that these letters show, more simply and effectively than any other facts available to us, that Princess Diana was a far different person than that pack of hyenas known as the international daily news-media have, chiefly, painted her thus far.

We do not claim to know the whole picture; but, we know, that by publishing our particular piece of the puzzle called "Who was Diana?," we may be forcing public

opinion to look for other missing pieces, too.

In a time when the British Commonwealth is conducting a spreading of Yoweri Museveni's campaign of holocaust throughout Africa, and leading figures of the U.S. Supreme Court demand prompt execution of defendants with probable, even clear evidence of innocence, on procedural grounds, securing justice for a very public, international figure, Princess Diana, may contribute to a climate in which, at last, there is justice for all, even in Africa, even exoneration of the innocent inside the United States.

man who has lived in England for over 30 years, but has never been granted a British passport) first came into contact with Diana's family, the Spencers, through their mutual battles against the Crown.

Throughout the early 1990s, Mohammed al-Fayed was in a running war with Tiny Rowland, the now-deposed chairman of Lonrho, over ownership of the House of Fraser, a London corporation that owns the famous Harrods department store. Rowland has long been associated with Africa-based, but London-controlled "private" Special Air Services (SAS) mercenary circles that have served as "discreet" death squads for the British establishment and the Crown. In the past year, Rowland's name surfaced in the context of the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme, which is now believed to have been carried out by South African assassins linked to Lonrho's operations.

It is quite relevant that *EIR* played a prominent role, in the early 1990s, in exposing Tiny Rowland and Lonrho as leading elements within the dirtiest side of the British oligarchy. This *EIR* effort was well known to the al-Fayed family.

Clearly, the circumstances surrounding the death of Princess Diana are very suspicious, and assassination cannot be ruled out at this time. While many international media outlets have already published stories attributing the murder to the House of Windsor, there is as yet no direct evidence to prove this; and events in Britain suggest that the death of Princess Diana may indeed hasten the fall of the House of Windsor. Enemies of the Windsors may have possessed even stronger motives than the Royals for eliminating the princess.

History books will certainly look back upon the death of Princess Diana as Britain's equivalent of the Kennedy assassination. Yet, historical hindsight shows that none of the details about the Kennedy assassination, published in the world media at the time of his murder, stood the test of time. Assassinations require enormous pre-planning, and, in the case of a high-level political assassination, more effort must go into staging the coverup than into the killing itself.

The other undisputable factor, that must be taken into account in any serious effort to understand the death of Princess Diana, is the escalating struggle between the British Club of the Isles oligarchy and the United States—the strategic backdrop to her death. The only force on the face of this planet that the Club of the Isles fears is the United States; and much of that fear boils down to the fact that the Clinton Presidency, in a moment of crisis, could turn to LaRouche for a new policy direction, one aimed at wrecking the power of the oligarchy once and for all.

No matter how great the temptation, it is premature to pronounce the death of Princess Diana an act of political assassination. Yet, the strategic context in which her tragic death occurred, demands that there be a thorough probe of all of the details of the incident. Anything less than that, would be to spit on Diana's grave.

Correspondence with Princess Diana

by Scott Thompson

Over the span of two years, a private correspondence was carried on between this reporter for *EIR*, with Diana, Princess of Wales. The reason for the discretion was that Princess Diana was under a political, social, and media microscope, and *EIR*'s editors had no desire to create additional problems for her by having it become public that we were sending her some of the exposés that *EIR* was publishing about the British royal family.

The correspondence began when Diana, then Her Royal Highness, Princess of Wales, was the only member of the British royal family who responded favorably to receipt of "The Coming Fall of the House of Windsor," a *Special Report* in the Oct. 28, 1994 issue of *EIR*. The report exposed the genocide being carried out (largely in Africa) under the direction of Prince Philip, Duke of Edinburgh; it was the first in a series of three *EIR* special reports exposing the "crimes of the century" by the British royal family. It led with an article by *EIR* Founding Editor Lyndon H. LaRouche, Jr., that began with the following quote from Prince Philip: "In the event that I am reincarnated, I would like to return as a deadly virus, in order to contribute something to solve overpopulation."

Princess Diana's brief response read:

5th June 1996

Dear Mr. Thompson,

The Princess of Wales has asked me to thank you for your letter and enclosure.

Her Royal Highness appreciates the interest which prompted you to write and has asked me to send you her best wishes.

Yours sincerely,

Maureen A. Stevens

When Princess Diana was sent the second part of this series, entitled "The Sun Never Sets on the New British Empire," in the May 24, 1996 issue of *EIR*—which focussed heavily upon the evil power exercised by Her Majesty Queen Elizabeth II—the princess did not respond. However, her private secretary told this author that it was most unusual for a royal to respond more than once to a writer. And, the private



KENSINGTON PALACE
LONDON W8 4PU

From: The Office of Diana, Princess of Wales

6th March, 1997

Dear Mr. Thompson,

The Princess of Wales has asked me to thank you for your letter of 19th February and the most interesting enclosures.

The Princess was touched that you took the trouble to write following her visit to Angola. The Princess of Wales hopes that the world now has a better understanding of the suffering caused by anti-personnel mines and that there will be an opportunity to visit some of the sixty five other countries affected in the same manner.

Your letter meant a great deal to the Princess who has asked me to send you her sincere thanks.

Yours sincerely,

Mrs. Colin MacMillan

Mr. Scott McClain Thompson

“hard times” facing many in the world’s population from the economic studies of *Executive Intelligence Review (EIR)*.

The first item is an essay by former candidate for the Democratic Party Presidential nomination, Lyndon H. LaRouche, Jr., entitled, “The ‘Globaloney’ Is Over,” on pp. 4-7 of the February 21 issue of *EIR*, that discusses the end of President George Bush’s and Baroness Margaret Thatcher’s “New World Order” in the crash of “hard times.” The second of the series of articles in this issue that I would like to draw to your attention, is the Feature, which is entitled “Russia’s Liberal Reforms: Anatomy of a Catastrophe.” It is based on a Working Paper prepared by Academician Dmitri S. Lvov, Dr. Valeri G. Grebennikov, and Dr. Viktor E. Dementyev, of the Central Economics and Mathematics Institute of the Russian Academy of Sciences. The authors show how far Russia has disintegrated under International Monetary Fund-dictated shock therapies.

On the same theme, I am sending you Lyndon LaRouche’s “Letter to a Russian Friend,” from the November 29, 1996 *EIR*. It is on pp. 10-43.

I must say that I was quite touched by the concern you showed recently for the victims of the Angolan War, as well as the sick and dying, and I am sure that this is a concern that extends throughout the world, where there is impoverishment and injustice.

Respectfully yours,

Scott McClain Thompson

Princess Diana, whom staff members insist reads all her mail, had the following response to this series of articles on LaRouche’s economic views sent to this author:

Kensington Palace London W8 WPU
From: The Office of Diana, Princess of Wales
6th March, 1997

Dear Mr. Thompson,

The Princess of Wales has asked me to thank you for your letter of 19th February and the most interesting enclosures.

The Princess was touched that you took the trouble to write following her visit to Angola. The Princess of Wales hopes that the world now has a better understanding of the suffering caused by anti-personnel mines and that there will be an opportunity to visit some of the sixty-five other countries affected in the same manner.

Your letter meant a great deal to the Princess who has asked me to send you her sincere thanks.

Yours sincerely,

Mrs. Colin MacMillan

secretary added that Princess Diana had been aware of the mailing, and it had created quite a stir.

In February 1997, this author sent Princess Diana, who had subsequently divorced His Royal Highness The Prince Charles, Prince of Wales, a series of reports, mostly of *EIR* Founding Editor Lyndon H. LaRouche, Jr.’s forecasts in *EIR* of a global economic collapse and “hard times” for every human being.

The letter of transmittal for this series of articles on the global crisis of civilization read as follows:

February 19, 1997
The Princess of Wales St. James Palace London SW1A-1BS U.K.

Re: *Hard Times in the World*

Dear Princess Diana:

Given your concern for the general condition of mankind, I am sending you a series of articles on the

The crash: Unanswered questions abound

by Rüdiger Rumpf and Jeffrey Steinberg

Shortly after midnight, on Sunday, Aug. 31, Princess Diana and her friend Dodi al-Fayed left the Ritz Hotel on Place Vendôme in Paris, in a Mercedes Benz 280-S. The driver of the vehicle, Henri Paul, was the deputy security director of the hotel, which is owned by Dodi al-Fayed's father. Paul was a highly trained driver and a skilled pilot, who had served in the French Air Force. The fourth passenger in the car was Trevor Rees-Jones, a bodyguard employed by the al-Fayed family.

At approximately 12:35 a.m., the Mercedes crashed into a post inside a tunnel under Place de l'Alma, along the Seine River. The driver and Dodi al-Fayed were killed instantly. Princess Diana and Rees-Jones were both seriously injured. After some effort, they were extracted from the wrecked car, and brought to Pitié Salpêtrière Hospital. At approximately 4 a.m., doctors pronounced Princess Diana dead. Rees-Jones is expected to live, but it is unclear at this time whether he will be able to provide any details about what happened in that crucial 35-minute period, from the time that the Mercedes left the Ritz Hotel, chased by a group of paparazzi photo journalists in cars and on motorcycles, and the point that the crash occurred.

These are the verified facts, known so far to *EIR*: Virtually all of the news coverage in the American and European press in the five days following the tragic car crash has been shamelessly irresponsible. Most of the purported details of the tragedy reported in the media have been discredited altogether, or placed in doubt by contrary eyewitness accounts.

Lyndon LaRouche underscored this problem in an interview with "EIR Talks" on Sept. 2. "There is a smell of a homicide case," he said, "and probably even willful murder, willful assassination. We'll just have to wait and see; but it's going to be difficult, because the cover story, lies, mythologies, and fairy tales about this are going to abound. It takes a cool head under these circumstances, to follow a case like this."

EIR's European security specialists, familiar with the Paris streets and the tunnel where the tragedy played out, have conducted a preliminary assessment of the known facts. What emerges from that review is that the most crucial facts are still unknown, and, until they are established, it is all but impossible to come up with a satisfactory conclusion about what occurred. It is impossible to determine whether the incident was a highly professional assassination or a tragic accident. All that is appropriate at this time, is to highlight the anomalies and raise the crucial questions.

The final hours: At approximately 8:30 p.m. on Saturday,

Aug. 30—four hours before the crash—Princess Diana and Dodi al-Fayed were seen shopping on the Champs-Élysées, after which they dined at the Ritz Hotel. Earlier in the day, they seemed unconcerned about the media swarms, as they were out and about in the city streets. At the conclusion of the meal, the Land Rover in which they had been traveling around Paris earlier in the day, left the hotel with al-Fayed's regular driver behind the wheel. Apparently, this was an attempt to draw the group of 30 paparazzi, gathered in front of the hotel, into pursuing the decoy vehicle, while the Princess and al-Fayed left in a hotel car by a rear exit. What prompted this switch in security procedures?

The decoy operation failed, and not surprisingly. According to several of the paparazzi who were detained by the police following the crash, they regularly received tips on Princess Diana's whereabouts, travel routes, and so on, from "secret service," and, "British tabloids" were also regularly providing them with advance details about the Princess's itinerary.

The driver: Accusations that the driver, Paul, was drunk, have been a subject of great controversy. The al-Fayed family has said that they will request a second autopsy, to determine the amount of alcohol in his bloodstream. By profile, Paul was an experienced, professional security specialist, with no prior record of drinking problems. His last assignment in the French Air Force was as a captain, in charge of security at the air base in Rochefort, Brittany. A longtime friend of Paul's, Marcel Douzier, while categorically rejecting the idea that Paul had been drinking the night of the tragedy, observed, "There must have been something irregular."

The chase: After leaving the Ritz Hotel, the Mercedes made a series of turns, eventually turning at the Place de la Concorde into a straight stretch of road approximately 2,200 meters long, leading into the tunnel under Place de l'Alma, where the crash occurred. At the entrance to the tunnel, the road makes a slight turn to the left and slopes down about four meters. Contrary to initial reports, which identified the car as a Mercedes 600 model, the vehicle was a model 280-S, which has 200 horsepower—i.e., it is not a very fast vehicle, especially compared to the 600. To have achieved the high speeds reported in much of the media, Paul would have needed to accelerate the car throughout the entire straight-away, leading into the left curve and downward descent. Yet, most of the motorcycles and scooters chasing the Mercedes were incapable of keeping up with even the slower model. At high speeds, even the slight curve and downward descent into the tunnel would pose a challenge to a skilled driver. If this account is accurate, what provoked the flight?

What actually occurred during those minutes, is one of the key unanswered questions. Some eyewitnesses have reported seeing a motorcycle cutting in front of the Mercedes just before the left curve; other witnesses have reported that they heard a noise resembling a gunshot, seconds before the crash. Yet other witnesses have reported that blinding lights flashed shortly before the crash.

Princess Diana's war with the Windsors

by Scott Thompson

For more than two years, as her marriage to Prince Charles unraveled, and relations between Princess Diana and the Windsors went from bad to worse, the Princess emerged as a central figure in the struggle around the future of the House of Windsor. And, with the controversy, came a flurry of subtle and not-so-subtle threats, which we summarize below.

The first barrage of threats against Diana came immediately after her interview with the British Broadcasting Corp. "Panorama" program on Nov. 19, 1995, in which she more or less declared war on the British royal family. Among her more startling revelations in that broadcast, was that Prince Charles neither had the inclination nor the ability to be king of the British Empire. She intimated that Prince Charles should be skipped over in line of succession, in favor of their son, Prince William.

Specifically, Princess Diana said about her then-separated husband: "Because I know the character, I would think that . . . [being king] would bring enormous limitations to him, and I don't know whether he could adapt to that." According to ABC journalist Ted Koppel, Princess Diana had been coached for this interview by the former press officer of Lady Margaret Thatcher, the former prime minister of the United Kingdom, known for her hatred of Her Majesty Queen Elizabeth II. "I shall not go quietly," Princess Diana warned in another part of the broadcast, adding: "That's the problem. I shall fight, and I believe I have a role to fulfill with two children to bring up."

A series of threats and countermoves followed:

Nov. 20, 1995: Lord William Rees-Mogg, the former editor of the London *Times*, wrote in that newspaper, referring to Princess Diana's Stuart heritage: "Like other historic co-inheritors of Stuart PR gene, the Princess is brilliant at the kingcraft of public image building. . . . The unfortunate Prince of Wales seems only to have the Windsor gene to guide him. . . . If one takes the long view, and tries to see the Princess of Wales as her role may appear in a hundred years' time, she will then be seen as the great royal star of the late 20th century, the most famous member of the royal family since Queen Victoria." However, Rees-Mogg is not of the "Diana party." He stated that Stuart brilliance "almost always ends in per-

sonal tragedy," like that of Mary Queen of Scots, who was executed, and that the Hanoverians (now Windsors) have a long future ahead of them.

Nov. 21, 1995: The Princess of Wales set off "fireworks in Buckingham Palace" with her broadcast, said unofficial Palace reporter Mrs. Morton on German television. Morton added that Prince Charles was furious. Meanwhile, German TV showed a clip of Prince Charles's press secretary calling Diana "mentally ill."

