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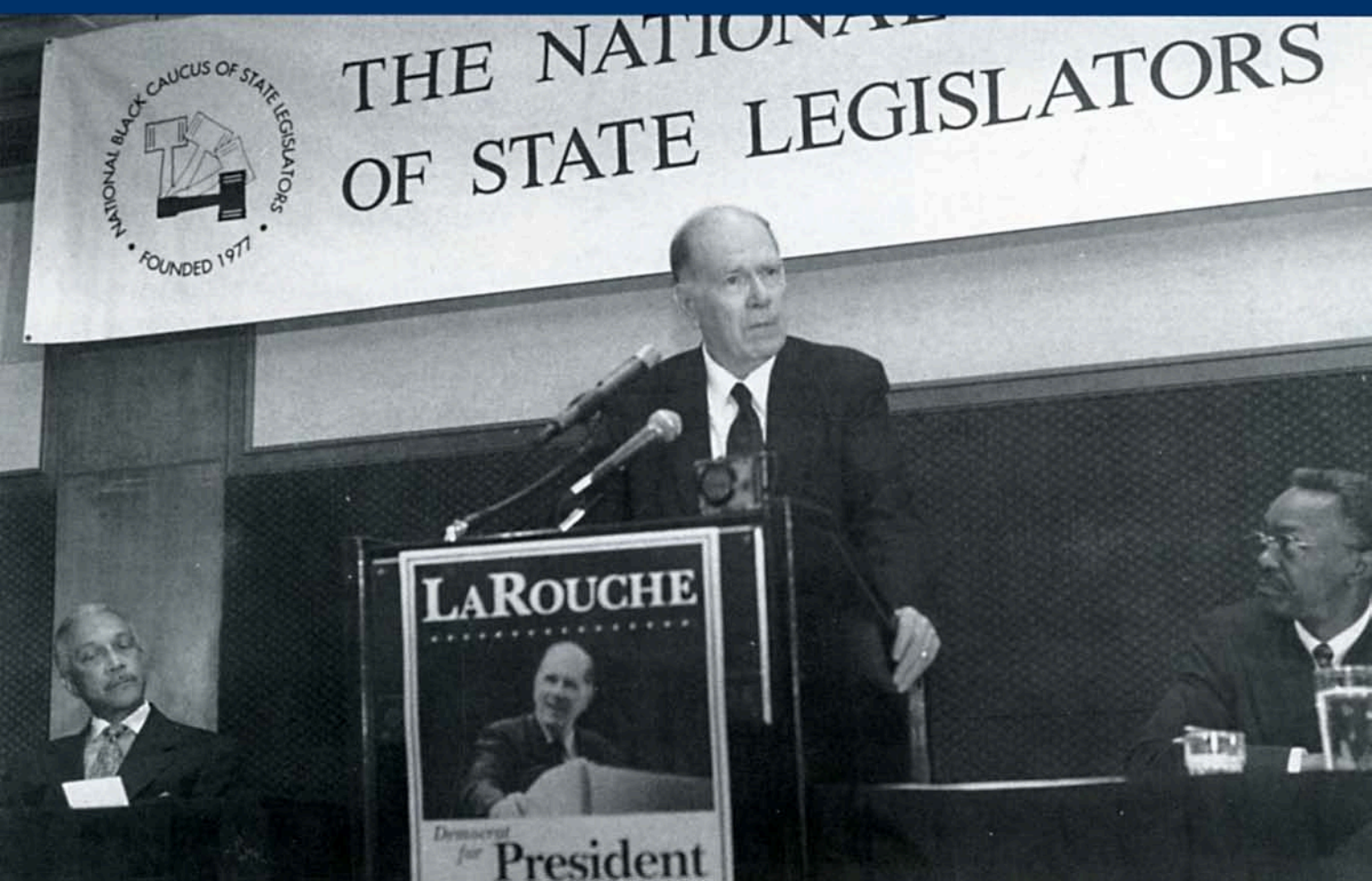
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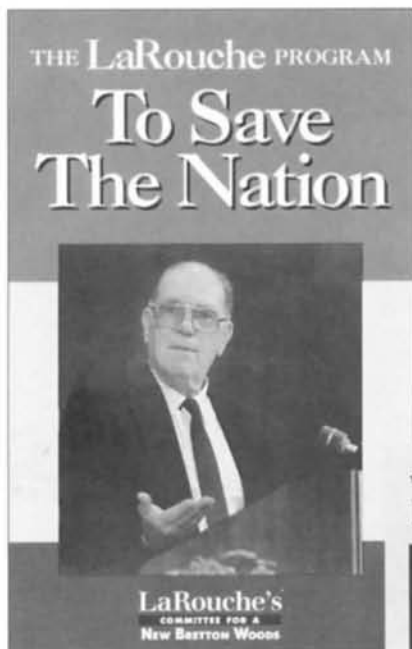
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Russia draws the line
It's time for economists to dump GDP
Science, pesticides, and politics

**LaRouche to black legislators:
Here's how to solve the crisis**



LaROUCHE *for* President



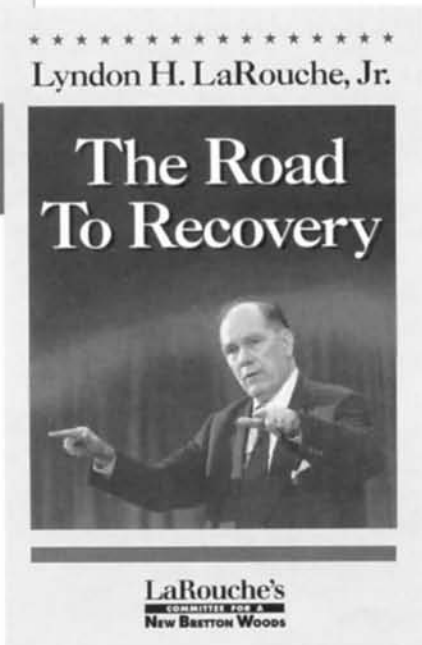
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From the Associate Editor

There's a lot of gnashing of teeth these days at Buckingham Palace. Recall that on Aug. 13, *EIR* featured the article "Shut This Man's Mouth," published in the British magazine *Take a Break*. The article was a blast against Lyndon H. LaRouche, Jr., citing sources close to the British monarchy who expressed their dismay at the fact that LaRouche's views "are being spread around the globe," and constitute "the biggest threat ever to the reputation of the Queen worldwide."

Now, look at what is happening:

- LaRouche has returned to the United States from Germany, where he was recovering from surgery, and his campaign for the Democratic Presidential nomination has moved into high gear. For starters, he addressed the National Black Caucus of State Legislators, meeting in Baltimore on Dec. 2, with a speech of great pungency and force, published in this issue.

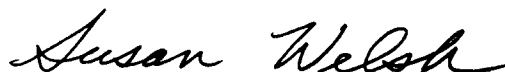
As LaRouche has said, his campaign will not be a campaign of baby-kissing and bite-sized slogans; it will be a campaign of *ideas*, whose purpose is to provide leadership for those Americans who are ready to *think* about how to solve the global crisis.

- The racist wing of the Democratic National Committee, which is seeking to exclude LaRouche from the 2000 Presidential race, has been thrown onto the defensive, as more than 350 civil rights leaders, state legislators, and other dignitaries have signed an open letter demanding that the DNC repudiate the ongoing effort to repeal the 1965 Voting Rights Act (see *National*).

- In Seattle, the British policy of free trade and globalization (globalized looting) went down to an ignominious defeat at the meeting of the World Trade Organization, as nation-states decide to take a stand on behalf of their own survival—which LaRouche and *EIR* have insisted that they do.

- The "Third Way" policy of Britain's Tony Blair—otherwise known as free trade and austerity, and peddled by both Al Gore and George Dubya Bush in the United States—is being repudiated by many who, only weeks ago, were its stalwart supporters. Germany's Chancellor Schröder, for example, has taken a stand in favor of German national interests, in alliance with France's Premier Jospin.

Look for more surprises to come, in next week's issue.



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Anti-free market anger killed the WTO summit

by Jeffrey Steinberg, Marcia Merry Baker, and Harley Schlanger

Not the much-publicized riots, but the growing hatred of “free-market” destruction of nations, defeated the World Trade Organization attempt for a new round of economic globalization. The Nov. 30-Dec. 3 summit in Seattle, which was intended to set a framework for a three-year round of negotiations for more trade liberalization, ended without even a face-saver communiqué of “agreement-to-disagree.” Right from the opening day, the mood among many of the delegations of the 100 nations present, particularly from the developing sector, was as pointedly anti-free trade as the policies being voiced outside on the streets by the AFL-CIO’s 30,000 person march. On site for the WTO Seattle week, *EIR* correspondents Marcia Merry Baker and Harley Schlanger will have an in-depth report in the next issue.

All of the repeated praise for the benefits of “rules-based trade,” the latest pitch-phrase for more globalization, by WTO Director-General Mike Moore and U.S. Trade Representative Charlene Barshevsky, the conference chairman, went nowhere. The underlying reality of the proceedings was that globalization is on the way out: Developing nations reject the wholesale looting of their raw materials and the enslavement of their workers; western Europe rejects the pressures to end the right to domestic farm support programs; and in the United States, a groundswell of Americans is building against the loss of productive jobs and decline in real purchasing power.

“I don’t know if there is a chance of restarting the negotiations in weeks or even in months,” said Gregor Kreuzhabeer, a spokesman for the European Union. At a plenary late on the final day, representatives of African nations booed Barshevsky. Moore ended as a laughing-stock. As the Dec. 4 *Seattle Post-Intelligencer* reported, “WTO Director-General Mike Moore described the Seattle meeting as ‘a remarkable meeting. Much was done. That will not be lost.’ And then in re-

marks that provoked derisive laughter from the delegates, some of whom had been mauled on Tuesday trying to get into the convention center, he said, ‘This city, what a magnificent place. If only the world could be like Seattle.’ ”

‘Battle in Seattle’ called a tragedy

What truly did give the Third World delegates happiness in Seattle, they said, was to see the large protest on U.S. streets, especially the labor march, because it showed that not everyone in the United States is behind globalization. On Dec. 2, a group of nations, led by Guyana Foreign Minister Clement Rohee and Caribbean Community negotiator Dr. Shridath Ramphal (former Secretary of the British Commonwealth), held a press conference to say that all the talk of “transparency” has proven to be “hypocrisy and poppycock,” as they were excluded from playing a meaningful role in negotiations.

What the delegates stressed was the *impoverishment* of their nations from the recent years of globalization. In particular, they rejected as a sop, a look-good proposal, pushed especially hard by British Trade Minister Stephen Byers, for a WTO “LDC Initiative”—the idea that 48 least-developed nations could have duty-free access to industrialized nations’ markets for their exports.

On Dec. 2, Minister Rohee said that the talk of aid to the poorest 48 nations makes little sense, if those nations are excluded from working out agreements. He said that rather than the title of “Battle of Seattle”—the name the press has given to the WTO conference, referring to the eco-fascist/police riots on the streets—the conference should be called the “Tragedy of Seattle.” Rohee told *EIR* that pressure to collect unpayable debt is one area they wish to discuss, adding that there will be no development of the poorest nations unless there is debt relief and new credit. Selling agricultural prod-

ucts cheaply to open markets will not provide income to the poorest nations to develop, he stressed.

Just who does support free trade?

On their own account, officers of some of the cartel companies now dominating world trade were prominent at events held at hotels alongside the WTO sessions in the Seattle Convention Center. Their very presence further served to expose the Big Lie underlying the entire WTO free-trade agenda. Chief among the globalization boosters on hand were Ernest Micek, the chairman of Cargill, the world's biggest grain cartel, who demurred, "We control only 25% of the world grain trade"; and Ken Lay, chairman and CEO of Texas-based Enron, an aggressor-company in U.S. energy futures speculation.

To further the pretense that free trade has "popular support," U.S. Secretary of State "Mad" Madeleine Albright had a frenzied round of meetings Nov. 29 and 30 (when the tear gas cleared), in order to say she had backing from labor, farm, business, and local governments. She even did a whistle-stop-over in Cedar Rapids, Iowa, to meet with farmers, and workers at Rockwell Collins, in order to lie, "Americans love free trade." In Seattle, she saw officials from Bethlehem Steel, General Motors, United Parcel Service, Chubb Insurance, and others of the Business Roundtable. She met the governors of Utah, Idaho, Iowa, and North Dakota. She met with AFL-CIO President John Sweeney and with George Becker, the president of the United Steelworkers of America—both of whom are decidedly anti-WTO.

Albright was made to look particularly foolish, when, after her scheduled opening speech to the WTO meeting was cancelled due to the street mayhem which trapped her in her hotel suite, the State Department nevertheless circulated the text of the speech she intended to give, featuring such phrases as, "As I look into all your eyes. . . ."

The truth is, that the WTO agenda aims to write out sovereign nation-state governments from any meaningful role in defending the conditions of life—the general welfare—of the working populations of their countries. Instead, greater power is handed to the mythical "global marketplace"—a euphemism for the growing power of a handful of strategic raw materials cartels and mega-financial houses bent on new forms of colonialism.

President Clinton spent 30 hours in Seattle, as the apostle of free trade, but left the convention with the unmistakable impression that the United States cannot politically survive another round of globalization deregulation. AFL-CIO President Sweeney, in a Dec. 1 statement, proclaimed, "Working families won a significant victory on the streets of Seattle yesterday when union members joined human rights advocates, students and young workers, environmental activists, and religious leaders in the largest public protest in the history of this great working-class city." Sweeney said that President Clinton "understood that the terms of the debate over trade have changed," and he quoted Machinists president Tom

Buffenbarger, who said, "We've never had this kind of reaction from any government agency before, especially the White House." Sweeney concluded, "Clearly, there is no popular support for the policies of the WTO, and we will continue to press and to protest for change."

Terrorism unleashed

The repudiation of globalization would have been far more evident, were it not for the fact that a small, but highly organized terrorist apparatus conducted a string of premeditated actions. By the end of the first day of the conference, the downtown area around the convention center had been trashed, police had responded with tear gas, and Seattle Mayor Schell had imposed a dawn-to-dusk curfew, and established a 24-hour "no protest zone" perimeter. By the end of the week, more than 600 were arrested.

EIR's investigation into the pre-planned riots revealed tight coordination between London-based eco-terrorists from "Reclaim the Streets" and U.S. and Canadian eco-terrorists from Earth First! and allied organizations. For one month prior to the WTO event, terrorists from all three countries had been running training camps in Arlington, Washington. Bloody riots in the City of London in June, and in Eugene, Oregon later during the summer, had been dry runs for Seattle.

As *EIR* has documented, these eco-terrorists are controlled from the top down by the upper echelons of the British financial oligarchy and the British Crown. Royal Consort Prince Philip was one of the founders of the eco-terrorist movement, and Imperial Chemical Industries heir Lord Melchor is a chief money-bags for the eco-terrorists who appeared in Seattle.

That the highest levels of the British oligarchy are simultaneously peddling free trade and globalization, and bankrolling and deploying legions of eco-terrorists, is neither contradictory nor surprising. WTO Director-General Moore, who came into office on Sept. 1, is a member of the British Privy Council. The actions of the trained terrorists aimed to discredit all those legitimate constituency groups that came to Seattle to peacefully protest the devastating consequences of globalization.

U.S. political blowback

The fiasco in Seattle will have big consequences for the 2000 Presidential elections. Vice President Al Gore, whose endorsement by the AFL-CIO was rammed through by Sweeney and other labor leaders, did not dare show his face at the WTO. But he will likely be one of the big losers of the week. A Sweeney lieutenant is reported as saying, "John went out on a limb for them with that letter of endorsement [of the Clinton stand on WTO], and they sawed it off on him. . . ." And the worse it looks for Al Gore, the worse things look for George "Dubya" Bush. Seattle may prove to have been an historic watershed, but not the watershed for the new globalization that the WTO planners had envisioned.

Anglophiles encounter resistance in Germany

by Rainer Apel

The defeat which the creditor banks suffered in the Nov. 24 deal that saved Philipp Holzmann, Germany's second-largest construction company, from full default, also was a "black day" for one of the prime levers which the City of London financiers use to manipulate economic affairs in Germany. The hostile commentaries that Chancellor Gerhard Schröder's successful intervention in favor of the Holzmann jobs received following the deal, occupied an estimated 95% of the pro-free-trade economic press. It reflected how big the bankers' embarrassment is. In the few commentaries supportive of Schröder, it became clear, however, that all that neo-liberalist press coverage will not help the banks out of their present troubles: Bankers themselves have admitted, behind closed doors, that it was the groundswell of anti-bank sentiment among the population, and the threat of a change in banking laws, which made them realize that signing a guarantee for Holzmann's survival, was a "lesser evil" for them, in

this heated situation.

All of a sudden, Germany's population is showing strong resistance against globalization, which is throwing them onto the unemployment lines. This ferment has been building since the end of the summer, and the severe election defeats for the Social Democrats (SPD) in September-October, at a time when Chancellor and SPD party chairman Schröder was still adhering to British Prime Minister Tony Blair's "Third Way" austerity policy, were an unmistakable warning. From then on, a profound sentiment has been growing among Social Democrats to throw the pro-Blair "modernism" out and return to the party's traditional support for labor and a social "safety net." Pressure has increased on Schröder to cut ideological ties to Blair and to instead side with France's Socialist Prime Minister Lionel Jospin.

Granted, Schröder has been more than hesitant to heed these calls from within the party for a return to pro-labor policies, but his public remarks against the hostile takeover of the German Mannesmann company by the British firm Vodafone, and his surprise intervention against the banks in the Holzmann case, have moved the Chancellor several steps outside the Blair camp. This has been noted in the press of Britain and France even more clearly than in the German press.

Schröder's break with Blair is not yet complete, but the few steps that he has already made, have created a promising situation among the German Social Democrats, as well as between the governments of Germany and France. First of



German Chancellor Gerhard Schröder (left) and French Prime Minister Lionel Jospin, in Paris on Nov. 29, 1999. The growing ties between Germany and France are a repudiation of the "Third Way" policies of Britain's Tony Blair.

all, the SPD party executive has been flooded with initiatives from various sections of the party, calling for a reversal of the budget-balancing austerity policy of the Schröder government. All of this is to be debated at the special party convention in Berlin on Dec. 7-9.

Budget-balancing is an 'evil'

Budget-balancing at the expense of labor and retired citizens is appropriately being identified as an "evil" that has penetrated the SPD ever since Blair's "Third Way" has been courted by leading Social Democrats. This is certain to create some turbulence at the SPD party convention in Berlin. The environment for a break of the SPD with Blair's "New Labour" has been set, also because French Prime Minister Jospin will be the honored foreign socialist to address the convention. What would have earlier appeared as routine, because Blair has addressed the SPD before, is viewed this time as a factional gesture against Blair's policies.

The Jospin intervention in Berlin has been prepared by Schröder personally, not only because he officially invited him during their talks in Paris on Nov. 30, but because the Chancellor also prepared it in his speech to the French National Assembly that same day—becoming the first Chancellor of Germany to address France's parliament. Schröder identified France and Germany as the main political and cultural engine of European development; he spoke about close cooperation between the two nations in the field of aerospace technologies, and he explicitly endorsed Jospin's notion of the social welfare state. In earlier remarks to the press, Schröder commented on the British government's refusal to sign European Union legislation to tax of capital gains. The Chancellor warned that a situation in which important legislation that has the support of 14 of the EU member governments, is blocked by the veto of just one member government—the British—cannot be tolerated.

The response of the City of London bankers to this development has been a speculative drive to lower the single EU currency, the euro, even further, to near parity with the dollar, and concerted attacks on German banks especially. This strategy is short-sighted and will backfire against London, however, because undermining the euro will raise questions about the general course of EU policies.

The view is gaining ground in France and Germany, and also in Italy, that the Maastricht criteria for balanced budgets in the member-states of the European Monetary Union are becoming more and more of an obstacle to national economic incentives for production and jobs. Arguments for a change of the EU guidelines on the national budgets have recently become more popular on the European continent, and in addition, Chancellor Schröder has mentioned plans for an EU legislative initiative to ban hostile takeovers that threaten to eliminate jobs in industry.

Anglophiles, with their arsenal of neo-liberal arguments, are having a hard time these days.

Falling euro reveals bankrupt policy

by William Engdahl

Europe's nascent supranational currency, the euro, far from rebounding to new highs, as many European economists were predicting only two months ago, has dropped to its all-time low. On Dec. 2, the euro traded at 1.001 to the U.S. dollar, just above the parity level, representing a 15% fall for the new currency, created on Jan. 3, 1999 by the 11 founding countries of the European Monetary Union (EMU). On Dec. 3, the euro fell below parity.

"If the euro fails to stage a significant recovery by mid-December, there could be a devastating new round of euro selling soon," warned George Andersen, a European bank economist who had just returned from talks with U.S. investment fund managers. "Mid-December is the time when most American investment funds—pension funds, mutual funds, insurance companies—sit down and plan their new investment portfolio allocations for the coming year. If they see the euro ending its first year so weak, as a failure, they will decide to significantly cut back on investments in stocks and bonds inside the Euroland countries. This could then turn into a major crisis of confidence for the euro by early 2000."

Already, mutual recriminations are erupting behind the facade of Euroland unity. In a press conference on Dec. 2, the European Central Bank president, Dutch socialist Wim Duisenberg, blamed German Chancellor Gerhard Schröder, in effect, for the euro's weakness. Duisenberg claimed that the German government rescue of the Holtzmann AG construction firm from bankruptcy in late November, drove foreign investors away from the euro.

Far from the Holtzmann rescue, however, the fundamental cause of the euro's poor performance in its first year, is the continuing weakness of the 11 EMU members' economies, especially those of Italy and Germany. "Growth in Germany and Italy has been far weaker than markets had expected," said London economist Stephen Lewis. "In terms of the question whether the euro has been a failure, if we ask what benefit has a single monetary policy been to the diverse 11 member-countries of Euroland, then I would answer that their economies would have done far better without the euro, and hence, by that criterion, I would deem the euro a failure. Yet the euro won't collapse anytime soon, simply because the political will at the highest levels in Euroland to hold on to it is so strong. This means, unfortunately, that the economies of Europe are doomed to suffer for years to come as a result of the euro."

Lewis added that Germany and Italy are facing a growing demographic crisis, which will create enormous fiscal problems for the two largest Euroland economies. "In order to keep to the Maastricht ceilings on public budget deficits and public debt, the foundation for creating the euro, both Italian and German governments must impose an increasing degree of public austerity and spending cuts. In both Italy and Germany, the ratio of pensioned population to gainfully employed, peaks by 2005-06. This means political instability, and perhaps, worse, is a pre-programmed part of holding to the euro."

The fall of the euro against the Japanese yen has been even more dramatic. While the euro has lost some 15% against the dollar since January 1999, it has lost nearly 35% against the yen. "The euro-yen rate is the driving force on global foreign exchange markets, though euro-dollar and dollar-yen are the rates everyone speaks of," Lewis said. "The yen is now at extremely uncomfortable levels, both versus the euro and also the dollar." The Bank of Japan has spent a reported \$10 billion of its foreign exchange reserves in a vain attempt to hold the yen stable, hoping to prevent further devastation of Japan's fragile export-led "recovery."

The fundamental issue is why the governments of Europe still cling to a synthetic currency which represents surrender of one of the most essential aspects of national sovereignty—the power of a nation to determine its own money policies, and to create its own currency.

Colombia verges on widespread starvation

by Javier Almario

The figures are alarming. In the poorest sectors of Colombia, classified as levels one and two, food consumption fell 48% in the first nine months of 1999. The immediate reason for this collapse is the decline in income of the majority of Colombians, due to increased unemployment and the generalized bankruptcy of the economy caused by the globalist prescriptions imposed by the International Monetary Fund (IMF) over the past nine years.

In these strata, meat consumption has been practically eliminated. Official statistics show that in the past two years, national meat consumption has fallen 17%—7% in 1998 and 10% in the first months of 1999. Meat has been replaced in part by egg consumption. If the government does not sharply reverse the IMF policy, it is virtually certain that the new millennium will usher in widespread starvation.

Unemployment, according to DANE, the official government statistics agency, is 21% in the seven largest cities of Colombia; it has not been quantified in the countryside. Moreover, companies are currently laying off their workforces en masse and then rehiring them, but at half their original wages.

The crisis has its roots in the reforms that were applied by the César Gaviria government in 1991, when imports were deregulated, exchange controls eliminated, and regulatory norms reduced on bank and foreign investment. In this environment, money from the drug trade flowed more easily, and penetrated all corners of the economy. Contraband of merchandise, one of the factors that provoked the crisis of the industrial sector, is one of the most common means used by the drug traffickers to launder money.

For nearly two consecutive years, the central bank kept interest rates high, as a means of preventing the peso from devaluing, a decision which was made on the basis of IMF formulas. This policy, zealously adhered to by Roberto Junquito, at the time a member of the central bank's board of directors, and now with the IMF, effectively bankrupted industry and agriculture.

Industrial paralysis today is so serious that electrical energy consumption in the industrial and commercial sectors fell 50% between September 1998 and September 1999. Industrial orders fell 63% in the first nine months of 1999. During this period, retail sales fell 10%; gasoline consumption fell 10.6%. This last was a consequence in part of a 48% increase in gasoline prices during the same period, resulting from an IMF demand to allow the domestic price of gasoline

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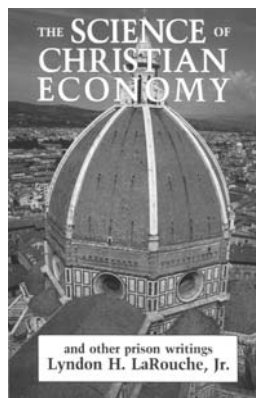
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to rise to the international level. Cargo transport declined 25%, construction fell 35%, and industrial production plummeted 15%.

The banking system is bankrupt

Loans by the banking system declined 9% during this period. The national banking system is completely bankrupt, because the other sectors of the economy are in no condition to meet payments. During January-October 1999, the banking system lost approximately \$900 million, and the government spent nearly \$4 billion in an attempt to keep it on artificial life support. Some economists are now talking about a "liquidity trap," where the banks receive money, but it neither circulates nor generates production. The World Bank and the IMF announced special loans to participate in saving the banks, but this money will fall into a bottomless pit. If the real economy is not salvaged, the banks will continue bankrupt, and no amount of money will be able to save them.

From January 1998 through September of this year, nearly 300 companies with capital of more than \$700,000 were forced to liquidate, while another 270 companies went through bankruptcy proceedings in an attempt to save themselves from outright liquidation. Some 25,000 workers are directly affected by this process.

In October, Finance Minister Juan Camilo Restrepo announced that the IMF had created a \$2.7 billion contingency fund for dealing with possible attacks on the peso. IMF conditions for this "help" are barbaric. The new condition is that the "peace dialogue" with the narco-terrorists continue—the policy by means of which the government has ceded 40% of the national territory to complete control by the narco-terrorist FARC. "If the peace process advances, there will be more money for Colombia," said Restrepo, at an October press conference called to announce the latest agreements with the IMF. The Fund is also demanding that the age at which Colombians can retire be raised (in other words, that more people should die before receiving their pensions), and that there be greater labor "flexibility," so that workers can be dismissed more easily or hired below the legal minimum wage. Other demands include more budget cutbacks, especially that there be no more state investment, that taxes be increased, and that privatization be accelerated, selling off state companies at fire-sale prices.

All this is sowing desperation among the Colombian population. At least 1.5 million Colombians have been forced to abandon their homes and jobs, to seek more secure places to live (they are being called "internal refugees" by the United Nations and non-governmental organizations). So far this year, some 60,000 mainly middle- and upper-class families have left the country, for primarily the United States, Canada, and Costa Rica. A study by the National Association of Financial Institutes reports that this mass migration of Colombians has resulted in at least \$2 billion in flight capital. Not yet measured, but more serious still, is the brain drain that this crisis is provoking.