Nov. 22, 1995: The authorized biographer of Princess Diana, Andrew Morton, spoke on SKY-TV, saying that Princess Diana "sees herself as grooming William for his future destiny."

Nov. 24, 1995: Germaine Greer wrote a commentary entitled, "God Help the Princess of Wales," written amid a number of warnings to Princess Diana "not to go too far." Greer outlined the misfortunes of various Princesses of Wales, especially those who suffered at the hands of the Hanoverian dynasty. She noted the career of Princess Caroline, wife of George IV, who was thrown out of England by her hateful husband. Caroline, however, refused to give up her right to be crowned Queen when George III died, and returned to London to the overwhelming welcome of the general population. The House of Lords passed an act depriving her of her rights and divorcing her from the king; when she tried, with public support, to enter Westminster Abbey for the coronation, she was physically prevented. "Ten days later, Caroline was dead," Greer wrote. Soldiers fired on London crowds who gathered for her funeral. "If Lady Diana Spencer had known the record of this family, if she had had a history [diploma], she might have learnt that the Princess of Wales is a title written in tears."

Nov. 24, 1995: The *Daily Telegraph* reported that Nicholas Soames, a Tory member of Parliament, second ranking defense minister, grandson of Winston Churchill, and former equerry and confidant of Prince Charles, had been demanding that Prime Minister John Major use his influence on the Queen to secure a divorce for Charles and Diana. On the Monday night immediately after Diana's interview, Soames went on the radio to say:

"I do know great sadness and unhappiness when I see it. But when people claim that they have enemies at every turn and are spied on at every corner, I know of no other word than paranoia. I'm not questioning the Princess of Wales's state of mind at the moment. I'm merely saying to you in some of the things she said last night it did exhibit a degree of paranoia."

John Keegan, former defense correspondent for the *Daily Telegraph* and military historian, went one step further. In a commentary on the editorial page of the *Telegraph*, under a cartoon of Charles looking up, suddenly inspired, at a portrait of Henry VIII (who executed two of his six wives), Keegan wrote: "The important thing is that [Princess Diana] should set limits to her ambitions. She has said she will not 'go qui-

etly.' She must, however, not go too far. . . . The people know how much change in the system they desire. If the Princess exceeds their wishes, it is she who will become the casualty, not the monarchy."

Nov. 24, 1995: A poll taken by the London *Times* showed that only 2% of the British public blamed Princess Diana for the breakup of her marriage, while 43% blamed Prince Charles. And, more than half the British public believed that Prince Charles should not become king in succession to his mother.

Nov. 24, 1995: According to the *Berliner Morgenpost*, more than two hours of the interview with Princess Diana, which included even more damaging comments about the British royal family, were cut. However, when these portions of the interview were privately aired for a BBC inner circle, there was "panic" at BBC, and frenetic last-minute efforts were made to water the interview down.

Nov. 25, 1995: British author A.N. Wilson, in a commentary for the *New York Times* entitled "What the Princess Is Up To," presented new evidence that Princess Diana's BBC Panorama show was scripted by some of the leading Thatcherites. Wilson, who is also the author of a book titled *The Rise and Fall of the House of Windsor*, emphasized that the fight between the royal couple was much bigger than an oligarchical soap opera:

"No one can doubt that this was a skillfully organized attack on the institution of the monarchy itself. Not just on Prince Charles. Not just on the Queen, whom Diana obviously hates. But on the monarchy. . . . But then, nor had anyone supposed that she would be so self-confident and so well-groomed in her answers. She has been taking lessons from experts. Only a week before the broadcast, she attended a private dinner party in London with . . . Home Secretary Michael Howard and the new editor of the radical right-wing *Sunday Telegraph*, Dominic Lawson, whose wife, Rose, is a close friend of the Princess. No one can doubt that all those present have scant regard for the old institution of the monarchy. . . . For the real threat to the monarchy comes not from the soft-centered old left, but from the radical right. When she was the prime minister, Margaret Thatcher made no secret of openly despising the Queen and of disagreeing with the essentially liberal consensus politics that the House of Windsor has always espoused. . . . Prince Charles is a committed liberal, openly hostile to the 'little Englanders' of the right."

Wilson concluded with a pointed warning to the Princess: "The war is not about individuals. It is about the oldest and most durable constitutional monarchy in the world. The example of Wallis Simpson and Edward VIII should be enough to tell Diana that when it comes to fighting a war, the Establishment can get very nasty indeed, and that for all her undoubted popularity, if she continues to rock the boat in this way, the Establishment will simply get rid of her, as they got rid of Edward and Mrs. Simpson. She might think she will

pull down Charles with her. Well, we shall see."

Dec. 4, 1995: Biographer Andrew Morton wrote an article for *Newsweek* magazine, entitled "Diana—Her Life Alone," in which he stated that the Princess of Wales believes the House of Windsor is falling:

"So the hidden agenda in her TV interview was to spread her view that William is more suited to the role of Sovereign than her husband. Diana believes that the monarchy today is outmoded and out of touch. Over the years she has emphasized her determination to bring up her children in a very different manner from that of previous royal generations. She believes that their constricted upbringing has left members of the royal family emotionally stunted and unable or unwilling to understand a modern society. As one of her friends told me: 'She finds the monarchy claustrophobic and completely outdated, with no relevance to today's life and problems. She feels that it is a crumbling institution and believes that the family won't know what has hit it in a few years' time.' "

Dec. 6, 1995: The *Times* of London reported: "Baroness Chalker of Wallesey, Overseas Development Minister, has emerged as the main figure in Foreign Office opposition to a formal role for the Princess. After they conducted a joint trip to Nepal in March 1993 Lady Chalker became convinced that the Princess should be kept away from the diplomatic sphere." Lady Chalker, who is a Thatcherite Life Peer, is the person behind Ugandan mass murderer Yoweri Museveni. This might have been ugly egotistical pique, because Princess Diana reportedly "upstaged" Baroness Chalker in Nepal.

The second round

Mid-August 1997: The French press issued a curious "pre-warning" that the British royal family was prepared to move ruthlessly against Princess Diana and Dodi al-Fayed. *Le Monde* published a full-page feature entitled, "When the Court of St. James 'flirts' with the al-Fayed Family." After reviewing the "Dodi-Diana friendship," London-based journalist Marc Roche concluded:

"Mohammed al-Fayed is not at the end of his troubles. If Diana were to marry 'Dodi,' and become Lady Diana Al-Fayed, this union risks undermining the worldly capital amassed by the owner of Harrods. Prince Charles would be aghast at this, and, in a ricochet effect, so would the entire royal family. As a 'Buckinghamologue' in the know indicates, 'The problem for the Windsors is not to pardon this type of thing; the problem is, that they never forget.' Clearly, the British royal family has a long and merciless memory."

Aug. 27, 1997: Princess Diana gave an interview to *Le Monde* in which she said that her behavior was "upsetting certain circles." Interviewer Annick Cojean noted that Diana's behavior "did not fail to provoke furrowed brows in the royal family. The Diana 'style' was unsettling, especially when it became obvious that, beyond having a more modern image, it reflected a different relationship to people."

The accelerating fall of the House of Windsor

by Mark Burdman

Although the precise circumstances surrounding the death of Princess Diana and her companion, “Dodi” al-Fayed, over the night of Aug. 30-31, continue to be murky, the least that can be said, as the shock-wave effects of her death reverberate throughout the United Kingdom and worldwide, is this: The fate of the British Royal House of Windsor, is now very much hanging in the balance. The coming days will show whether the Windsors can maneuver themselves out of a corner largely of their own making, or whether “the coming fall of the House of Windsor,” forecast by *EIR* in its Oct. 28, 1994 cover story of that title, is going to become a near-term reality.

The death of Princess Diana is shaping up to be an event of the utmost strategic significance.

Interviewed on the weekly radio program “EIR Talks” on Sept. 2, *EIR* Contributing Editor Lyndon LaRouche stressed that “whatever happens, this is going to be a shocker. It will not go away. Some people will blame the British Royal Family for assassination. This will be the ‘Kennedy assassination’ of the British monarchy. They’ll have to live with it. It’s not going to be pleasant.”

Some 24 hours later, events were proceeding so fast, that that latter assessment already seemed to be quite an understatement. By Sept. 3, an unprecedented backlash was erupting across the United Kingdom against the monarchy, in a way that can only be characterized as a cultural-political shock. Millions of Britons, who have been sheepishly subservient to the monarchy, were getting a flavor of the brutality, venality, and cynicism of the Windsors and their Establishment cohorts. The contrast could not have been greater, between the millions of Britons emotionally mourning Diana, streaming to London to commemorate her, on the one side, and the cold-blooded, calculating Windsor clan, closeted away at their estate in Balmoral, Scotland, not uttering a word of grief or tribute, on the other.

The Windsors’ bizarre attitude also contrasts with the warm condolences extended by leading political figures, including President Bill Clinton, a personal friend of Diana, who is sending his wife, Hillary, to the Sept. 6 funeral; Pope John Paul II; Mother Teresa; and South African President Nelson Mandela, among others.

In commentaries Sept. 4, the London *Independent*’s Polly

Toynbee and the *Guardian*’s Richard Gott were likening the mood in Britain, to what one sees in a revolution. Toynbee said that the closeted monarchy was acting as if “a revolution is taking place outside the gates of Buckingham Palace, and they may be right.” Gott described the situation as “turbulent,” with a “barely hidden rage” of the type that “only happens in times of revolution.”

Interviewed on BBC the evening of Sept. 3, monarchy affairs specialist Anthony Holden reported that he was mobbed by well-wishers outside St. James Palace, when he attacked the Windsors’ behavior, during an interview with an American TV network. He commented that “the Royal Family could not have handled the situation worse,” and that their behavior was “perhaps suicidal.”

An elderly British man, one of the many mourners interviewed, summed up the mood eloquently, when he affirmed, “I’ve been a royalist all my life. Not any more.”

Evidently smelling blood, commentators writing in the Rupert Murdoch-owned *New York Post* (Sept. 2) and the Reverend Sun Myung Moon-owned *Washington Times* (Sept. 3) blasted away at the House of Windsor, and in the case of the *Times*’s Martin Sieff, speculated that the death of Diana “may well prove to be the death knell of the House of Windsor and the British monarchy.”

Andrea Peyser’s vicious attack against the Windsors in Murdoch’s New York City tabloid was in line with the Australian press baron’s longstanding involvement in moves to replace the Windsors on the British throne, or junk the monarchy altogether. She wrote:

“The British royal family — perhaps the greediest dynasty of welfare recipients to grace Europe — has good reason to worry. . . . For the last 16 years we have witnessed a pathetic spectacle out of a Grimm’s fairy tale, as the palace occupants harnessed their energies toward one insidious goal: crushing a princess who dared make them look bad. . . . Yet, as each humiliation was heaped on her slender shoulders, Diana only grew stronger, more popular. And completely uncontrollable. So they drove her out of the palace. Now, Diana is dead. . . . Members of the royal family . . . have never looked so mean and ugly. The monarchy has never seemed so bafflingly useless. For Diana was the best of the revolting lot. The Windsors

can't deny it any longer. All this raises a question you will hear a lot more about in coming weeks: Why should the British people continue to subsidize these moochers?"

Making matters yet more trenchant, is the widespread belief in many quarters of the world, that the Royals themselves had Diana done away with.

As LaRouche emphasized in his "EIR Talks" interview, what has happened, "is a threat to [the Windsors'] security, that is, the security of the House, for various reasons."

Strategic implications

The potential implications of what is now unfolding, are vast. The Windsors are the *primus inter pares* in an oligarchical structure known as the Club of the Isles, which is the controlling agency behind vast financial wealth, raw materials and natural resources deposits, energy, real estate holdings, and much else. The British monarchy formally sits atop a vast imperial structure, both "visible" and "invisible," particularly regulated through the Queen's Commonwealth.

As evidenced in Africa, Ibero-America, and other parts of the world, that "New Empire" has been in a state of hyperactivity in the recent period, looting whatever resources they can get their hands on, to have a hold on hard assets, as the current financial and monetary system enters its final stage of collapse and disintegration.

In fact, just as this drama was breaking, Her Majesty and her minions were in advanced preparations for the Commonwealth Heads of Government Meeting (CHOGM), taking place in Edinburgh, Scotland, Oct. 24-27. For the first time in the history of CHOGM gatherings, the Queen is scheduled to make a formal address. This imperial apparatus has been upgraded, with the carefully engineered election of Tony Blair as prime minister on May 1. The Blair government, which replaced the inept and fumbling John Major government, has made it very clear, in both public and private statements, that it intends to make strengthening the Commonwealth, its number-one strategic priority. Blair, as the head of the Loyal Opposition, before his election as prime minister, had been appointed by the Queen to her Privy Council in 1994.

The Commonwealth is the main vehicle, through which the Queen's Privy Council, the main repository of power in Britain, conducts its global war, declared and undeclared, against its single most important adversary, the United States. Blair's ascendance has signalled a qualitative escalation in that anti-American conflict, including through building up pro-British assets in continental Europe, via a reinforced Anglo-French Entente Cordiale, and other nasty alliances and operations.

A leading Scottish policymaker, who spoke with *EIR* on background, on Sept. 4, gave the following blunt assessment of the future of the Windsors:

"What is happening now in Britain, can only be described as a popular revolution, and the causes of it have little to do with Princess Diana's death, as such. Everyone's fed up with

the nonsense from the Establishment, and the emotions involved with Diana provide a convenient way of expressing it. What you are seeing now, everywhere, tells you how people think of the Establishment. Everybody knows that the system doesn't work. The mood is, 'We've had enough, we're tired of the Establishment!' You can say there are some parallels to what happened in eastern Europe in 1989, as long as you make the proviso, that this is being done in an English way, choosing an occasion to do a revolution."

According to this source, "What is going on here dooms the Windsors, there is no doubt about it. It's all quite extraordinary. Tony Blair is playing two games at once. He is identifying himself with this extreme populism, and trying to ride with it, but he is also trying to make sure that the whole pack of cards doesn't come down. It is *he*, who went to the Queen, to demand that she make an extraordinary address to the nation, tomorrow night. He told her to pull herself together; he can sense the mood."

The Scotsman then drew attention to the fact that, in the next weeks, there will be votes in both Scotland and Wales on the issue of greater autonomy, and this could be an historic moment, as well, which could also trigger a backlash of "English nationalism." "It's all happening at the same time, an amazing confluence. It is very weird, very strange, living in this country, at this time."

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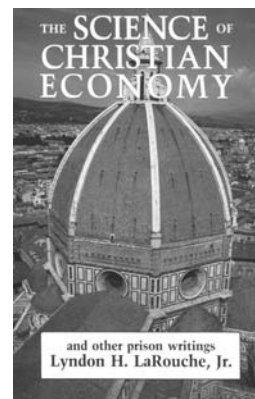
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Italian national leadership paralyzed by secession threat

by Claudio Celani

Italy's ruling class finds itself in the position of Hamlet, facing a choice on how to handle a threat to national unity which is growing by the day. The threat is represented by the secessionist Northern League (*Lega Nord*) party, whose *duce*, Umberto Bossi, has opened a new phase of the offensive against the state, toward the creation of what he calls the secessionist state of "Padania." The only serious reaction against Bossi and his puppetmasters is coming from forces rallying around the political movement of Lyndon LaRouche and *EIR*, which have exposed the secession threat as a joint product of oligarchical circles around Britain's Prince Philip of Edinburgh and the faction around former U.S. President George Bush. These revelations, taken from *EIR*, were carried on Aug. 30 by three national newspapers, Milan's *Il Giorno*, Bologna's *Il Resto del Carlino*, and Florence's *La Nazione*, and are expected to provide orientation for pro-national forces which, otherwise, have shown a total lack of leadership.

Contrary to some illusions, support for the Northern League has increased in parallel with the radicalization of its political line, especially among the most illiterate layers among the northern Italian population, including the young generation. Political observers have started to warn that, when this generation comes of age to vote in a year or two, the League could take power "democratically," as Mussolini did in the 1920s. But, the incoming global financial collapse could accelerate that process, or, undermine it, depending on the strategic choices taken by Italy's political leaders.

Bossi announces his outlaw strategy

In mid-August, Bossi announced that on Oct. 26, the League will hold "political elections" in northern Italy, and form a secessionist parliament. "Padania," explained Bossi in an interview with *Corriere della Sera* on Aug. 13, "will elect its own Parliament. At the elections, there will be right-wing parties and democratic center-left parties which will hold conventions in Milan and Brescia. There will even be a communist party of Padania." Of course, the idea of establishing a parliament of a secessionist state is totally illegal; furthermore, voters will consist only of League supporters. But, it will be a show of force, and a step further toward a situation of total lawlessness which so far has been tolerated by the state. For instance, following the dictates of an appeasement policy, the Italian Parliament has so far accepted the fact that

the League group sitting in the Legislative branch is calling itself the "Northern League for the Independence of Padania." At a "referendum" on secession called last spring, Bossi mobilized more than 4 million people.

Bossi explained his strategy: The League will remain "within the Italian system. The Padania parliament shall approve a federalist constitution and organize a referendum in the spring. Parallel to that, the League will try to reach, by spring, an agreement with Rome on a confederation [with Padania]. . . . Otherwise, end of the dialogue." Bossi added, "The League . . . has bred Padania, which will soon be an aversive reality against Rome. The coming year will be a hot one."

In the following days, Bossi escalated his campaign, even embroiling the Catholic Church. He accused the Pope, whom he derogatorily called "The Pole," of meddling in Italian political affairs. Imitating a modern-day Martin Luther, Bossi accused the church hierarchy of "corruption," and called on priests to ignore directives from Rome and to stay "on the side of the Padanian people."

As the next step, he announced a demonstration against national trade unions on Sept. 6 in Venice, where union cards will be publicly burned. Bossi is driving a wedge between active workers and pensioners, profiting from five years of free-market policies and International Monetary Fund pressures, which have brainwashed the population into believing that, because of the Italian national pension system, active workers (whose number is decreasing due to deindustrialization) are financing fat checks for pensioners (whose number is increasing due to the demographic collapse). According to recent figures, the League's union, the SIP (Sindacato Padano), already has more active workers than the national trade unions, whose membership is mostly pensioners.

A debate over options

Bossi's offensive has unleashed a debate among pro-national forces on how to react. The debate has taken the form of two alternatives: Either the state reacts with the use of force, forbidding the "elections" called by Bossi, and ultimately outlawing the Northern League; or, it plays down the League initiative as a clownish one which has no legal value. In reality, the latter has been the policy followed so far, with the result that the League threat has not disappeared, but, to the contrary, has grown bigger.

The first option, a legal crackdown, is also dictated by security considerations. The League is in fact developing into a sort of “legal arm” of a proto-terrorist operation which made its debut last May 8, when an armed commando unit calling itself *Veneto Serenissima Armata*, occupied the belltower in St. Mark’s Square, in Venice. The *Serenissimi* have been arrested and sentenced, but public opinion was shocked in discovering the dimension of popular support they received in the Veneto region.

A secret service report which was transmitted by the government to Parliament on July 13, indicated that the May 8 episode was not an isolated one, but was followed by several threats issued to prosecutors and police, demonstrating “a dangerous parceling out of radical secessionist circles.” “Such a phenomenon,” the report warns, “if further fed by

aggressive tones and intolerant attitudes [by Bossi], could produce emulations . . . especially if coinciding with significant events or political deadlines.” The report warns against chain-reaction processes in other parts of Italy, where some factions have long “pushed for separatist demands.” The implicit reference is to Sicily, and the warning has acquired renewed importance, because on Sept. 4, Liga Veneta leader Fabrizio Comencini made public statements in support of the Mafia. In defiance of historical reality, Comencini declared that the Mafia was “born after 1860 . . . as a just reaction of defense against the national state, an invader and a repressive one.” Comencini is a former neo-fascist, who turned to the League in 1992.

Despite the threat of a Northern Ireland-like scenario, adversaries of the crackdown claim that such an option would

Italian media follow EIR in exposing secession plot

On Aug. 30, several prominent Italian dailies, including La Nazione, Il Giorno, and Il Resto del Carlino, quoted EIR’s exposé of Britain’s Prince Philip, former U.S. President George Bush, and Alfred H. Heineken’s involvement in inspiring Umberto Bossi and his Northern League, and the plot to create a secessionist state of “Padania.” The article, based on EIR material, was entitled “Who Created a Europe of Many Padanias?” and was written by Giorgio Zicari.

Florence’s La Nazione headlined its coverage, “Bossi Is a Cheater, His State Belongs to Bush,” and added the kicker: “Secession, Padania . . . Bossi May Have ‘Stolen’ the Idea from a Friend of the Former President.” Bologna’s Il Resto del Carlino headlined its coverage: “Revelations—in 1992 Bush ‘Invented’ Padania. What If Bossi Just Copied Everything?” Milan’s Il Giorno, which also ran the story, is owned by the national oil company, ENI. These three dailies sell around 700,000 copies; approximately 1-2% of the population of Italy bought a paper with the EIR story. The article by Zicari follows:

The split-up of the country with the political and administrative division between North and South, the creation of Padania . . . are not ideas springing from the head of Umberto Bossi, but rather it is a much broader project, born outside Italian borders and involving the whole of Europe. This is what has been reported by the *EIR Strategic Alert*, a weekly newsletter published by *Executive Intelligence Review*, an international news agency, often quoted by U.S. media.

This source says that Bossi’s ideas are nothing but a “recipe” earlier prepared by a study group around Alfred H. Heineken, head of the Anglo-Dutch multinational, a friend and adviser of former President George Bush.

Heineken, according to the same source, “belongs to the most exclusive circles of the international oligarchy, being a member of the 1001 Club of Prince Philip and advocates publicly the necessity for substituting for today’s nations, small entities dominated by a world imperial government.”

In the 1960s, according to the news agency, one of the employees of Heineken was Maj. Louis Mortimer Bloomfield, head of a company whose name popped out in the context of the investigations on the assassination of John Kennedy.

The newsletter states that already in 1992—the year in which “Operation Clean Hands” started in Italy—Heineken published a project called “Eurotopia” in which he proposed to divide Europe into 72 mini-states, according to ethnic and demographic criteria. These are exactly the same criteria on which the political projects and the propaganda of the leader of the Northern League, are based. Each state should have, according to Heineken, a population no greater than to 5-10 million inhabitants.

The agency [*EIR*] says that in 1992, then-U.S. President George Bush “approved the project, thinking that it was innovative and interesting.” Two years later, the Italian part of the Heineken plan—which included the creation of an independent state in Northern Italy—“was taken up, almost as a xerox copy by the League leader, Francesco Speroni. . . .”

The main inspirer of the Heineken plan was the late British historian Cyril Northcote Parkinson, who was a “British intelligence agent.” . . .

backfire, turning Bossi into a folk hero. State repression against the League, insist those critics, although constitutionally demanded, would be seen as another example of a state seen as an oppressive power, whose only function is to raise taxes.

In reality, such arguments betray the decision not to fight against the secessionist threat. Even worse, a fifth column in both the government and opposition hope that they can strike a deal with Bossi and get some electoral gains — as has been attempted in the case of the upcoming elections in major cities at the end of November. Negotiations took place between League leaders and the two largest opposition parties, Silvio Berlusconi's *Forza Italia* ("Go! Italy") and the National Alliance (*Alleanza Nazionale*). Bossi had proposed to form a coalition to win mayoral elections in Venice, where the League votes are indispensable if the conservative bloc is to defeat the incumbent center-left coalition. On his side, Bossi would make a sensational political comeback after more than a year of total political isolation, with the bonus of having taken over the alleged future capital of his secessionist Padania state.

The deal failed because of strong opposition inside Berlusconi's party, but it revealed the existence of a pro-League faction in almost every party. These factions, further developing the appeasement line, insist that if one steals the League's program, it will steal its votes as well. It is not difficult to see, behind such thought, the same oligarchical power which has promoted the League in the first place.

Following this line of thinking, a section of the Venetian political and financial elite has promoted the idea of a "catalan model" for the three northeastern regions, Veneto, Trentino, and Friuli-Venezia Giulia. Calling itself the "Northeastern Party," this group pushes a "soft" secession line, demanding ample economic and political autonomy from Rome. Leading figures of this party are: Count Pietro Marzotto, a financier whose father at the end of the war insisted that Italy develop no large industry; New Age businessman Benetton; Giorgio Lago, former editor of the Venice paper *Il Gazzettino*, who promoted the League in the 1980s; Venice Mayor Massimo Cacciari, a follower of Friedrich Nietzsche (Cacciari has recently denied the trade unions the use of St. Mark's Square for an anti-League demonstration). The Northeastern Party is expected to run its candidate for mayor in Venice, too.

Destroy the tentacles of the British Empire

Facing "hard" and "soft" separatists, the government is bound in a Hamlet-like dilemma, to which there is no solution unless pro-national forces abandon completely the underlying parameter of the wrong policy so far followed, that is, free market economy. In Europe, this is called Maastricht, or the single currency project. The budget control policy enforced to fulfill the parameters and the schedule dictated by the Maastricht Treaty makes it virtually impossible to cut the ground out from under the feet of the League. Simple police measures

A 'Southern League' rears its head

Separatist groups in southern Italy will proclaim the "free state of the South," or "Ausonia," at an upcoming meeting organized by the "Independentist Movement-Southern League." According to its spokesmen, it will gather all separatist groups from southern Italy. With utter lack of historical insight, the separatist meeting will take place in the throne room of Friedrich II's castle in Melzi, Basilicata. There, in 1231, Friedrich, the last great humanist leader of the Hohenstaufen, issued the "Constitutiones," i.e., the basic law of his kingdom. Now, separatists are planning to use his premises to launch an entity, which defies the very idea of a nation. The name "Ausonia," as distinguished from Bossi's "Padania," comes from the populations of Greek extraction who inhabited the Magna Grecia colonies in southern Italy.

In a Wagnerian, pagan ceremony parallel to that performed by Bossi last year (when he collected a "holy bottle" of water coming from the source of the Po River), the Southern League will plant a tree using soil "from all the regions of southern Italy." The Southern League is known, by the police and intelligence authorities in Italy, for its connections to Serb war criminal Arkan, who has also travelled to southern Italy distributing large amounts of money to support the project.

alone, albeit necessary at this point, are not going to solve the problem. However, nobody today in Rome has the guts to make the necessary break with such wrong policies, because this would mean a break with "Europe."

Essential to resolving this tangled situation is the attitude of the U.S. administration. Italy-watchers in Washington must realize that the country is being assailed by a foreign power, as the three major newspapers mentioned at the beginning explicitly reported (see box). Stressing the "Unholy League" among Prince Philip, his Dutch accomplices, and former U.S. President George Bush, these media point to an enemy of the Italian nation which is also an enemy of the United States and the Clinton Presidency itself. In the spirit of the postwar alliance between Italy and the United States, and of the historical common heritage of the two nations (Italy is where the modern nation-state was invented; the United States where it was first realized), the Clinton administration must add yet one more reason to the motivations for using its executive power to destroy the British Empire and its worldwide tentacles.

Colombia's former military chief leads in Presidential bid

by Valerie Rush

Colombian narco-President Ernesto Samper Pizano did his countrymen an unexpected favor last July 24, when he fired his Armed Forces Commander, Gen. Harold Bedoya Pizarro, and replaced him with a man who has publicly described himself as an “anti-hero” who doesn’t trust persons with principles. The highly respected three-star General Bedoya, who had refused to resign at Samper’s bidding — and still considers himself “on active duty to the nation” — has gone on to rally anti-corruption forces across Colombia behind his front-runner Presidential bid that has already overturned the political chessboard in this captive nation.

As journalist Alberto Mejía Estrada wrote gleefully on Aug. 4 in the opposition daily *El Nuevo Siglo*, “Sooner or later, every criminal commits a grave error which costs him dearly. Thanks to Providence, Samper has just committed that error.”

Samper’s decision to fire Bedoya in July, rather than wait until the December military rotations to ease him out of office, was a desperate move to silence the most dangerous critic inside his administration. General Bedoya had consistently and publicly opposed Samper’s treasonous appeasement policies toward the country’s two rampaging narco-terrorist armies, the Colombian Revolutionary Armed Forces (FARC) and National Liberation Army (ELN), and was viewed by many, both inside the military and without, as the single most important obstacle to the wholesale surrender of the nation to those murderous forces.

Indeed, Bedoya’s sacking had been demanded by the FARC-ELN as their first condition for sitting down to negotiations with the Samper regime. A “peace agreement” with the 18,000 narco-terrorists of the FARC-ELN is intended by Samper to be the crowning achievement of his infamous four-year narco-dictatorship.

A civil-military alliance

Already in the months prior to Bedoya’s dismissal, the streets of Colombia’s capital city had been painted with “Bedoya for President” slogans, prompted in part by General Bedoya’s public denunciation of the Samper government for acceding to narco-terrorist demands to demilitarize a vast

swath of land in the heart of FARC-cocaine territory. Also giving impetus to Bedoya’s decision to run for office was the active organizing by the Ibero-American Solidarity Movement (MSIA), associated with Lyndon LaRouche, in favor of a civil-military alliance to save the nation. When the news that General Bedoya had been fired went public, 1,000 junior officers occupied the Defense Ministry and, in defiance of their commander-in-chief Samper Pizano, called on Bedoya to run for the Presidency. Bedoya’s answer was, “From this day forward, I am a citizen with all the rights I did not have before. . . . From today forward, I will do whatever Colombians want me to do for them.”

Almost immediately, national opinion polls were showing 40% backing for the general, putting him well ahead of Samper’s former interior minister and hand-picked successor, Horacio Serpa Uribe, who is also known as “Commander Serpa” for his long-standing association both with the narco-terrorist ELN and with the country’s narcotics cartels. One month later, Bedoya has put together a movement, called *Fuerza Colombia*, which he describes as both nationalist and “anti-traditional,” that is, as an alternative to the country’s discredited political parties. He has dedicated his campaign to the simultaneous purging of narco-corruption, and to the reconstruction of ravaged Colombia (see *Documentation*).