Stimulus packages won't save Japan

by Our Special Correspondent

During this correspondent's recent trip to Japan, several government and party officials reported that the current mood in Japan is one of complacency, and that nearly everyone "believes that Japan has weathered the Asian financial crisis." Official after official pointed to the positive rate of Gross Domestic Product (GDP) growth, and the rise of the Nikkei stock exchange to 18-19,000, as proof that the fiscal stimulus packages and the corporate restructuring programs have been successful. Foreign capital flows are fuelling a new stock market bubble and allowing the Japanese banks to begin to write down their bad debt. The officials stated that despite that problem, the fiscal stimulus packages continue to help the economy.

Managing this illusion of growth is one of the new twists in Japan's effort to come out of its near ten-year-long economic depression. It appears that the reluctant consensus of Japanese leaders is that globalization is inevitable, and that allowing foreign firms to buy up Japanese financial and industrial corporations is the path that Japan must take. Although there is resistance to this policy, Prime Minister Keizo Obuchi has managed to hold his coalition "crisis government" intact for the time being.

One sign that this "crisis management" coalition could come apart, is the sudden rise in value of the Japanese yen. As the yen neared 100 to the dollar in November, Bank of Japan officials intervened to stem the rapid appreciation, buying \$5 billion worth of yen, but this had little effect. Most Ministry of Finance officials thought that the high end of the yen would be around 105-107, which could sustain a profitable margin for Japanese exporters and manufacturers. However, with the yen breaking 105, exporters and manufacturers are facing another racheting down of production and rise of unemployment, which could reach 5%. So much for the much-vaunted "Japanese recovery."

Another telltale sign of the problems facing Japan is the fact that Japan's internal debt is skyrocketing. All of the fiscal stimulus packages have driven up the debt-to-GDP ratio to over 130%—worse than the Italian budget deficits. Unless this Liberal Democratic Party coalition government either raises taxes or "monetizes the debt," the credit-worthiness of Japanese government bonds will sink to the level of "junk bonds." Moreover, the government is faced with underfunded pension funds, a crisis which recently nearly tore apart the fragile coalition.

Were the Bank of Japan to "monetize the debt," that is,

print money to cover the bad bank debt and cost of the fiscal packages, Japan, given that the real economy continues to decline, could soon be faced with a hyperinflationary explosion—precisely what U.S. Democratic Presidential candidate Lyndon LaRouche warned of a few months back. Fortunately, Bank of Japan officials have resisted this approach, despite pressure coming from U.S. Treasury Secretary Lawrence Summers and members of the Obuchi coalition.

The derivatives problem

While Japanese debt problems remain unsolved, the globalist financial institutions in Tokyo have been trying to coax Japanese financial institutions into burying the bad bank debt in the derivatives markets. The most prominent case now under investigation is that of *Crédit Suisse First Boston*. The head of the local branch of *Crédit Suisse Financial Products*, Shinji Yamada, was arrested in November for obstructing an investigation by the Financial Supervision Agency (FSA) into a series of irregular transactions to help clients conceal losses by bouncing them from one account to another, possibly using derivatives transactions.

The FSA has been targetting the Lehman Brothers securities unit, and other foreign firms involved in derivatives financial products. The FSA, which was set up in June 1998, is probably the only safeguard against the complete takeover by

the globalizers of Japanese financial institutions.

In late November, Michio Ochi, head of Japan's Financial Revitalization Commission, the country's top regulator, arrived in Washington for discussions with Federal Reserve Chairman Alan Greenspan and Summers. These closed-door meetings were aimed at pressuring the Japanese to "keep the policy reform process" moving forward. Greenspan and Summers, according to high-level government officials, are worried that Japan is still not doing enough to move its economy ahead.

Ochi told American officials that Japan's economy is growing at 0.6% for the current fiscal year, and that next year's forecast is for 1.5-1.75% growth. "Given the dull domestic consumption and particularly the severe stagnation in capital investment, this does not represent a full-fledged turnaround, so fiscal stimulus will be necessary," he said, in a speech at the Center for Strategic and International Studies in Washington.

Ochi's remarks are aimed at keeping the pressure off the Japanese government, because most Japanese officials believe that Summers, more than any other individual, will help destroy the Japanese economy, and with it, Japan's influence in the world. According to senior officials, Summers wants a high yen to force the restructuring of the Japanese economy, and, unless Japan is prepared to do just that, Summers will impose such a restructuring, one way or another.

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EIR publishes book by Russia's Glazyev

Russia in the 1990s: "The rate of annual population loss has been more than double the rate of loss during the period of Stalinist repression and mass famine in the first half of the 1930s. . . . There has been nothing like this in the thousand-year history of Russia."

—Sergei Glazyev

EIR News Service on Nov. 29 announced the publication of the English edition of *Genocide: Russia and the New World Order*, by Russian economist Dr. Sergei Glazyev. This book is must reading for an understanding of what went wrong, and what was wrong from the outset, after the Soviet Union broke up.

Genocide analyzes the catastrophic decline of the Russian economy and the deformation of society from August 1991 through Aug. 17, 1998, from the author's unique vantage-point as a member of the government, Deputy of the State Duma, and then economist at the Security Council and the Federation Council staff. In documenting the devastation of Russian industry and living standards, Sergei Glazyev's account makes intelligible the anger of many Russian patriots at Western leaders who still preach staying the destructive course that was packaged as "free trade and democracy."

Doctor of Economic Sciences, specialist in "the theory of long-term technological development," and graduate of the prestigious Central Mathematical Economics Institute (CEMI) of the Soviet Academy of Sciences, Glazyev was one of the economists destined for a post as a "young reformer" in post-Soviet Russia. He became Minister of Foreign Economic Relations in independent Russia's first cabinet under President Boris Yeltsin, and was the only member of the government to resign in protest of Yeltsin's abolition of the Parliament and the Constitution in 1993. Dr. Glazyev went on to win election to the State Duma in December 1993, serving as chairman of the Duma's Committee on Economic Policy (1994-96). In December 1994, he became leader of the Democratic Party of Russia. He worked as an economist at the Security Council of the Russian Federation (1996). Since late 1996, Glazyev has headed the Information and Analysis Directorate of the Federation Council staff.

Genocide was first published in Russian in 1997. The English version has been translated by Rachel Douglas from the second Russian edition (1998), which incorporates the author's analysis of the Aug. 17, 1998 financial collapse in

Russia. The book is in three parts: I. Genocide (October 1993-August 1998); II. Russia and the New World Order; III. A Strategy for Economic Growth on the Threshold of the 21st Century.

Dr. Glazyev reckons the genocide policy in Russia from the shelling of the Parliament in October 1993, "when the revolutionaries usurped power and assumed full responsibility for the formulation and conduct of social and economic policy. . . . They carried out, under cover of market reforms, a policy of appropriating the national wealth and colonizing the country for the benefit of international capital, the consequences of which have been catastrophic for the Russian people."

Part I of *Genocide* documents these consequences for the Russian population as a whole, for children, and for the country's regions, with respect to demographic collapse, nutrition, disease, narcotics addiction, crime, employment, education, culture, and morale.

Part II explores the ideological justifications for Western leaders to treat Russia as merely a source of loot. Glazyev analyzes Zbigniew Brzezinski's book *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, as representative of a geopolitical outlook, coherent with the economic ravaging of Russia. Part II also features the author's evaluation of the Kiriyenko government's Summer 1998 program, the August 1998 "Chernomyrdin Plan" promoted by George Soros and Domingo Cavallo, and how the replenishment of Russian Central Bank currency reserves by the International Monetary Fund in July 1998 bought time for preferred, insider speculators to escape from the Russian government bond pyramid before its collapse.

Glazyev is confident that Russia can recover, but only if the "reform" policies of the 1990s are rejected as the instrument of national catastrophe that they have been. "The bankruptcy of that policy of destruction of the country's productive forces, which transpired on Aug. 17, 1998," he writes, "opened up possibilities for a change in economic policy, . . . and the creation of conditions for economic growth."

Part III outlines an approach to exploiting Russia's surviving assets, such as skilled manpower and areas of scientific innovation, as the basis for an economic growth strategy in the next century.

The preface to the English edition, written by Lyndon H. LaRouche, Jr., examines the failed axioms of economic policy worldwide, since the introduction of the floating exchange-rate monetary system in August 1971. As Western leaders continue to adhere to these flawed axioms, he suggests, Russia might well outlive the "Thatcherism" that was so aggressively imported into Russia in the 1990s.

The book, scheduled for release on Dec. 7, is priced at \$20 and can be ordered (item number EIB 99-002) from EIR News Service, Inc.; P.O. Box 17390; Washington, D.C. 20041-0390; or, on the web, from www.larouchepub.com; or, call toll-free, 1-888-347-3258.

It's time to dump GDP as a measure of the economy

by Richard Freeman

On Oct. 28, the U.S. Department of Commerce made a comprehensive historical revision of Gross Domestic Product, creating, out of thin air, an additional \$248.9 billion for 1998. The revision is one more instance of hocus-pocus, which resulted in a fake growth in GDP.

The latest trick is part of a strategy to maintain the threadbare myth that the United States is in the midst of an economic expansion. The reality is far different. Consider the following critical sectors of the U.S. economy: Comparing the first nine months of 1999 to the first nine months of 1998, U.S. machine-tool consumption is down 33% (and production very closely parallels consumption); sales of U.S.-produced tractors of 100 horsepower or greater are down 30.8%, sales of four-wheel-drive tractors are down 27.6%, and sales of harvesters and combines are down 45.5%; and shipments of U.S.-made steel are down 2.1%. Yet, the Commerce Department claims that real, inflation-adjusted GDP rose 4.5%.

Is GDP measuring the same economy, in which these three critical sectors, and others, are collapsing? The answer is, "No."

GDP has never been a metric to measure real, physical economic growth. From the outset, it has been a fundamentally flawed concept, a mishmash pieced together as an accounting system, and expressed in monetary terms (in the case of the United States, in dollars). In almost every instance, there is no correspondence between what it is claimed GDP is measuring, and what it actually expresses. The methodology of GDP is a sham.

During the period when GDP was developed, especially during the 1930s and 1940s, the concept had irreconcilable flaws, but the U.S. economy was more industrially and agriculturally oriented. Thus, while GDP did not measure growth, it could indicate, in broad terms, as a very rough gauge, whether the economy was headed upward or downward. Today, because the economy has become a post-industrial scrapheap, even that usage no longer functions. GDP is a system based on flawed axioms and postulates, that obscures the real economy, and thereby lies about what the economy is doing.

Another problem is that when GDP indicates that the U.S.

economy is growing and sound, when it is in fact contracting, this false picture itself becomes an element of policy. The City of London and Wall Street financier oligarchy is looting nations, to keep the speculative financial bubble afloat. And it diverts opposition to this process, by saying, "GDP shows the economy is doing fine."

We need not be condemned to GDP fakery. Lyndon LaRouche has developed the LaRouche-Riemann method, for accurately judging how an economy is functioning (which we discuss below). It is long since past time that GDP were scrapped.

In this report, we look at the Commerce Department historical revision of data which produced faked growth. We examine the fakery involved in reporting that capital formation is playing a large role in leading a U.S. economic expansion. We then look at the inability of GDP to measure real economic processes, and the fact that GDP has been reduced to measuring the degradation of the U.S. economy into a post-industrial society. Finally, we look at the LaRouche-Riemann model, a true metric of growth.

The Commerce Department revision

On Oct. 28, the Commerce Department carried out hundreds of revisions of data, after adopting new assumptions about how these data would be counted. The principal change, which accounted for one-half to two-thirds of the new, counterfeit GDP growth, was to reclassify purchases of computer software from an "expense" to an "investment."

To understand what was done, let us start with GDP, which is one feature of a linearized mathematical accounting system, called the National Income and Product Accounts, which was developed especially during the 1930s and 1940s, under a team of economists led by Simon Kuznets. GDP is defined as the annual "output of goods and services" produced within a country, whether by that country's nationals or by foreigners living in that country.

There are two principal methods for arriving at GDP. One, called the "value-added system," begins from the production side, and the other, the "expenditures system," begins from

TABLE 1

U.S. Gross Domestic Product, 1998

(trillions \$)

Personal Consumption Expenditures	5.808
Gross Private Domestic Investment	1.367
Government Consumption Expenditures and Gross Investment	1.487
Net Exports of Goods and Services	-0.151
Gross Domestic Product	8.511

Sources: Commerce Department; *EIR*.

purchases. Under the expenditures method, it is assumed that all of the goods that a country produces will have to be purchased during the year. Thus, it assumes that if one determines the level of purchases/expenditures for a year, that will equal output.

The “expenditure system of GDP” (with some modification) is the basis of what the U.S. government reports as official GDP on a quarterly or annual basis. **Table 1** shows U.S. GDP for 1998, as determined by the “expenditure system.” The table shows four main categories of expenditure that make up GDP. The largest category is called Personal Consumption Expenditures, which represents personal or consumer expenditures for consumer/personal goods or services. The second category, Gross Private Domestic Investment, is supposed to represent capital formation (we will see that it does not). The third category represents government expenditures, and the fourth represents net exports (i.e., the balance on exports and imports of goods and services; if a country imports more than it exports, this number will be negative).

On Nov. 8, a Commerce Department official explained to *EIR* the decision to reclassify the purchase of computer software as an investment, rather than as an expense, as it had been previously, and correctly, classified: “We will now count the purchase of computer software in the same way that we would treat a company’s purchase of a machine tool, as a new investment,” he said. That revision — treating non-productive computer software as if it were a capital good, like a productive machine tool — will make the U.S. GDP even more biased by post-industrial society assumptions.

Under the old arrangement, when computer software was classified as an expense of doing business, it did not figure into GDP. After the reclassification, however, supposedly as an element of capital formation, it was added into Gross Private Domestic Investment (GPDI), and GDP went up. **Table 2** shows U.S. GDP for 1998 after the revisions. Suddenly, GDP was \$8.760 trillion, compared to \$8.511 trillion before the revision. U.S. industrial output did not rise; this is the fake invention of GDP.

The GDP revisions were extended retroactively for at

TABLE 2

U.S. Gross Domestic Product, 1998, after Oct. 28 revision

(trillions \$)

Personal Consumption Expenditures	5.849
Gross Private Domestic Investment	1.532
Government Consumption Expenditures and Gross Investment	1.530
Net Exports of Goods and Services	-0.150
Gross Domestic Product	8.760

Sources: Commerce Department; *EIR*.

TABLE 3

Gross Domestic Product growth rate

	Old	Revised
1980-90	2.9%	3.2%
1990-98	2.6%	3.1%

Source: U.S. Department of Commerce.

least two decades. **Table 3** shows the resulting change in GDP growth rates, which for 1990-98, increased by 20%.

The revisions were also used to juggle all sorts of other numbers which are supposed to show an economy’s performance, in particular, the U.S. personal savings rate.

Without going into all the details here, the Commerce Department works from the assumption that the level of savings must equal the level of investments. In 1998, the U.S. official personal savings rate stood at 0.5%. But, because computer software purchases had been added to investments, this swelled savings. Presto change-o, the U.S. personal savings rate for 1998 was jacked up from 0.5% to 3.7%.

The fraud of capital formation growth

The Commerce Department’s brazen faking of GDP data, simply calls attention to the legerdemain by which the Commerce Department constructed GDP in the first place.

Let us start with the financial media’s widely trumpeted claim that there has been a spectacular growth of capital formation, i.e., spending for new plant and equipment. Capital formation has allegedly led the United States into its tenth year of economic expansion.

What is cited as evidence, is that during 1991-98, real (i.e., inflation-adjusted) GPDI, which is supposed to be the category for capital formation, grew at a compounded annual rate of 9.32%, i.e., more than double the rate of growth of real GDP as a whole.

But, much of GPDI does not represent capital formation.

TABLE 4

Four elements of Gross Private Domestic Investment

(trillions \$)

Information Processing Equipment (includes computer hardware, computer software, etc.)	0.357
Office buildings	0.042
Hotels and motels	0.015
Other commercial structures (shopping malls, etc.)	0.054
Total (of these four elements)	0.467

Sources: U.S. Department of Commerce; *EIR*.

Let us look at four major elements that go into it: information processing equipment, which comprises computers and peripherals, computer software, and so forth; office buildings; hotels and motels; and other commercial structures, including shopping malls (**Table 4**). (As noted, computer software was added to GPDI only on Oct. 28.)

Information processing, the first item, raises the question of whether computers are used for productive or non-productive purposes. While computers do play a role in the production process, such as in printing, or in some industrial machines, it is estimated that 80 to 90% of all computers are used for purely administrative functions. (Indeed, it is estimated that 15% or more of all computers are used in financial services.) Thus, the large majority of computers are used for non-productive purposes. Office buildings, hotels, shopping malls constitute overhead.

These four major elements of GPDI do not represent real capital formation. Real capital formation, that is, spending for plant and equipment, raises the physical economy to a higher level of energy-intensive, capital-intensive development, which ensures future production. These four elements do not do that; they are largely parasitical. Table 4 shows that in 1998, spending for these four elements totalled \$0.467 trillion. This constituted 30.5% of the total GPDI (i.e., alleged capital formation) of \$1.531 trillion. In fact, in 1998, these four elements alone constituted 5.3% of the entirety of U.S. GDP.

The idea that the United States economy is undergoing a capital formation-led expansion, or any other type of expansion, is a hoax. GPDI does not represent capital formation.

The question of measurement

We now look at a deeper question: the very concept of GDP itself. This raises the question of measurement, of metric. How does one gauge how “economic activity” is performing? This depends on what one thinks economic activity is in the first place. What is growth? Is it the mere counting of

things? Or, is there an ordered process by which the economy goes from a lower level of development, to a higher order? And if so—and it is so—how does one measure that?

It is at this point that GDP is exposed as a totally bankrupt concept; it has no capability for measuring the movement from a lower order of development to a higher order (or, the reverse direction).

GDP begins from the idea that man is driven by seeking pleasure and avoiding pain, and that he buys what pleases him, to which a dollar amount is assigned. By a set of linearized mathematical equations, GDP adds up total expenditures, to arrive at an amount. If this amount grows over successive measurements, it is claimed that there has been growth in the economy.

GDP includes everything. It outlaws any attempt to make a distinction—that any sane human being would make—between cancerous speculative derivatives trading, on the one hand, and the necessary work of machine tools, on the other.

We look at three examples, which show that GDP breaks down when it tries to do real measurement. These are flaws built into the very axioms of GDP. There is no superficial adjustment that could cure GDP of this problem.

GDP cannot assign value to different types of energy production, or, indeed, to any production.

To comprehend the example to be presented, it is necessary to understand the GDP “value-added system.” For an industry, value-added is the difference between the revenues that an industry takes in for selling its products, and the input costs that it incurs for the intermediate goods to make its product. For example, the value-added for the steel industry is the revenue realized by selling steel, minus the input costs of the iron, lime, energy supplies, etc., required to make the steel. Another name for the value-added for an industry is the “GDP originated by” that industry. The sum of the value-added for all industries in an economy, is equal to GDP.

This example begins from the fact that in the United States, coal is the dominant form of raw material used in the production of electricity. Over the last three decades, the amount of coal that the United States has mined has increased. As a result, the value-added that coal contributes to GDP has increased, increasing GDP. Second, in 1970, coal constituted 27.3% of all freight, by tonnage, hauled by America’s railroads; by 1997, coal constituted 43.8% (on a revenue basis, coal went from 12.1% of all rail freight revenue in 1970, to 22.5% in 1997). Coal is not part of the railroads’ value-added, but the increase in haulage of coal, increased the revenues of the rail industry, and that increased its value-added.

Thus, both the direct production of coal, and the rail industry’s haulage of coal, produced an increase in value-added, and an increase in GDP. The Commerce Department considers this as growth, but it is not, as we shall see.

One can express the efficiency of an energy-system by

the concept of energy-flux density, which is the volume of the energy flow-through, per cross-section of a surface area, per unit of time. By this standard, nuclear fission power, and ultimately fusion power, have much higher energy-flux densities than coal, require only a fraction of the material to run the plant, and so forth. Thus, were the American economy genuinely advancing, nuclear power would be increasing as a share of its electricity generation, and America would be developing, ultimately, fusion and matter/anti-matter processes. It would be moving away from coal and other fossil-based fuels as a source of electricity generation. This is not happening; in fact, America last started construction of a new greenfield nuclear power plant in the late 1970s. Thus, the increased use of coal to produce electricity represents a regression, not an advance. Moreover, America is choking its rail system with coal. Rail is the most efficient means of transportation for mass transit of bulk goods, but for coal to constitute nearly half of all of the freight being carried by the rail industry, is insane.

This point can be stated another way: A mere scalar quantity of output is not a measure of advance. This may seem like a contradiction, because America suffers from a fall in production of critical sectors of the economy, whose output needs to increase: machine tools, farm equipment, steel mills, etc. But this contradiction points up the issue of value. The mere increased output of something does not represent value. Where is value located? It is not intrinsic, inhering in something in and of itself. Rather, the value of a product is located in its contribution to the vectored development of the economy as a whole. *From this standpoint, the continuous, increased output of coal does not contribute value, but its opposite.*

Take the example of the buggy-whip. It could be made out of a high-tensile, chromium-coated steel alloy that would last a hundred years. But, the horse and buggy era is over.

Yet, GDP, by its nature, cannot account for this, and, therefore, axiomatically, erroneously counts increased coal output as increased value and growth. Hence a related point of great importance. The modelling of GDP works from linear mathematical equations. Yet linear mathematical equations can never measure growth. Growth lies in the process of change, of scientific and technological progress. But such progress is situated in the creative mind of man, which is outside GDP's linear mathematical equations.

GDP counts costs related to the breakdown of living standards, as constituting positive economic gains.

As families are no longer able to manage in a single wage-earner household, but now must hold anywhere from two to four jobs to survive, they must incur many added costs, totalling sometimes many thousands of dollars per year, which are related to the additional jobs. These costs include increased expenses for child care and transportation. These additional expenditures boost GDP.

Thus, the unfortunate circumstance of families having to work more jobs, to offset the collapse in their purchasing power (often still not earning enough to survive), and thus incurring more costs, is counted by GDP as an increase in value.

GDP does not measure the true value and costs of infrastructure.

GDP cannot measure the infrastructure deficit in the United States. GDP includes a category, Government Gross Consumption Expenditures and Net Investment, which reports on some of the annual expenditures for infrastructure. But what it does not include are the expenditures that *should* be made each year. America has a deficit in infrastructure spending, falling short of what is needed by as much as a quarter-trillion dollars or more per year. This amount should be deducted from GDP. *EIR* estimates that the United States has an infrastructure deficit of \$7-9 trillion, comprised of obsolete infrastructure or infrastructure that is needed but hasn't been built. This is visible across America: the breakdown of water mains in major cities; the collapse of bridges and highways; the unavailability of clean water and water for irrigation; the lack of hospitals; the obsolescence of the rail grid; and so forth.

Infrastructure, along with the machine-tool-design principle, is one of the most indispensable elements of an economy. It raises productivity for factories and farms, for urban and rural living. Without infrastructure, there would be no modern human existence. The U.S. physical economy has been contracting at the rate of 1-2% per annum over the last quarter-century, and the breakdown of infrastructure is a foremost reason for that.

Yet, while GDP can account for only some of what is spent each year for infrastructure, it cannot account for the gap that exists between what is spent and what should be spent to maintain infrastructure, and also to provide infrastructure for the future. It cannot account for the \$7-9 trillion infrastructure deficit. GDP simply ignores this fundamental problem, an immense cost, which the United States experiences the effects of every day. Yet, from the standpoint of GDP, the problem does not exist.

Each of the three cited examples—the false valuation of the role of coal, the added costs incurred in a family working two to four jobs, the immense infrastructure deficit—demonstrates that GDP fails as a measure of an economy. With respect to what each of these three examples says about the downward direction of the economy, GDP gives a wildly opposite, false report. It cannot be used to measure any of the real processes of the economy.

GDP measures the post-industrial society

Today, each time GDP reports an increase in U.S. economic growth, it is reporting something else entirely.

Since the assassination of President John F. Kennedy on

TABLE 5

GDP originating by industry, 1944-97

(percent of total GDP)

	1944	1947	1970	1980	1997
Goods-producing	55.0	50.7	42.2	40.7	32.5
of which manufacturing	29.0	27.1	24.1	21.0	17.0
Non-goods producing	45.0	49.3	57.8	59.3	67.5
of which financial	9.0	9.8	14.1	15.0	19.4

Sources: U.S. Department of Commerce; *EIR*.

Nov. 22, 1963, the British financier oligarchy has imposed on the United States a post-industrial society policy. It implemented this through several policy changes. On Aug. 15, 1971, President Richard Nixon, on London and Wall Street advice, severed the U.S. dollar from the gold reserve standard, ushering in a floating-exchange-rate system. In 1973-75 and 1978-79, the British Commonwealth's Seven Sisters oil cartel carried out two oil hoaxes, which collectively raised the price of oil from \$3 per barrel to \$33 per barrel, an 11-fold increase. In October 1979, Federal Reserve Board Chairman Paul Volcker launched a policy of "controlled disintegration" of the economy—ostensibly to stem inflation—by sending interest rates into the stratosphere, which collapsed production. In October 1981, the Kemp-Roth Tax Act was signed into law; and in 1982, the Garn-St Germain Act was enacted, which deregulated the U.S. banking system, both of which fuelled speculation.

Under the post-industrial society policy, agriculture, manufacturing, and infrastructure withered, while speculation was fostered.

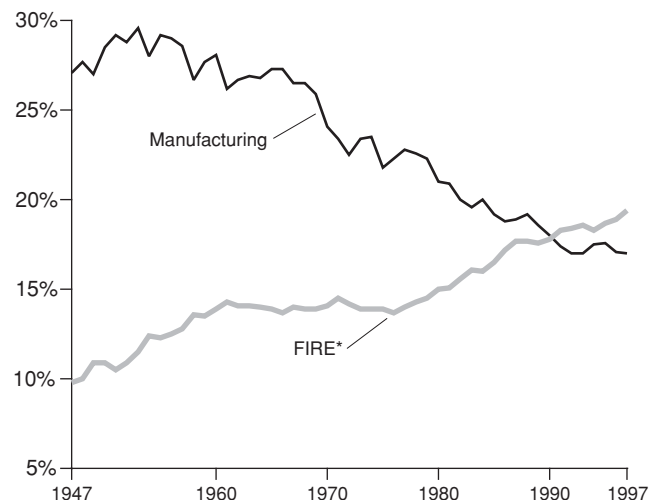
Let us look at the U.S. economy on an historical basis. Under the GDP "value-added system," the Commerce Department measures, for each industry, the amount of GDP that it "originates" or "produces." These can be expressed as a percentage share of GDP. This "value-added" method is flawed, but it shows a trend (**Table 5**). (The figures for 1944 are estimated, based on levels of U.S. production; the figures for 1947 are the first provided by the Commerce Department.) By 1997, the non-goods-producing section of the U.S. economy "produced" 67.5% of GDP, whereas the goods-producing sector accounted for less than one-third of GDP. *What GDP is measuring, as its principal function, is the breakdown of the U.S. economy, the transformation toward a post-industrial society, of collapsed production, and increased speculation.*

The change in the character of the U.S. economy can be seen in the comparison of the manufacturing sector, a sub-sector of goods production, to the financial sector, a sub-sector of non-goods production. The "value-added" of Finance, Insurance, and Real Estate (FIRE, the full name for

FIGURE 1

Share of U.S. GDP 'originated by' manufacturing vs. FIRE

(percent)



*Finance, insurance, and real estate

Sources: U.S. Department of Commerce; *EIR*.

financial services) is the value of its revenues, minus its input costs. Each rent increase, each increase in bank revenues through derivatives trading, increases the value-added of FIRE. **Figure 1** shows that in 1947, the manufacturing sector contributed 27.1% of U.S. GDP; the FIRE sector only 9.8%. The manufacturing sector accounted for almost three times as much GDP as did the FIRE sector. By 1997, a dramatic change had occurred: The speculative FIRE sector now accounted for a greater share—one-fifth—of U.S. GDP than did manufacturing.