Bedoya has also publicly denounced the Samper Presidency as “the political project of [Cali cocaine cartel boss] Miguel Rodríguez Orejuela,” and has insisted repeatedly in the myriad interviews he has given, that Samper must be tried for treason, if the country is to be freed from the corruption which Samper’s rule has come to symbolize both at home and internationally. In an interview in the inaugural, September issue of a new magazine, *Futura XXI*, Bedoya stated outright what his many civilian and military supporters have come to realize:

“I am convinced . . . that I am the last alternative remaining to Colombia, if it is to avoid falling into the abyss that Samper’s corruption has dug.” Asked whom he considers his strongest rival in the campaign for President, Bedoya confidently responded, “No one. I will be President.”

A state of war

Bedoya's campaign comes not a moment too soon, for it is now estimated that as much as one-half of the country may already be in the hands of the narco-terrorists. Mayoral elections scheduled for Oct. 26 have been suspended in scores of municipalities, as candidates from both traditional and non-traditional parties have either been killed, kidnapped, forced to flee the area, or terrorized into withdrawing their electoral bids.

Exemplary of the narco-terrorists' *modus operandi* is the case of Simiti, a town in northern Bolívar province. The entire town council of nine officials was kidnapped by ELN terrorists in August; their fate remains unknown. Television news programs showed the ELN's "flag" flying over the town of 8,000, which has had no police presence since 100 terrorists overran it on June 30, destroying the barracks and killing three policemen. According to Gilberto Toro, the head of Colombia's Association of Municipalities, "It is clear that the paramilitaries and the guerrillas have control of large parts of the country. There are not sufficient guarantees for the October elections."

Samper's Interior Minister Carlos Holmes Trujillo has announced that he will evaluate the situation in each of Colombia's 1,000 municipalities, to determine whether to officially cancel October elections. Twenty-four municipalities in Cesar province alone are currently without any candidates, and the situation is the same in another dozen provinces. Source reports indicate that the narco-terrorists want to shut down at least 200 municipal elections, in hope of forcing negotiations with Samper more on their terms.

Samper's treason

The other evident objective of the FARC-ELN is to shackle the Armed Forces; here, too, the Samper regime has been more than obliging. Samper readily acceded to the demands of the narco-terrorists to demilitarize a large portion of Caquetá province last June, and he is currently negotiating with the FARC-ELN the evacuation of the military from various other terrorist-infiltrated areas, and turning them into so-called "neutral zones."

At the same time, Samper's Defense Ministry is working overtime with corrupt elements of the Judiciary and Congress to rewrite the military criminal code and destroy what little remains of the precepts of military legal jurisdiction and "due obedience." The Army-sponsored civilian security corps, known as Convivir, a vital source of anti-terrorist information in areas where the Armed Forces are underdeployed, is on the verge of being disbanded, and pro-terrorist elements of the human rights lobby are being directly deployed into the Colombian Armed Forces in an "oversight" capacity.

Many inside the political establishment have finally begun to awaken to the extent to which Samper's anti-military and pro-"peace" policies have destroyed Colombia's political

and territorial integrity. Such is the case, for example, with the co-president of the ruling Liberal Party, Emilio Lebolo, who warned that "war has been declared against the nation," and urged that all regions under narco-terrorist control be declared "war zones." That way, said Lebolo, "the Armed Forces would be free to act without the criminal code hanging over their heads."

With the drug cartels ruling from the Presidential palace, the military hog-tied, and the narco-terrorists seizing ever greater chunks of national territory, Colombia is facing the prospect of total disintegration in the very near future. Under such conditions, the movement of General Bedoya, based on a civil-military alliance of nationalist forces, offers a rallying-point for the recovery and reconstruction of Colombia.

Documentation

General Bedoya speaks out against narco-terrorism

In a series of hard-hitting interviews granted to the Colombian media in early September, former Colombian Armed Forces commander and Presidential front-runner Gen. Harold Bedoya Pizarro defined the character of the new political movement he is launching as both "nationalist" and "anti-traditional." Here, we publish excerpts of those interviews, compiled from the dailies El Espectador and El Tiempo, and the inaugural, September 1997 issue of the magazine Futuro XXI.

"There can be no peace with delinquents, with narco-terrorists. There are no guerrillas in Colombia. What we have are very well-organized bands of criminals, and so what should be done is to fight against them, annihilate them. . . . The decision [by the Samper government] to evacuate territory, is surrender to the terrorists, a violation against the fatherland and not the act of a ruler. Whoever does this is committing a crime against the nation. . . . We Colombians own all our territory, and no one can be forced to surrender the fatherland."

Drug-runners and the FARC

Asked by a journalist if there were not a difference between drug-runners and "politically motivated" guerrilla groups, Bedoya answered: "Thank you for giving me the opportunity to contradict you. What you are saying is a lie.

[Drug-runners like] the Rodríguezes, like Pablo Escobar, also had their political organizations. Recall that Mr. Pablo Escobar had a political movement called ‘Medellín without Slums,’ remember? And also recall that Pablo Escobar became a congressman in the House of Representatives. So I don’t see the difference between the gentlemen of the FARC and the drug-runners.”

On his Presidential campaign: “Colombians really want a candidate like me, who is not beholden to anyone, who has no problems with the law, who is not linked—even at a distance—with the illegal activities of the drug trade, and about whose life there are no doubts. I am convinced, and I am going to tell the country this, that I am the last alternative remaining to Colombia, if it is to avoid falling into the abyss that the Samper government’s corruption has dug.”

‘My only ideology is to defend the nation’

“... My only ideology is to defend the nation. I am not going to belittle myself by saying that I am from the right or left, the extreme or the center, from above or below. I am not going to get involved in that. My political orientation can be found among ... all Colombians who wish to free themselves from crimes and corruption.”

“Since I did not resign my post, nor my rank, nor my duties, I continue in active service to the nation. That was the

commitment I made with all Colombians, to be their President if they give me the support at the polls to exercise the political power of the state. With this objective, I am proposing a movement that calls itself *Fuerza Colombia*, which will register before the Electoral Council on Sept. 15.”

“I represent the antithesis of traditional politics. . . . Colombians no longer want to identify with the traditional parties, but they remain faithful to the ideas, the objectives, and the principles. That is why this movement is being created, so that people from the parties and from independent sectors can be included. No one will be persecuted for their ideas, but without hesitation I intend to subject criminals to the rule of law, to answer to the authorities.”

“I am going to propose to my compatriots a government program with clear ideas and purposes, which will be complied with precisely, to do away with a corruption that is widespread, and to solve the great problems of the nation such as education, health, housing, and employment. I will seek to improve relations with all countries, and obviously with the United States, so that Colombia will no longer be decertified and denigrated internationally, so that Colombians—from the head of state on down—will no longer be characterized as pariahs because of the influence of the corrupt. We will involve both national and international private enterprise in the reconstruction of Colombia.”

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Asian call for human rights review must lead to New Bretton Woods

by Michael and Gail Billington

In a stunning expression of unity and responsibility toward the unfolding global crisis, leaders of the nations of Southeast Asia, joined by Chinese Foreign Minister Qian Qichen, turned the closing press conferences of the meetings of the Association of Southeast Asian Nations (ASEAN) in Malaysia on July 29, into a forum demanding a review of the 1948 United Nations Universal Declaration of Human Rights. The subject had not been addressed directly during the week of contentious debates, which were dominated by issues of national sovereignty and the criminal role of speculators in the currently unraveling global financial system. But when Malaysian Prime Minister Dr. Mahathir Mohamad raised the issue at the press conference, saying that the nearly 50-year-old Universal Declaration of Human Rights fails to address the needs of poor and underdeveloped nations, sparks flew from the Anglo-Dutch spokesmen for the European Union, and from U.S. State Department officials accompanying Secretary of State Madeleine Albright. The Asian nation leaders responded with insightful analysis and a forceful defense of the call for a review of the Declaration.

The primary point was that the right to economic development of a nation and its people had not been the guiding principle of the 1948 Declaration, and that it has subsequently become a tool in the hands of some leaders of the advanced sector to impose continued economic backwardness on poor nations under the pretense of concern for human rights. Despite the howls of protest from “the West,” one after another of the Asian leaders rose, insisting that they did not wish to “water down” the true and just desire for human rights for all the world’s people, but to *improve* upon the badly flawed document prepared by the founders of the United Nations.

What was not said, but which is on every political leader’s mind, both in Asia and in the West, is that the flaws in the Universal Declaration of Human Rights, are exposed at this point because of the breakdown of the *other* primary policy established at the end of World War II, the world economic order designed at Bretton Woods in 1944. The Bretton Woods agreement set fixed currency exchange rates, based on a gold-reserve system, with the primary concern being the reconstruction of the devastated economic infrastructure of Europe after the war, while reestablishing stable world trade relations.

The dollar was pegged to a fixed weight of gold, and became “as good as gold,” as a reserve currency around the world. The agreements have progressively collapsed since 1971, when President Richard Nixon pulled the dollar off gold, and have disappeared completely in the 1980s and 1990s transformation of the world financial system into a deregulated gambling casino for derivatives, speculators, and drug money launderers (who are usually one and the same individuals).

The Asian leaders are aware of the growing movement for a New Bretton Woods Conference, a call initiated by American statesman Lyndon LaRouche, which now has the support of more than a thousand individuals, including former heads of state, state and local elected officials, civil rights, trade union, and religious leaders, and economists. The movement recognizes that the only way to successfully address the fundamental flaws in the Universal Declaration of Human Rights is to simultaneously discard the bankrupt and corrupted International Monetary Fund (IMF), World Bank, and related UN economic institutions, and build a new, just world economic order predicated on the rapid economic development of all nations.

On Aug. 31, Mahathir brought the issue of the IMF’s criminal role into the public debate, when, during celebrations marking the 40th anniversary of Malaysia’s independence from British colonialism, he declared that the IMF had *sponsored* the speculators who were looting and destroying the economies of Southeast Asia. He described the world under IMF control as “a jungle,” saying that the leaders of small and developing nations must “develop the skills to handle the wild beasts which roam around inside it.” The IMF, he said, wants to stop or slow down all major development projects, and “is only interested in saying, ‘I told you so,’ even if they had to subvert our economy just to prove that they are right.” The oligarchy see the writing on the wall, and are not amused.

The UN Declaration

The 1948 Declaration was designed by the leading spokesmen of the British Empire, whose purpose in building the United Nations was to force upon all nations a “world government” along the lines of Bertrand Russell’s world parliamentarians committee. Although President Franklin D. Roosevelt had very clearly informed the British that the

United States would not tolerate a continuation of British, Dutch, and French colonialism after World War II, his untimely death in April 1945 left the United States in the hands of the pliable Harry Truman and his Anglophile controller, Averell Harriman. At the beginning of World War II, the British, anxious to get the Americans fully engaged in the war, had reluctantly conceded to an Atlantic Charter, in which those nations occupied by the Axis powers would become free and sovereign states. Churchill and the British had no intention of allowing this explicit pledge to apply to *their* colonies, occupied by the Japanese in Asia; and, with Roosevelt's death, the American side capitulated to the British Empire policy. Truman not only agreed to the reestablishment of the colonial empires in Asia (and elsewhere), but was manipulated by Russell's networks into dropping America's only atomic bombs on Japanese cities, acts of barbarism which had *no military purpose*, against a nation which, by then, was cut off by sea from its supply of essential raw materials, and was already preparing to surrender. The only purpose for the bombings was to so terrorize the world, that nations would willingly relinquish sovereignty to a world government, in order, they were led to believe, to avoid the horrors of nuclear war.

The Universal Declaration of Human Rights, although expressing the aspirations of many nations that the horrors of fascist oppression never again be tolerated, was carefully designed to ignore the issues of the economic rights to national development, while also providing a cover for the breach of sovereignty of any nation which refused to succumb to the "neo-colonialism" under the British Commonwealth or the British-dominated United Nations Organization (UNO).

Not only did the Declaration ignore the issue of colonialism, it explicitly references, approvingly, the idea of "limited sovereignty" for territories and countries, demanding that only individuals within such "non-self-governing" entities be entitled to personal liberty.

Ignored is the conception of man that arose in the Golden Renaissance, and the concept of the nation-state, its necessary complement. Man's freedom and dignity do not derive merely from restrictions against repression, but from the capacity of each individual for that which uniquely distinguishes man from beast, the God-given power of cognitive reason. The power of humankind to discover ever more perfectly the laws of the universe, and apply such discoveries to the increase and improvement of the condition of the human race, requires the existence of a political entity dedicated precisely to that principle for each and every citizen. This was the seed crystal of the sovereign nation-state, which gave birth to the explosion in *global* demographic, scientific, and cultural development, following the European Renaissance of the 15th century, despite many atrocities brought on by the colonial policies of the Enlightenment and the continuing grip of oligarchical power.

The most profound articulation of the necessary fight for these two interrelated ideas—the concept of the nation-state,

and the concept of man in the image of the Creator—occurred during the battle for independence of the British colonies in America. Following the tradition of the Renaissance, as transmitted through, especially, the works of the 17th-century genius G.W. Leibniz, and then to the circles around Benjamin Franklin, the Founding Fathers of the United States explicitly defined their new-found nation as a Republic, based on natural law, including such "unalienable rights of man": "Among these, are Life, Liberty and the pursuit of Happiness." This is a formulation of the ideas of Leibniz, who recognized that the source of joy in man lies in the creative act of discovery, which makes each individual capable of assimilating the discoveries made throughout human history, and to conceptualize the future as the basis for his or her own creative contributions to the shaping of history. The Founding Fathers explicitly rejected the British notion, associated with John Locke and the Enlightenment, that natural law only protected "life, liberty and *property*," the view of the oligarchy that the purpose of government is the protection of the personal riches of the wealthy.

The UN Declaration of Human Rights took the side of the British on this issue, against the Renaissance, Leibniz, and the American Founding Fathers. The Declaration says: "Everyone has the right to life, liberty and security of person," replacing the positive notion of man's true freedom, located in the exercise of reason and improving upon mankind's progress, with the negative restriction against threats to one's security (although the British authors probably would have preferred the term "securities").

The British hopes for the UN to become the world government were not entirely realized, in part because of the powerful impulse for technological optimism in the United States, following World War II, and in part due to the development of a nuclear capacity by the Soviet Union and, later, the People's Republic of China. But with the fall of the Soviet Union and the collapse of the Bretton Woods economic system in the West, the British have been reforming both the Commonwealth and the UNO to function according to their original design—world government over a new colonialism, now called "globalization."

British Foreign Secretary Robin Cook, during his four-nation tour of Southeast Asia in late August, has emerged as the self-appointed spokesman to reiterate the imperial view that "no change" is the *only* change that will be tolerated. Speaking in Kuala Lumpur on Aug. 28, Cook warned against tampering with the Universal Declaration, "There is room for debate about the implementation, but not about the principle. . . . Every country is a member of the international community and it is therefore reasonable to require every government to abide by the rules of membership. They are set out in the Universal Declaration of Human Rights. . . . All members of the United Nations are required to hold these rights to be self-evident." In Indonesia, Cook was downright insulting on the subject.

Why the Schiller Institute was founded

The international Schiller Institute was founded by Helga Zepp LaRouche precisely in order to prevent this descent into a new colonial barbarism, and to redress the fatal flaw in the structural design of the United Nations. Aiming to establish a worldwide movement dedicated to the highest principles of universal natural law, the Schiller Institute adopted a "Declaration of the Inalienable Rights of Man," at its founding conference in November 1984. That Declaration states, in part:

"The history of the present international financial institutions is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute tyranny over these states. To prove this, let facts be submitted to a candid world. They have refused their assent to our plans of development, the most wholesome and necessary for the public good. They have forbidden their banks to engage in business of immediate and pressing importance for us, and on equal terms. . . . They have overthrown legitimate governments repeatedly, for opposing with manly firmness their invasions on the rights of the people. . . . We, therefore, Representatives of the Peoples of the World, appealing to the Supreme Judge of the world, do . . . solemnly publish and declare that all countries of the world are and of right ought to be free and independent States. That all human beings on this planet have inalienable rights, which guarantee them life, freedom, material conditions worthy of man, and the right to develop fully all potentialities of their intellect and their souls. That, therefore, a change in the present economic and monetary order is necessary and urgent to establish justice among the peoples of the world."

ASEAN sounds a universal alarm

The backdrop to the debate at the ASEAN conference was the multibillion-dollar looting of nearly every Southeast Asian nation by global speculators, led by the notorious George Soros, during the months of June, July, and August (see *EIR*, Aug. 15). Malaysia's Prime Minister Mahathir, with backing from his ASEAN partners, denounced the speculative attacks on ASEAN currencies by super-rich individuals, as willful, criminal acts of theft from nations which lack the resources to defend themselves. Mahathir and others demanded that the world take steps to correct a system that tolerates such overt criminal activity by the so-called "free market." Mahathir also linked the speculators' actions to the *political* efforts of Soros and others to prevent ASEAN from admitting Myanmar and Cambodia into the association, due to supposed "human rights" concerns. (As *EIR* has documented, drug-legalization advocate Soros and his allies are far more interested in maintaining control over the vast sources of drugs in the Golden Triangle than in the rights of the people of Southeast Asia.)

Mahathir then dropped his bombshell, calling for a review of the Universal Declaration of Human Rights. U.S. Undersecretary of State for Economic and Business Affairs Stuart

Eizenstat, who had foolishly leapt to defend Soros earlier in the week (as did Secretary Albright), stuck his foot in his mouth again, denouncing Mahathir's proposal as an effort to dilute the universal value of human rights. "Universal values don't have a time period," he said. "They are universal and transcendent." Even more incensed was Dutch Deputy Foreign Minister Michiel Patijn, who said the European Union would be "extremely reluctant to review the charter," which he described as the cornerstone of all international relations. "I was particularly surprised," he pontificated, "that this conference discussed the declaration's review."

This hypocrisy was met head on by one after another of the Asian leaders. Indonesia's Foreign Minister Ali Alatas said he was equally surprised that the proposal was interpreted as an effort to "dilute" the value of human rights. He insisted that there is a need to have uniform standards, in order to strengthen human rights, including economic as well as social, pointing out that over 120 newly independent states are now in the UN, which did not take part in the drafting of the 1948 convention. He was supported by the foreign ministers of the Philippines, Malaysia, and Thailand.

Chinese Foreign Minister Qian Qichen then pointed out that while the United States releases a report on human rights around the world every year, it publishes no report on human rights abuses *within* the United States, nor does the Western press cover China's reports on human rights problems in the United States and Europe. Qian's role in this debate is critical. President Clinton, while concerned about continuing restrictions on freedoms of speech and assembly in China, has firmly supported the idea of constructive engagement with the world's largest nation, and his administration has increasingly expressed support for the "great projects" approach being followed by the Chinese government, such as the Three Gorges Dam and the historic Eurasian Land-Bridge project to rebuild the ancient Silk Road connections between China and the West. It is precisely in this framework of collaboration in nation-building that a New Bretton Woods *and* a new, enhanced declaration on all human rights, can be brought into existence.

On Aug. 22, during a state visit to Malaysia, Chinese Premier Li Peng supported Mahathir's call for a review of the UN Declaration, and added that this will require a solution to the mounting economic crisis. "Let us join hands in a concerted effort to promote the establishment of a fair and just new international political and economic order characterized by peace and stability," Li Peng said.

The rapidly unfolding collapse of the world financial system demands that national leaders think beyond their national problems to address the crying need for a new, just world economic order. The call by Asia's leaders for a review of the Universal Declaration of Human Rights, if linked with support for the Schiller Institute's call for a New Bretton Woods Conference, can become the trumpet call for a new era of development and peace.

Transparency Int'l: clear as mud

The Australian branch of Transparency International has launched an aggressive global organizing drive.

In 1995, the Australian branch of Prince Philip's new "anti-corruption" organization, Transparency International, was set up courtesy of the funding and manpower in Melbourne of Royal Dutch Shell, one of the main bankrollers of another scam by Prince Philip, the World Wide Fund for Nature. Since then, TI-Oz, as it calls itself, has dispatched its directors to the far corners of the earth, in tireless pursuit of TI's quest to seek out and destroy corruption, i.e., to destabilize any country which refuses to submit to the fascist conditionalities of the World Bank-International Monetary Fund (see *EIR*, July 25, 1997, p. 60).

The dirty Duke of Edinburgh's Australian minions have been busy beavers, as the following, partial roster of their activities indicates:

- In 1995, TI-Oz convened a conference in Asia, attended by representatives of 14 nations, and which led to the establishment of TI chapters in Papua New Guinea, Pakistan, Nepal, and Malaysia.

- TI-Oz board member Isabel Blackett has helped set up a chapter in South Africa, whose launch was key-noted by South Africa's Deputy President and heir-apparent to President Nelson Mandela, Thabo Mbeki. Blackett has been active in Pakistan, India, and South Korea as well, and TI-Oz is launching the organization in Uganda, home of the British Crown's favorite butcher, Yoweri Museveni. Blackett's efforts are being generously supported by the U.K.'s Overseas Development Agency (the old Colonial Office), and by Standard Chartered Bank, the flagship bank of the British Empire, and of the Em-

pire's present incarnation as the Commonwealth.

- TI-Oz executive director Peter Rooke helped establish the organization in Pakistan, in conjunction with the Sustainable Development Policy Institute in Islamabad, a non-governmental organization (NGO), and has addressed the Lahore Chamber of Commerce and Industry and numerous business and trade union groups. Rooke was also in Cambodia last April, working with the Center for Social Development, an NGO, and helping to draft anti-corruption laws for the Cambodian government.

- In early 1997, TI-Oz officials met with the World Bank's chairman of Private Sector Development, Richard Frank, who had earlier attended a TI international seminar on behalf of World Bank chief James Wolfensohn. In follow-up to that seminar, Frank told TI-Oz that "corruption prevention should be integrated into all the Bank's work in the Asia Pacific." According to TI's newsletter, Frank also "saw scope for TI and the Bank to work together. . . . Corruption is a focal issue for the Bank in 1996/97."

The image of the World Bank and TI making sweet music about "working together" is ludicrous, given that, as *EIR* has documented, all of TI's top officials were drawn from the World Bank, and that TI is a World Bank front, midwived by the dirty Duke.

Not long after the meeting with Frank, TI-Oz and the bank did "work together," in Papua New Guinea. The British-born TI-Oz national chairman Henry Bosch and executive director Rooke officially launched TI-P.N.G. in January 1997, and "Peter has done

a lot of follow-up since," Anne McDermott, TI-P.N.G.'s manager, told *EIR*. Indeed. As *EIR* documented in its Aug. 22 report, "Britain's 'Invisible Empire' Unleashes the Dogs of War" (p. 25), after Prime Minister Julius Chan temporarily kicked the World Bank out of his country in 1996, charging that it had "destroyed many countries," the bank came back, wearing its Transparency garb, to mobilize the NGO and low-church street mobs which helped overthrow Chan's government in June, in a manufactured corruption scandal. The head of TI-P.N.G., Sir Anthony Siaguru, was deputy director general of the Commonwealth during 1990-95.

Not everyone has been taken in by TI's facade of sweetness and light, however. On Aug. 21, P.N.G.'s Trade and Tourism Minister Michael Nali leveled a blistering attack on TI. Said Nali, in response to TI-P.N.G.'s arm-twisting to get politicians to sign a "national integrity" pledge: "As an elected representative of my people and a minister of state sworn to duty to the Monarchy, the National Constitution, and to God, I am questioning the legal and moral basis of this particular group going around soliciting written undertakings from leaders of this country to adhere to what it calls a 'national integrity pledge.' As far as I and my colleagues in the People's Progress party are concerned, the Oaths of Office we took as members of parliament and ministers of state are more than sufficient. . . . The TI group's public pronouncements seem to portray us all as a bunch of thieves, intent on plundering the wealth of this nation. . . . We feel it is most inappropriate to allow any person or organization, especially those of alien, uncertain, and subservient status, to interfere in the Constitutional processes dealing with leaders in this country."

Sheikh Mujib assassination revisited

New evidence may link foreign interests to protection of the killers of the late Bangladesh President.

South Asian nations lost a host of heads of state to assassins during the 1970s and '80s, when Cold War tension was at its peak. Most of the assassinations remain unsolved. Those which were declared officially solved, nailed the gunman without making any effort to widen the net. Political exigencies, the muscle of the international powers that be, and general apathy among the people, kept the investigations shallow.

One such assassination was that of Bangladesh's founder-President, Sheikh Mujibur Rahman. Sheikh Mujib, as he was widely known, was killed by a posse of "rebel" soldiers who invaded the Presidential palace with guns, tanks, and armored cars in the early hours of Aug. 15, 1975, to wipe out the near and dear ones of the President. It was a mass slaughter, conducted on India's Independence Day, ostensibly to send a message to Indian Prime Minister Indira Gandhi, who was a close political and personal friend of Sheikh Mujib. Years later, on Oct. 31, 1984, Mrs. Gandhi herself was assassinated by one of her bodyguards.

Although two disgruntled colonels and assorted Army men and bureaucrats were identified as likely killers of Sheikh Mujib (years later, two colonels made a habit of walking around the streets of Dhaka bragging about their "great deed"), the administrations that followed the assassination, led by Army generals, clearly protected these suspects and sent them abroad as employees in Bangladesh's foreign missions. While these facts are

well known to most Bangladeshis, it is not fully recognized that the assassination could have had a foreign input. Besides the disgruntled Army men and ambitious Army generals within Bangladesh, there could be others who would have liked to see Sheikh Mujib dead and gone.

The events that led up to the assassination indicate that then-U.S. Secretary of State Henry Kissinger, whose link to British intelligence is widely recognized, was becoming unhappy over Sheikh Mujib's close proximity to the Indian prime minister, and, indirectly, to the Soviet Union. A week before Sheikh Mujib was killed, Kissinger was there, and noted at a press conference that his differences with Sheikh Mujib were not resolved.

There was also the sudden appearance of an American reporter, allegedly linked to the CIA at the time, in Dhaka on the day of assassination.

No doubt, there were indications of a possible foreign element in the foul play. Moreover, it is generally the case that the assassination of a head of state does not occur in a vacuum. In this case, of course, the hands-on killers were shipped out and not brought back. No real investigation took place, and no one was nailed for killing Sheikh Mujib.

It might have stayed that way, as many other assassinations have been summarily swept under the rug. In this case, however, the events may not allow the Bangladeshis to forget the assassination completely.

Following the assassination of Sheikh Mujib, his Army chief, Maj.

Gen. Ziaur Rahman, came to power through a series of short-lived coups. President Ziaur Rahman was in turn assassinated in 1981 by an Army officer. The true story of that assassination, too, remains untold.

In the early '90s, the late Ziaur Rahman's wife, Begum Khaleda Zia, backed by her husband's friends, and by domestic anti-Mujib and anti-India factions, came to power, defeating Sheikh Hasina Wazed, one of the two daughters of Sheikh Mujib who had escaped assassination, because she was abroad at the time. The election was relatively fair. Sheikh Hasina had grown up to lead Sheikh Mujib's party, the Awami League, and became the leading politician of Bangladesh. Now, Sheikh Hasina is the prime minister, Begum Zia is her main opponent, and India-Bangladesh relations have begun to improve, after years of neglect.

There are reports that Begum Khaleda is organizing to topple Sheikh Hasina. But in the meantime, the Bangladesh government in Dhaka has reopened the Sheikh Mujib assassination case. It is obvious that President Ziaur Rahman's role in protecting the suspects will be questioned. But, there is yet another development.

It has been reported in a Bangladeshi newspaper that Begum Khaleda, while in Pakistan recently, met with two of the murder suspects who are now in Pakistan. The Pakistani government in Islamabad is in difficulty over this, because Pakistan does not want to admit that it is harboring the suspects and thus blocking Dhaka's investigation.

Dhaka has also made the accusation that while Begum Khaleda was in Pakistan as the opposition leader, she was treated as the head of state, and her itinerary within Pakistan was not fully disclosed.

All this leads one to believe that Islamabad has something to hide.

International Intelligence

Japan welcomes China's economic development

Japanese Prime Minister Ryutaro Hashimoto said that China's economic development contributes to Asian and global stability, in remarks on Aug. 28, one week before his departure on a four-day state visit to China. "I firmly believe that the development of China's economy will contribute to further stability in China, Asia, and the world as a whole. We will continue to attach importance to our economic relations with China and extend economic cooperation," he said.

Referring to a flap that erupted in August over remarks by a Japanese official concerning possible conflicts in the Taiwan Strait, Hashimoto said that, on issues related to Taiwan, "We sincerely hope that the parties concerned on both sides of the Taiwan Strait will reach peaceful solutions through dialogue." As to Japan's relationship to such issues, he said, "It is crystal clear that Japan will never become a military superpower. It is indispensable for us to have more dialogue to defuse the Chinese concerns. . . . In light of the importance of future Japan-China relations, the present situation is not good enough. Therefore, we must expand opportunities for dialogue."

China strengthens ties to ASEAN nations

China's Prime Minister Li Peng's visit to Malaysia on Aug. 21-24 is viewed as of "extraordinary significance," the Hongkong daily *Wen Wei Po* reported in a commentary on Aug. 21. "China has called for the establishment of a new international political and economic order, an important point of which is to support and promote the world's development toward a multipolar direction, and to regard ASEAN as an important 'pole,'" the commentary stated.

If Cambodia joins the Association of Southeast Asian Nations this year, a 10-member "Greater ASEAN" structure will take shape and constantly improve itself, and

a common market consisting of all ASEAN countries will also take shape," the commentary stated. Chinese-ASEAN cooperation "is of the utmost importance to safeguarding peace and prosperity in the Asia-Pacific region and to the development and construction of the two 'poles' themselves."

At the "ASEAN Informal Summit" in December 1997, of heads of state of the ASEAN nations, plus China, Japan, and South Korea, ASEAN and China are expected to sign a document on "Chinese-ASEAN Relations," to "build a new pattern of political and economic cooperation between the 'Greater ASEAN' and China. Asked about this document, Malaysian Ambassador to China Mat Ami said that if it is signed, it would be the "first political document expounding the bilateral relations between ASEAN and a non-ASEAN country. . . . Premier Li Peng's . . . current diplomatic offensive into Southeast Asia should be regarded as an important step on the part of China to promote a new multipolar international political and economic order and as an important act in a series of diplomatic plays by China in the second half of 1997."