The more that post-industrial Information Age services and the speculative category of FIRE grow, the more the U.S. GDP grows. Perversely, while GDP purports to measure "growth," it is in fact measuring decay; GDP is a *metric* of a cancerous process's eradication of the real physical economy.

The LaRouche-Riemann method

GDP is not crippled by one or two or five problems which could be cured with the change of a few formulas. GDP is flawed at its root, starting with the conception that man purchases that which brings him pleasure, which purchases, when added up, total GDP. It is flawed by the premise that it can be expressed by linear mathematical equations, which add up the total of purchases and "value-added."

GDP cannot express what the true value of an energy

resource is, such as coal vs. nuclear, and ignores the strategic importance of infrastructure. When GDP reports that the economy has reached the quantitative level of X, expressed in dollar terms, one is given no idea what that means with respect to the real performance of the economy.

There are devastating consequences that follow from tolerating the incompetence of GDP. The London and Wall Street financier oligarchy deploys GDP as a weapon, to run roughshod over anyone who would oppose their ruinous policies. This oligarchy has intensified the looting of the population and real economy, in order to hold up the fictitious values of its bankrupt speculative bubble, which ultimately cannot

be sustained. As this effort to sustain the bubble further destroys the economy, the oligarchy reports, "See, GDP shows the economy is doing fine."

GDP is used to distort reality and keep policies in place that are destroying the human race. Yet, as long as leaders accept GDP, and accept the thinking concerning the economy and the nature of man that underlies GDP, then there will be no changes in the policies governing nations. The world faces the biggest financial and economic disintegration in 500 years, yet leaders, self-brainwashed by GDP and its underlying premises, are not taking the necessary measures to put the financial system through bankruptcy reorganization, and to put a development-vectored New Bretton Woods monetary system in its place, which would save the economy.

Today's crisis requires the world to move away from GDP quackery, and embrace scientific method. Lyndon LaRouche developed the LaRouche-Riemann method as a metric of the real, physical economy. LaRouche begins from the perspective that man, in the image of the Creator, willfully uses the power of reason to make revolutionary new discoveries of validatable fundamental scientific principle. The application of the higher, non-deductive power of reason is energized by the passion called *agapē*. This is the starting point of economics. Man transmits these scientific discoveries into the economy through the machine-tool-design principle and infrastructure. When these discoveries are conjoined to a labor force whose powers of cognition have been developed by a Classical education, this creates not-entropic economic activity.

Man increases his power over nature. This correlates with an increase in potential relative population density. This can



be expressed as a measurement: an increase in freshwater management, energy generation, and efficient transportation, on a per-capita and per-square-kilometer basis. An increase in the provision of health care, including the physical availability of hospitals, and increased amount and quality of education, in order to develop the individual so that he can develop his power over nature, expressed on a per-capita, per-square-kilometer basis. An economy so ordered would have an increasing energy- and capital-intensive mode of development. The ratio of capital goods to consumer goods production would be rising. An economy so ordered, moves from a lower form of development, to a higher, more powerful form of development. If it is not so ordered, expressed by falling rates per capita and per square kilometer, the economy is decaying. Thus, there is a scientific basis to measure economic processes. (See works by Lyndon H. LaRouche, Jr., "The Economics I.Q. Test," *EIR*, May 14, 1999; "What Economics Must Measure," *EIR*, Nov. 28, 1997; *So, You Wish To Learn All About Economics?* [Washington, D.C.: EIR News Service, 1995].)

The principles that enable the LaRouche-Riemann method to accurately forecast an economy's performance, are the same ones that can be used to formulate competent economic policies, whether for running a country or for reconstructing the world economy.

GDP, on the other hand, is axiomatically incapable of measuring an economy; it deliberately lies about how an economy is performing. GDP should be dumped. This would create the basis to have policymaking that uses real economic science. Governments and leaders would be free to consider long-overdue policy changes.

Business Briefs

Africa

Egypt, Sudan, Ethiopia reach accord on Nile

In a sign of the changing strategic situation around Sudan and the Horn of Africa, Sudan, Egypt, and Ethiopia have reached a cooperation agreement on projects exploiting the waters of the Nile Basin, officials said on Nov. 19.

In a communiqué issued at the end of a two-day meeting in Khartoum, Sudan's capital, water resources ministers of the three nations said that they had approved an experts' document setting out the terms for cooperation. The accord calls for equitable use of the waters in irrigation and electric power projects, and for steps aimed at the prevention of soil erosion, flooding, and pollution. Feasibility studies are planned for joint water projects and for financing them. The ministers also agreed to hold their next meeting in late January in Cairo.

The agreement assures Egypt and Sudan that there will be no blackmail by Ethiopia, the source of the Blue Nile, on the flow of the water to other countries. There had been growing concern in Egypt and Sudan that Israel, especially under Benjamin Netanyahu's government, would pressure Ethiopia's government into using the flow of the Blue Nile as a weapon against both Egypt and Sudan. In November, Sudan's Water Resources Minister warned Nile Basin states against foreign interference and particularly against what it sees as Israeli ambitions regarding the river waters.

Space

Cooperation agreements involve more nations

Several agreements have recently been signed, which will involve more developing nations in advanced space technologies and applications.

At the ministerial conference of the UN Economic and Social Commission for Asia and the Pacific, in New Delhi on Nov. 20-21, the 20 nations attending concluded with

a call for disaster-prone nations to have free access to satellite data. Indian Prime Minister Atal Behari Vajpayee, who opened the conference, encouraged members to pool their technology and expertise to aid economic and social development in the region. "There is an urgent need to focus attention on achieving a better quality of life for the ever increasing population in this part of the world," he said. "Space technology can make our path easier." The devastating cyclone in the Indian Ocean in October, and the Indonesian forest fires last year, were cited as instances where space remote sensing data could have been used effectively.

At the conference, India and France announced that they will jointly build a satellite that can track cyclones. It will be launched from India, and the two countries will share its cost.

On Nov. 18, Brazil and Ukraine signed an agreement in Kiev to cooperate in the launch of Ukrainian Tsyklon rockets (descended from the SS-9 ICBM), from the Alcántara launch site in Brazil. Because that site is only two degrees from the Equator and can take advantage of the lower energy needed to obtain an equatorial orbit, Ukraine can place a larger payload into orbit than at either the Baikonur or Plestsk launch sites now in use. The agreement will reportedly include the development of radars for remote sensing, and the study of the propagation of electromagnetic waves in the atmosphere in the equatorial region.

Shipping

Russia seeks year-round northern sea route

"The Northern Sea Route from the Atlantic to the Pacific Ocean along Russia's Arctic coast may become a serious competitor to other sea routes through the Suez and Panama canals," Interfax reported on Nov. 22, based on remarks by First Deputy Director of the Merchant Fleet Department at the Transport Ministry Nikolai Matyushenko.

Matyushenko said that the conclusion is contained in a report prepared by European specialists, which was scheduled for presentation at an international conference on the

Northern Sea Route in Oslo, Norway on Nov. 18-20. Matyushenko said that the Arctic route is one-third shorter than other sea routes and therefore the transportation of container freight from Europe to Japan would be 40% cheaper than via the Suez Canal, and transportation time will be reduced by 15-16 days.

The main issue is to guarantee year-round navigation on the Northern Sea Route, especially in the eastern section of the Arctic Ocean, so as to transport freight according to schedule. The nuclear ice-breaking fleet will be given this task. With a freight turnover of 3-4 million tons, the route will be highly profitable. Russia could receive about \$100,000 from one foreign ship passing through the route.

China

Development of western areas to be speeded up

The development of China's western provinces is to be accelerated along the lines used to develop China's east coast during the 1980s, the *South China Morning Post* reported on Nov. 23. Zeng Peiyan, Minister of the State Development Planning Commission, said on Nov. 21 that interior development would soon take off. "Development in the western regions will move a significant step forward next year," he said, as it had in the five "special economic zones"—Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan—where generous tax breaks had been granted to foreign businesses.

Zeng said that huge investments would be needed to build infrastructure in the west, including cross-province motorways linking cities, airports, railways, and water conservation facilities.

Chinese economist Hu Angang said that the "authorities are considering opening up the projects for foreign investment. Other sectors including tourism and insurance may also be gradually established in cities in the western region."

On Oct. 21-30, Chinese Prime Minister Zhu Rongji made an inspection tour of the western provinces of Gansu and Qinghai and the Ningxia Hui Autonomous Region. Developing the infrastructure of these areas is

BANCA D'ITALIA head Antonio Fazio attacked the "inhumanity" of unemployment, in a meeting with the Pope in November. "We need an extraordinary effort to overcome that inhuman condition of unemployment, especially among the youth. The economy cannot live without ethics . . . without ideals. A just society offers each of its members the opportunity to join the world of labor, allows everybody to contribute to the good of the community that he is part of, to strive to higher moral values," he said.

EISUKE SAKAKIBARA, Japanese former Vice Finance Minister, received the support of the Association of Southeast Asian Nations and South Korea to become head of the International Monetary Fund, at an ASEAN meeting in Manila on Nov. 28.

THE U.S. GENERAL Accounting Office concluded that the case of the Long Term Capital Management hedge fund shows that "regulators need to focus greater attention on systemic risk," in a report released in October.

YEVGENI PRIMAKOV, Russian former Prime Minister and a leader of the Fatherland-All Russia bloc, said on Nov. 22 that the privatization of certain enterprises should be reviewed. "If a privatized enterprise is worth it, if its resources are being stolen by new owners, the workers being driven out . . . and it is discovered that privatization was not carried out correctly, if it was illegal, then we will review it retrospectively," he said.

GEORGE SOROS, whose speculation has destroyed nations and who pushes drug legalization, called on the West to condition its assistance to Ukraine on "democratic improvements," including complying with the International Monetary Fund's recommendations, in an op-ed in the Nov. 24 *International Herald Tribune*. Such demands could further the impulsion toward war between East and West.

a priority, but protecting the environment is also important because soil erosion in the west is causing severe flooding, he said. Development of these regions requires increased investment into basic facilities such as highways, railways, airports, natural gas pipelines, power grids and telecommunications networks. A transportation network should be set up linking the western areas with the central, eastern, southwest, and northwest areas, utilizing local water resources and building water-control projects, Zhu said.

The acceleration of the development of western provinces comes as economists Hu Angang and Wang Shaoguang recently published a book reporting that the interprovincial economic gap in China is widening. They warned that the growing income gap can have grave political consequences. In order to help the west develop faster, they urged Beijing to cancel the preferential treatment given to coastal regions, enhance its redistribution power, expand access to public services, and help less-developed regions improve their infrastructure, including telecommunications and public transportation.

Natural Gas

Italy, Russia sign deal for pipeline to Turkey

Italy's ENI and Russia's Gazprom signed a \$1.7 billion deal in November to jointly construct a 236-mile pipeline under the Black Sea, to deliver Russian natural gas to Turkey. Gas deliveries are due to begin in 2001, upon completion of the first artery, and capacity will reach 16 billion cubic meters of gas per year when the project is completed in 2002.

The deal was announced shortly after a memorandum of intent was signed at the Organization for Security and Cooperation in Europe meeting in Istanbul, for the construction of a gas pipeline under the Caspian Sea, that would deliver Turkmenistan gas to Turkey. The deal was signed at the same time also that the Azerbaijan international consortium signed a pipeline deal to bring Caspian Sea oil from Baku to the Turkish Mediterranean port of Ceyhan.

The joint Gazprom-ENI project, named

"Operation Blue Stream," has the backing of some factions in Turkey, including former Prime Minister Mesut Yilmaz, who has urged that Turkey not abandon its traditional natural gas ties to Russia, in favor of the U.S.-backed Turkmenistan deal. Oil and gas experts are nearly unanimous that the market is not sufficient to warrant the construction of both the Black Sea and Caspian Sea pipelines, the Nov. 24 *Wall Street Journal* asserted.

Nigeria

Crash development plan to calm Niger Delta area

With troops deployed into the Niger Delta area to stop anarchy and killings, Nigerian President Olusegun Obasanjo on Nov. 23 said that the federal government "will embark on the instant development of the Niger Delta," the Nigerian daily *The Guardian* reported. The government "could no longer wait for the National Assembly to pass the bill on the Niger Delta Development Commission," but had to move immediately, Special Assistant to the President on Media Dr. Doyin Okupe said. "The situation, the deprivation, the suffering, the poverty, the pains . . . are such that government cannot wait for this bureaucratic thing to be in place before government does something."

Okupe acknowledged that the area had been turned into a profit-making venture by criminal elements, but said that the only solution is development.

The interim measures include a new mandate given to Julius Berger Plc. to resume a 5 billion naira (roughly \$50 million) road construction project in Bayelsa state. The federal government has taken over the Bayelsa Gas Turbine Project, to move it forward. The Ministry of Power and Steel has been directed "to connect the state to the national grid," a Presidential committee has been formed to settle the debts owed to contractors of the defunct Oil Minerals Producing Areas Development Commission, and the government has approved the establishment of a technical training institute in Bonny, Rivers State. Okupe said that other initiatives will be announced.

Science, pesticides, and environmentalist politics

From Silent Spring to the ban on DDT, environmentalist scare stories about pesticides are flagrant hoaxes. A speech by entomologist Dr. J. Gordon Edwards at Dartmouth College on April 11, 1999.

A week after my college graduation, I was inducted into the Army. In 1944, I went ashore in France at Omaha Beach (three weeks after the great invasion). Later, I spent several hours daily in a cloud of 10% DDT dust, puffing it down inside the clothing of European people who feared that typhus might again spread across Europe as it did during the First World War. At that time, it killed nearly 3 million people in Russia and millions more in the Balkans, Poland, and Germany. This terrible disease is spread by body lice, and they were becoming common in Europe again in 1944. Fortunately, DDT had recently been discovered and it quickly killed body lice, so typhus did not become a problem in Europe during the war.

After the war ended, I went to Ohio State University to continue my study of beetles. I feared that the government might blanket the United States with DDT, to kill all the insect pests. I thought that might eradicate so many insects that my career as a beetle specialist would be threatened. Fortunately, I was wrong on every count.

During the early 1960s, I worked for a month each summer studying high-altitude ecology in Grand Teton National Park, Wyoming. While I was there, the *New Yorker* magazine carried a review of Rachel Carson's new book, *Silent Spring*. I read the review and thought it was great, because I was a dedicated ecologist and had little use for industry or construction projects. I bought a copy of the book and began reading it. I noticed that Miss Carson made a great many misleading

statements, but I tried to overlook that because "she was on our side." Gradually, however, I realized that she was deliberately lying. I was really shocked! I began to understand why her original co-author, Edwin Diamond (science editor of *Newsweek*), had withdrawn from the relationship and criticized *Silent Spring* as "an emotional, alarmist book seeking to cause Americans to mistakenly believe their world is being poisoned" (*Saturday Evening Post*, Sept. 28, 1963).

In the front of her book, Rachel Carson dedicated *Silent Spring* as follows: "To Albert Schweitzer who said 'Man has lost the capacity to foresee and to forestall. He will end by destroying the Earth.'" Since the major theme of her book was anti-pesticides (especially anti-DDT), this appeared to indicate that the great man opposed the use of DDT. However, in his autobiography, Schweitzer wrote: "How much labor and waste of time these wicked insects do cause us . . . but a ray of hope, in the use of DDT, is now held out to us."

On page 187, Carson wrote: "Only yesterday mankind lived in fear of the scourges of smallpox, cholera and plague that once swept nations before them. Now our major concern is no longer with the disease organisms that once were omnipresent; sanitation, better living conditions, and new drugs have given us a high degree of control over infectious disease." That statement bothered me, because I had been teaching medical entomology at San Jose State University for more than ten years and was aware that the greatest threats to humans are diseases like malaria, typhus, yellow fever, Chagas'



Most scientists thought that the eradication of malaria by use of DDT was a great humanitarian victory. But not Britain's Prince Philip (right) and Club of Rome President Alexander King (left), who decried the fact that human population grew as a result. Their malthusian policies led to the banning of DDT, on completely unscientific grounds.



disease, African sleeping sickness, and several types of leishmaniasis and tick-borne rickettsial diseases. She avoided mentioning any of those, perhaps because she knew that they could be controlled only by the appropriate use of insecticides. It was later revealed in *Science* (June 9, 1972) that “at least 80% of all human infectious diseases are arthropod-borne.”

The National Academy of Sciences, in *The Life Sciences*, 1970, commented that: “To only a few chemicals does man owe as great a debt as to DDT. In a little more than two decades, DDT has prevented 500 million human deaths that would otherwise have been inevitable.”

Malaria

In Ceylon (Sri Lanka) in the 1950s, two million people were developing malaria each year, but after a DDT program was carried out there, there were only 17 cases in the entire country. Most scientists thought that that was a great humanitarian victory. However, in 1981, Britain's Prince Philip wrote in *People* magazine: “I was in Sri Lanka, where malaria was halted by DDT. Earlier, malaria had been controlling population growth. The consequence of using DDT was that within about 20 years, the population doubled.” (He was happier when thousands of poor people died of malaria annually.) Alexander King, the president of the Club of Rome, wrote in his 1990 book: “In Guyana, within two years, DDT had almost eliminated malaria, so my chief quarrel with it in hindsight is that it has greatly added to the human population problem.” The World Health Organization stated that up to 40% of the children in poor nations would die of malaria, in response to which a leader in the Agency for International Development said: “Rather dead than alive and riotously reproducing.”

Sierra Club president McClosky told reporters: “The Si-

erra Club wants a ban on DDT, even in tropical countries where it has kept malaria under control,” and the National Audubon Society urged that DDT “be banned throughout the land and banned from export.”

A leading British scientist (D.G. Hessayan) later pointed out that “If there *had* been a worldwide ban on DDT, then Rachel Carson and her *Silent Spring* would now be killing more people every year than Hitler killed in his entire holocaust.”

Starvation

Starvation is also a great problem in Third World nations, where insect pests typically destroy nearly half of all crops each year. In 1986, Secretary of State George Shultz telegraphed orders to U.S. embassies in Africa, stating that “The U.S. cannot, repeat cannot, as a matter of policy, participate in programs using any of the following pesticides: 1) lindane, 2) BHC, 3) DDT, or 4) dieldrin.” To combat swarms of locusts, the most effective pesticide was dieldrin. Without it, 300 million tons of crops were destroyed, and widespread human starvation followed. Within a decade, millions of humans starved or died of insect-transmitted diseases as a result of that action by George Shultz.

News media lack of responsibility

We have now been exposed to more than 30 years of untruthful statements in *Audubon* magazine, the Sierra Club publications, *National Wildlife*, and many other “environmental magazines.” Most news media found it difficult to disagree with such wealthy, influential groups, so their propaganda was repeated in newspapers and magazines, and on radio and television reports. It became very difficult to inform the general public of the truth about such matters!

Dr. Edwards is professor emeritus of entomology at San Jose State University in California. He has taught biology and entomology there for nearly 50 years, and is a longtime member of the Sierra Club and the Audubon Society, and a fellow of the California Academy of Sciences. His articles published in *EIR* include "The Dieldrin Story: How U.S. Environmentalists Ensured the Survival of Locusts in Africa," Sept. 2, 1988; "Ecoindustry Pursues 'Unholy Genocide,'" June 19, 1992; "Scare-Mongers on ABC Program Claim DDT Is Causing Breast Cancer," Jan. 21, 1994.



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Ben Bradlee, the *Washington Post* editor, stated: "I'm no longer interested in news. I'm interested in causes. We do not pretend to print the truth. We print what people tell us. It's up to the public to decide what's true." (However, they only repeated what favored sources told them, and the readers were brainwashed, instead of informed!)

Charles Alexander: "As the science editor at *Time*, I would freely admit that on the environment we have crossed the border from news reporting to advocacy."

Stephen Schneider, now a Stanford professor, wrote (in *Discover*, October 1987): "We have to offer up scary scenarios, make dramatic statements, and make little mention of doubts. Each of us has to decide what the right balance is between being effective and being honest." Obviously, he decided that being honest is not very practical. Many anti-pesticide activists obviously feel that way, too.

Effects on wildlife

But what about harm caused to wildlife and the environment? Many people, misinformed by the affluent pseudo-environmental organizations, feared that DDT, for example, might harm birds and other wildlife. The claims of such threats were not supported by facts; however, the general public seldom learned the truth about those allegations. Consequently, they donated millions of dollars to the propagandists so they could "continue their good work."

Population explosions of birds. When marshes in the U.S. Midwest were sprayed with DDT to control mosquitoes, a common result was a population explosion of birds such as

redwing blackbirds. They swarmed out of the marshes and destroyed great quantities of crops. *Audubon* magazine (August 1971) reported: "Today, in a small area of northern Ohio, 10 million redwings mill about in the cornfields after nesting season." The Virginia Department of Agriculture stated: "We can no longer tolerate the damage caused by the redwings. . . . 15 million tons of grain are destroyed annually . . . enough to feed 90 million people." DDT caused those outbreaks of birds because: 1) it eliminated mosquitoes and black flies, which are carriers of bird diseases (avian malaria, avian bronchitis, leucocytozoan diseases, encephalitis, and fowl-pox); 2) it reduced destruction of plant products by insects, thus increasing the abundance of bird food; 3) egg production is reduced by 10% to 30% or more when birds are infested by chewing lice, but the lice are quickly killed by DDT; and 4) it stimulated more hepatic enzymes to be produced by the livers of the birds. Those enzymes destroy cancer-causing aflatoxins that are produced by molds in grain, seeds, and nuts. Aflatoxins are carcinogenic at levels of 0.03 to 0.08 parts per million in the diet. (Remember how small a part per million is: In a pile of pennies worth \$10,000 one part per million is just one penny.) The *British Medical Bulletin* (1969) and several other medical journals revealed how DDT in the diet prevents aflatoxin toxicity in birds and mammals.

Audubon Christmas Bird Counts. In Indiana and Ohio, I participated in the nationwide Audubon Christmas Bird Counts for several years. In 1941 (before DDT was present), those counts recorded 19,616 robins (only 8.41 seen per observer). In 1960 (after extensive DDT usage), the total counted was 928,639 robins (104.01 per observer). That was an increase of 12 times more robins seen, per observer, during the DDT years than before DDT was present. *Science* articles also provided evidence that DDT had never adversely affected bald eagles, per observer, than during the pre-DDT bird surveys.

Even while bird numbers were expanding (in 1962), Carson wrote in *Silent Spring*: "Like the robin, another American bird seems to be on the verge of extinction. This is the national symbol, the eagle." That same year, the greatest ornithologist in the United States, Dr. Roger Tory Peterson, wrote (in his Nature Library Book *The Birds*) that "North America's most abundant bird is the robin."

The bald eagle. In 1921, an *Ecology* article was titled: "Threatened Extinction of the Bald Eagle" (Alaska paid bounties on 128,000 bald eagles, up to 1952). In 1930 (15 years before DDT), ornithologists reported that there were only 10 nesting bald eagles in Pennsylvania, 15 in the Washington, D.C. area, and none in most of New England. *Bird Lore* magazine wrote: "This will give you some idea of the rarity of the eagle in the eastern U.S."

So, bald eagles were nearly extinct long before DDT or other man-made pesticides were discovered. Do environmental extremists think those eagle populations declined *in anticipation of DDT*?

The Hawk Mountain Sanctuary reported that the number

of bald eagles migrating through Pennsylvania more than doubled during the first six years of heavy DDT usage in eastern North America. Before DDT was used, the Audubon Christmas Bird Count recorded only 197 bald eagles in 1941, but after years of heavy DDT use, they recorded 891 bald eagles in 1961. In 1973, an Everglades National Park biologist stated: "I know of no evidence that the region ever supported a larger number of nesting bald eagles."

In 1960-64, the U.S. Fish and Wildlife Service Center at Patuxent, Maryland autopsied 76 bald eagles that were found dead in the United States and reported that 71% had died violently (shot, electrocuted, or impacted with towers and buildings), and four died of diseases, but none were poisoned by pesticides. They concluded that "the role of pesticides has been greatly exaggerated" (*J. Wildlife Diseases*, 6, 1970). From 1964 to 1972, they analyzed 190 more dead eagles. Most had been shot, and the majority of the others also died violently. There were 19 suspected cases of dieldrin poisoning, but no DDT involvement (*Pesticide Monitoring Journal*, 9:12-13, 1975).

The Fish and Wildlife Service fed high levels of DDT to caged bald eagles for 112 days (up to 4,000 mg/kg), with no adverse effects (*Trans. 31st N.A. Wildlife Conference*, 1966, pp. 190-200). From 1973 to 1988, the United States spent millions of dollars for eagle-breeding and -rearing programs, so more were being seen by people in almost every part of the United States. In 1983, New York State had only three active bald eagle nests, but then they imported 150 eagles from Alaska. Peter Nye wrote in *Natural History* magazine (May 1992) that in 1940 there were only a few pairs, "yet the oft-mentioned culprit DDT wasn't there until the 1950s, when the last few nesting eagles were already struggling for survival."

Gulls too abundant to live. On Tern Island in Massachusetts, seagulls increased during the DDT years from 2,000 pairs in 1940 to 35,000 pairs in 1971. William Drury, president of the Massachusetts Audubon Society, decided to poison 30,000 of those gulls, even though they were on the state's list of protected birds. He succeeded, and said, "It's kind of like weeding the garden" (AP, April 13, 1971). It was remarkable that nobody seemed to notice that the numbers of gulls had increased by 28,000 during the years of greatest DDT use! . . .

Ospreys. Raptors always receive a lot of attention from environmentalists, perhaps because they are so vicious. Ospreys were a great pest around fish hatcheries, so traps were set atop poles near the ponds. In 1943 (before DDT), leading authority Joseph Hickey attributed a 70% decline of eastern ospreys to that pole-trapping. Correlated with DDT increases, counts of ospreys migrating over Hawk Mountain totalled 254 in 1951, 352 in 1961, 527 in 1969, and 630 in 1971 (just before DDT was banned). In 1976, the *Hawk Mountain Sanctuary Newsletter* reported: "For reasons we do not understand at all, the number of osprey counted is returning to something like normal—318 in 1974 and 279 in 1975." (In other words, they said they could not understand why there

were 351 fewer migrating ospreys during the years after DDT was banned.) Environmentalist propaganda apparently has a blinding effect!

Peregrines. Dr. William Hornaday (head of the New York Zoological Society) discussed peregrines in his 1913 book, *Vanishing Wildlife*. He wrote that the undesirable peregrines "deserve death, but are so rare that we need not take them into account." He urged persons who found peregrine nests to "shoot the parents and destroy the eggs or young." (Peregrines were listed in most states as "vermin" before environmentalists converted them to ecological "gold mines" in the United States.)