Germany, Iran prepare to normalize relations

Iranian Foreign Minister Dr. Kamal Kharrazi issued a statement Aug. 25, responding to press accounts, that German Foreign Minister Klaus Kinkel had invited him to enter negotiations, which had been in limbo, since the "Mykonos" trial in Germany against alleged Iranian state-backed terrorists earlier this year. Kinkel denied that he had received any such invitation, but stated his willingness to accept, if one were extended. Kharrazi told reporters that if Kinkel or the European Union should invite him to the negotiating table, he would welcome it, according to the Teheran news service IRNA.

In an interview with *Iran News* Aug. 26, Kharrazi also said that "the Islamic Republic is ready to cooperate with other countries for combatting terrorism," and that "Iran will cooperate with other countries to counter terrorism no matter in what form this menace

is." In his first press interview since his confirmation, Kharrazi said Iran's foreign policy was based on "independence, equality, non-interference into internal affairs of other nations, and mutual respect." "The new government in Iran is ready to talk with other countries in order to remove any misunderstanding, to build mutual confidence, to eliminate tension, and to promote peace and stability in the region and the world as a whole," Kharrazi said.

In an interview in the Aug. 27 *Neue Ruhr Zeitung*, Kinkel welcomed the fact that Teheran had "extended its hand," and said he thought a meeting could take place at during this month's meeting of the UN General Assembly in New York.

Kenya's Moi attacks IMF secret agenda

Kenya's President Daniel arap Moi denounced the International Monetary Fund on Aug. 27, on the eve of talks with an IMF team on a blocked aid package. The IMF blocked the aid, under the claim that Kenya lacks "good governance." It made the decision the same week that Rwandan strongman Paul Kagame flew to Nairobi, to threaten Moi for his protection of Rwandan Hutu refugees.

"I have held talks with both the IMF and the World Bank in Mombasa, and this will continue in Nairobi," Moi told a crowd in Mombasa. He said both institutions had a "hidden agenda" to target Kenya, and had pushed the country to the wall, even after it had implemented their demands in the past in return for aid. "Why don't they do the same to South Africa, which has not even freed its foreign exchange controls?" he asked. "Is it because of the white people there?"

Meanwhile, in tandem with increasing IMF pressures to topple Moi, the British-run Kenyan opposition proclaimed the formation of a "provisional constituent assembly" on Aug. 28, at a three-day meeting in Nairobi of 300 members of several opposition parties. The meeting was called to force President Moi to enact externally demanded re-

KENNETH KAUNDA, former President of Zambia, was shot on Aug. 30, in what he called an assassination attempt ordered by high-ranking Zambian officials. Kaunda was struck on the forehead by a bullet, as police fired on his car, after they moved in to break up a rally of the National Opposition Alliance in the town of Kabwe north of Lusaka.

INDONESIA has declined President Nelson Mandela's offer for South Africa to serve as the venue for the continuing All Inclusive East Timorese Dialogue. Antara, the Indonesia news agency, reported on Aug. 28. Indonesia Foreign Minister Ali Alatas told reporters, "Our wish is that Austria would become the permanent venue of the AETD."

ISRAEL is actively considering joining the British Commonwealth, following the "unofficial approach" in July by Commonwealth Secretary General Chief Emeka Anyaoku, to the Israeli ambassador in London, Moshe Raviv. Raviv told the *Jewish Chronicle*: "Although there has been no formal approach from the Commonwealth, some people in the organization have suggested that Israel join. . . . I cannot see any drawbacks and view it as a favorable possibility."

IRAN accepts the Dayton plan for peace in the Balkans, despite its discrepancies and shortcomings. Deputy Foreign Minister for Education and Research Abbas Maleki said at a round-table conference on changes in the Balkans and the future of Bosnia-Herzegovina, held in Teheran in late August. He said that the accord had ended bloodshed, and the people and politicians in the Balkans considered its existence better than nothing.

NORTH KOREA has "no prospect" of becoming food self-sufficient in the near future. Catherine Bertini, head of the UN World Food Program, told reporters in Canberra on Aug. 27. "They are not currently in a position to feed themselves. This food aid will be necessary for some time."

forms, before the upcoming parliamentary elections. The government has already announced that it will enact no such reforms until after the election.

The meeting also proclaimed that if the government does not comply with its demands, it will declare its "provisional constituent assembly" to be the ruling assembly of the country. It also called for "mass actions" to pressure the government.

Responding to these threats, Moi told a Nairobi rally, "There are some people who want chaos. We do not speak to people whose mandate comes from the streets. Those who can negotiate about the constitution are parliamentarians, against parliamentarians."

Expert says Algerian junta runs terrorism

Maghreb expert Bruno Etienne told the Aug. 30 daily *Le Figaro* that, as far as he was concerned, "three out of four assassinations," in the Algerian civil war, "come from the ruling power. To be more precise, the latest assassinations stem from the fact that the military junta, contrary to any other faction, refuses to negotiate with the Islamic Salvation Front." The FIS, as the Front is known, had won the first round of elections in 1992, when the military cancelled the elections, and seized power. Since then, the junta has run a counter-insurgency civil war against the Islamists, under the cover of combatting the terrorist Armed Islamic Groups (GIA)—which is heavily infiltrated by the junta.

Etienne explained to *Le Figaro* how Algerian military security infiltrated underground forces of GIA. According to him, people in government prisons are killed to prevent them from speaking. "The fact that most of the young people in these commandos are killed in prison after making their confessions, doesn't fool anybody. According to the official version, they are killed by their brothers. But do you see a lot of prisons in Algeria where the Islamists are going around with Kalashnikovs? When we speak about fundamentalist crimes, don't forget to

add 'alleged,' which the French TV forgets to do too often."

Etienne blasted the Algerian Army's gang-countergang operation, particularly the "official commandos, [known as] the Ninjas. . . . They surround an area, they blow up the houses and kill everybody." He also explained how the Army recruited 200,000 militia members and deploys 180,000 soldiers. With this large number of men under arms, Etienne said, it is not credible that they "are not able to crush some 'residual' underground forces. Something is not real, here."

Asked by *Le Figaro* why he speaks so much about the junta in Algiers, and not about the Islamists, Etienne replied: "The whole Algerian people, and not only the Islamists, is against this military-industrial bloc. . . . Everybody has had enough of this mafiosi power. Only the French continue to praise the role of the Algerian military junta in acting as a 'secular rampart.' The Americans chose the Islamists a long time ago."

Former Mobutu ministers create Congo resistance

Two former ministers in the Zairean government of Mobutu Sese Seko have announced the creation of the Rally of Congolese Patriots (RPC) as a "movement of political resistance" to the dictatorship of Laurent Kabila in what now the Democratic Republic of the Congo, the former Zaire. Kamanda wa Kamanda, the former vice prime minister and foreign minister in the last Mobutu government, and Kin-Kiey Mulumba, the former information minister and director of *Le Soft* newspaper, on Aug. 27 announced the creation of the Rally of Congolese Patriots, according to the Brussels daily, *Le Soir*. It was presented as a "movement of political resistance" to the new regime in Kinshasa.

According to Kamanda, the objective of the new movement is "to bring an end by all political means to the regime of occupation" of President Kabila and "to bring together the isolated actions of resistance." He stressed that the new power in Kinshasa "is in essence not domestic, and that the country has been placed brutally under a regime of occupation."

LaRouche: ‘Infect the U.S. population with optimism’

by Jeffrey Steinberg

“There is a mood shift in progress now, which is like the sand in the beach leading to the ocean. . . . Our problem is that we must be intellectually prepared, on two grounds: First of all, we must know—not as a matter of learning it, but as a matter of truthful awareness, that it will work—what has to be done. And, we must mobilize people, to get their politicians, and others in positions of influence, to agree to do it. We’ve got to get enough support for this President, for his doing this, that he has to do, to make it happen. And we can—if we can act like a virus, and become infectious. Infect the population with optimism, with a sense that there must be alternatives. If you’re on the *Titanic*, and there’s a lifeboat, shouldn’t you get into the lifeboat, if the ship is sinking? What do you think of the guy who says, ‘No, I’m going to stay with mainstream thinking?’ That stream goes all the way down.”

Those words were delivered by Lyndon LaRouche in his Aug. 30 keynote address to the annual Labor Day weekend conference of the Schiller Institute and the International Caucus of Labor Committees, held in Reston, Virginia on Aug. 30- Sept. 1, on the theme, “Towards a New Bretton Woods.” (The keynote address is published elsewhere in this issue.) Over 900 people attended, including foreign dignitaries from Africa, Central Europe, Ibero-America, and Asia, and a number of elected state officials and former members of the U.S. Congress.

The conference itself was a demonstration of the growing optimism and combativity in the American population. Attendance was significantly greater than the Labor Day 1996 conference, and many people attending had already taken up greater responsibilities, as local representatives and leaders of the LaRouche political movement.

Aesthetical education

The second keynote address was delivered on Aug. 31, by Helga Zepp LaRouche, on the subject of “How Aesthetical Education Determines the Moral Character.” Mrs. LaRouche is the founder of the Schiller Institute and one of the world’s leading scholars of Cardinal Nicolaus of Cusa and the German poet of freedom, Friedrich Schiller. She directly tackled the psychological requirements of leadership during the current period of crisis, likening it to the 14th-century Dark Age, in which half the population of Europe was wiped out by disease, famine, and war. Yet, the Dark Age was followed by the Golden Renaissance, the greatest outpouring of creativity in human history.

She counterposed the present threat of a new Dark Age of death and misery, to the appreciation of Classical beauty, which is key to overcoming the neurotic pathologies that prevent people from tapping their potential for true creativity and courage. Using the aesthetical writings of Schiller, and Lyndon LaRouche’s 1973 writings on the subject of “beyond psychoanalysis,” Mrs. LaRouche developed how individuals can develop their character through mastering the greatest discoveries in art, science, and statecraft. The full text of her speech will be published in a forthcoming issue of the weekly newspaper *New Federalist*.

Britain’s ‘invisible’ empire exposed

The concluding panel of the public conference featured presentations by four *EIR* intelligence directors, who produced the Aug. 22 cover story, “Britain’s ‘Invisible’ Empire Unleashes the Dogs of War.” Jeffrey Steinberg, Linda de Hoyos, Dennis Small, and Anton Chaitkin delivered a very chilling profile of the real British empire today. First, Stein-

berg provided an overview of the three faces of the British imperium: 1) the visible empire, associated with the Crown, the Privy Council, the Church of England, and the British Commonwealth, an alliance of 53 countries, on every continent, comprising nearly one-quarter of the land mass of the Earth, and inhabited by over 1.6 billion people; 2) the invisible empire, which also includes the Club of the Isles' interlocking combine of banks, raw material cartels, think-tanks, and private mercenary agencies; and 3) the "empire of the mind," the psychological warfare directorate, fueling the drug-rock-sex counterculture, as well as a plethora of irrationalist sects, such as the British Israelites, linked to the militia movement in the United States.

Next, Linda de Hoyos and Dennis Small provided a detailed roadmap of how the British have moved in to Africa and Ibero-America, to spread genocide, destroy every nation-state, and loot the continents of their strategic raw materials wealth. The original British banks that helped launch the 19th-century Opium Wars are now operating all over Africa and Ibero-America, facilitating the spread of narco-terrorist gangs, drug cartels, and death squads.

The concluding presentation, by Anton Chaitkin, detailed his investigation into the Church of England-spawned pentecostal penetration of the U.S. military, the FBI, and the so-called "patriotic militias." Using film footage of two of the leading British-inspired insurrectionists, Jim Ammerman and Pat Robertson (the latter interviewing Britain's Lady Caroline Cox), Chaitkin demonstrated that a grave national security threat has been all but missed, and must be acted upon now.

Policy perspective

At a business session on Sept. 1, Lyndon LaRouche spelled out his political priorities for the immediate period ahead, which were enthusiastically supported by the other participants:

"We are going for what is called a New Bretton Woods. We are not going to submit, or base the proposal, on a *program*. The New Bretton Woods is not a program. That is, it is not a design based on some already accepted set of axiomatic assumptions, which is what all programs are. . . .

"What it is, is a change in the axiomatic assumptions of government: overturning the Adam Smith economic liberalism system; putting all the institutions into bankruptcy, whatever that means; overturning economic liberalism in whatever form it presents itself; cutting off Satan's tail, wherever he presents himself—that's the policy. Not a program, it's a *policy*. . . . To set up a system, whatever that requires, which conforms to the best aspects of the former Bretton Woods, particularly before 1959. Why before 1959? That is during a period in which we had conditional convertibility of currencies, of well-regulated currencies. And we're going into a condition which has to be addressed, in significant degree, by reducing many currencies around the world to conditional,

as opposed to free, convertibility. Because you must have a national economic protectionist system, so that economies are not destroyed by the vicissitudes of price mechanisms in a monetary market. You must fix the value of currency on some rational basis, and defend those values, through international cooperation, as we did from 1946 through 1958.

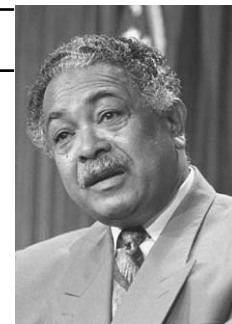
"Which means, we have to have a system of exchange, a system of convertibility, which is based on formulas, which will be very similar, in many respects, to the kinds of formulas and mechanisms, the gold reserve mechanism, which we used back in that period. That is, a fixed price of gold: Declare the unlawfulness of holding gold privately, at any other price, buying or selling gold at any other price, than that fixed price. To establish that as a monetary reserve unit, which is not used in the internal economies, but is used only in terms of balance of payments, and balance of trade. Among national economies. Going back to a system of *sovereign national economy*, an absolutely sovereign nation-state. The economy of each nation-state must be primarily, and internally, a sovereign one. An end to globalization, of all forms and approximations. Going back to the conditions of relations among sovereign nation-states, which, in their best aspects, were used prior to 1959, prior to the first major crisis of the dollar, which led to the open convertibility.

"Secondly, we are going back to scientific and technological progress, or to what I have illustrated by reference to the machine-tool design principle. An emphasis on modern education, which is task-oriented, to foster high rates of investment, both in basic economic infrastructural improvements, and to foster, and to *favor*, investment in high-technology, physical production, and scientific discovery, over and at the expense of, any other form of capital investment. . . .

"So, it's going to be a selective, dirigistic system, under which things which should be favored will be favored, and those which should not be favored, will not be favored. And there will have to be *national policies* which govern these priorities. So, your morals are going to be the basis on which you get a loan. You don't show your balance sheet; you show your moral balance sheet, and your competency. . . .

"You are going to have to *control* the institutions of government under our Constitution, by a mass movement, the way that Roosevelt tried to do it.

"So, you have a mass of people, who really don't know what they're talking about, in general, but who know we've got to go in a new way, and are willing to accept the idea that there is truthfulness, which can determine what is right, and that there are certain moral principles which determine whether this is really truth or not. And that population will have to *discipline* the politicians, and institutions of government, so that those in leading positions, in and out of government, who are initiating the policies of recovery, that these people get support, popular support, and the guys who don't go with the program, are put to one side."



IMF adjustment policies are ‘an absolute, total disaster’

The Honorable Mervyn M. Dymally served as a U.S. Representative for 12 years (1980-92), representing a district in South Los Angeles County. While in the Congress, he served as chairman of the Congressional Black Caucus, and founded the Caribbean Action Lobby. Born in the British colony of Trinidad in the West Indies, he first became active in politics in California as a field coordinator for the 1960 Presidential campaign of John F. Kennedy. In 1962, he was elected to the California Assembly. He was elected to the State Senate in 1966, and, in 1974, was elected lieutenant governor of California.

Since retiring from Congress, he has travelled extensively in Africa and the Caribbean. He is the president of Dymally International Group, Inc., a consulting and financial advisory firm, and is a Distinguished Professor at Central State University in Ohio.

Congressman Dymally is a signer of the call for convening a New Bretton Woods Conference.

The interview was conducted by Harley Schlanger on Aug. 29.

EIR: You have been concerned with, and involved in shaping U.S. policy toward the nations of Africa for many years. Why don't you give our readers some background on your involvement?

Dymally: My involvement really started in secondary school. Under the British system, one had to study for the senior Cambridge exam to go overseas, and part of that curriculum involved geography, and certainly the British Empire. That was my first foray into Africa, learning about the presence of the British there.

Then, after leaving secondary school, I began working for a trade union newspaper, the oil workers union, which was closely affiliated with the World Congress of Trade Unions, and much involved with the emerging unions in colonial Africa. When I went to the [California State] Assembly in 1963, I was asked by the State Department to go overseas and talk about democracy in the United States, and that was just around the time that the eastern and southeastern states, such as Zambia, Rhodesia, Malawi, Tanzania, Kenya, etc., were coming to the forefront.

So, I've had a long interest in Africa that predates my service in the Congress.

EIR: As a congressman, and as a leader of the Congressional Black Caucus, what role did you play in shaping U.S. policy toward Africa?

Dymally: Well, we never really had an African policy. Our interest in Africa had to do with fighting Communism. After the death of the Soviet Union, we had no policy, and still do not have a policy. So, our interests were really focussed on fighting Communism, and we never had a coherent African policy.

EIR: Were you, as a congressman, involved in trying to change that?

Dymally: We did the best we could, by increasing the authorizations and appropriations for Africa, to its highest point, and that was \$1 billion. In addition, I travelled all over Africa, trying to get a feel of what the needs were on the ground, so to speak. I visited some 41 states in Africa.

EIR: One of the major problems in the United States is the level of apathy, and ignorance, of the American people—including African-Americans—when it comes to Africa. How much of a factor do you think this has been in shaping U.S. policy toward Africa?

Dymally: Well, the story is told, and I understand correctly so, because it came from the sources, that, in the absence of aid for Africa, the emerging Congressional Black Caucus, headed by Rep. Charles Diggs, chairman of the Subcommittee on Africa, from Michigan, went to see Dr. Kissinger. And his lordship, Dr. Kissinger, told them the reason why Africa was not getting any aid is because Africa did not have a constituency in black America. And that, of course, angered them. And that was . . . the beginning of the Congressional Black Caucus's deep interest in Africa.

Now, Charlie Diggs had the distinction of visiting some 51 out of the 52 states, some of which were still colonies at that time. He, more than anyone else, was instrumental in creating awareness about Africa.

Interest in Africa with African-Americans goes all the way back, many, many years, with the churches moving into Africa to provide education—the black churches, that is. Then, it was highlighted by Marcus Garvey and, subsequently, Dr. W.E.B. DuBois, Paul Robeson, George Padmore, a West Indian of Trinidad birth, who was guru to Presi-

dent [Kwame] Nkrumah [the first President (1960-66) of Ghana]. So, there were a number of prominent blacks in the 1930s and '40s who were very pro-Africa. Then, during the civil rights movement, that interest was heightened by Stokely Carmichael, and Malcolm X, more prominently.

So, there has always been black interest, contrary to what Kissinger would have you believe, in Africa.

EIR: One of the things which contributes to the confusion and ignorance that exists toward Africa in the United States is the media. For example, not long ago, the *Baltimore Sun* published a so-called eyewitness account of the alleged slave trade in Sudan. Shortly after it appeared, it was challenged by a delegation of U.S. elected officials, who toured the alleged slave-trading region on a fact-finding tour with the Schiller Institute. They spoke to many people in the region, including government leaders, religious leaders, and found no evidence to support the claims of the *Sun* reporters. And yet, the lying story by the *Baltimore Sun* reporters is still generally accepted. Would you comment on this?

Dymally: I shall be most happy to, because I happen to know a little bit about that story. Here's what happened: The reporters went to the Sudanese embassy to seek a visa. The ambassador agreed to give them a visa. Then, they returned and said the only condition on which they would accept a visa, is if they were guaranteed a meeting with the President. That would be like a Mexican reporter going to the U.S. embassy in Mexico City and saying, "I want to come to the U.S. to study the farm workers' issue, but I will only come if you will give me a visa to see President Clinton."

The ambassador thought it was somewhat presumptuous, and said, I shall give you a visa, but I cannot guarantee you a meeting with the President. When you get there, you may want to go through the Department of Foreign Affairs. The reporters then refused to accept the visa, entered into southern Sudan illegally, then were hooked up with some fundamentalist Christians, who took them to a man who allegedly sold a slave.

When I questioned these two reporters at a Carnegie conference, and asked them for the name of the slaveowner, they said he could not give them his name, because to do so would lead him into a great deal of trouble, including sentencing and possibly death, because it is illegal to sell slaves in Sudan! That whole scenario was staged. It is quite possible in any war zone that one can produce some young boys, because [British-backed Sudanese opposition leader John] Garang of the SPLA [Sudanese People's Liberation Army] has specialized in recruiting young boys into the army.

So, it was a fraudulent story which got a great deal of credibility in the United States. . . .

EIR: The British and U.S. media are pushing the line, which comes from the British-based Christian Solidarity International, and now has been picked up by the Christian Coalition,

that there is brutal repression of Christians in Sudan. What about these charges?

Dymally: I suspect there are some problems for both Christians and Muslims, and animists, in southern Sudan, because they are in a war zone. But, I met with the one African Christian female governor of the south, who challenged anyone to come to her region and prove to her that Christians are being abused.

The fact is that, when these people make claims that there is persecution against Christians, they fail to mention the fact that this is in war-torn southern Sudan, where their socialist hero, John Garang, raises havoc, and controls the area. They also fail to mention that, of the six rebel leaders who signed the peace accord, I believe five are Christians. They do not mention the fact that those who signed the peace accord had guarantees of not only a referendum to separate [the south from Sudan], but religious freedom.

EIR: Following one of his visits to Sudan, Lyndon LaRouche said the British targetted Sudan for fear that its successful defense of national sovereignty represents a threat to British Commonwealth plans to redraw the map of Africa, destroying sovereign nation-states, in part in order to loot raw materials. What do you think of his assessment?

Dymally: There is no question in my mind, when you look at the hidden hands of the British, by using the far-right, fundamentalist Christians, both in London and in the United States, one has to be very concerned about what is going on. What we are witnessing in the United States is that the far-right Christian fundamentalists, having failed to get Congress into domestic religious affairs, are now talking about persecution of Christians overseas. I suspect there is some discrimination against Christians, but discrimination also exists against Muslims, and other religions.

But the larger question is this: Are we now going to ask the State Department officials overseas, our diplomatic representatives, to become religious cops? Is that what we want? The whole situation is getting ridiculous, it is getting out of hand.

EIR: I suspect there are ulterior motives, beside the religious ones which are stated.

Dymally: Oh, absolutely. I mean, they think people are foolish. But what is troubling is that their program has been met with silence in the United States, and people who are concerned about religious freedom here and overseas are being manipulated. I'm not saying there isn't some form of religious persecution, but there is also discrimination right here in the United States . . . and what is ironic about it is that the most segregated, the most racist institutions in the United States, the churches of the far-right Christian fundamentalists, are now going overseas to clean up the world!

EIR: In his comments after his trip to Sudan, Mr. LaRouche

also pointed to the role of the International Monetary Fund (IMF), which is working in parallel with the raw materials cartels, to destroy nations through harsh economic conditionalities, which eventually bring down governments, opening the way for looting and plundering. What is your view of the role of the IMF in Africa?

Dymally: I must confess to you that I am not a financial technician, a financial wizard, I don't know much about the inner workings of finance, but I do know this—I do know the political ramifications of the IMF. Let me cite for you an example of which I am very familiar: Gambia, which I visited several times, whose President I knew—and was a favorite of the author of "Roots," Alex Haley—he and his country were cited as having implemented the best adjustment program of the IMF in the world. The civil service had been reduced, the budget cut. And guess what happened: He was overthrown!

Then we go to Benin. The first democratic President in the history of Benin, also lost his election because he couldn't produce, as a result of "structural adjustment." I go to the Caribbean, to a country with which I am most familiar, where structural adjustment has created a permanent class of poverty among the population, and especially among children. And then I can cite unrest, in Egypt, in Liberia, in Jamaica, and on, and on, where poor people under IMF structural adjustment rules are asked to make the biggest sacrifice. So, it is an absolute, total disaster. Why countries succumb to that, those arbitrary rules, and the destruction of an emerging middle class, I do not know.

EIR: You mention the IMF models. The IMF has just rewarded Uganda, whose dictator Yoweri Museveni has been the leader in pursuing the present genocidal wars in east Africa, against both Zaire and Sudan. They have rewarded him with debt relief. The IMF and the British Commonwealth have declared war on Nigeria and Kenya, in addition to Sudan. Yet, there are leaders of the Congressional Black Caucus who are supporting the efforts of these international agencies, and issuing calls for sanctions against these governments. Why do you think there is no outcry against the IMF, and why do you think leaders of the Congressional Black Caucus have taken this stance?

Dymally: I can guess that the IMF, because it operates overseas, has never become a domestic issue as such. As a result of that, there isn't a large constituency here among African-Americans about the evils of the IMF. I must confess to you that, during my forays in Africa, I really never focussed on the IMF, because, when a structural adjustment is put in country X, we here in Watts, or Harlem, don't know about it, and don't feel it directly. Of course, we feel it indirectly. But it is a matter of priorities; that has never really been a major priority of the Congressional Black Caucus.

As I left Congress, and travelled as I have for the last six years, and looking at the effects of the IMF from the outside

now, I began to realize that we need to focus more attention on this problem now.

EIR: The World Bank and the IMF are now claiming the right to withhold credit from nations based on the criteria of "good governance." Under these unspecified criteria, a nation may be declared "corrupt" by IMF bureaucrats. They are making Kenya, a former British colony, the test case. The President of Kenya, Daniel arap Moi, has protested this policy. What do you think about the World Bank and the IMF asserting the right to judge which governments pass their test for determining corruption?

Dymally: Their criteria are very arbitrary, and in my judgment, are not fair. . . . But the fact of the matter is that the poor are never the beneficiaries of these policies, or the structural adjustments.

EIR: There are organizations—such as the National Association for the Advancement of Colored People, and the Constituency for Africa—which have joined the assault against Nigeria and Sudan, with the NAACP just passing a resolution against Nigeria. What do you think is the reason for this?

Dymally: I think the killings which took place in Nigeria sparked some great concern here, but one has to understand Nigeria, before one proceeds to oppose them. What we must do is begin to negotiate a compromise with them, rather than try to isolate them.

EIR: What changes do you think are necessary in U.S. policy toward Africa?

Dymally: First, we need to develop a whole new approach to Africa, look at economic needs, rather than focussing all of our energies on democracy and elections, even though those are necessary prerequisites. The great need in Africa has to do with human resources, the question of poverty, transportation, housing, education, and health, in my judgment.

EIR: General infrastructure.

Dymally: Yes, absolutely; that's what we should focus on.

EIR: There are hundreds of parliamentarians, and three former Presidents of nations—including Godfrey Binaisa of Uganda—who have endorsed a call for the convening of a New Bretton Woods Conference, to sweep away the presently bankrupt global financial system and its huge debt bubble, which the IMF is trying to save through its looting policies. What do you think of this effort, and would you support it?

Dymally: Yes, indeed. I remember when I visited Fidel Castro in the late 1980s. He recommended elimination of all debts, and everybody laughed at him. I think we need to have forgiveness of all these debts, and begin anew, looking at new economic approaches to Africa. I confess again that I am not an expert in this, but these are my observations.

Va. gubernatorial race spotlights Bush machine

by Nancy Spannaus

Just as the Commonwealth of Virginia was at the center of the 1994 Senate races, with the contest between Oliver North and Sen. Charles Robb, so the off-year gubernatorial race of 1997 represents a bellwether of the coming era of U.S. politics. On the one side is Bush-man James Gilmore, the former state Attorney General, seeking to succede his Republican cohort, incumbent Gov. George Allen, who is not allowed, by law, to hold an immediate second term. On the other side, is the incumbent Democratic lieutenant governor, Donald S. Beyer, representing a Democratic Party which is more besieged than on the attack against the Conservative Revolution atrocities of the Republicans.

Virginia is one of two states in the United States having gubernatorial elections this year, the other being New Jersey. Given the record of Governor Allen, as one of the most radical representatives of the Republican deconstructionists of government, the race will give an indication of whether the Democratic Party can get together an appropriate counterattack, on the road toward taking back the Congress, and the nation, from the Gingrichite disaster that has befallen it.

The Allen-Gilmore record

Republican Governor Allen should be an easy target for an aggressive Democratic Party which is dedicated to advocating the interests of working people, minorities, and independent, owner-operator farmers. Of course, the governor can point to terrific statistics on the economy, showing low unemployment, dramatic reductions in welfare rolls, and even a surplus in the state coffers. But such statistics aren't any more persuasive on the state level, than they are on the Federal level, to anyone actually looking at the living standards, wage rates, and overall conditions of life in the state.

In his four years in office, Governor Allen has dedicated himself to what he calls the "devolution" of government—in every area but the prison system. He has built prisons at breakneck speed, beyond even the immediate "demand." ("Virginia is for prisoners," might be his campaign slogan.) He has slashed state government departments, particularly in areas which serve the helpless, like the mentally ill. He has given huge tax breaks to cheap-labor corporations to come

into the state; opened up the prisons to private corporations, offering inmate slave-labor; and made a grandstand play to allegedly improve educational standards, at the same time that he has ignored the economic needs of teachers and school facilities.

Under Allen, Virginia has become number two in the nation for executing prisoners—including those, such as Joseph O'Dell, with colorable claims to innocence. The administration has also set a standard of draconian treatment for prisoners, ending parole, removing educational opportunities, and otherwise chiseling on living conditions.

This is the record that Gilmore, who was Allen's Attorney General until spring of 1997, is running on. In addition, Gilmore is reaching out for support from every member of the corrupt Bush machine that he can find—from Bush himself, to televangelist Pat Robertson, to House Speaker Newt Gingrich (R-Ga.), and Oliver North, that Son-of-a-Bush himself. Given the known connections of these creatures to crimes such as drug-trafficking, these close associations create quite a vulnerability.