Thomas Cade (the founder of the Peregrine Fund) wrote that "peregrines completely disappeared from east of the Rockies," and that "the subspecies is probably extinct." His fund then reared more than 4,000 peregrines (of *foreign* subspecies), at a cost of many millions of dollars, released them in the eastern United States, and then claimed that the Endangered Species Act had "saved the eastern peregrines." Cade was disappointed when a regional director of the FWS [U.S. Forestry and Wildlife Service] ordered that no more European peregrines be released in the eastern United States. Cade said we are left "with a large number of Spanish and Scottish peregrines on our hands" (*Audubon*, November 1977). Brian Walton, who was in charge of the California branch of the fund, reported that it cost \$1,500 to \$2,000 for each peregrine produced. In 1985, the fund's director complained that they were having trouble raising the million dollars for that year's peregrine recovery program "because 50 million people were starving in Ethiopia."

I enjoyed driving to Inuvik, North West Territory [Canada], where peregrines are common. Canadian biologists reported that nesting success "was as high as ever recorded for the species (an average of 2.4 young per active nest)." Frank Beebe, Canada's leading raptor authority, wrote in his book (*The Myth of the Vanishing Peregrines*) that "It appears that the Canadian peregrines, not knowing how gravely ill they are, go right on reproducing in blissful unconcern of their desperate plight."

What effect did DDT have on birds that ingested it? Researcher Hickey testified during the U.S. Environmental Protection Agency (EPA) hearings that he could not even kill his caged robins by overdosing them with DDT because it simply passed through their digestive tract and was eliminated with the feces. In other research, reported in the *Journal of Wildlife Management*, baby birds in nests were fed *only* food containing high levels of DDT, and none were adversely affected.

Bird eggshell data

Rachel Carson referred to "Dr. DeWitt's now classic experiments on quail and pheasants." She said, on page 120: "Quail into whose diet DDT was introduced throughout the breeding season survived and even produced normal numbers of fertile eggs, but few of the eggs hatched." I read DeWitt's article (in *Journal of Agriculture and Food Chemistry*, 1956),



A Greenpeace ship in Stockholm. According to a Greenpeace statement in 1983, "We should not wait for scientific proof of harm before we take action: The use and discharge of chlorine chemicals that may cause harm should be avoided. Proof of innocence is not required."

and found that 75.7% of the eggs produced by DDT-fed birds hatched, compared with 83.9% of those produced by the "controls" (birds with no DDT). I thought 75.7% was more than "a few" eggs hatched, so I became even more suspicious of Carson's intentions. In his Table, DeWitt also reported that 80.6% of the eggs produced by his *pheasants* on the DDT diet hatched, compared with only 57.4% hatching of the eggs produced by the "control" birds. It was not surprising that Carson avoided mentioning how much *better* the DDT-fed pheasants did (despite her reference to "DeWitt's classic experiments on quail and pheasants.")

The *San Francisco Chronicle*, on Feb. 14, 1969, reported that because of DDT, bird eggshells were becoming so thick that the young often could not get out of the eggs. Two months later, the same newspaper reported that because of DDT bird eggshells were becoming so *thin* that they could break under the weight of the incubating females. Neither allegation was true, but they indicated that in the *San Francisco Chronicle* there was already little hope for truthful reporting on the subject of DDT! (And it became worse, every year.)

A common misconception for many years was that DDT caused birds to produce thin-shelled or softer-shelled eggs. With so many studies proving that this charge was not true, it is amazing to see it still being repeated! (No confirming data are ever provided, but the naked statement is simply made, in the press, on radio, on television, and in environmental magazines!) The poultry and egg industries should have been the first place to seek the truth, but the environmentalists knew

that that would destroy their eggshell propaganda. Likewise, environmental propagandists avoided the great 1949 book on the subject, by Romanoff and Romanoff, titled *The Avian Egg*, which contained all of the information needed to explain the "thin eggshell" problems. A 1967 book by the same authors was *The Avian Embryo*, which provided details regarding the amount of calcium drawn from the eggshell by the developing embryo. The propagandists never cited that book, either; however, they usually collected and measured eggs *after* the embryo had removed calcium from the eggshell, for bone development.

FWS biologists Tucker and Haegele (*Bull. Environ. Contam. & Toxicology* 5:191, 1971) fed different levels of calcium to different groups of quail. One group got 3% calcium and another group got only 1% calcium. None had any DDT or [the metabolite] DDE in their diet. The shells produced by the 1% group were 9.3% thinner than those on the normal 3% calcium diet. Now, with those details available, how could a person design an experiment that would incriminate DDT as a cause of eggshell thinning? Simply feed the birds a reduced calcium diet, add DDT to their food, and then blame the thinner shells (that would certainly result from the calcium deficiency) on the DDT in the bird's diet! That is exactly what anti-DDT researchers in the U.S. Fish and Wildlife Service did.

Bitman and colleagues at Patuxent fed their quail only *half* as much calcium as the lowest amount Tucker's quail received. Tucker's birds had produced shells about 10% thin-

ner when only 1% calcium was in their diet, so what would result from Bitman's feeding quail only 0.5% calcium? Their shells would be expected to be even thinner than 10% of normal. Bitman reported, however, that the shells were *not* that thin! His article was published in *Science* magazine, however, and was the most widely used reference to "prove" that DDT caused thin eggshells!

Actually, a great many other feeding experiments proved that shells are *not* thinned by the introduction of DDT into the diet of birds *if* there is adequate calcium in their diet, but such results were seldom mentioned in the media, and never mentioned in pseudo-environmental publications. To get thinner shells, the anti-DDT activists always had to do something else at the same time—something that was *known* to cause thinner eggshells all by itself. Things having that effect include noise, excitement, irritation, dimmed lights, shortage of water, presence of several kinds of chemicals, and (*especially*) a deficiency of calcium in the diet. Every bird experiment that resulted in thin eggshells used one or more of those known causes in order to produce the desired effects, which were then blamed on DDT.

In Congressional testimony, I presented the data, and was critical of Bitman's work. The next year he repeated his experiment, but fed the birds adequate calcium in their diet. The DDT-fed and DDE-fed birds produced eggshells that were not thinned at all. The article was presented to *Science* magazine, again. Unfortunately, the editor of *Science* magazine always refused to publish articles that were favorable to DDT, so he rejected Bitman's new article. It was published, instead, in *Poultry Science*, and poultrymen and unbiased scientists applauded the truthful results. Of course, the circulation of that journal was not nearly as great as *Science*, so relatively few scientists ever heard about the reversal of the allegation that DDT and DDE caused thinner eggshells.

Why did *Science* refuse such articles? The editor, Philip Abelson, had earlier informed Dr. Thomas Jukes that *Science* would never publish any article about DDT that was not antagonistic to that insecticide. He refused to even consider a manuscript written by the World Health Organization. As a result, the DDT articles in *Science* were mostly written by the same coterie, and "peer review" became a sham. The anti-DDT authors just kept citing each other and supporting each other's statements. No other views were accepted. Without that sheltered bias the case against DDT would have quickly folded!

M.L. Scott, J.R. Zimmerman, Susan Marinsky, P.A. Mullenhoff, G.L. Rumsley, and R.W. Rice spent years at Cornell testing various chemicals in the quail diet to determine the greatest causes of shell thinning. They reported that DDT, [metabolites] DDD, and DDE in the diets resulted in thicker shells, rather than thinner shells. The chemical that caused the greatest amount of shell thinning was methyl mercury (*Poultry Science*, 54:350-368, 1975). The results of years of reliable scientific work by these researchers also did not appear in *Science* magazine.

TABLE 1

Dietary causes of eggshell thinning

Chemicals in the food	Effects on eggshells
Lead	14.5% thinner than normal
Sevin	8.7% thinner
Mercury	8.6% thinner
Parathion	4.8% thinner
PCBs	4.0% thinner
o,p' DDT	0.5% thicker than normal
Tech DDT	0.0% (no change)
DDE	0.0% (no change)

Source: Tucker et al., *Utah Science*, June 1971.

Tucker et al., in *Utah Science* (June 1971), published the results of careful experiments performed to determine serious dietary causes of eggshell thinning. Some of the results are given in **Table 1**. Also, after water was withheld for 36 hours, the quail laid eggs with shells averaging -29.6% thinner than normal.

The importance of chlorine

DDT is a chlorinated hydrocarbon compound, dichlorodiphenyl-trichloroethane. It has certainly saved at least a billion human lives. In addition to directly preventing deaths from malaria, typhus, yellow fever, plague, and a dozen other famous killers, it has made it possible for humans to work harder, harvest more food, and live longer, healthier lives. Many opponents of DDT are outspoken critics of *all* chlorine compounds. Greenpeace is leading the campaign to rid the world of chlorine, but public health and medical organizations all around the world have praised chlorine for its role in protecting public health and saving lives.

A *Science* editorial on Aug. 26, 1994 stated: "There is reason to hope that the EPA will not continue to act like a tool of Greenpeace. A plethora of EPA regulations and unfunded mandates coupled with examples of brutality in enforcing them has cost the EPA their support in Congress." The World Health Organization estimates that 25,000 children die each day from drinking water that has not been chlorinated. A year ago, Peru was encouraged by U.S. activists to remove chlorine from their drinking water supplies. That move rather quickly resulted in more than a million illnesses and more than 8,500 deaths from organisms in the water that would have been eradicated if chlorine was present.

Dr. Gordon Gribble, a famous biochemist at Dartmouth College, has written extensively on the subject and even wrote a book that contains more than 2,000 structural formulae of chlorine compounds! He points out that 85% of all pharmaceuticals require chlorine, and more than 25% of all medical equipment is also dependent on chlorine for their manufacture.

Dioxins are a group of about 75 chlorinated chemicals, great quantities of which are produced in nature when wood or other material burns. Human activities produce them also, during paper pulp production, but the amount is less than a pound or two per year from the entire industry. Forest fires produce more dioxins than all other sources combined. During the Vietnam War, dioxins were present in Agent Orange, the chemical used to defoliate jungle trees so human movements could be seen from the air. The most toxic form of dioxin is probably TCDD, but no human deaths are known to have been caused by it, even following heavy exposures for long periods of time. Skin rashes have been the most frequent result of over-exposures, but no cancers of any kind have been caused. Dr. Gribble published these facts in a *Heartland Institute Journal* article in 1996. He also commented that over 40,000 scientific articles have discussed dioxins, and “the evidence now at hand does not support claims that dioxin is a major health threat.” A study of 2,200 Dow Chemical employees who were in close proximity to dioxin were tested for cancer, and had slightly lower than normal cancer rates.

Dr. Dixy Lee Ray criticized the propaganda surrounding the ozone hole and chlorofluorocarbons. It was an interesting hypothesis, she said, “but no CFC breakdown products have ever been found in the atmosphere.” The National Academy of sciences predicted an 18% ozone decrease (in 1985), and finally to “5% over the next hundred years.”

In 1983, Greenpeace wrote: “We should not wait for scientific proof of harm before we take action: The use and discharge of chlorine chemicals that may cause harm should be avoided. Proof of innocence is not required. No further organochloride pollution should be permitted . . . this means phasing out the substance that is their root—chlorine.”

Gypsy moths

In 1869, Leopold Trouvelot brought some gypsy moths to Medford, Massachusetts, thinking perhaps silk could be made from their cocoons. A few escaped, and multiplied. For 30 years applications of lead arsenate (5 lbs/acre) was the only way to slow them down, but it was too expensive, too hard to apply, killed too many non-target organisms, and still failed to halt their spread. In 1945, 800,000 acres of oak trees were defoliated in eight states, and a decade later, nearly 10 million acres of oaks were being destroyed annually. DDT was sprayed (1 lb/acre), and quickly eradicated the moths from Pennsylvania, New Jersey, New York, Virginia, and all other states west of Vermont. The National Audubon Society monitored the program and said “no damage was done to birds, including nestlings in their nests.”

James Nicholas (in his 1961 booklet on gypsy moths) pointed out that “over a million acres of Pennsylvania, New Jersey and New York were sprayed, always with 100% eradication of the pests. No infestation survived a single aerial treatment with DDT on 1,107,458 acres.” Disregarding the tremendous destruction by the moths, most environmental

organizations fought desperately against any use of DDT to preserve the forests. They would rather lose millions of acres of the great eastern oak forests than modify their harsh anti-DDT propaganda!

Carl Amery wrote: “We in the Green movement aspire to a cultural model in which the killing of a forest will be considered more contemptible and more criminal than the sale of six-year-old children to Asian brothels.” When considering the millions of acres of dead oaks in the eastern U.S. caused by environmentalists preventing the use of DDT, and the extensive forests permitted to burn in Yellowstone, I often recall Amery’s comment. I wonder if the environmentalists who permitted those disasters to happen ever think of it, too.

Borlaug’s warning of pesticide dominoes

Dr. Norman E. Borlaug was a Nobel Peace Prize winner in 1970 because of his “Green Revolution.” In a United Nations speech in Rome (*Science*, Dec. 10, 1971), he stated that “fear-provoking, irresponsible environmentalists” were mounting a “vicious, hysterical propaganda campaign against agricultural chemicals.” He praised DDT’s great record of safety for mankind, and warned that its elimination in the United States would be followed by campaigns to have it banned everywhere. He warned that “DDT is only the first of the dominoes. . . . As soon as DDT is banned, there will be a push for banning all chlorinated hydrocarbons then, in order, the organic phosphate and carbamate insecticides. Then they will attack the weed killers, and eventually the fungicides.” Dr. Borlaug was exactly right, and most of his predictions have already come true. In the 1970s and 1980s the EPA, relying primarily on the misapplication of the Delaney clause, banned chlordane, aldrin, dieldrin, endrin, BHC, lindane, heptachlor, toxaphene, and many other pesticides.

EPA admits false allegations

In the early 1970s, EPA released false reports to Congress about the amounts of DDT in human diets, and we wrote to object. Laurence O’Neill responded, writing: “You are correct in stating that EPA’s DDT report erred. The correct figure should have been 15 *micrograms* per day instead of 15 *milligrams*.” (The average human intake at that time was about 13 milligrams *per year*.) O’Neill also stated that the human intake had dropped rapidly to 1.8 *micrograms* instead of 1.8 *milligrams* after the ban. (In other words, the daily intake had dropped from 0.015 milligrams to 0.0018 milligrams). “We will make every effort to rectify the erroneous figures with the news media,” he promised. (But they did not.)

I was making many speeches at the time, and before speaking I usually swallowed a tablespoon of DDT to get the audience’s attention. I felt safe doing that, because volunteers for Federal studies had ingested 35 mg of DDT daily for 20 months, without experiencing any adverse effects. Also, 35 workers at the Montrose DDT plant in Torrance, California had been taking in about 400 times more DDT daily than the

average man, for 19 years, and not a single case of cancer developed.

The EPA also falsely claimed, in a radio broadcast (May 15, 1975), that “hundreds of thousands of American farm-workers are injured every year by pesticides, and hundreds of them die annually as a result.” When challenged by actual data, EPA meekly apologized, saying: “We used those statements in good faith, thinking they were accurate, and they turned out not to be accurate. . . . They cannot possibly be substantiated” (UPI, May 24, 1975).

But what evidence could have led anyone to make such a claim? *USA Today* (April 14, 1992) printed an editorial using that same figure, and attributed it to “a Congressional study last month.” I wrote to the editors, pointing out that the statement actually came from a World Resources Institute press release seven years earlier! I quoted the two WRI researchers who made the study (Robert Wasserstrom and Richard Wiles) but quit because of the untruthful figure of 300,000 in that press release, which they said “tells a story substantially different from what we found” (*Chemical & Engineering News*, September 1985).

The 300,000 figure was based on a report that 235 California farm-workers had made medical complaints in 1982 (roughly half of the complaints involved skin irritation from sulfur). Dr. Molly Coye (NIOSH) extrapolated from 235 to 300,000 cases, as follows. Dr. Ephraim Kahn had previously estimated that California doctors reported only about 1% of such cases, so Molly Coye multiplied 235 by 100 and said 23,500 California workers must have actually had medical problems because of pesticides during the year. That would be about 7.8% of California farm-workers. Since there were about four million farm-workers in the United States, she calculated 7.8% of 4 million, to arrive at a total of 312,000 “poisoned” farm-workers each year. Dr. Coye never mentioned Dr. Kahn’s well-known, year-long study in 1977, wherein he concluded that 80% of farm-worker illnesses are reported (rather than his earlier estimate of 1%). As usual, *USA Today* did not respond to my letter or the enclosed documentation of facts.

Natural pesticides and organic gardening

Dr. Bruce Ames (a biochemistry professor at the University of California) pointed out in 1987 that we ingest in our diet about 1.5 grams per day of *natural* pesticides. Those foods contain 10,000 times more, by weight, of *natural* pesticides than of man-made pesticide residues. More than 90% of the pesticides in plants are produced *naturally* by the plants, which help protect them from insects, mites, nematodes, bacteria, and fungi. Those natural pesticides may make up 5% to 10% of a plant’s dry weight, and nearly half of them that were tested on experimental animals were carcinogenic. Americans should therefore feel unconcerned about the harmless, infinitesimal traces of synthetic chemicals to which they may be exposed.

The highly publicized traces of synthetic pesticides on fruits and vegetables worried some people so much that they began to favor “organically produced” foods, thinking that they would not contain any pesticides. Most people are not aware that organic gardeners can legally use a great many pesticides, so long as they are not man-made. They can use nicotine sulfate, rotenone, and pyrethrum (derived from plants), or any poisons that occur naturally, such as lime, sulfur, borax, cyanide, arsenic, and fluorine.

The 1971 EPA hearings

In 1971, the Environmental Protection Agency was forced to hold hearings on DDT. The hearings were presided over for seven months by Judge Edmund Sweeney. Hundreds of scientists expressed their views and presented evidence. The printed transcript of testimony exceeded 9,000 pages, and would be the basis upon which an interesting university course could be developed!

George Woodwell wrote in 1971 that “6 billion pounds of DDT had been used, but only 12 million pounds could be accounted for in all of the earth’s biota,” and that was “less than a thirtieth of one year’s production of DDT in the 1960s.” He theorized that “most of the DDT has either been degraded to innocuousness or sequestered in places where it is not freely available.” That *Science* article (December 1971) contrasted so sharply with his testimony during the EPA hearings that a reporter asked him why he had completely omitted it from his testimony. Woodwell replied that the EPA lawyers told him not to mention the article, “lest my testimony be disallowed” (*Business Week*, July 8, 1972).

Woodwell made what he called a “typographical error” in *Science* magazine (Dec. 10, 1971) when citing data from two other articles that reported 10^{12} parts of DDT, he referred to such values as “parts per million,” rather than parts per trillion. He reported that “Wheatly found three parts per *million* in English fields,” but it was really only three parts per *trillion* [a millionth of the amount Woodwell stated!]. He also said that “Tarrant found 73 to 210 parts per *million* in rainwater, but Tarrant’s *highest* reading was actually only 190 parts per *trillion*.” (That millionfold exaggeration made his statements appear menacing.) He then said those references “confirmed high levels of DDT in the rain of England, similar to concentrations in the U.S.,” but none of the references he cited contained *any* data from the United States, not even in parts per trillion!

During the EPA hearings, Samuel Epstein testified that he was a member of the Health, Education, and Welfare panel on carcinogens, but under cross-examination he admitted he was *not* on that panel. Epstein also stated that tests by Fitzhugh et al. indicated that mice with DDT in their diet developed cancer. He failed to mention that Fitzhugh’s *control* mice (with no DDT) developed 26% *more cancers* than did his DDT-fed mice. Fitzhugh said the reason the report was not published was that they had discovered the mice were mistak-



William Ruckelshaus banned DDT single-handedly, ignoring the testimony of a legion of scientific experts. "Decisions involving the use of toxic substances," he said bluntly, "are political, with a small 'p'," and "the ultimate judgment remains political."

only fed 300 mg/kg of DDT for an unknown period of time, rather than the intended 100 mg/kg.

Philip Butler testified at the EPA hearings and sought to convince people that DDT did not break down rapidly and disappear from the environment. He stated that "I am thinking of a study which has shown that DDT persists for as much as 40 years in terrestrial deposits." We knew that was untruthful, because DDT had only been around for 30 years at the time of his testimony. Under cross-examination, Butler also admitted that published reports from his own EPA laboratory at Gulf Breeze, Florida, revealed that 92% of the DDT *and its metabolites, DDD and DDE*, had disappeared from sea water (in huge closed submerged glass containers), in just 38 days! (Wilson, A.J., *USDI Circular*, 335, 1970). Dozens of other published studies reveal that DDT and its metabolites also disappear rather quickly from normal outdoor soil.

Croker and Wilson applied DDT to a tidal marsh. In less than 24 hours, only traces remained, and even those traces disappeared in five days (*Trans. Amer. Fish. Society*, 94, 1965).

In Washington State estuaries, the Bureau of Commercial Fisheries monitored pesticide residues in shellfish at 19 stations during three years of heavy DDT use (1966-69). Ninety-three percent of the samples contained less than 10 parts per billion of DDT and the highest level found was only 0.1 part per million. Shellfish are known to concentrate chlorinated hydrocarbons in their system at levels 40,000 to 70,000 times as great as that in the surrounding water, so it was evident that DDT residues had not persisted long in the coastal waters.

After seven months of such testimony, the EPA Hearing

Examiner, Judge Edmund Sweeney, issued his final official decision on April 26, 1972. In it, he stated: "DDT is not a carcinogenic, mutagenic, or teratogenic hazard to man. The uses of DDT involved here do not have a deleterious effect on freshwater fish, estuarine organisms, wild birds, or other wildlife. . . . The evidence in the proceeding supports the conclusion that there is a present need for the essential uses of DDT."

The EPA administrator, William Ruckelshaus, never attended a single day of the hearings, and his aides reported that he did not even read the transcripts. Nevertheless, he overruled his judge's decision and single-handedly banned DDT. His final ruling was not very reassuring. He used the wrong chemical name for DDT; stated that "DDT has three major breakdown products, DDA, DDE, and DDD," and that "separate registrations exist for TDE (DDE)." (The truth is that DDE is *not* the same as TDE, and DDE was never registered as an insecticide.) He also stated that farmers should use parathion as a substitute for DDT, evidently unaware that hundreds of humans had been killed by parathion and that it is extremely toxic to bees, birds, and every other form of animal life! Rachel Carson recalled that "a small parathion application killed 65,000 redwings, as well as raccoons and rabbits."

My lengthy critique of Ruckelshaus's *Order* was inserted into the *Congressional Record* by Sen. Barry Goldwater (R-Ariz.). Later, in a letter to the president of the American Farm Bureau Federation, Ruckelshaus wrote: "Decisions involving the use of toxic substances are political, with a small 'p'," and "the ultimate judgment remains political." Ruckelshaus refused requests by the U.S. Department of Agriculture (and others), to comply with the Freedom of Information Act, and also refused to file any Environmental Impact Statements (even though his actions would result in the loss of millions of human lives, worldwide, and the destruction of millions of acres of forests in the United States).

Vice President Al Gore appointed Florida environmentalist Carol Browner to be the new EPA administrator. Shortly thereafter, Browner reported: "I'm appalled by what I've learned about the EPA's total lack of management, accountability, and discipline. I have reviewed audit reports that clearly describe serious violations of rules and an intolerable waste of taxpayers' money" (*Audubon* magazine, September 1993). Well, we can certainly agree with *that!*

Faulty analyses of DDT

Faulty analyses of soil and water led many people to believe that DDT was very persistent in the environment. The more likely truth is simply that samples were not properly analyzed. In 1969, Dan Anderson reported that he had reanalyzed the five pooled samples he used in 1965 to help ban DDT. Three of the five samples he had earlier reported as having high levels of DDT actually contained none at all, and

the other two contained only a fourth as much as he had earlier claimed (*Canadian Field-Naturalist*, 1969).

Many other scientists warned that most analytical procedures did not distinguish between DDT and PCBs, and that “some chromatogram peaks of PCB are identical to peaks of DDT, DDD, and DDE” (*Env. Sci. Technology*, 1970).

W. Hylin warned that “organochlorine compounds in plants can cause interference in analyses of residues of DDT” (*Residue Reviews*, 1969), and J.J. Sims found that “marine algae produced halogen compounds that had been misidentified as DDT metabolites, and that halogen compounds containing bromine or iodine also can register falsely on the gas chromatograph.”

Frazier et al. analyzed 34 soil samples that had been sealed in glass jars since they were collected in 1911. The gas chromatograph indicated that five kinds of chlorinated hydrocarbon insecticides were in that soil, even though none were in existence until 30 years after the samples were sealed (*Pesticide Monitoring Journal*, 1970).

W. Hom (*Science*, 184: 1197-99) explained a high “apparent DDE” concentration in sediments that were deposited in the Santa Barbara Basin of southern California 12 years before any DDT existed. He said: “We attribute the DDE in the 1930 sample to spurious contamination during collection, storage or analysis.” (Thousands of other samples have been reported to contain DDT more than ten years after it ceased to be present, and usually the persons who reported such contaminations have not bothered to retract the false reports.)

Environmentalists often said that “DDT cannot be broken down in the environment,” and Marc Lappé even wrote that “DDT is not broken down by living things.” Actually it was rather quickly broken down in the environment by heat, cold, moisture, sunlight, alkalinity, salinity, many natural chemicals, and common soil micro-organisms. (Obviously, if it did not break down, it would not be necessary to apply it repeatedly to crops to control the pests!) DDT is also quickly destroyed by hepatic enzymes in birds and mammals, and arthropod pests often developed “resistance” to DDT by degrading it within their bodies. When I heard Lappé’s allegations, I quickly went to my files and found more than 140 articles documenting the breakdown of DDT in the environment (not including examples of pests that had built up natural “resistance” to the chemical). I mailed copies to many newspapers and radio and television stations, but not a single one responded or corrected their earlier false statements, even after they had the scientific data in hand!

During the campaign seeking EPA’s permission to spray parts of three northwestern states with DDT to halt the great tussock moth outbreak in the 1970s, the *Vancouver Sun* and the *Lewiston Tribune* both carried editorials (Dec. 12, 1974) claiming that “DDT has a half-life of several thousand years.” I knew where they had gotten that false allegation, so I sent each editor copies of the scientific literature refuting the

charge, but neither editor responded. After three years of strenuous campaigning, we got permission from the EPA to spray 430,000 acres of forest in the Northwest. That single, well-timed spray of DDT (one pound per acre) eradicated the epidemic and caused no harm to other forms of life.

The Delaney Clause

The Delaney Clause of the Food Additives Law ruled, under Section 409 of 21 USCS 3498, that “no chemical shall be deemed to be safe if it is found to induce cancer when ingested by man or animal, or if it is found, after tests which are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal. . . .” The tests that were usually used were *not* “appropriate for the accurate evaluation of carcinogenicity.” They involved extremely high doses forced into the diets of rats that had been specially bred to be hypersensitive to carcinogens.

The use of *inappropriate* tests on rodents involving massive dosages and unnatural applications of chemicals has caused much controversy. The American Council for Science and Health wrote that “sound toxicological principles are routinely flouted in laboratory rodent tests and the results are frequently inappropriately extrapolated to humans” (1991). Rats were found to produce a special protein (Alpha 2U Globulin) which makes them especially prone to develop tumors and cancers. In 1992, the Environmental Protection Agency pointed out that humans lack that protein, which “*could invalidate thousands of tests of pesticides, preservatives, additives, and other chemicals that were banned because they produced tumors in laboratory rats.*” Those tumors, they said, “are a species-specific effect in rats and are inapplicable to human risk assessments.” Obviously, such rodent tests should not have been considered “*appropriate for the evaluation of the safety of food additives to induce cancers in man or animals,*” as required by Delaney.

EPA Administrator Russell Train ignored Delaney’s requirement that tests must be *appropriate*, and EPA attorneys assumed they could ban any chemical which caused *any* cancer when applied to test animals at *any* dosage, and even in very *inappropriate* manners (including gavage and direct injections into blood, peritoneum, and elsewhere).