The Democratic dilemma

So far, however, the Beyer campaign has not taken advantage of these weaknesses. After a kickoff statement indicating that he was going to present a vision for rebuilding Virginia, Beyer retreated into a "no-tax" pledge. And when Gilmore began a populist campaign around eliminating the personal property tax (a Virginia tax on cars, boats, and similar items), Beyer countered with his own property tax cut—a more responsible version of the same appeal.

The central thrust of the Beyer campaign is improving Virginia's commitment to education, including increasing teachers' salaries, reducing class size, and the like. He has put to one side, because of cost, the enormous need for school construction (over \$8 billion). Beyer can be expected to vociferously attack Gilmore for seeking to undermine the commitment to public education—a charge which can be supported.

The problem is that, to win the election in this state, Beyer must mobilize poor and working people to come out in large numbers. This won't happen if he puts himself forward as simply a more reasonable supporter of Gilmore's thrust on crime, taxes, and the economy. Unlike former governor Mary Sue Terry, Beyer is not contaminated by arrogance toward working people, an anti-labor record, and personal involvement in the political persecution of Lyndon LaRouche. But a lack of defects won't help him win the election, in the home state of Pat Robertson and Jerry Falwell.

The issues of restoring justice, including for the five associates of Lyndon LaRouche still in prison in the state, and actually rebuilding the economy, are going to have to be faced by the Virginia Democrats if they want to win this election. If they don't, it won't be just Virginia that will suffer.

National News

Opposition to Weld nomination growing

According to a report in the Aug. 26 *Boston Herald*, the war between William Weld and Sen. Jesse Helms over Weld's nomination as ambassador to Mexico escalated, when a spokesman for the senator said that Helms would not be "insulted" into holding hearings on the nomination. Commenting on Weld's "diplomatic" approach to trying to claw his way into the Mexico assignment, and his announcement on Aug. 25 that he would resume public attacks on the senator, Helms's aid Marc Thiessen is quoted as saying, "If we send him to Mexico he'd probably start another war."

Meanwhile, the Washington press reported on Aug. 27 that Sen. Paul Coverdell (R-Ga.), chairman of the Senate Foreign Relations subcommittee for the Western Hemisphere, criticized Weld's "confrontational" fight for the position, and is opposing confirmation, as well. Coverdell is quoted in the press stating that "whoever serves as ambassador to Mexico must also be seen as having an absolutely unquestioned commitment to the war on drugs. I do not think all of Governor Weld's public actions and statements on this issue square with that requirement."

Weld not only favors "medical" abuse of marijuana, but, while in the Justice Department, played a leading role in covering for money-laundering operations by the Bank of Boston.

Fowler's DNC responds to LaRouche suit

Almost 600,000 Democrats are considered "unaffiliated" with the Democratic Party, according to an appeal brief filed by attorneys for the Democratic National Committee (DNC) and its former chairman, Don Fowler, responding to the plaintiffs' appeal filed in the Voting Rights Act case of *LaRouche et al. v. Fowler et al.*, filed Aug. 27 with the Court of Appeals for the District of Columbia. Joining Fowler and the DNC were state Democratic officials from Louisi-

ana, Virginia, Texas, Arizona, and the District of Columbia, all of whom were sued in August 1996 by LaRouche and nine of his supporters.

Fowler et al. also argue that the case is moot, and that the Voting Rights Act (VRA) does not apply to the DNC and its chair.

LaRouche and the nine supporters, all of whom are minority voters as defined by the VRA, sought to enjoin the opening of the Democratic Party national nominating convention in August 1996, because Fowler and the DNC refused to seat LaRouche-pledged delegates. The case was dismissed by U.S. District Judge Penfield Jackson, and then appealed by LaRouche and his co-plaintiffs. LaRouche's appeal brief, was filed this past July, and excerpted in *EIR*'s Aug. 15 issue.

Much of the Fowler argument relies on two decades of case law precedent granting the party the right to define its membership—the so-called "private club" position. Variations on this theme were used to justify all-white primaries up until the hard-fought battles of the Civil Rights movement brought about passage of the 1965 Voting Rights Act.

LaRouche's attorneys will file a reply brief on Sept. 12, and oral argument will occur on Oct. 14.

Neo-cons hold 'First International' conference

A full-page ad in a recent issue of the *National Review* announces that, from Sept. 27-28, the First International Conservative Congress will be held at the Mayflower Hotel in Washington, D.C. The co-chairs of the event will be former British Prime Minister Margaret Thatcher and William F. Buckley, Jr. This is clearly a mobilization of the New Atlantic Initiative crowd: All of the key players that *EIR* exposed in a *Strategic Studies* report on April 11, 1997, are going to be present. The event's sponsors are: The American Enterprise Institute (AEI), the Claremont Institute, the Heritage Foundation, the Hoover Institution and the *National Review*. Confirmed speakers include: Sen. John Kyl (R-Ariz.), who hosted the most recent New Atlantic Institute shindig in Phoe-

nix; race scientist Charles Murray; Joshua Muravchik; George Will; Pete du Pont; John O'Sullivan of the *National Review*; Peter Brimelow; Irving Kristol and his father, William Kristol; R. Emmett Tyrrell of the *American Spectator*; Oliver North buddy Elliott Abrams; Mona Charen; Peter Rodman; and Stuart Butler, the resident British Fabian at the Heritage Foundation.

It is noteworthy that the current issue of the Rupert Murdoch-bankrolled *Weekly Standard*, has a cover story on the "Crack-Up of Conservatism Worldwide," which is in the form of a round-table discussion by a dozen leading conservative luminaries.

Hearings find health cuts by Gov. Ridge are deadly

The deadly impact of Pennsylvania Gov. Tom Ridge's medical cuts was documented in a dramatic six-hour public hearing convened in Philadelphia on Aug. 28. An estimated 220,000 unemployed, poor, and disabled Pennsylvanians were cut from the state medical assistance rolls by Ridge's Act 35, signed into law on May 16, 1996.

The hearing was called by the Republican-controlled House Health and Human Services Committee, after months of persistent pressure by Rep. Harold James, chairman of the Pennsylvania Legislative Black Caucus, and other Democratic legislators, including Rep. Frank Oliver, Democratic chairman of the committee. James submitted an updated report on the impact of Ridge's cuts, documenting 59 cases where death, injury, and threats to life resulted from Ridge's actions.

Several witnesses also revealed the shocking testimony, that the Ridge administration is scheming to eliminate still more medically needy people from public assistance. Despite the evidence of inhuman treatment of innocent citizens, Ridge intends to cut up to 15,000 additional persons from public assistance as of Oct. 1. These are persons dependent upon "life-sustaining medications," such as heart patients and those with mental illnesses, who are being reclassified as "able to work," in order to terminate their benefits and "save" the state about \$9 million.

VIRGINIA'S Department of Corrections is refusing to allow attorneys from the American Civil Liberties Union to tour M Building at Powhatan Correctional Center, where the most violent inmates are held, under conditions described as inhuman, according to the *Richmond Times-Dispatch* of Aug. 27. Prison officials disingenuously gave as a reason the "potential risk to the safety of staff and those on a tour."

KENNETH STARR, the White-water special prosecutor has subpoenaed the galley proofs for a book by one of his victims, former Justice Department official Webster Hubbell. The subpoena asks for "manuscripts, computer disks, notes, recordings," as well as all records relating to financial arrangements for the book.

TWO BOMBING SUSPECTS arrested on July 31 in Brooklyn, whom the media dubbed "Hamas suicide bombers," were indicted by a Federal grand jury on Aug. 29. The indictment does not specify any motives for the alleged bomb conspiracy, and Federal investigators have said that an "intensive, worldwide" investigation has found no connection between the two and any terrorist group.

REP. HAROLD JAMES, chairman of the Pennsylvania Legislative Black Caucus, issued a statement on Aug. 29, that: "Although it is too early to endorse anyone for President, I welcome Mr. LaRouche's announcement, because if he, or any other Democratic candidate, raises important issues relating to the economy, drugs, racism, and U.S. policy towards Africa, their inclusion in the Democratic nomination process will benefit the Democratic Party and the nation as a whole."

ORRIN HATCH (R-Utah) and Strom Thurmond (R-S.C.) are cosponsoring a bill to imprison, or even invoke the death penalty against union members for actions in support of *lawful* goals, where violence resulted, calling it the "Freedom from Union Violence Act of 1997."

James Earl Ray allowed to continue appeal

An appeals court in Tennessee rejected a prosecution motion on Aug. 29, which would have stopped James Earl Ray from attempting to prove that he was not the assassin of Martin Luther King, Jr. The Tennessee Court of Criminal Appeals will allow Ray to continue his appeals, but it also criticized two state court judges, saying they overstepped their authority.

The appeals court said that Judge Joe Brown had exceeded his authority in ordering the FBI to turn over bullets it tested from Ray's rifle in 1968, although Brown may continue to allow tests—but they must be paid for by Ray. The appeals court also criticized Judge John Coulton, who wanted to appoint a special prosecutor to subpoena witnesses and take testimony about a possible conspiracy to kill King. Judge Brown had also suggested that he might appoint a special prosecutor because the State of Tennessee was "vigorously opposed" to finding the "true facts" of the case.

Ray is gravely ill with liver disease, and, late in August, doctors gave Ray only four to six months to live, unless he receives a liver transplant.

Khmer Rouge gets backing from GOP

Dana Rohrabacher (R-Calif.), member of the House International Relations Committee, has notified Secretary of State Madeleine Albright that he intends to grill U.S. Ambassador to Cambodia Kenneth Quinn, when the latter returns to Washington after Labor Day. Rohrabacher has already complained about Quinn's actions during the early July crisis in Phnom Penh, and has demanded copies of all diplomatic cables and other communications—"in classified and declassified form"—between the embassy and Washington, from March through mid-July.

Rohrabacher's beef is that Quinn may

have overly "favored" Cambodia's Hun Sen. Rohrabacher, whose letter to Albright is quoted in the Aug. 30 *Washington Times*, said he was "troubled" that Quinn and his staff "have not only sent the wrong signals to Hun Sen but have denied sanctuary for advocates of democracy who have sought refuge from Hun Sen's post-coup dragnet."

A State Department spokesman expressed more than mild concern over Rohrabacher's request, warning it could compromise sources in Phnom Penh, but said Quinn would make himself available to Congress.

Farmers protest losses as media push 'markets'

U.S. farm losses and farmer protests are growing, but, as Congress was about to return from recess after Labor Day, the *Washington Post* reported just the opposite on Aug. 28, headlining its front page, "It's Feast, Not Famine, So Far Under New Law in Farm Belt." Among the latest signs of protest—all of which are blacked out in the *Post*, is the "Fly-In" on Sept. 6-10, to the nation's capital by farmers associated with the National Farmers Union, to deliver petitions from the public asking for emergency federal action to set a "milk floor price" for what farmers receive for the milk, which is currently below their costs of production. The NFU plans to see President Clinton, and they will hold a press conference Sept. 9.

As schools are reopening, serious milk shortages are expected to appear in locations in Florida, Georgia, and other Southeastern states, from the loss of regional dairy farmers. State officials in New England have formed a "Compact," decreeing a regional floor price to milk producers, and a "Southern Compact" for those states is also in the works.

All of this counters the "free-market" concept of the 1996 "Freedom to Farm Act," which, after 18 months, is already an obvious national disaster. Notwithstanding, the *Post* declares the new law a "success," based on the fact that farmers (who signed up last year), are getting "market transition payments" each year, in declining amounts, and will be "weaned" from government support.

Africa needs a New Bretton Woods

United Nations Security Council President Bill Richardson announced on Sept. 3 that the Council will hold a meeting of foreign ministers on Sept. 25, to “stimulate new thinking” on Africa. “Our goal,” he said, “is to focus international attention on Africa, to develop a more coherent approach to both the conflicts and the long-term needs of the continent.”

How can such a laudable goal be achieved?

Not by “business as usual.” What is required, is an uncompromising moral commitment on the part of the world’s nations, that *never again* will they sit by and watch as genocide is carried out, as it was in Zaire-Congo during the past year. That means a transformation, not only on the part of world leaders, but also of the citizens who will have to hold their leaders’ feet to the fire.

We must call those to account who are responsible for the genocide: Laurent Kabila in Congo, Yoweri Museveni in Uganda, and their British sponsors.

But beyond that, we must create the conditions worldwide, in which Africa can develop and thrive. As Lyndon LaRouche underlined in his Labor Day conference speech, published in this issue of *EIR*, Africa confronts the Four Horsemen of the Apocalypse. The spread of death and disease which we see there, will be the fate of the rest of the world, if we do not act in time to reverse the descent into a Dark Age.

What is needed, is a New Bretton Woods Conference, to place the bankrupt world financial and monetary system into receivership, and reorganize it for high-technology development and great projects of infrastructure building. The murderous austerity conditionalities of the International Monetary Fund and the British free-market neo-colonialists must be scrapped. The Eurasian Land-Bridge project, which is now being vigorously pursued by China and many of its neighbors, provides the perfect framework for a worldwide reconstruction of the physical economy. Its benefits would extend to nations not part of the Eurasian continent, including Africa, as corridors of industrial development are built up swiftly along the newly constructed high-speed rail networks. The United States and the other

nations of the West should support this magnificent initiative.

EIR is taking two measures immediately to further this process, as it applies to Africa. We ask our readers to join in, and help to organize for a breakthrough.

First, we will conduct a seminar in Washington, D.C. on Sept. 10, on “The Culture of Violent Change of Government and the Myth of Economic Revival in Uganda.” The speakers will be Cecilia Atim-Ogwal, chairman of the Interim Executive Council, Uganda People’s Congress Member, Parliament of Uganda; and Linda de Hoyos, *EIR* intelligence director for Asia and Africa. They will sweep away the myth that Uganda’s President Museveni is some kind of “model” African leader.

Mrs. Ogwal, in an extemporaneous address to the Labor Day conference of the Schiller Institute and the International Caucus of Labor Committees, summed up the situation in her nation. “Ask Museveni,” she said, “how did he decide Ugandans don’t need political parties?” Museveni sustains himself in power “by the might of the gun.” As for his so-called economic successes, there are none. Uganda today is worse off than it was in the 1960s or 1970s or 1980s. Then, even the poorest of the poor could send their children to school, and get medical care. Today, parents are selling their children—their own flesh and blood—to buy casava root to eat. The number of children in school in 1986 was 639,000 (out of 13 million total population); in 1996, there were 424,000 in school (out of a 20 million population).

Second, *EIR* will soon release a new *Special Report*, “Peace Through Development in Africa’s Great Lakes Region.” This is the proceedings of a seminar held in Walluf, Germany, in April 1997, of which highlights were published in *EIR* of May 23. Participants included Lyndon and Helga LaRouche, several of their associates from *EIR* and the Schiller Institute, former Ugandan President Godfrey Binaisa, and leading opposition figures from Zaire, Rwanda, Burundi, and Uganda. The report is indispensable reading for anyone concerned with how to solve the crisis in Africa today.

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