Even after ignoring Delaney’s proviso requiring “appropriate tests” for carcinogenicity, they still could not have banned many of those substances if “cancer” had not been redefined by attorney Russell Train! *Cancers* had previously been considered to be malignant growths that tend to spread to other parts of the body, frequently with fatal results. *Tumors*, on the other hand, were considered to be non-malignant lumps that did not spread (and in lab rodents they often disappeared after the massive chemical insults were halted). Attorney Train redefined those medical terms, and stated that “*for EPA’s purposes tumorogenic substances and carcinogenic substances are synonymous*” and “*for purposes of carcinoge-*

nicity testing, no distinction should be made between the induction of tumors diagnosed as benign and the induction of tumors diagnosed as malignant” (*Chem. & Engineering News*, 52:13, 1974). Substances of either type could therefore be called “carcinogens” and could then be banned by improperly invoking the Delaney Clause! The Council for Agricultural Science and Technology (a consortium of more than 30 scientific and professional organizations) observed that “classifying as ‘carcinogens’ all chemicals that cause tumors greatly overestimates the cancer risk.”

Train left the EPA to join the Board of Directors of the Union Carbide Corp. (which was not very “environmentally friendly”). At that time, the EPA already had more than 10,000 employees and its 1980 budget was \$5 billion.

Appropriate questions might be: Did anyone at the EPA ever actually read the Delaney Clause? If so, did they then deliberately seek to misinterpret Delaney’s clear requirements? Representative Delaney once stated that “too many egos, reputations, and careers are at stake; if you try to change things, the crazies come at you with blow torches and chainsaws.” It is easy to understand why he bemoaned the fact that, as he stated, “I’ll go to my grave with that damn thing hanging around my neck.”

The Food Quality Protection Act

In 1996, Congress enacted the Food Quality Protection Act (FQPA). This mandate states that the EPA may ban any chemical, *unless* they believe that “there is a reasonable certainty of no harm.” All existing pesticides are required to be reassessed before 2006. By August 1999 they must analyze 3,000 of them. The director of EPA’s Pesticide Programs said that one way to implement the act would be to just revoke *all* tolerances and simply start over! Nobody has indicated what the EPA might mean by “reasonable,” and (even worse) there was no indication of what they might mean by “harm.” Also, the EPA will have to tell us what the meaning of “no” is!

‘Our Stolen Future’

In 1996, we were exposed to an improper new book, *Our Stolen Future*. The lead author was Theo Colborn. Early in the book, it is stated that she tried to find evidence of increased cancer rates from chemicals in the Great Lakes area. Unfortunately, her investigation revealed *lower* cancer rates! “Faced with this major setback, she turned her mind again to the wildlife literature and tried to think clearly about where she should go next.” The resulting book dwells on unprovable allegations, including hazards from infinitesimal exposures to chemicals, which she says will result in sperm deficiencies, cancer of breast, testicles, and prostate glands, reduced human fertility, female endometriosis, eroded intelligence, increased disruptive behavior of children, and epidemics of undescended testicles and shortened alligator penises.

Jessica Matthews, of the Council on Foreign Relations,

wrote about the book in the *Washington Post*, March 11, 1996, saying: “We have been too obsessed with the obvious risks of toxic chemicals, cancer and birth defects. Immune suppression and hormone disruption, if proved, could be more dangerous.” She contended that the book “will make earlier struggles — over nitrates, saccharin, formaldehyde, Times Beach, Love Canal, cholesterol, Alar, and even tobacco — look like kid’s stuff.”

Co-author Carol Dumanoski (environmentalist for the *Boston Globe*) had earlier written: “There is no such thing as objective reporting, and I’ve become even more crafty about finding the voices to say the things I think are true. That is my subversive mission.” According to the *Washington Times*, March 13, 1996, Miss Dumanoski admitted in 1994 that she had “manipulated facts about the hole in the ozone layer” in order to get top billing for her story, which therefore ran on page one of the *Los Angeles Times*.

The American Council on Sciences and Health reviewed the book, reporting, “The scientific evidence is extremely tentative but the potential for arousing fear in non-scientists is great.” It was also reviewed in *Science* magazine, where the reviewer stated that “it was not written for scientists,” commented that there was “no discrimination between anecdotal reports and scientific studies,” and said that the book “raises questions about the scientific judgment of the authors.”

Miss Colborn said that in Lake Apopka, Florida, alligator penises are one-half the normal size, but provided no previous baseline measurements. Louis Guillette became famous for measuring those penises, but his former cohort, Timothy Gross, said the measurements were based on weak data because Guillette didn’t know the age of any of the alligators, thus couldn’t know if they were fully developed.

My own article, in *21st Century Science & Technology* (Fall 1996), was titled “The Long and Short of It,” but dealt primarily with the condition of the lake itself. I have traced the condition of Apopka for over 30 years, because of its notorious pollution.

Wilderness magazine (Winter 1986) said that Lake Apopka was already a cesspool in the 1950s, due to citrus processing wastes, sewage effluents, and wastes from hundreds of acres of muck farmland along its shores. *National Observer* (June 21, 1971) stated, “Apopka is a fetid, shallow body of water, nearly unfit for human use. Human waste is dumped into the lake from Winter Garden’s chemicals, including ethynylestradiol (EE) from women’s urine, which is hormonally active at concentrations as low as 0.1 nanogram (a tenth of a billionth of a gram.)”

It must be assumed that alligators now in the water must also be affected by the EE! Studies also reported high levels of *Aeromonas liquefaciens* in the water, a bacterium which dissolves internal organs of aquatic animals. In September 1971, *Audubon* magazine reported that thousands of turtles and fish died there, as well as the “first known die-off of

alligators.” It should be pointed out that the alligators apparently were not damaged earlier, during 30 years of DDT pollution!

A National Academy of Sciences report regarding effects of chemicals, including estrogens, on humans will soon be released. Based on inconclusive allegations, such as those in Colborn’s book, the Federal government now plans to test 60,000 chemicals. According to a recent *Forbes* magazine article by Michael Fumento, the plan is premature, because there has been no scientific verdict regarding alleged endocrine disruption. Thorough tests of suspect chemicals will cost an average of \$1.5 million. “If EPA does not call off the hunt at a preliminary stage, the cost will be \$23 billion to test just the most suspicious 24% of the chemicals. . . . Testing common organochlorines alone could cost the nation \$100 billion yearly,” says Dr. Fumento.

In a *Science* article, June 7, 1996, it was stated that while a single chemical may not have any adverse effect, a combination of four chemicals seemed to have an effect a thousand times greater than the combined individual effects of the four. (Those researchers were reportedly also financed by the John Myers Foundation.) A year later, the researchers responsible for that article retracted it, in *Science*, because nobody could repeat the results, not even the original researchers.

False allegations regarding Alar

Ed Bradley, on a CBS “60 Minutes” television show titled “A is for Apple,” told 40 million American viewers (Feb. 26, 1989) that “the most potent cancer-causing chemical in our food is a pesticide sprayed on apples to keep them on the trees longer and make them look better. And who is most at risk? The children, who may someday develop cancer from this one chemical.” It is important to point out that Alar is *not* a pesticide, but is instead a plant hormone. It never killed anything, but simply increased the tree’s ability to prevent early fruit fall. Bradley also failed to inform the viewers that not a single human case of cancer had ever been correlated with the use of Alar.

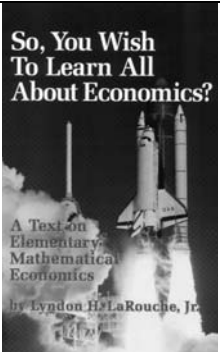
William Lijinsky was the major “scientific spokesman” on the CBS program. He was introduced by Ed Bradley as “the head of a chemical carcinogenesis laboratory at the National Cancer Institute.” The Cancer Institute objected, saying that Lijinsky “is not employed by or connected with the National Cancer Institute in any way.”

The EPA had already issued a press release on Feb. 1, 1989, saying that a two-year test on mice failed to indicate that Alar is carcinogenic. The president of the International Apple Institute said the hormone “is so scarce on apples that a person would have to eat 28,000 pounds of apples a day to get as much as the cancer researchers fed their mice.” Other sources noted that a child would have to drink 19,000 quarts of apple juice every day, in order to be exposed to the proportional concentration of Alar that the rodents were forced to ingest.

When heated, Alar breaks down into UDMH (a hydrazine metabolite). Aflatoxins (natural molds in some human foods) are 3,000 to 5,000 times more potent than UDMH as carcinogens. Recent studies revealed *no cancer* was caused by UDMH, even in rodents. Massive amounts of UDMH caused *no cancers* or tumors in rats, at any dosage level. When K. Smith (in 1994) fed mice four times the “maximum tolerated dosage,” one mouse out of 45 developed a benign tumor. (No traces of cancer, even in the most susceptible strain of mice.) It should be emphasized that the “maximum tolerated dose” may cause death quickly (*without* any tumors or cancer), and that four times the maximum tolerated does should be fatal in a very short time.

[Hollywood actress] Meryl Streep was a leading opponent of Alar on the show, and wrote a booklet titled “Mothers and Others for Pesticide Limits.” After the scurrilous show, 95,000 copies of the book were ordered, for \$8.00 a copy.

In Britain, a group of scientists appointed by Parliament in 1984 to review the Alar charges declined to ban the plant hormone, saying, “We don’t assume that animal data are transferrable to man or that high-dose responses can predict low-dose responses.” It would be wonderful if more U.S. scientists were that intelligent. Presuming that some of them are, it would be even more wonderful if they could be that truthful!



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Russia draws the line against strategic insanity

by Jonathan Tennenbaum

The upcoming Dec. 19 elections for the Russian State Duma (Parliament) could mark a watershed in the political future of the country. Like the world as a whole, but even more intensely so, Russia finds itself in a turbulent “boundary layer” where, in the words of one Russian observer, “sudden and unexpected developments are to be expected.” Just as certain is the fact—the implications of which are still hysterically denied in Washington and some other Western quarters—that the entire political geometry of Russia has already radically changed from what it was a mere three or four months ago.

The drastic shift in public attitudes toward overwhelming support for the military operation in Chechnya, and the sudden recognition and authority accorded to the Russian Armed Forces and its generals after a decade of decline and disgrace, are among the more obvious manifestations of a profound reorientation occurring in Russian society: a culturally- and historically-conditioned closing of ranks in the face of a perceived threat to the very existence of Russia.

Lyndon LaRouche characterized that change in a drastic but precise manner, with reference to the Soviet Union’s response to Hitler’s “Operation Barbarossa” (see “Germany as Tragedy Revisited,” *EIR*, Dec. 3, 1999). The reference is anything but far-fetched. First, as Russian economist Sergei Glazev demonstrated in his book *Genocide: Russia and the New World Order* (see p. 11), the losses in population and physical destruction of wealth of the country, which have occurred as a result of the imposition of shock therapy on Russia, exceed that inflicted on the country by Hitler and Stalin. Second, as *EIR* has documented (see “Brzezinski Plays Britain’s ‘Great Game’ in Central Asia,” *EIR*, Sept. 10, 1999,

pp. 14-53), the NATO eastward thrust into the Balkans, the Caucasus, and Central Asia, hand-in-hand with the London-based orchestration of so-called Muslim fundamentalist terrorism in these regions, reflects the commitment of the British-American-Commonwealth forces to a total dismemberment of Russia. Chechnya, Dagestan, and the loss of a thousand civilian lives in a few days of terrorist bombings of Russian cities, catalyzed a broad consciousness of the fact, that Russia must fight for its life.

The closing of the ranks is reflected on many institutional levels. One manifestation is the adoption of a new Russian military doctrine providing for “first use” of nuclear weapons and the creation of new forms of such weapons (see Rachel Douglas, “Russian ‘Doctrine’: The Posture of a Big Military Power, Under Attack,” *EIR*, Oct. 29, 1999). Another is the reestablishment of close cooperation between the Armed Forces and intelligence services, the lack of which was a major factor in the disasters of the 1994-96 Chechnya war. Likewise the sudden consensus of the Russian government and business circles, to push forward the Blue Stream gas pipeline project to Turkey, and to step up strategic cooperation with Iran, in response to the Anglo-American geopolitical games around the Trans-Caspian pipeline agreement, which excluded Russia. Still another sign is the remarkably self-assured behavior of former Prime Minister Yevgeni Primakov during a recent visit to France, where he spoke and behaved as if he were head of state or high-level representative of the Russian government, even though he is officially now a private person and in a sense represents an opposition force. All these, and more, reflect institutional responses evolving simultaneously with the intensifying power struggle between



Former Russian Prime Minister Yevgeni Primakov, whose government was the first to slow the disintegration of the Russian economy since the imposition of “shock therapy” by the West. His return to power is one option Russian patriots have for changing the direction of policymaking.

patriotic forces, the corrupt Yeltsin “Family,” and the so-called “Russian oligarchs” inside the institutions themselves.

Dangerous times

“The general mood in the country has drastically changed,” said a leading policy expert from the Russian Academy of Sciences. “Nearly everyone now sees the struggle over Chechnya as a matter of the survival of Russia itself. People who would have voiced very different opinions just a few months ago, now all agree that some Western countries have been deliberately working to entrap and bleed Russia.” Another high-placed commentator put it this way: “If we do not draw the line now, Russia is finished.”

Suddenly, major Russian media, which had heaped abuse on the Russian Army in the first Chechnya war and spread cynicism and defeatism, now applaud the heroism of the Russian forces and the virtues of patriotism! Yet, whoever speculates on the swings in Russian public opinion at this moment, is playing with fire. The much-touted rise in popularity polls of the colorless Prime Minister Vladimir Putin, eclipsing Primakov for the time being as the most popular Presidential prospect, is purely a by-product of Putin’s association with

“drawing the line” on Chechnya. Putin could easily be dropped and replaced by a completely different figure, as one of an array of possible pathways of events in the near future. The closing of ranks might be channeled in a positive direction, but might also be the instrument of a “Pinochet option” that could ultimately lead to World War III. Such an option might also be accelerated, rather than hindered, in the event that the “springing of the Chechnya trap” leads to massive losses among the Russian forces. Dangerous times!

A winning coalition?

Against this backdrop, the upcoming Duma elections constitute a branching point. The Communist Party of the Russian Federation under Gennadi Zyuganov, which is by far the largest single electoral force in the country, can expect a strong showing, perhaps significantly better than in 1995. This would assure the CPRF again the most influential posts in the new Parliament. Much will also depend on the outcome of the Duma election for the Otechestvo-Vsya Rossiya (Fatherland-All Russia, or OVR) bloc led by Primakov, the second-largest grouping. A broad “center-left” alliance based on the CPRF and OVR, as natural partners, could gain sufficient strength to push through a change of government after the Duma election. This prospect is already playing a major role in the power struggle behind the scenes.

It should be remembered that Primakov himself became Prime Minister in September 1998 as a result of a Communist-dominated Duma’s refusal to approve Al Gore’s favorite, Viktor Chernomyrdin, and that CPRF members such as the highly respected industrial organizer Yuri Maslyukov had prominent positions in Primakov’s government. The relative success of that government—the first to significantly slow, and partly reverse the “free fall” of Russia toward chaos—rested, above all, on the personal role of Primakov as a figure capable of bringing together many disparate forces in the country. Whatever his pragmatic weaknesses, Primakov’s period in office was the first time since the dissolution of the Soviet Union, that a sense of nation-state government (as opposed to a semi-colonial agency of foreign financial interests and corrupt Russian oligarchs) began to develop. This is doubtless the reason for raving mass-media attacks against Primakov at the time, whose sudden removal by Yeltsin was prominently predicted and applauded, before the fact, by the British press in particular.

Economics is key

In fact, apart from the extreme wing of the CPRF, there is principled agreement among the forces led by Zyuganov and Primakov concerning a core of policies required to bring Russia back on its feet. Both are united in rejection of the neo-liberal “free market” model, and often cite the example of Franklin Roosevelt’s policies for overcoming the Great Depression of the 1930s. While opposing a revival of the Soviet

command economy, both stress the indispensable role of state intervention into the economy, of certain regulatory and protectionist measures and state investments in the real economy, and promotion of scientific research and selected high-technology sectors of industry.

The base of agreement has surely broadened, thanks to the work of the prominent young economist Sergei Glazyev in reshaping the programmatic material of the CPRF. Most recently, on Dec. 1, Glazyev called for Russia to decline to accept any further credits from the International Monetary Fund (IMF), on the grounds that each dollar of credits accepted, cost the Russian economy \$15 in capital flight and other losses, caused by IMF conditionalities. Glazyev, whose views are broadly coherent with Lyndon LaRouche's notion of physical economy, is running as a non-member of the party, on the CPRF slate.

In a commentary in *Nezavisimaya Gazeta* on Nov. 30, Russian political analyst Andrei Fyodorov noted that Glazyev's input had contributed to the steadily improving election position of the CPRF, which has experienced a significant expansion of its voter base as the crisis year 1998 brought further proof of the disastrous effects of neo-liberal "reforms." Exploiting its nation-wide infrastructure, the CPRF has successfully concentrated on building a mass base in the regions. On its side, the OVR has significant support within Russia's institutions and industry, in the regional structures of government, as well as a certain mass base of its own.

While it is quite conceivable that Primakov will indeed become President of Russia, he is not the only option being considered by what might be characterized as the "patriotic faction" in the country — including by Primakov himself. Primakov and his circles are leaving options open, out of overriding concern that a transition to a post-Yeltsin era be accomplished lawfully and without an outbreak of violence which would greatly damage the prospects for an early recovery in the country. Several Russian media have carried reports on negotiations between Primakov, his electoral partner Moscow Mayor Yuri Luzhkov, and Prime Minister Putin, concerning a possible arrangement whereby, in the interest of the country as a whole, the first two might support a Putin Presidency. According to reports, the conditions would include the granting of leading posts to Primakov and Luzhkov, and the political demise of oligarch and financial manipulator Boris Berezovsky. So far, there are no indications that such a compromise has actually been reached. As is the case for many figures in the Russian political situation, the ultimate allegiance of Putin, who was installed to replace Primakov following the latter's sudden removal by Yeltsin, is at best questionable.

Battle against the 'oligarchs'

There is a real possibility that the Duma elections will pave the way to the consolidation of a government oriented

toward the real national interests of Russia, against the so-called "oligarchs" and the degenerate "Family" around Yeltsin, and aligned internationally with the tendencies LaRouche has referred to as the Survivors' Club.

The battle is long from having been won, however. The power of oligarchs, such as Primakov's arch-enemy Berezovsky, however precarious in some respects, remains unbroken. There remains the wild card, represented by the unpredictable, labile Yeltsin. Nothing, perhaps, symptomizes the dangers more clearly, than the recent, ominous resurfacing of the free-market lunatic Anatoli Chubais on the Russian political scene. Chubais represents the most dangerous British-centered oligarchical forces internationally.

Probably the most hated man in Russia, because of his orchestration of the mass privatization swindle and other so-called "reforms," Chubais has kept a relatively low political profile, while holding a highly sensitive, strategic position as head of the Russian's United Energy Company. But in recent weeks, this person, infamous for having handed Russia's financial and economic sovereignty over to the IMF on behalf of foreign interests, has been profiling himself as a radical nationalist! So, for example, Chubais loudly denounced Yabloko Party leader Grigori Yavlinsky to the press as a "traitor," for proposing a negotiated settlement in Chechnya. Most ominous are reports, that Chubais is already a key member of a team working behind the scenes to make Putin the next President, as the oligarchy's "solution" to the succession to Yeltsin. Discussed in the press, among other variants, is a modified "Pinochet" scenario in which Putin, who has been profiled as close to the generals, would emerge on top of an open or behind-the-scenes military coup.

Regardless of this or that scenario, Chubais has openly spoken in favor of an anti-constitutional "coup from the top." Russian legal expert Valeri Gladko warned in a Nov. 27 article, of the "tragic dimensions" of developments that could "eliminate any prospect of a democratic development in Russia." Gladko wrote: "The great 'democrat' and 'reformist,' propagator of the 'American way of life' Anatoli Chubais, declared in a public interview to the *B-Daily* that Putin has some additional options for becoming President. They will depend on the outcome of the Duma elections 'in case of a victory of the Communists and in case of a victory of the OVR.' Assuming that the future Duma might remove the Putin government, this true follower of everything from the West, forgetting that Russia is not America, declared in the best sense of 'Democracy,' that there are 'legal tricks, which would permit the head of government to stay in power even without the support of Parliament' "!

Self-styled "oligarch" Berezovsky was also unabashed in endorsing a "Putin option" against a Primakov-Luzhkov-Zyuganov alliance. In an interview in November with the business newspaper *Kommersant* (which he recently bought), Berezovsky referred to the increased popularity of Putin, and

said: "We remember quite well that four or five months ago, our choice was quite limited—among those who did not believe that the situation could be altered. This was a choice between the Communists and Luzhkov-Primakov. Both are bad. But, as no other choice was seen, most of society was choosing one or the other of them. . . . I'll not tell you a secret if I tell you that in 1996, not all the oligarchs chose Yeltsin immediately. This happened after a lengthy discussion among ourselves. Today, only half a year after the situation I've described, there is certainly a clear understanding that Putin is a person who should be supported both by society and by the oligarchs."

Here Berezovsky's rantings cover up the reality, that the Russian "oligarchs" do not represent any real independent power in themselves. From the very beginning, Berezovsky et al. have existed only at the pleasure of forces outside Russia, first of all London. Indeed, it was the Anglo-American circles, typified by the role of the "Prince of Thieves" Robert Strauss, the former U.S. Ambassador to Moscow, and the Bush-Thatcher combination, who set up the whole shock therapy gambit by which Berezovsky and other petty thieves were able to accumulate their vast wealth in the first place. And even today—whatever Berezovsky might imagine in his megalomaniacal fantasies—he could easily end up like British publisher and wheeler-dealer Robert Maxwell, who was found floating face down in the water near his yacht in 1991, at the moment his London masters found him no longer useful.

Hence, the resumed outbreak of open war between Berezovsky and Primakov, and the intense attacks against Luzhkov in the Russian mass media, are ultimately expressions of a battle for the national sovereignty of Russia. That includes the key British role in orchestrating the whole conflict scenario in the Caucasus and Central Asia, as part of a plan for the total dismemberment of Russia. Unfortunately, Primakov and others have so far failed to identify the British enemy in a clear and forceful manner.

The Survivors' Club

A most interesting singularity, however, is the extraordinary visit by Primakov to Paris on Nov. 27-28, following on earlier visits by Primakov and Zyuganov to Germany. The latest visit fell in the middle of revolt in continental Europe against the multiple insanity represented by the Blair government in Britain and the Brzezinskite geopolitics of U.S. Secretary of State Madeleine Albright, Secretary of Defense William Cohen, et al. in the United States (see "Europe Takes Steps Toward the Survivors' Club," *EIR*, Nov. 19, 1999). In fact, the explicit rejection of Blair's neoliberal "Third Way," in favor of a return to the dirigistic economic policies which guided the postwar reconstruction of Western Europe, on the part of French Prime Minister Lionel Jospin and Foreign Minister Hubert Vedrine, and German Chancellor Gerhard Schröder's dirigistic interven-

tion to save the Holzmann company, are entirely coherent with the orientation of Primakov and his allies in Russia. The enthusiastic reception given to Zyuganov in Germany, somewhat earlier, is also indicative.

Arriving in France as a private citizen, Primakov was greeted at the airport by the Presidential Guard, in honors normally granted only to heads of state. After a one-hour meeting with French President Jacques Chirac, Primakov declared that Chirac had shown himself "a true friend of Russia." "I informed the French President about the battle against terrorism in Chechnya, stressing the necessity of military measures to annihilate the potential of the terrorists, as well as the fact, that these measures enjoy the full support of the Russian society," Primakov said in a Paris press conference after the meeting. "Everyone asks: Why aren't you negotiating? But I ask them, Whom should we speak to? Please name them, help us. No one can. . . . In Chechnya there are no sound forces with whom one can sit around a negotiating table and talk about the future of Chechnya."

At the same time, Primakov had spoken of the attempts by "anti-Russian forces abroad, to use the Chechnya problem as a pretext for surrounding Russia with a new 'Iron Curtain.'" Clearly referring to Berezovsky, Primakov remarked that "certain forces inside Russia" were working in the same direction; forces constituted by "people who have become *personae non grata* in the West" by virtue of the "shady sources of their wealth." Russian television reports indicated that Primakov had sought the cooperation of the French in actions to neutralize Berezovsky and other unsavory "Russian oligarchs."

There may also be a link between Primakov's visit and certain indications, that patriotic circles in Russia have been sounding out the possibility of arranging safe asylum and immunity guarantees for the Yeltsin "Family" outside Russia, in exchange for their acquiescence to a peaceful transfer of power.

Shortly after his return from France, Primakov held for the first time ever an Internet press conference, in which he responded to questions posed jointly by a Russian and American audience. This event, which was webcasted in the United States by the Internet company MSNBC, obviously represented an attempt by Primakov to reach out to the United States. In keeping with the request of the program sponsors, Primakov kept his answers all too short, never approaching the intellectual depth of LaRouche's recent, pioneering webcasts. Nevertheless, Primakov showed himself as a world statesman of a quality far above LaRouche's competitors in the Democratic and Republican parties.

Particularly impressive was Primakov's insistence that a new Cold War can and must be prevented. The line to be drawn, is not between East and West, but rather between sanity and the kinds of insane policies which are plunging the whole world into a dark age.

Russia needs FDR-type program for high-technology jobs, infrastructure

Part II of Prof. Taras Muranivsky's interview with former Russian Border Troops commander Gen. Andrei Nikolayev concludes our publication of this Oct. 19 dialogue. General Nikolayev currently leads "The Union of People's Power and Labor," one of 28 electoral blocs running in the Dec. 19 Russian State Duma (lower house of Parliament) elections.



Part I appeared in EIR of Dec. 3. Those of Professor Muranivsky's opening questions, which are answered in Part II, are repeated here. The interview has been slightly abridged during translation.

Muranivsky: How do you define your strategic tasks, and what are your tactics? I mean all aspects: economic, political, your view of military doctrine, especially the new one, and the mechanisms for implementation of your ideas.

It is natural that today one cannot omit your opinion and attitude to the problems of the Caucasus. The recently published, 12th issue of the journal you oversee, *Rossiyskoye Analiticheskoye Obozreniye (Russian Analytical Review)*, included an interview with my American colleague, Lyndon LaRouche, who believes that the hand of Britain may be discerned in the events in the Caucasus. He emphasizes that this is a continuation of the policy of British imperialism in Russia, which began in the 19th century under Palmerston. Well-known British circles, and their henchmen in the United States like Zbigniew Brzezinski, use the Wahhabites as cannon fodder.

I would also like to ask you about your resources and media access. Finally, it would be of interest to know your thinking on the present economic crisis. What is your strategy for an exit from the crisis? How do you assess the Russian crisis overall? What part is our own fault, and what is due to outside interference in our affairs? Do you think that Russia is one link in the world financial and monetary crisis, which is afflicting the planet for the third year now? . . .

Does Russia need a President?

Nikolayev: For a transitional period, absolutely. That means ten or fifteen years. The personification of power is very great in Russia, which means that you want to be dealing with a specific person, and you won't be satisfied with some well-worn notions that somebody off somewhere is making some decisions. No — you want to know: That's the person who has organized everything. Let's elect a normal person, and let him organize things. We can approach a parliamentary republic gradually. The situation will have ripened for a parliamentary republic, when we have two parties that are indistinguishable from each other, like in America or Germany, rather than 300 parties and movements.

Muranivsky: Sociological polls show that 70% of the population is disenchanted with these reforms, the market economy, and the effectiveness of an unregulated market, and they are leaning more and more to the left. But, only 20% of them believe in the Communists. How do you see this, Andrei Ivanovich?

Nikolayev: It is understandable. But, let me first answer you with a question. You are a Doctor of Philosophical Sciences. Tell me, please, do you like working on philosophy?

Muranivsky: Of course.

Nikolayev: Tell me, then, if you could work on philosophy, give your intellectual product to the people around you, and receive from society all of your material and intellectual requirements, would that suit you?

Muranivsky: Quite.

Nikolayev: That's communism. And if we ask anybody, "Who is against that?" nobody would be. As many people as there are on Earth, they will all dream about communism. Whether Yeltsin or Gaidar likes it, or not, people will dream about that. We live in the present, though. Dreams are fine, but we have already proclaimed that this society is good. How am I to live in it today?

We say that socialism means an actual, socially oriented society, in which a person has the right to earn what he needs to live. The state creates the conditions for him to do this. The Americans, incidentally, have had this kind of socialism for a long time. You may go to America and say that America is a capitalist state. They'll ask you where you got that idea

from. If you go to Germany, and say that the F.R.G. is a capitalist state, they'll tell you: This is a German state, so we have German society. There, 38% of the GDP belongs to state companies and 32% to joint-stock and collective enterprises, for a total of 70%. That is plainly a socialist state. They live the way it suits them. Therefore, when we talk about the socialization of relations, there is simply no other path in the world.

If our goal is to create a socially oriented society, then society must be united for that goal. We say that there should be state property in the Russian state. Who in Russia took it into their heads to hand out the railroads, the unified electricity grid, nuclear power production, and a lot of other things? We can say for sure, that this is state property. Remember what [Paul] Samuelson, the bard of market reforms, used to say: "There should be as much of the market as possible, and as much of the state as necessary." He did not say anything about the need for an "unbridled" market, like what Gaidar and his collaborators created.

We were told that the market would be self-regulating. But, tell me one social formation in the whole world, one society or one nation, where there exists a totally free market. Such a thing cannot exist. If you and I are taxpayers, we hire a state, which sets rules, first and foremost for state property, and functions as a state proprietor. Certain ownership relations are established for collective, joint-stock, and cooperative property, as well, including with private owners. The only criterion for relations among them is the efficacy of management. Those who work most effectively, should be preferred.

What does Nikolayev propose? I propose to put the President at the head of the executive branch. We should have not four branches of power, but three: executive, legislative, and judiciary. Our President is a man unto himself — a tsar, located off to the side. I propose to have a cabinet of ministers under the President, rather than a government of the Russian Federation as the current Constitution prescribes. Thus, the President would be the head of state and the head of the executive branch of power.

I propose to have five types of commercial entity in Russia. The first type would be 51% state-owned. The second would be 26-33% state-owned. The third type would be one in which controlling ownership was in the hands of private Russian or joint-stock collective capital. In a fourth type, a controlling block of shares would be entrusted to Russian private collective joint-stock capital. The fifth level subsumes any other composition of capital. It should be clearly defined, who is responsible for what. It's actually very simple: Adopt the relevant law, and the matter is decided.

Muranivsky: How do these types of commercial entity differ from those that exist today?

Nikolayev: In the degree of state influence. If the state has majority control, it determines the policy, based on state secu-

urity interests. It can raise the resources for specific purposes, like, say, the railroads. Rail transport in Russia will never be privatized, because it is the main system of arteries for building our economy.

Muranivsky: Andrei Ivanovich, permit me to make some comments in this connection. I completely agree with you, respecting the privatization of systems like railroads. In my view, this would be the latest crime against the state, in the array of many actions carried out by the Russian reformers to destroy Russia's economy and its security. Here, we are not living by our own wits, but are repeating the mistakes of Western privatizers, especially Margaret Thatcher, who managed to privatize many key branches of industry, including rail transportation. The private owners' cost-cutting on maintenance and repair of the railroads has caused many accidents, the most recent one being the Paddington Station crash near London on Oct. 5, in which many people were killed. Some sectors have already been un-privatized, but the railroads remain in private hands. Russia, meanwhile, is continuing the policy of robber privatization. It is important to put a stop to this tendency today, harmful as it is for the country.

Nikolayev: Of course! A lot depends on the legislative branch of power, which determines credit and investment policy, the system of taxation, fees, and customs payments. Take the recent experience the United States had with steel. Our steel began to be sold on the U.S. market, where it was cheaper than American steel. Congress immediately ("a free country," "a free market"!) passed an anti-dumping law. Our people said: What's this? What about the free market? You can't do this. . . . They replied: No, we have to keep American workers fed, not feed Russian workers.

I think the real way out of the situation lies in the timely passage of laws to defend our own country's people and security.

As for your question about the Caucasus: Of course, there is outside influence on the Caucasus events. But we need not look for guilty parties abroad. You pose the question of domestic responsibility, as well as foreign influence. You know, a functional country can be subjected to interference, but it cannot be destroyed.

If there is a world financial and monetary crisis, of course, it affects us, as well. Our country is no longer closed off behind some "iron curtain," and our domestic market does not satisfy all the needs of Russia. In the Soviet Union, in the mid-1980s, domestic production provided 90-95% of needed industrial products, and even 100% of some goods. Except for some types of grain, agricultural requirements were 80% covered by domestic production. Today, however, Moscow is 62% dependent on imported food. Russia as a whole is two-thirds dependent. For industrial products, the level is 50%. That means it is difficult to consider ourselves a completely sovereign state today. Of course, countries all over the world trade and exchange goods. But we, today, are incapable of

providing for ourselves. We don't feed our own workers, creating jobs.

Muranivsky: On the contrary, we are destroying jobs.

Nikolayev: They have already been destroyed. The country is producing only 38% of what we produced in 1990.

I would prefer not to answer your question about the mass media. I would say that there are essentially no independent mass media in Russia today.

Muranivsky: There aren't any, anywhere.

Nikolayev: I agree. Nowhere. In my view, however, the regional and local media are the most objective, paradoxical as that may sound. Regional television, radio, and print publications like newspapers, magazines, local papers, are rather closer to people and enjoy greater degrees of trust. Our analysis shows that the confidence level in [national] Channel 1 in the regions is only half the level of confidence in local programs. It's about the same for NTV. That should be kept in mind. Thus, we emphasize regional and local media, believing this to be a more promising approach. It's impossible to get on the air in Moscow even for big money, and it's absolutely useless.

Muranivsky: I asked about the 70% of people who do not trust the existing market system, of whom only 20% trust the Communist Party of the Russian Federation (CPRF). You answered in general terms, that people believe in communism. What do you have to say about the CPRF, as such?

Nikolayev: One must distinguish between rank-and-file members of the communist movement, who I think are quite worthy people, and the CPRF leaders, who enjoy some people's trust, while doing nothing for them. Think about it: People go out to the rallies and demonstrations every time, and they go home again, no closer to solving their problems. I think that essentially all the political organizations now active on the Russian political scene have outlived their time. If they had been able to accomplish anything during that time, they would have done it, but they did nothing.

Muranivsky: You said very little about Chechnya. Therefore, I would like to ask you to evaluate the actions of federal troops in Chechnya, the creation of the *cordon sanitaire*, and so forth.

Nikolayev: I would simply caution against the idea that everything will be simple in Chechnya. Even if Russian troops are stationed on the territory of Chechnya, that will not be the end of the story. Just as the story in the Balkans has not ended. There are peacekeeping forces in Kosovo. So what? Is there peace in Kosovo?

Muranivsky: They have asked for another contingent to be sent, but that will not likely solve this acute problem.

Nikolayev: I explain this quite simply. At the beginning of our conversation, I mentioned the relationship between mili-

tary force and the tasks it is able to decide. I believe, for instance, that the Americans failed to accomplish their real political aim, when they committed aggression against Yugoslavia. They behaved about like this: Something hurts, put some salve on it. But the Balkan illness is rather more complex. [Chairman of the Joint Chiefs of Staff Gen. John] Shalikashvili came to visit me, when he was in office. During our exchange of views, I said, "There is no Kosovo problem. There is a Balkan nexus, which includes questions connected with Kosovo." Particular problems cannot be solved, that is, without solving the general ones. We are witnessing an endless redivision of Yugoslavia. The next phase is ripening, when Kosovo will become independent (with American support—it will come to that sooner or later). Then, Montenegro. No doubt there will be some possibility for a group of Islamic states to form. Then Albania and Kosovo could unite, creating new, big problems. And, there is Muslim Bosnia.

Muranivsky: My colleague LaRouche looks at this problem in a broader way. He says that the bombing of Iraq, the Kosovo events, the Chechen problems, the India-Pakistan conflict, and many other problems are links in a single chain, tied up in one nexus. That this is an Anglo-American imperialist policy, which has neo-colonialist and other destructive goals. This policy has targetted Russia. How do you see such an evaluation?

Nikolayev: It's very simple. I know Brzezinski's book *The Grand Chessboard*, which made a splash in the West. There are answers there to many questions, concerning Russia. Upon reading that book, in the original, I could go back to the history of this question in the early 1960s. We could go back to the end of World War II, to the Dulles plan. These are links in a single chain. There are two strategic tendencies in America (I would not want to look separately at England). One is a consistent drive for the dismemberment of the Soviet Union, or Russia—this well-known plan, which Brzezinski lays out. The second sees Russia as a powerful partner, a politically and economically strong state, which serves for a balance of power. You see, there was a system of balanced opposition in Europe, codified in 1945 by the Potsdam Agreement, and in 1975 at Helsinki. A system had been formed. Then, presto! One part disappeared. But the piston had to keep moving, didn't it?

Look: I put my two hands together, and each hand is pushing against the other. If I rapidly take one hand away, the second hand plunges into the place from which the palm of the other hand was removed. Do the Americans really not calculate the consequences of the destabilization they are carrying out? The Europeans, the Asians? Nobody wants destabilization.

You and I have discussed periods of 15 and 25 years, and we discussed the entire century. This is a serious policy discussion, after all. You mention 19th-century fonts of British policy. But there are documents, which the Foreign Office has not yet published, from the 17th and even the 16th century.

Britain has no allies, only permanent interests.

Muranivsky: And the British Commonwealth exists with its colonial interests, as it existed then.

Nikolayev: Therefore, when we talk about the Americans, who among them is really miscalculating? What kind of chaos will they get, if Brzezinski's plan is implemented?

They are already running into these problems. In Iraq and other places, including the Balkans, they are rehearsing the wars of the future. They are practicing for wars without casualties, where they protect themselves from physical losses, using their enormous advantage in information technology. These are the wars of the future. Russia's lag behind the Americans in military affairs is now 15 to 20 years.

Muranivsky: We had roughly equivalent military-technical capabilities. Things are worse now, but is it really by that much?

Nikolayev: Things are significantly worse. I tell you, we are 15 to 20 years behind.

Muranivsky: Including in the military-technical area?

Nikolayev: Of course. Russia cannot build a fifth-generation aircraft, without the participation of other countries. We have invested no money in basic scientific research for the past ten years, we have no good engines, and not enough electronics. In the Soviet period, we were already purchasing some of our electronics.

This is the truth, and it must be known, if we are to remain among the major world nations. This status is determined not only by nuclear weapons. It is defined by science, technology, materials, and the final product of system-forming industries. It is not determined by whether a country has natural gas, oil, or land. It is defined by the ability to produce a final product. We are lagging behind.

Muranivsky: As a civilian, I must say that your statement surprises me.

Nikolayev: I can tell you more: We have no Army. You and I touched on this question today, when we were talking about the Armed Forces of the Soviet Union. That was a system. Then, it was split up into 15 pieces: the fingers torn off, a hand torn off, an ear torn away, an eye gouged out. Do you think, within the framework of the tasks currently facing Russia, that anything is being done to restore the Army? No. We have as the proclaimed goal of military reform (or, "military reform" in quotation marks, because it is no military reform) to be the optimization of the Armed Forces in correspondence with the financial and economic capabilities of the state. According to Nikolayev, the goal of military reform should be the creation of Armed Forces capable of carrying out the tasks set by the politicians, in the North, Northwest Europe, Eastern Europe, Southeast Europe, Central Asia, and the Far East. That is how the goal of military reform may be formulated.

Reform ought to encompass at least four areas. The first

is a change in the management system—military command and the management of military questions, economics, politics, and other components of this sphere. The second is a system of procurement, which is a fundamental question. The third area is the system of training and education. The fourth question is the supply of new equipment and weapons. These four questions comprise military reform, and none of them has been solved in Russia.

Reform has been reduced to cuts. Incidentally, there can be cuts, in the context of military reform, or there can be reform without cuts. This is not an obligatory element of reform.

Muranivsky: I have a question on foreign policy: How do you see the statements that have been made about a Russia-China-India strategic triangle?

Nikolayev: There is not going to be a unipolar world, no matter what. There must be other centers of strength. China is a huge country, and not only in population. Why shouldn't Russia, in this situation and as a major Asian country, seek partners in the East? I think it would be not at all bad to build normal relations with China on the basis of what has been done with India. Not as a counterweight to America, but as a counter to the threats that exist in the world at large.

Muranivsky: Why not as a counterweight? What if this is necessary, to restore the balance that was upset after the collapse of the U.S.S.R.?

Nikolayev: I'll tell you. A stable Russian policy, as the policy of a nation, should have a reliable base. As an image—it ought to be something like that table there, which stands on four legs. A Russian policy oriented only toward one country, say, America, will be unstable. It will be like a one-legged table. A one-legged policy. If we orient toward America and China, for example, we will be trying to stand on two legs, but we need to stand on four.

Muranivsky: Why four? Maybe it will be stable on two legs, like a person or a kangaroo?

Nikolayev: But, as concerns having a policy, we should understand very well that active participation in European politics is a special feature for Russia. There is one country there, upon relations with which the question of whether or not Russia will be secure depends. That is Germany. If Russia and Germany have proper relations, there can be no situation that creates danger for Russia in Europe. The Germany-France balance is also important.

Turning to Asia, the key country is China. If Russian-Chinese relations are properly constructed, with everybody's interests taken into account, there will be no country in the world that could create a dangerous situation from the Asia side. As a balance—Japan, or India. India is likely closer in this situation, not because we think less well of Japan, but Japan has had a military security treaty with the United States since 1945.

On a global scale, America is the key country. Everybody knows how important it is to have normal relations with that country. The fourth leg is the countries directly adjacent to Russia: the post-Soviet space, Norway, Finland, the Baltic countries, Poland, and so forth. Those are the four legs, the four anchor points for a Russian policy.

Muranivsky: I would like to give you one of my recent articles, "It Is Possible To Solve the Crisis with One's Own Forces. Without IMF Assistance," in which I analyze the bold social and economic experiment, undertaken by Malaysian Prime Minister Mahathir bin Mohamad to overcome the crisis in his country. Under a barrage of criticism from ill-wishers and even enemies, he dared to come out against the powerful financial speculators and international institutions that have looted his country, and he has already achieved some success. This article appeared in the weekly *Ekonomicheskaya Gazeta* in September. I think that it would be useful for us to study the Malaysian experience.

Nikolayev: Malaysia overcame the crisis. And we shall overcome it. The main thing must be job-creation. Remember, how Franklin Roosevelt led America out of the crisis. The top priority was high technologies, which became the take-off point for American industry. The second was the construction of social infrastructure: roads, bridges, railroads, housing. Millions of people can be employed on such projects.

Muranivsky: That's true. To give people work. Some people criticized President Roosevelt back then, for using socialist methods. But, he pursued his policy, successfully and under the law. America overcame the crisis, by concentrating not on the social costs, but on the general welfare.

Nikolayev: What's the problem? What a country we have! We don't have to move people around, just to create conditions for them to come and work.

Muranivsky: In Moscow alone, there's no end of work to be done. There are decrepit apartment buildings and streets to repair. And look at what could be done in agriculture. Instead of creating conditions for normal work, we've had the legalization of unemployment, even stipends for the unemployed. Crop farming and animal husbandry are in ruins, dumped onto women's shoulders, while drunken men wander around the countryside, proud of being unemployed.

Nikolayev: There is one more key question, in that connection—the key to everything. That is, an hourly wage. Not a minimum wage, but a minimum hourly wage. It just needs to be defined. For a skilled professional, 100 rubles an hour, i.e., \$4 per hour. If you need a menial laborer, then you have to hire him for at least 25 rubles an hour. What does this give us? It will give us 35 billion rubles in straight tax revenues, at a 20% tax rate. Imagine! A year and a half of Russia's current budget, through taxes alone. On the other side, it will give a family with two working adults approximately 5,000 rubles per month. This is a completely different level than what we have now. You'll say: Andrei Ivanovich, there won't be enough goods for them to buy. But if people buy goods, it will be necessary to produce them. And the buyer will also work.

It's a different strategy. The strategy of produce-sell-buy-produce should replace the strategy that says "spend less, live more modestly, live within our means."

Muranivsky: We don't need to cut spending, but to spend more rationally, for a purpose, and, most important, productively. The production of new material, intellectual, and cultural values will not only compensate the expense of production, but will bring supplemental revenues.

Nikolayev: Spending must be increased! Roosevelt, again, said: "In order to get out of the crisis, we must live better." He was told, "We'll go bankrupt!" He replied, "No! People will buy, and then you'll produce." In order to earn, a person goes to the factory, to work.

Muranivsky: True enough. I agree. But the slogan "Enrich yourselves!" is known here in the Bukharinite sense, and has become associated in Russia, as well as worldwide, with parasitism. Virtually legalized, unconcealed speculation, especially currency speculation and other refined forms of usury, the narcotics trade, tax evasion through the use of off-shore zones and numerous methods for laundering dirty money—

The Way Out of The Crisis



A 90-minute video of highlights from *EIR*'s April 21, 1999 seminar in Bonn, Germany.

Lyndon LaRouche was the keynote speaker, in a dialogue with distinguished international panelists: Wilhelm Hankel, professor of economics and a former banker from Germany; Stanislav Menshikov, a Russian economist and journalist; Schiller Institute founder Helga Zepp-LaRouche from Germany; Devendra Kaushik, professor of Central Asian Studies from India; Qian Jing, international affairs analyst from China; Natalya Vitrenko, economist and parliamentarian from Ukraine.



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all of these are pathways to enrichment through tricks and thievery. There is no place here for investment in production, since it is possible to make money out of thin air. Today's rich men are proud of it. In Roosevelt's time, and long before him, there were other parasitical tendencies. They were one of the main causes of the crisis in the 1930s, known in the West as the Great Depression. When Roosevelt said, "Live better," he meant it in the sense you do, Andrei Ivanovich, in presenting your programmatic strategy, "produce-sell-buy-produce."

Nikolayev: There is another of Roosevelt's sayings that we adopted, which may be rephrased like this: "Russia should buy abroad, only what it cannot produce itself." There was a time when Americans generally said: We won't drive European or Japanese cars, we'll only drive American cars, because we produce those cars. That's their psychology. We, however, walk around in American clothes — that's our psychology. This shows what respect we have for our own producers.

Muranivsky: Andrei Ivanovich, what would you like to say in conclusion?

Nikolayev: Political and economic life today is multi-faceted: There are communist viewpoints, liberal viewpoints, socialist and social-democratic viewpoints, and various views of economic systems. Some recognize communist state property, state management and planning, while others look to private property and economic levers. We take into account the difference between state property and private property, and between state planning and market planning. What do we propose? State strategic planning and forecasting, state property, economic levers, private property, joint-stock property, collective property. That is the whole scheme of things. We should create a general plan, like the Americans and the Japanese and the Germans. . . .

Muranivsky: The way de Gaulle did.

Nikolayev: As de Gaulle did in France. State property, which defines our security, economic levers, which flow from state planning and strategic forecasting, and private property, functioning within that framework. We reject the adoption of any single model. We recognize a totality of models.

Muranivsky: You reject extremes?

Nikolayev: We won't find a way out, from extreme radical positions. Who, today, is going to deny the need for collective property, or joint-stock property? Nobody. Who is going to deny the need for private property, where it is the most effective form?

Muranivsky: Many thanks for this interesting and substantial discussion. I am happy that our views coincide in many areas. The most important is that we believe our problems can be solved with our own forces.

Manic Blair reveals Britain's real agenda

by Mary Burdman

British Prime Minister Tony Blair's claims to galactic supremacy are being challenged — most notably by the governments of France and Germany, but also within Britain, and even the Labour Party itself — and, typically, Blair is plunging into a flight forward. Reacting like a brat stung by the pointed questions of a knowing peer, Blair bragged shamelessly of his "inner knowledge," and, in a speech in the City of London on Nov. 22, he revealed the inner workings of the modern-day British-American-Commonwealth bloc.

Blair cast away all the myths of Britain as a post-imperial nation living out its quaint heritage, and his remarks show that "cool" Britannia is actually the highly manipulative world power-broker, that *EIR* has consistently documented it to be. Britain, Blair said, is a "pivotal power . . . that is at the crux of the alliances and international politics which shape the world and its future," sitting at the center of such international institutions as the Commonwealth, the United Nations, NATO, and the Group of Eight, and also proud host of the world's largest financial center, the City of London.

Yet, despite his boasting, Blair has had a particularly galling time recently. The week of Nov. 15, there was an open challenge to his "invincibility" in British politics, coming from the more traditional wing of his Labour Party. The opposition Conservative (Tory) Party — which had been vanquished in the May 1997 elections by Blair, economic collapse, and its own rampant corruption — had been re-asserting itself, as the disastrous results of "New Labour's" own economic policies were exposed, especially by the Paddington Station train disaster of Oct. 5. Now, suddenly, the Tories have been hit by one scandal after another, leading party chairman Michael Ancram to accuse the government of running a "dirty tricks" campaign and creating a "climate of fear" in Britain.

Even worse for Blair, there is a growing reaction against his disastrous "Third Way" policies, both economic and political, among other European leaders. Led by French Prime Minister Lionel Jospin, a Socialist, they stopped the British Prime Minister in his tracks at the Nov. 20-21 summit of Western leaders in Florence.

Blair, immediately upon returning home from Florence, went to the banquet of the Lord Mayor of the City of London, to re-assert his status as supreme ruler of the universe. The City of London has found Blair to be a most useful tool for their interests so far; it remains to be seen how long he will remain so.

The pivotal power

Britain has “a new role, . . . to use the strengths of our history to build our future . . . as a pivotal power, as a power that is at the crux of the alliances and international politics which shape the world and its future,” Blair said at Guildhall. He referred to what he had said on “The Doctrine of International Community,” in Chicago in April — perhaps the single most revealing event of the NATO 50th anniversary summit — where Blair claimed that, from the British standpoint, the war against Yugoslavia was the “entry-point” for a new global imperial system.

“As was clear in Florence, Britain is at the forefront of the debate about new ideas in modern progressive politics,” Blair said. “One such vital debate is about Britain’s role in the world. . . .

“For Britain, the legacy of Empire remains profound. . . . Nearly 40 years ago, [U.S. Secretary of State] Dean Acheson’s barb — that Britain had lost an Empire but not yet found a role — struck home. Successive generations of British politicians tried — unsuccessfully — to find a way back.”

But where even Tory Prime Ministers Winston Churchill and Margaret Thatcher had failed, Blair is claiming success: “I believe that search can now end,” he asserted. “We have got over our imperial past. . . . No longer do we want to be taken seriously just for our history, but for what we are and what we will become. We have a new role. Not to look back and try to re-create ourselves as the pre-eminent superpower of 1900, nor to pretend to be the Greeks to the Americans’ Romans.

“It is to use the strengths of our history to build our future not as a superpower but as a pivotal power, as a power that is at the crux of the alliances and international politics which shape the world and its future. . . .

“Britain’s potential strengths are clear, in some ways unique. First, our formidable network of international contacts. Our extraordinarily close relations with nations in every part of the globe through the Commonwealth . . . the UN Security Council, of NATO and of the G-8. The close relationship forged through two world wars and the Cold War with the U.S.A. And our crucial membership of the European Union [EU]. We are at the pivot of all these inter-connecting alliances and groupings.”

Second, he claimed, is Britain’s economic role. Its new “strength” comes in part from what Thatcher did in the 1980s and in part from what “New Labour” has done since. Then comes the role of Britain’s armed forces in the Gulf War, Bosnia, Kosovo, and East Timor, especially “their leading role in Kosovo,” Blair said.

People still “underestimate the impact of globalization,” Blair said. “Economic frontiers are crashing down. One and a half trillion dollars are traded every day on the world’s currency exchanges, of which by far the biggest is right here in the City of London,” which is “bigger than the Tokyo and New York markets put together. . . . This transformation of

the world by economics has been coupled with a sudden shift in the international political agenda. . . . In this post-Cold War era, it is not just economics that is global. It is politics too. . . . In every sphere, increasingly nations are having to accept they can only advance their own interests by working with others.

“Yet, in Europe and America, there are some who argue that the end of the Cold War in fact opens the door to a new era of national sovereignty, . . . [that] nation-states can again afford to withdraw from international commitments, to act unilaterally rather than in partnership.”

This argument is wrong, Blair asserted, putting forward his globalist view: “By working together, nation-states can extend their authority. . . . Even a superpower like the United States cannot afford unilateralism. Like other nations, it has to work through the international institutions from NAFTA [North American Free Trade Agreement], and the OSCE [Organization for Security and Cooperation in Europe], to the WTO [World Trade Organization] and the UN to get its way.”

“The key for Britain,” he asserted, “is that we build and shape alliances to give us strength and influence to advance our own national interests; to make the most of our potential. And not just for Britain, but for the world.”

Britain should not be “mesmerized by the choice between the U.S. and Europe. It is a false choice. The fact is that we are listened to more closely in Washington if we are leading in Europe. And we have more weight in Europe if we are listened to in Washington. My vision for Britain is as a bridge between the EU and the U.S.A. Our two powers have common interests that dwarf the things we often argue about.

“The EU and the U.S. standing together, coming closer, is the single most urgent priority for the new international order,” Blair stated. Britain “can be a power that is pivotal, dynamic, capable through the alliances we have of shaping and influencing our and the world’s future destiny.”

Upheavals in Albion

Blair made this speech amidst one of the wildest situations in Britain in some time. On June 18, thousands of rioters had rampaged through the City of London in the worst violence there since the “Gordon riots” of the 1780s. This “anarchist” operation was actually highly organized, including via the Internet. Just a month later, an article in the London *Sunday Times* revealed the existence of “Operation Surety,” emergency contingency plans for dealing with large-scale civil disorder and chaos in the United Kingdom, a situation likely to erupt under conditions of a broad financial crash.

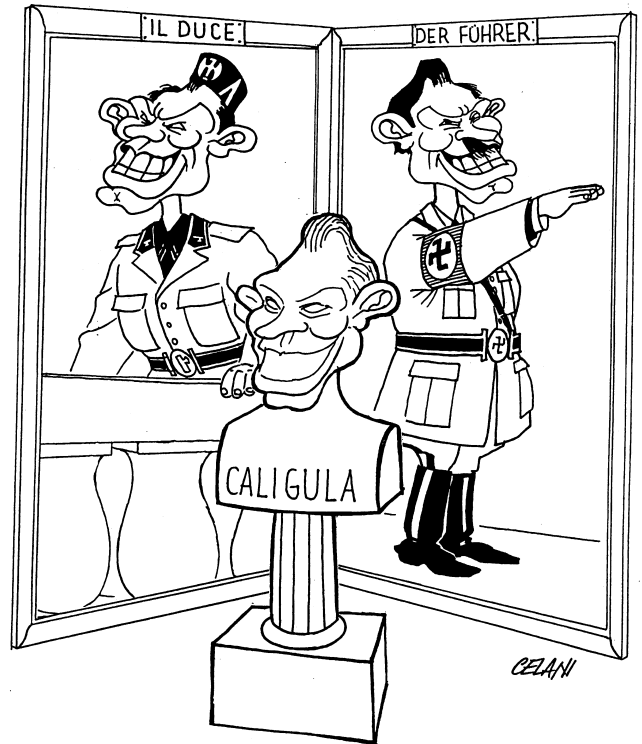
Nov. 30 was the next set of anarchist riots, this time as part of the “global day of action” against globalization at the WTO meeting in Seattle. In London, the target was Railtrack, the company that oversees Britain’s privatized rail system, whose failure to maintain the railroad’s infrastructure led to the Paddington disaster. In response, the City of London and Metropolitan Police set up a “unified command structure.”

This time, the riots turned out to be a little more than

British Prime Minister Tony Blair proclaims that Britain's new role is "as a pivotal power, as a power that is at the crux of the alliances and international politics which shape the world and its future."



The Third Way (or: the three faces of Mr. Tony Blair)



a “damp squib.” Peaceful demonstrations by about 1-2,000 people at Euston Station, were disrupted in the evening by at most 100-150 hard-core rioters, who were soon controlled by the police.

The entire scenario is reminiscent of the methods of Oliver Cromwell, who, to maintain his dictatorial powers during the 17th-century Commonwealth, deployed “rangers” all over England. These rabble-rousers would go from town to town, demanding anarchy and, of course, the fall of Cromwell—whose political support was greatly strengthened as a result.

Then, on Nov. 23, the British press revealed that the authorities have been put on a terror alert because of an alleged “credible and real threat” of attacks within England by “dissident factions” of the Irish Republican Army, during the year-end holiday season and millennium celebrations. The authorities have already briefed 25 to 30 top British companies on the threat, and have increased security around the City and Dockland areas of London.

Most interesting, in this context, was an article in the London *Guardian* on Nov. 25 on the City of London, a distinct, 800-year-old political/economic entity, ruled by its own Lord Mayor and Corporation, and protected, since 1993, by a “ring of steel.” Under Blair’s New Labour, the City’s defenses are being strongly reinforced.

Old Labour

But there are reactions to New Labour’s “draconian and chilly” agenda, as old Labourite Roy Hattersly characterized the Labour-dictated Queen’s Speech at the opening of Parliament on Nov. 17. Notable is the intra-party brawl between Blair’s clique and the more traditional wing of the party, over the shortlist of Labour candidates for the first elections for Mayor of London (as distinct from the City’s own appointed Lord Mayor). On Nov. 18, Labour Member of Parliament Ken Livingstone, former leader of the Greater London Council (the forerunner to the new office of an elected mayor) and a public spokesman for the “old” Labour constituencies, succeeded in gaining a place on the Labour shortlist, over Blair’s opposition.

It took two days of battle at Labour headquarters to get

Livingstone through, and then, Blair staged a public fit over the decision of his own party, declaring that he would fight Livingstone’s candidacy “while there is breath left in my body. . . . He has not left behind the extremism he stood for in the early 1980s.”

Under Blair’s direction, “New Labour” has decided to grant the notorious Railtrack the contracts for maintenance of several central London Underground lines. Livingstone opposes this categorically. The policy is highly unpopular in London, and even the London Tories oppose it.

The internal political battle in the Labour Party will go on for months, as the final candidate will not be selected until mid-February. Blair’s favored candidate, Frank Dobson, who gave up his position as Health Secretary to run for mayor, has denied that he is Blair’s “stooge,” and claims he had insisted that Livingstone be allowed on the shortlist. Livingstone is supported by a clear majority of the London Labour Party members, who have one-third of the vote for the candidate, and by many unions, but, to date, the party apparatus is supporting Dobson.

It is typical of Blair’s methods, that he had former Labour Party head Neil Kinnock prepare a political “chargesheet” against Livingstone, accusing him of being a “focus for internal opposition to Blair’s handling of the economy.” Livingstone has spoken out against making the Bank of England independent, “workfare” welfare reforms, austerity, and so

on. Livingstone would “threaten the prosperity of the City of London, the financial center of Europe,” says Kinnock’s chargesheet.

Livingstone is the only “clear winner” in this political battle, as the *Daily Telegraph* truthfully stated in its Nov. 19 editorial, for having “established himself as a poor man’s David defying the Goliath of Downing Street, without having compromised himself.” Livingstone “is the first politician to have turned the tactic that made Tony Blair leader and Prime Minister—running against his own party—against its originator. . . . Tony Blair may prove to be the biggest loser of all. . . . The deeper significance of the Livingstone phenomenon is its impact on the Prime Minister’s prestige. His machine can function only for as long as it is feared. One of the few figures in the Parliamentary Labour Party who owes nothing to Mr. Blair has thrown down a challenge to his entire project.” Livingstone has challenged the “mystique of Blairite invincibility.”

So fraught is the issue of train privatization in Britain, that there have been indications that Dobson himself may oppose the privatization plans. In addition, to save Blair’s close ally, Transport Minister John Prescott, from political embarrassment, Railtrack may be denied the contract for the London Underground in favor of other bidders, which did occur on Dec. 1. The Underground and Railtrack had been due to announce an agreement the day after the Paddington rail crash, but it was put off, due to the public outcry. Railtrack will be told that it could lose its license if it does not restore the track of its rail lines to their condition before privatization.

The ‘climate of fear’

The political brawl is not confined to the Labour Party. National elections are not likely until 2001—unless, of course, a monumental crisis intervenes—but already the mud is flying thick and fast, especially as disillusion grows with Blair’s regime.

The opposition Tories, who had ruled Britain 18 years before Blair’s New Labour took over, are now the targets of one scandal after another. Internal sleaze is certainly a factor, but no observer can help noting the *timing* of the revelations against leading Tories.

One spin-off of the London mayoralty imbroglio, is the latest sordid episode in the tale of Jeffrey Archer. Lord Archer, a former Conservative Party deputy chairman under Thatcher and a prolific author of political fiction, resigned as party candidate for Mayor of London, after a 13-year-old scandal suddenly reappeared. Tory leader William Hague, who had called Archer a candidate of “probity and integrity” at the Conservative convention three weeks before, now has egg on his face.

The scandal broke when television producer Ted Francis told the Nov. 21 *Sunday News of the World*, that he had lied in a letter to Archer’s lawyers, written in December 1986, to

give Archer an alibi for a critical evening at issue in a libel case. Archer was then suing the tabloid *Daily Star*, which had published the story that Archer was paying a prostitute, Monica Coghlan, for her services. Francis said he had agreed, not because of Coghlan, but rather because of Archer’s known involvement with yet another woman, his “personal assistant” Andrina Colquhoun.

Francis claims he made his new revelations “out of a sense of public responsibility,” to prevent Archer from becoming mayor of London. Certainly, everyone knew that the Archer scandal was a bomb waiting to go off, but the coincidence is remarkable. Archer now faces a criminal inquiry, and he is under heavy pressure to resign altogether from the Conservative Party, before he is thrown out.

The Tories meanwhile, are left having to find a new candidate for mayor of London.

Just days later, an even more explosive scandal emerged, when Rupert Murdoch’s *Times* published a story on Nov. 24 claiming that the £1 million a year the Tory Party receives from its biggest funder, party treasurer Michael Ashcroft, is “foreign cash,” and, apparently, “in breach of new rules” about overseas funding of political parties.

While Ashcroft is a British citizen, and therefore his donations are not technically “foreign”—as the Tories hastened to point out—he is a murky character. A billionaire “tax exile,” he operates out of Belize and Florida as well as Britain. This past summer, the *Times* reported in a series of articles that Ashcroft’s name appeared in a number of U.S. Drug Enforcement Administration files. Ashcroft is suing the *Times* over the story.

The Tories immediately counterattacked, asserting that the central issue is just how their private bank accounts at the Royal Bank of Scotland were so closely monitored, and by whom. Tory officials are likening the affair to the U.S. Watergate scandal.

Most stark was the language of Conservative chairman Ancram, who issued a statement on Nov. 24 asserting that the Tories’ private accounts had been illegally “hacked into,” and calling on the Metropolitan Police and Data Protection Registrar to investigate.

Ancram said: “It is deeply significant that the private bank accounts of the Conservative Party have been penetrated. This appears to be the latest of a series of dirty tricks being perpetrated by those who will stop at nothing in order to keep this government in power. . . .

“There is a climate of fear being created in Britain today. Dissidents are silenced. Opponents are smeared. Now, private bank accounts are hacked into in order to discredit and destroy anyone who stands in the way of this government’s lust for power.”

The *Times* snootily denounced Ancram’s statement as “incomprehensible” and “bizarre,” but any and all who have watched Blair’s Mussolini-like rule, would endorse them.

Brazilian nationalists tell British oligarchy: Enough is enough!

by Silvia Palacios and Lorenzo Carrasco

Every government in every nation of the Western Hemisphere stood up and took notice in late October, when the Brazilian Armed Forces carried out surprise, giant military maneuvers on the border with Colombia. Curiously, so did the Brazilian government of Fernando Henrique Cardoso.

Bypassing diplomatic channels, the military took advantage of previously planned joint maneuvers among the three forces to make an impressive show of force along the jungle border with Colombia, in response to growing real military threats to Brazil coming from the narco-terrorist Revolutionary Armed Forces of Colombia (FARC). The operation was executed even as the FARC's "diplomatic representative" in Brasilia was parading around with the full acquiescence of the Cardoso government. The maneuvers along the border with Colombia were not merely war games, but real warfare, because the continuation of Colombia's so-called "peace process," and the FARC's consolidation in Colombia of "liberated territory," have led to the narco-terrorist threat spilling over into the Amazon region.

The border operation was launched after Army intelligence services obtained information that the Colombian narco-terrorists were intending to seize the Colombian city of Mitú, located 75 kilometers from the border with Brazil. To achieve their objective, the narco-terrorists would need to occupy a military airstrip on the Brazilian side of the border; the FARC was also planning to steal weapons, ammunition, and medicine from several military border posts there. The Brazilian Armed Forces moved 5,000 troops, airplanes, and missiles, managing in just a few hours to "seal" part of the 1,644 kilometers of the border with Colombia. At the conclusion of the operation, according to media reports, the evaluation of Brazil's military leadership was that "the Brazilian forces have shown their capability in a most convincing manner." The magazine *Veja* reported, "The majority of Brazilians are accustomed to seeing the Armed Forces in parades, with outdated weapons. To see them in action, with modern weaponry, with effective combat tactics, and backed by high technology, is something new."

What has sent London, and associated policymakers

in Washington, reeling, is that the military operations coincided with explicit charges against the British for plotting to shatter Brazil's sovereignty, and attempting to steal the country's natural riches, especially in the coveted Amazon region.

For example, in mid-October, the then head of the Amazon Military Command, Gen. Luis Gonzaga Lessa, pointed to the foreign enemy threatening the region. At a conference organized by the Rio de Janeiro Military Club on Oct. 13, he detailed the pressures, especially those from the environmentalist-indigenist apparatus controlled by the British monarchy, whose non-governmental organizations (NGOs) have managed to dictate Brazilian government policy toward the Amazon. His political message was that no member of the Armed Forces would obey any order from those foreign forces regarding "preservation" of the region—in sum, an open confrontation with the Cardoso government which, in its own words, seeks to turn the non-governmental organizations into "neo-governmental" organizations.

General Lessa's statements have had major repercussions, both domestically and abroad. On Nov. 3, *Diario de las Americas* of Miami reported Lessa's remarks to the effect that the Cardoso government preferred to put the Amazon region into the hands of foreign NGOs. The three threats described by the general are: intervention of foreign governments, the presence of Colombian guerrillas on the border, and the risk of foreign invasion through the Yanomami Indian reservation. His charges also reached the National Congress, and in a Senate plenary session on Nov. 8, Sens. Bernardo Cabral and Gilberto Mestrinho spoke about the importance for the country of military maneuvers in the Amazon, and underscored General Lessa's warnings.

Senator Mestrinho gave the names of the British puppetmasters behind the world eco-fascist apparatus. "That plot against the nation," he said, "has its official headquarters in Grandson, Switzerland, but the intellectual author is in London, with Prince Philip, Duke of Edinburgh, royal consort, ally of the ex-Nazi Prince Bernhard of Holland, of the 1001 Club."

Further, said the Senator, “new strategies are developing in the Amazon, beginning with the NGOs’ battles against the waterways, followed by the ecological reserves, and then the Indian reserves.”

‘Sir’ Cardoso and eco-fascism

The increase in these expressions of civil-military patriotism stems from the growing understanding that the Cardoso government is committed to carrying out the British oligarchy’s orders to impose a system of limited sovereignty on the Amazon, while at the same time using the “Indian card” to block any and all attempts to bring infrastructure to key areas of the country. These fears are not unfounded. During President Cardoso’s state visit to England in December 1997, where at Cambridge University he was compared to Emperor Julius Caesar, and was granted the title of “Sir,” he committed himself before Prince Philip, the “Doge” of the British oligarchy, to allocating 10% of Brazilian territory to areas of environmental preservation, following the model imposed by Philip’s World Wildlife Fund in Africa.

As per this agreement, since the beginning of Cardoso’s second term in office, the Brazilian arm of the environmentalist-indigenist apparatus of the BAC power bloc has increasingly taken control of the areas of government critical to this policy. The President and First Lady, also a militant of world government causes, have made all nominations personally, thereby increasing the “family cabinet.”

Included in this group are Jose Gregori from the Justice Ministry’s National Secretariat of Human Rights, Justice Minister Jose Carlos Dias, and lawyer Elizabeth Sussekind, the Justice Ministry’s secretary of justice and founder of the Viva Rio Movement. The latter is an NGO linked to the World Council of Churches, and to the main Anglo-American foundations, such as the MacArthur Foundation and the networks of George Soros. She is also one of the coordinators of the campaign for civil disarmament. Also among this group is anthropologist Mary Allegretti, the current secretary general of Amazonia Legal, closely linked to the Anglo-Canadian NGO apparatus, and the new president of the National Indian Foundation, Carlos Frederico Mares, formerly president of the Socio-Environmental Institute, one of the most active NGOs in the campaign against the development of Brazil’s waterways. In his inaugural speech, Mares said that the foundation’s actions will be shaped by use of the “Indian card” to promote enclaves against national sovereignty, in the same way that Bishop Samuel Ruiz and his Zapatistas intend in Chiapas, Mexico.

Cohen to the rescue

It was in this context that U.S. Defense Secretary William Cohen visited Brazil in mid-November, in a clear effort to give international backing to the beleaguered President Cardoso. Cohen’s trip was also intended to endorse the

creation of a Defense Ministry, imposed last January against the opposition of the Brazilian Armed Forces, supposedly to show that the military’s submission to civilian power is the only real guarantee of “democracy.” In reality, this is only a euphemism for the continuation of neo-liberal economic looting.

Cohen’s visit, despite its low profile, served to emphasize concern by London’s friends in Washington over military discontent in Brazil. In a press conference, Cohen recognized that Brazil “is a key country, not only for regional stability, but also because of the role it plays in the world.” Cohen’s deployment, actually part of the campaign on the part of the British-American-Commonwealth (BAC) intelligence faction to dismantle Ibero-America’s armed forces, implies an effort in some way to thrust Brazil into the role of “junior partner” of Anglo-American power, in the plan for supranational dominion over the Western Hemisphere.

This is the context in which to assess the public offer for Brazil to participate in the activities of the Center for Hemispheric Defense Studies, a supposedly academic institution formed under the aegis of the Inter-American Dialogue. Its real purpose is to oversee implementation of the policy to annihilate Ibero-America’s armed forces, a policy begun during the George Bush administration. Specifically, the intent is for the center to reduce the importance of the Inter-American Defense Board, and to gradually place its operations under the full control of the Organization of American States. This policy was first elaborated by State Department honcho Luigi Einaudi, mentor of the project to establish a supranational military force for hemispheric intervention.

This project, which has the personal backing of President Cardoso, who was a founding member of the Inter-American Dialogue, can only work if the principle of limited sovereignty is legally consolidated. This has already been done de facto through the operations of the non-governmental organization (NGO) Transparency International and its operatives, such as Spanish judge Baltazar Garzón, who, with the backing of the British oligarchy, is handling the extradition case of Chilean Gen. Augusto Pinochet, as a precedent-setter for such a new legal doctrine.

At a meeting of the Ibero-American heads of state in Cuba on Nov. 19, President Cardoso publicly endorsed the concept of world government. Although the meeting nominally rejected the supranational treatment being given the Pinochet case as a threat to national sovereignty, President Cardoso, in an interview with the German magazine *Der Spiegel* on Nov. 15, unabashedly advocated the creation of an “international court for the punishment of universal crimes, such as those practiced against human rights and the environment.” He admitted that such a position represents a “break with the tradition we have held until now of non-interference in the internal affairs of sovereign countries.”

EIR unmask oligarchs' operations in Roraima

by Nilder Costa

Testimony given by *EIR* correspondent Lorenzo Carrasco before the Parliamentary Commission of Inquiry (CPI) on Land in Boa Vista, Roraima, the state's capital, on Oct. 14, provided the state representatives a crucial overview of the broader international environmental apparatus operating in the Amazon which seeks to obstruct legitimate economic development, under the insidious pretexts of environmentalism and indigenism.

The state of Roraima is located in the northern-most part of Brazil, and borders Venezuela and Guyana. Carrasco's testimony represented the last stage of the work of the CPI, which was set up by the Roraima Legislative Assembly to investigate the operations of the non-governmental organizations (NGOs) in the state. Carrasco focussed his fire on the so-called "Guyana Shield Initiative," whose alleged objective is the "protection" of the flora and fauna of the so-called Guyanese Shield.

The Guyanese Shield is a geological entity which encompasses the area known as the "Guyana Island," the area delimited by the Orinoco, Casicare, Negro, and Amazon rivers, at whose center lies Roraima (**Figure 1**). Historically, this area has been the geopolitical target of the Anglo-French-Dutch oligarchy, as the preferred entry-point for establishing a foothold in the Amazon, an objective partially achieved with the establishment of their respective colonies—the French, Dutch, and British Guyanas.

The Guyana Shield Initiative program is financed and controlled by the World Wide Fund for Nature (WWF) and its sister organization, the International Union for the Conservation of Nature (IUCN), with resources also kicked in by NGOs of lesser importance, as well as the World Bank. The European Working Group on Amazonia (EWGA), an ad hoc body made up of environmental NGOs and representatives of the governments of the Amazon countries, coordinates the Guyana Shield Initiative's activities. The president of the EWGA is Wouter Veening, from the Dutch chapter of the IUCN. At the last meeting of the group, on May 28, Christopher Clark, president of the Amazonia Association, complained that the government of Roraima was attacking his NGO. His association controls 174,000 hectares of "conservation land" in the state, and was one of the principal targets of the CPI's investigations.

Carrasco demonstrated that the current segregation of

44% of the territory of the state of Roraima into either Indian reserves or nature conservation areas, is not a coincidence, resulting from separate efforts by several national and international NGOs. Nor are these NGOs genuinely concerned about the conservation of the environment, or Indian peoples. Nor does this shocking state of affairs correspond to any national interest. Rather, it stems from a deliberate attempt to stop any rational development of the state, to the purpose of expelling any activity aimed at civilizing these large territories, which are extremely rich in natural resources.

Carrasco's presentation received significant advance publicity (two articles announcing his testimony were published in the state paper, *Folha de Boa Vista*), and some 100 people were present for the testimony, including press and military representatives and state officials and legislators. *Folha de Boa Vista* reported on the final session in its Sunday, Oct. 17 edition under the headline: "Lorenzo Carrasco: 'Amazon Alliance' Is Tied to Anglo-Dutch Oligarchy."

British pirates, then and now

Recent research by *EIR* in Brazil has uncovered that the so-called "Indian card" had already been astutely used by colonial British military intelligence, and before that, by the British West Indies Company whose agent was that famous pirate, Sir Walter Raleigh. Raleigh was a leading promoter of the idea that the area later known as the "Guyana Island" was the paradise of El Dorado.

British intelligence operations during the last century to conquer the "Guyana Island" led to the loss of Brazilian territory, to what became the Crown colony of British Guyana. That operation was planned and run by Lord Palmerston, who, in 1837, deployed his agent, Robert Schomburgk, to Guyana, under the auspices of the Royal Geographic Society, a body created and run by British military intelligence. Schomburgk did the field work so that the territories inhabited by "independent tribes" could first be "neutralized," and then "assimilated."

Schomburgk's work provides a thoroughly documented historical precedent for what is happening today. As a consequence, Brazil lost 15,000 square kilometers of territory, to England's benefit, fulfilling, in part, the dream of the pirate Raleigh. Raleigh and the German Schomburgk were knighted for their services to the British Crown.

When British anthropologist Robin Hanbury-Tenison carried out his explorations of Roraima in 1971, few could perceive that his mission was to pull together the information on the local Indian tribes required for the reactivation of that old British geopolitical scheme for the region, exactly as had his colleague Schomburgk 134 years before, in 1837. The result was the creation of the gigantic Yanomami reserve, personally decided upon by Prince Philip himself, after receiving a report at Buckingham Palace on the travels of Hanbury-Tenison.

FIGURE 1
London's 'Guyana Island' Project in South America



'Foreign greed' covets the Amazon

Military and civilian leaders in Brazil have launched a campaign to mobilize an active national defense of the territorial integrity of the nation. Largely unreported in the Brazilian and international media, an important shift is occurring in the state of mind of the Brazilian officer corps and nationalist civilians, as revealed in their decision to "name the names" of the principal foreign enemies of Brazil—with a special emphasis on the British Crown—and expose the intentions of those enemies. Nilder Costa filed this report on the presentation of Gen. Luis Gonzaga Lessa, the head of the Amazon Military Command, who has since been named head of the Army's Eastern Command, headquartered in Rio de Janeiro. The speeches on the Senate floor which follow, have been translated by EIR from the official Senate record.

General Lessa maps the enemy operation

In a three-hour presentation on Oct. 13 at Rio de Janeiro's Clube Militar, one of Brazil's most influential military institutions, Gen. Luiz Gonzaga Schröder Lessa laid out a strategic overview of the battle to defend the Amazon. Present were more than 200 people, including commanders of other military regions, former military officers of the highest rank, and the press.

General Lessa reviewed the geography and history of the region, citing various foreign efforts over the last 450 years to grab control of the Amazon, first from Portugal, and later, from Brazil, as evidence that the area has been coveted by "foreign greed" for centuries. He developed how more recently, these foreign efforts have employed indigenism and environmentalism to achieve their goal. Enormous pressure has been brought to bear by foreign non-governmental organizations (NGOs), demanding the creation of nature parks and Indian reserves. Lessa presented a map of the Amazon region, with three overlays: the areas sought for so-called "ecological corridors" joining the numerous nature parks in the region; the Indian reserves (existing and planned); and deposits of key minerals. The overlap of these three areas is no coincidence, he suggested, but follows a carefully thought-out logic.

Traditionally, he noted, Brazil had a policy of integrating the nation's Indian citizens into society, but today that is being replaced by a policy of segregation, disguised as maintaining indigenous cultures.

Is "foreign greed" for the Amazon a myth, or reality? Lessa made clear that it is the working assumption of the Brazilian military that it is a reality. He cited various state-

ments, including by U.S. Vice President Al Gore, Britain's Tory former Prime Ministers Margaret Thatcher and John Major, and Russian former President Mikhail Gorbachov, which confirm these foreign intentions vis-à-vis the Amazon.

The Brazilian Armed Forces are aware that they could not repel an international invasion of the region by conventional methods, he said. Therefore, they are training highly specialized jungle combat troops, prepared to survive on their own, and engage in decentralized actions, using guerrilla tactics which take advantage of their knowledge of the terrain. Lessa showed a film of the preparation of these troops at Brazil's jungle training center in Manaus, and he said that the center is considered the best of its kind in the world.

Lessa also discussed the Armed Forces' concerns about Brazil's borders and drug trafficking, particularly along the border with Colombia. That border has "calmed down" somewhat, he reported, since a large joint-forces exercise was carried out a year ago along the Colombian border, during which local leaders of the narco-terrorist FARC were sent the message: If they invade Brazilian territory or destabilize the area, the Brazilian military will hit them, *wherever they are*. A similar maneuver will be held at the end of October, he announced (see article, p. 45).

Mestrinho: Investigate the NGOs!

On Nov. 5, Sen. Gilberto Mestrinho, representing the state of Amazonas (PMDB party), gave the following speech, referencing an ongoing discussion of Amazon policy, in which a number of Senators have been involved:

. . . Not long ago, Sen. Mozarildo Cavalcanti made reference to the fact that the federal government is abdicating its functions, willfully yielding to international pressure. . . . The government is transferring its obligations to the so-called non-governmental organizations, which only survive because they receive help from the government. . . . They are non-governmental, but they want the help of the government; they want the government's money.

Many of them live off of this in this country. Your Excellency referenced, for example, Dr. Claudia Andujar, a Swedish woman who imposed on the Brazilian government the way in which the demarcation of the Yanomami area would be carried out. The government of Jose Sarney, in an agreement with the Tuxauas-Yanomamis, had conceived of 150 "islands"—non-continuous areas—for demarcation. That would total 1.95 million hectares. Dr. Andujar drew up a blueprint of all the mineral areas of the region, and the Brazilian government, under pressure from the British government—Dr. Andujar is Swedish, but it is the British government which controls that country's environmental policy, which rules that country—demanded annulment of government decrees and a continuous demarcation of the 9.2 million hectares, which today form the Yanomami Reserve.

This process of . . . emptying of the Amazon has predominated. The country has no policy for the region. The country

receives the policy for the region from abroad, a policy dictated by foreign countries.

If we observe the map, we find that today our entire border [of the state of Amazonas] is made up of Indian reserves, such as the Yanomami Reserve, the Tucano Reserve, the Javari Reserve. We know that 22% of the state of Amazonas, which is 150 million hectares in size, that is, 33 million hectares, are occupied by a half-dozen Indians. But this is not all: After the Indian reservations, look at the ecological reserves, the national parks. There is a real “balkanization” of the region, while monitors are trained abroad to lead these future nations which would be set up in the country.

This situation worries us, because we can count on only one ally. The only ally which the Amazon has in this country is the Armed Forces, which have bravely resisted this policy of internationalization, which is shamelessly preached and debated, and which unhappily has the connivance of the Brazilian authorities. These authorities prefer to be called “good guys,” to participate in international events, and be honored, rather than to defend national territory. This is the painful reality. . . .

While the world worries about drug trafficking, worries about the consequences of the poison which, spread throughout the world, decimates youth, and creates problems difficult to resolve, the Amazon is left exposed. Exposed, it can be captured tomorrow. And it is our youth, our Indians, who could be used to create a center of production for the world. We have to be, and we are paying attention to this. . . .

Here . . . we can at least protest, raise our voices, denounce this, and show that, should we continue this way, we will have to set up a Parliamentary Commission of Inquiry . . . into the NGOs which operate in Brazil. If we find out how many NGOs defend children in Brazil, we are going to be astonished; how many NGOs defend Indians, we are going to be astonished, because there are more NGOs defending Indians in Brazil than there are Indians. There are, for example, 320 NGOs which defend the Amazon. Only what is not known, is where this comes from. This is the painful reality. . . .

Senator Cabral airs military view

The debate continued on Nov. 8. Sen. Bernardo Cabral, also from the state of Amazonas (PFL party), called the Senate’s attention to General Lessa’s Clube Militar presentation, citing a report on his speech in the Nov. 1 Tribuna da Imprensa. Cabral said:

The headline on the front page of *Tribuna da Imprensa* reads: “Amazon Command Denounces the ‘Foreign Appetite for the Region.’ ” This is the text:

“The military commander of the Amazon, Gen. Luiz Gonzaga Schröder Lessa, and the vice president of the Brazilian Strategic Studies Center (Cebres), Col. Amerino Raposo Filho, denounced in Rio the abandonment of the ‘Calha Norte Project’ [a national project initiated in 1986, along the border region] to occupy and develop the Amazon, making clear their concerns about the Colombian guerrillas, and requesting

greater action against the ‘foreign appetite for the region.’ ”

The article continues with the words of General Lessa: “The establishment of peripheral population centers is urgent, to avoid harmful influences in those unoccupied areas of the border.”

And, after continuing, now from an Admiral, it reports: “It is low cost, and the Navy flotilla could be expanded, financed by the federal budget, the Health Ministry, and the Federal Police, in order to intensify the patrolling and defense of sovereign areas of the country. Much more money is spent aiding failed banks and rich bankers.” That is what Adm. Roberto Gama e Silva says, one of the founders of the Calha Norte Project. . . .

Then, continuing with this same article: “Col. Amerino Raposo Filho, vice-president of Cebres, . . . maintains that ‘today the situation is devastating, with a risk of a loss of sovereignty, territorial invasion, and the internationalization of border areas to satisfy foreign interests; we need rapid action by the government, and a direct statement in response to the accusations made against the country by multinational bodies. It seems that the government opts for the foreign NGOs, especially the British ones.’ ”

The Colonel continues, saying: “Various government leaders from outside Brazil want to impose the concept of limited sovereignty on the Amazon region. This is a disaster.” . . .

Mestrinho names Prince Philip

Senator Cabral ends his speech, with a report on the stunning military operation in Cabeça do Cachorro, led by General Lessa. Senator Mestrinho then rejoins the debate:

. . . Sen. Bernardo Cabral is taking up a subject which stirs up, along with those of us from the Amazon, particularly those Brazilians who want a great, free, and developed nation. I have, for a long time, throughout my public life, always raised the alarm on this matter. I am fought, not understood, and considered polemical by some, because I know and follow this plot against the nation, which has its official headquarters in Grandson, Switzerland, but the intellectual author is in London. Initially, Prince Philip, the Duke of Edinburgh, Prince Consort, ally of the former Nazi, Prince Bernard of Holland, who, after the scandal of the airplanes [the Lockheed bribery scandal] left the group—

Senator Cabral: In fact, he was the president of the NGO—

Senator Mestrinho: He left the group, and today serves in the 1001 Club. This plot against the Amazon has existed for a long time, from the time in which the Guiana Shield was disputed. Your Excellencies will remember that [the state of] Amapá itself was invaded, and the Portuguese were thrown out of Brazilian territory. That Guiana Shield—which includes French Guyana, Surinam, and the old British Guyana, today the Republic of Guyana, part of Venezuela, which is the region contested between Venezuela and Colombia, today the State of Roraima—awakens the appetite of that conglom-

Malthusianism is 'garbage,' says Mestrinho

Sen. Gilberto Mestrinho was interviewed by EIR on Dec. 25, 1992, in Manaus, Amazonas, when he was governor of the state of Amazonas. He counterposed the racist and anti-human frauds of "indigenism" and ecology, to a Christian, human view of Man, whose "capacity for creation is fantastic." In the interview, in the Jan. 22, 1993 issue of EIR, Mestrinho outlined how the Amazon could be a home to 50 million people, if scientific flood plain agriculture were employed. Excerpts follow.

. . . These issues are raised periodically by people who don't even know what Indians are, don't consult them, and defend their alleged rights when the Indians don't even want them. From what I know, and I have extensive contact with Indians here in the Amazon, the state has the largest number of Indians (approximately 84,000) and maintains them in a good co-existence with non-Indians, and with me, the governor. The Indians seek integration; they don't want to maintain their pseudo-culture—I don't know how to characterize Indian culture, because it is really very

backward—but they also want to improve their quality of life. They want to become integrated with society, they want to study in the schools, graduate, and to exploit natural resources; they want to live in harmony with non-Indians, fraternally, just as they are in fact doing here. . . .

I always say that I'm the best example of the integration of the non-Indian with the Indian. My grandmother was an Indian, and this is my third term as governor of Amazonas. If those protectors of the Indians had existed at that time, I never would have become governor. . . .

[As for ecology], this is a fascist, anti-Christian sentiment, because the human being is more important than nature. The most important thing in nature is man; he is the beginning and the end of everything, and all of society's actions are geared toward benefitting man; he is superior to everything, and in fact, only he is capable of protecting the other animals, the forests, and not the other way around. Man is capable of making artificial forests and generating animals through genetic engineering, but no animal, no bird, can create man. So we must take care of man. . . .

My ecological standpoint is a profoundly Christian one, because I learned as a child, and this is in the Bible, that Christ came to save man—I don't recall any chapter or verse which says that He came to save the trees and the crocodiles. . . .

erate of bankers and controllers of oil and the timber market which has dominated the world for so long (above all, when it comes to the mining companies), and makes this constant assault over the Amazon through the publication of false news stories.

Not long ago, an important newspaper in the south of Brazil which deals with the economy, said that "40 million cubic meters of lumber are extracted a year, illegally, from the Amazon." Now, 40 million cubic meters of lumber is equivalent to 8,000 ships of 5,000 cubic meters capacity each—in other words, big ships. Or, 666 ships per month, or 22.2 per day, or 2.3 per hour. In that case, not even transit guards would let boats enter the Amazon region, if this fact were true. Many times these news stories are circulated, with the participation of even national interests, seeking funds from the Group of Seven. Whenever there is going to be a meeting outside of Brazil, in which possible aid to these national beggars will be discussed, alarming information on the Amazon is pumped out, alleging that it is being destroyed. . . .

A new system, a new strategy was developed to conquer the Amazon, primarily through emptying the region, beginning with the fight against the waterways, by the NGOs. This is because the waterways will give us a flow of low-cost freight, making our grains competitive on the international market, by being at least \$20 to \$30 cheaper a ton. Likewise,

there is the battle over indigenist policy, with extensive areas, immense. . . . After this, the government launched the national parks. Then, the ecological parks, the environmental reserves. This is how the Amazon is being emptied. Now they want to create ecological corridors 140 kilometers long, and they do not check that the Amazon has five corridors, which from north to south alone add up to a little less than 800 kilometers. In this way, the Amazon is going to be completely locked up. Why are they doing this? Emptying it, it will be easier to dominate, and we needed, effectively, a General, shall we say in the vernacular, a *macho*, to make the decision to take measures and carry out an operation which was of great importance, that is, to demonstrate the Brazilian presence in the region, the Cabeça do Cachorro, the nerve center of the Colombian guerrilla problem, and the instrument used as a strategy for the future invasion of our sovereignty. . . .

Senator Cabral: Finally, I wish, starting now, to forecast that, for certain, news articles and commentaries will appear, criticizing the actions of the Armed Forces, alleging that Brazil is militarizing the Amazon, contributing to the devastation of the flora and even sacrificing Indians, by incorporating them as soldiers in their ranks. We are expecting the reaction of those known "policemen" of the occupation of the Amazon by Brazilians, in their effort to keep the region as an untouchable sanctuary, and indigenous inhabitants as rare and backward species to serve the fancies of dreamy researchers.

'Donors' abandon Sierra Leone to the international drug cartel

by Linda de Hoyos

"The peace accord is the only thing the elected government can do," explained Sierra Leone's Ambassador to the United States John Ernest Leigh, in an interview shortly after the July 7 signing of the Lomé accords which ended the eight-year war between the government of Sierra Leone and the Revolutionary United Front. "The government has no ability to protect unarmed civilians," the Ambassador said. "It was thought better to end the human rights violations than to push for an ideal outcome, and put an end to this kind of savagery, in reliance on international pledges that the international community will see to it that the accord is enforced and implemented and supported."

Now, five months later, it has become clear that the international community is not living up to its obligations, abandoning Sierra Leone to carry out the disarmament of, and provision for, upwards of 30,000 armed fighters in the country. Even such obvious measures as debt relief have not been granted to the elected government of President Ahmad Tejan Kabbah. Disarmament has moved at a snail's pace, and the country's mines still remain in the hands of the Revolutionary United Front (RUF), which gets a slice of the money fetched for the gold and diamonds smuggled out of the country.

The economy has been destroyed

The accord ended a war in which it is estimated that 100,000 people, out of Sierra Leone's 4 million, were killed or maimed; 2 million were displaced, either as refugees or within the country; half a million Sierra Leone refugees remain in Guinea. The infrastructure and productive economy of Sierra Leone were levelled. During its January 1999 offensive to seize the capital city of Freetown, the RUF abducted 6,000 children, destroyed the city, and cut off the limbs of 1,000 civilians. The RUF drive was brought to a halt by the Nigerian-backed forces of the Economic Community of West African States Peace Monitoring Group (Ecomog), composed mostly of Nigerian forces and paid for with Nigerian state funds.

The RUF of Foday Sankoh invaded Sierra Leone from Liberia in 1991, backed by current Liberian President Charles Taylor, who had invaded Liberia from Côte d'Ivoire in 1989 to overthrow the regime of Samuel Doe. The Taylor-Sankoh alliance seized Sierra Leone's gold and diamond mines and sought to bring down the regime of Gen. Joseph Saidu Momoh. In 1992, Momoh was overthrown by a military coup led

by Capt. Valentin Strasser, who brought in Israeli military advisers and the Anglo-South African mercenary outfit Executive Outcomes to combat the RUF, with the provision that Executive Outcomes would hold the franchise for the country's rich diamond and gold mines. In January 1996, Strasser was overthrown by Brig. Julius Maada Bio, who called elections which brought to power the elected government of President Kabbah. In 1997, President Kabbah terminated the contract with Executive Outcomes. Later that year, junior officers in the military overthrew the Kabbah government in a coup led by Maj. Johnny Paul Koroma, who became the government front for rule by the RUF. Through the action of the Nigerian-backed Ecomog, President Kabbah was restored to power in March 1998, but the war did not end. The RUF still retained control of the diamond and gold mines, with the loot being channeled through Liberia out of the continent. The monies accrued through this process paid for the arming of the RUF and Koroma's allied Armed Forces Revolutionary Council (AFRC).

After the RUF bid to capture Freetown was thwarted by Ecomog, the Front began pursuing options for peace, backed by the international community. The international community never considered providing the funding to Ecomog to enable the Nigerian and other West African forces to finish off definitively the RUF and its allied AFRC, despite its long and massive record of acts of barbarity against the Sierra Leone people.

As Ambassador Leigh explained, from where the Sierra Leone government sits, the international community, especially the United States, preferred to leave Sierra Leone at the mercy of the RUF, and, instead of acting to support the duly elected government, "put everything into Kosovo. In East Africa, the international community spends 11¢ a day on a refugee; for Kosovo it is \$14. NATO spent \$40 million a day to liberate the Albanians; while Ecomog was given \$15 million a year. The disparity could not be more stark. Because of the failure of the Western countries to support the government, it had to reach an accommodation with the rebels."

Pressure to settle with the RUF

Pressure came on the Kabbah government to settle. British High Commissioner Peter Penfold declared in April, "It is high time the people of Sierra Leone settle their differences."

Penfold threatened that the United Kingdom could not continue to “pump cash” into the country in the form of projects and other aid packages while there is insecurity in Sierra Leone. “If you people cannot put your house in order, Britain cannot continue to pour millions of pounds into the country,” he said.

Penfold was leaving out of the equation the fact that while London’s mercenary forces in Executive Outcomes, and then Sandline International, had been contracted to protect the Kabbah government in exchange for mining franchises, British intelligence has also supported the RUF, through such entities as Alert International, the British Broadcasting Corp., and various private airlines and mercenary subsidiaries that have supplied the RUF with sophisticated military equipment, making possible the RUF offensive on Freetown in December 1998-January 1999.

Pressure was also placed on the Nigerian government to bring about a settlement in Sierra Leone. Requests from the Nigerian military to Washington for increased funding in order to mop up the RUF forces were denied. Newly elected President Olusegun Obasanjo, concerned about Nigeria’s collapsed economy, made clear that Nigerian forces would begin a phased withdrawal from Sierra Leone. The Obasanjo government estimates that Nigeria spent \$8 billion over the decade of the 1990s on its participation in Ecomog in Sierra Leone and Liberia.

The message could not have been clearer: The Kabbah government must settle with the RUF, or the RUF and the allied Koroma forces will be permitted to reorganize, rearm, and launch a new offensive against Freetown—and there will be no one to stop them.

The Kabbah government accordingly accepted to negotiate with the RUF. Negotiations took place in Lomé, Togo, under the mediation of Togo President Gnassingbe Eyadema; Francis Okello, representing the United Nations; and U.S. special envoy Rev. Jesse Jackson.

The accord, as signed on July 7, called for a cease-fire; the establishment of a United Nations Observer Mission in Sierra Leone (UNOMSIL), to oversee the disarmament of the RUF and other belligerents; the transformation of the RUF into a political party; and full amnesty for the RUF. The accord gave broad and sweeping powers to the RUF in a government of national unity. Sankoh’s forces were to be given one senior cabinet post, along with three other cabinet positions, and four positions of deputy cabinet minister. Most importantly, the RUF was to be handed the key post of chairman of the newly formed Board of Commission for Management of Strategic Resources, National Reconciliation, and Development. In this new guise, Sankoh et al. would have a major and likely final say on the distribution of the country’s vast mineral resources. The post tended to make official the RUF control of Sierra Leone’s gold and diamond mines.

Ambassador Leigh called the accord a “great shame to the Western nations.” The United Nations and various human rights organizations criticized the accord because it granted

Taylor’s friends in the United States

The major advocate for the Taylor regime in the United States is Rep. Donald Payne (D-N.J.), a member of the House International Relations Subcommittee on Africa. Payne led the U.S. delegation that attended Taylor’s inauguration as President of Liberia in 1997. Payne was among those putting pressure on the Sierra Leone government to negotiate with the RUF. According to the *Washington Post* of Oct. 18, Payne calls the RUF “dissidents”—whereas human rights organizations call them criminals who have committed crimes against humanity. He believes that Taylor could be a “positive force,” reported the *Washington Post*.

Taylor, who was under arrest and imprisoned in Massachusetts, escaped from jail in 1989 and headed for the Ivory Coast whence he launched the invasion of Liberia, reportedly with arms supplied through Libya and Burkina Faso. The charges against Taylor were dropped earlier this year, through the efforts of chief lobbyist, former U.S. Assistant Secretary of State Herman Cohen.

amnesty to the RUF. Ambassador Leigh noted that “if the government had had the power, it could have insisted that any amnesty be through truth and reconciliation.” But under international pressure, the government was forced to settle; without amnesty, the war could not have been ended. Sankoh himself had been apprehended in 1998 and was in jail on charges of treason up to the point of the negotiations for the accords; without amnesty, the RUF and its allies would have stayed in the bush, using control of the mines to continue to wage a devastating guerrilla war against the government and the people.

Donor whiplash

If the international community acted to force the Kabbah government to negotiate, its actions since the accord show no commitment to peace. With the exception of Britain, which has sent some money to the Kabbah government, all promised aid from the donor countries has been channeled through aid agencies.

In the months since the accord, the government has upheld its part of the bargain—RUF appointees are now in charge of the ministries of trade and industry; energy and power; tourism and culture; and land, central planning, and housing. Sankoh is the chairman of the Resources Committee. But the disarmament process has been stymied. In part this is due to the fact that Koroma’s AFRC was not a party to the accord.

Koroma's forces have been continuing to maraud the Sierra Leone countryside, and also come into direct conflict with the RUF over such key towns as Makeni. The fight over this town through October wreaked havoc with the population, causing mass dislocation and starvation, as aid agencies there fled the scene. By mid-November, the town was under RUF control, and Sankoh went to the town to urge the disarmament of his people there and the AFRC.

But as of Nov. 19, only 915 former rebels had arrived at the disarmament centers to register and turn in their weapons, out of an estimated 9,000 RUF and AFRC fighters. Reportedly, 1,200 AFRC people surrendered their arms on Nov. 22.

Meanwhile, the RUF continues to control those pockets of territory which hold the country's mining operations, including Kenema and Kono districts and the mining area of Tongo.

But until the disarmament process is complete, Sierra Leone continues to be threatened with disintegration into a division of the country by warlords. In the RUF, there are two commanders who do not appear to be under political control: Samuel Bockarie Maskita, who has threatened to break away from the RUF and form his own insurgency, and Dennis Strongman Mingo. Further, Koroma has by no means fully accepted the peace accord, although it is hoped that now, as the new chairman of the Commission for the Consolidation of Peace, he has "bought into" the accords.

Furthermore, the condition of returning rebels is poor. Many of the RUF conscripts were children, who were heavily drugged and unleashed against the population. They are traumatized, demoralized, and in some cases on the verge of starvation. Many will be ineligible to join the newly reorganized armed forces because they are illiterate. Without programs in place to bring these youth into rehabilitation and training for full service in a reorganized armed forces or productive jobs, they remain easy targets for recruitment back into insurgencies, where killing, raping, and stealing are the easy order of the day.

Therefore, as Ambassador Leigh noted, the Sierra Leone government is in immediate need of hard cash for the rehabilitation and reconstruction program required for a permanent peace, in the order of \$50-100 million just for a start. But this money is not forthcoming.

Instead, the slow pace of disarmament and the continuing insecurity in the country are used as an *excuse* to withhold financial assistance from the Kabbah government. UN Undersecretary General for Humanitarian Affairs Carol McAskie visited Sierra Leone in mid-November and declared that her message to donors was that Sierra Leone is still "insecure," with aid agencies unable to gain access to sections of the country. That is, the red light still holds for funds into the country. The World Bank will supply no funding for any projects in Sierra Leone until the situation is secure.

During her visit to Sierra Leone at the end of October, U.S. Secretary of State Madeleine Albright promised \$55 million in aid to Sierra Leone, of which \$4 million is for

logistics to ensure disarmament; \$4 million is for the education of ex-combatants; \$55 million is for aid; and \$1 million is to help Sierra Leone curtail the illegal flow of diamonds and other minerals out of the country. However, none of the money has been seen yet.

Albright further said that the United States would cancel \$65 million of its debt, but only if the government signed an agreement with the International Monetary Fund (IMF). Throughout the war and the period following the signing of the accord, the Sierra Leone government has paid its debt service on time. As one government official put it: "An IMF agreement means that the IMF will come in and run the government."

Mining of the country's mineral wealth is proceeding, but the profit does not accrue to either the government or the

Mafias profit from a 'children's war'

The wars in Sierra Leone and Liberia beginning in 1991 were fought by thousands of child-soldiers. In Liberia, the United Liberian Movement for Democracy in Liberia of Roosevelt Johnson and the National Patriotic Front of Liberia of Charles Taylor both used thousands of child-soldiers, and child-soldiers were the chief cadre of the Revolutionary United Front (RUF) of Sierra Leone.

In Liberia, according to a 1994 Human Rights Watch report entitled "Easy Prey: Child Soldiers in Liberia," the warring parties did not abduct or actively recruit child-soldiers, but children came to them for food, protection, and to fight to revenge the killing of their families by the other side in the conflict. The warring parties did not turn such children away, but used them in the most brutal way possible.

In Sierra Leone, the RUF actively recruited and abducted children. In the December 1998-January 1999 offensive to take the capital city of Freetown, the RUF abducted 6,000 children in the space of several weeks. Today, more than 2,000 of those children are unaccounted for.

The treatment of these children by the commanders of the warring parties illustrates the way in which these 1990s West African wars were fought: Armed forces did not square off against each other, but retaliated for military attacks with atrocities against the civilian population in wanton destruction of life and property. "The troops move into a village; they take everything and kill and rape," a commanding officer of the Ecomog forces explained to Human Rights Watch. "They stay there a couple of weeks and then move on. The children are all part of this. It's

people. According to the Nov. 21 *Concord Times*, Liberians have taken control of the rebel-held mining town of Kono, and illegal cross-border trade is now rampant. The government is unable to take back control of the town unless the insurgents holding it are first disarmed.

It is estimated that Sierra Leone is annually losing \$300 to \$450 million from the illegal flow of minerals out of the country into the hands of the international mafia that has its grip on the government in neighboring Liberia.

World's poorest country

Even before the war, Sierra Leone was the world's poorest country, and today stands at the bottom of the so-called Human Development Index of the UN Development Program (UNDP). Because of the war, all productive activity in the

country has ground to a halt, including cultivation. Starvation is rampant in pockets of the country controlled by the rebels, such as Tonkolelie and Gbonkolenkeh districts. Per-capita income is a meaningless \$160 per year.

Sierra Leone's debt in 1997 was \$1.4 billion, having doubled since 1985. In 1997, it paid 21.2% of all its official export earnings to debt service.

In 1997, according to the UNDP, life expectancy in Sierra Leone was 37.2 years, having fallen from 42 years in 1990. Infant mortality was 182 infant deaths out of every 1,000 live births; mortality for children under five years of age was 316 out of every 1,000 live births. Maternal mortality was 1,800 out of every 100,000 women. More than 70% of the people are not expected to live to the age of 60 years. Adult literacy was 34.3%.

civilians who are attacked; it's not soldiers against soldiers. Relatively few soldiers have been killed. But thousands of people have been displaced and turned into refugees"—or killed.

Children were the most cruelly abused victims of the war. The Human Rights Watch report on Liberia notes that orphans often joined the warring factions. Quoting sources that work with child-soldiers, the report said: "Some children saw their parents killed and had no options. Some were forced to join. Some joined because of starvation—they could get food with a warring faction. Some joined because the rebels made promises to them, like 'We'll take you to a football game.' Food was very scarce; some joined to get food for themselves and their families."

A childcare worker in Liberia told Human Rights Watch that once recruited, "some children were the most vicious, brutal fighters of all. I once saw a nine-year-old kill someone at a checkpoint. Children learn by imitation; they saw killings and then when their commanding officers ordered them to kill, they did. Some of the kids killed out of fear; they were told they would be killed if they didn't carry out orders to kill."

A commanding officer of the Ecomog forces in Nigeria noted that "lots of children are used at checkpoints. Manning a checkpoint gives a kid power and influence, even if he's twelve years old. It's a children's war. Kids get promoted in rank for committing an atrocity; they can cut off someone's head without thinking."

Child-soldiers, reports Human Rights Watch, were treated extremely harshly. As one social worker describes it in the report:

"First of all, boys from both factions have told us that there were initiation procedures when they joined, in which they were forced to kill or rape someone or perform some other atrocity, like throwing someone down a well, or into a river. This was supposed to demonstrate that

they were brave enough to be soldiers. Anyway, they were told that they would be shot if they didn't do it."

A counselor working with former child-soldiers reported that "kids have told us that they were actually forced to witness the execution of members of their family or their friends. If they screamed or cried, they were killed. Boys have told us of being lined up to watch executions and being forced to applaud. If you didn't applaud, you could be next. Kids were flogged for minor offenses, or locked up."

Kids forced onto drugs

In Sierra Leone and in Liberia, the child-soldiers were deliberately put on drugs. According to a childcare worker: "The factions use both alcohol and drugs to control the kids. Children are given a mixture of cane juice (from sugar cane) and gunpowder which makes them high and is supposed to give them courage to go and fight at the front."

As another case worker explained: "Kids are often supplied with drugs; marijuana is the most common drug, but kids are given cocaine too, and cane juice and gunpowder, which can cause brain damage. Also the kids talk about being given 'bubbles,' a tablet that is apparently an amphetamine, an 'upper.' The theory apparently is that if a kid is intoxicated, he'll be braver—jump over his friend's body and keep shooting."

Thus, many of those who are to be disarmed in Sierra Leone are child-soldiers, who were often captured, forced to kill or be killed, torture or be tortured, and are now drug addicts. The disarming, treatment and rehabilitation, and re-training and schooling of these children is no mean mission, but an extraordinary task that Sierra Leone cannot do on its own, without massive help from the international community to make the peace permanent and to launch the reconstruction of this country.—*Linda de Hoyos*

It is hard to imagine what austerity conditions the IMF can place on Sierra Leone under the circumstances, but until such time as the government makes its pact with the IMF, there will be no debt relief for the country and no substantial funding from the industrialized countries.

Bonanza for the international drug mafia

On Nov. 10, *The Progress* newspaper reported that three Ukrainians had been arrested in Freetown after police had received a tip that the boat that they had landed at Quay 2 contained arms and ammunition for a possible invasion of the capital by the RUF. A week before, Spanish law enforcement officials had impounded a vessel containing arms bound for Sierra Leone on the coast of Las Palmers. "The impounded vessel was linked to a mafia ring in the Soviet Union," reported *The Progress*.

This little news item is but one piece in the mountain of evidence that at root, the war in Sierra Leone is not a civil war, but an invasion of Sierra Leone by international criminal forces—who have no loyalty to any country—with the RUF and the AFRC serving as an invading mercenary force.

The strongman for this mafia on the ground in West Africa is the current President of Liberia, Charles Taylor, whose 1989 invasion of Liberia from the Côte d'Ivoire launched the destabilization of the entire region. To the horror of most Liberians, the United States did not act to protect the Liberian government or its people, despite the long-standing historical ties between the two countries. But Taylor, who was backed also by Libya, was touted as one of the "new breed" of leaders during the 1994 Pan-African Congress that was held in Kampala, Uganda, under the aegis of London's premier warlord in East Africa, Ugandan President Yoweri Museveni.

Sankoh had helped Taylor take over Liberia, and in return Taylor has been backing the RUF operation in Sierra Leone since 1991.

According to multiple sources, the Taylor nexus is the channel for drugs from the cartels of Colombia into and through West Africa. As the CIA factbook on Liberia notes, Liberia is "increasingly a transshipment point for Southeast and Southwest Asian heroin and South American cocaine for the European and U.S. markets." All the cocaine in West Africa comes from *Colombia*, and the transshipment is run by the same *Russian mafias* that were linked to the vessel carrying arms to the RUF impounded by Spanish authorities.

According to an investigative article in the Oct. 16 *Washington Post*, the Sierra Leone war has also given mercenaries interlinked with the international drug trade a golden opportunity to boost their business. According to *Post* reporter James Rupert, a key person operating on behalf of the Charles Taylor-RUF operation against Sierra Leone is Fred Rindle, a former army intelligence officer of South Africa. Rindle had earlier helped supply Jonas Savimbi's Unita, and had trained RUF and Taylor forces in Liberia. Further, *Africa Confidential*, a London-based intelligence newsletter, reports that

Rindle is a former spokesman for the Afrikaner Weestandsbeweging. Rindle has gone in and out of Liberia since 1998, and, according to the *Post*, his hotel and travel accommodations are arranged by Charles Taylor, Jr. A Monrovia source told the *Post*, "On some trips, he has come with teams of South African soldiers and gone with them into the bush." Rindle evidently gets paid for his services in diamonds, exporting Sierra Leone diamonds gathered by the RUF through Liberia.

Because diamonds are impossible to trace, they are also a convenient currency for the international dope trade. *Africa Confidential* reports that Rindle's business partner is one Nico Sheffer, who was born in Ecuador and was once in business with the late Pablo Escobar, the Medellín, Colombia drug baron. According to the London intelligence newsletter, Sheffer played a key role in Taylor's 1997 election win.

The arms trade

Arms have been supplied to the Taylor-RUF nexus through a Ukrainian businessman, Leonid Minin, reports the *Post*, who operates a timber company in Liberia that is also dealing in arms and diamonds. An unnamed Ecomog source cited by Rupert reports that under the cover of his "Exotic Tropical Timber Enterprise," Minin runs trucks of arms to the RUF and its allies. "Their real business is diamonds and arms supply." Minin also operates a firm headquartered in Zug, Switzerland.

As can be expected, without loyalties to any nation or policy, the international mafia makes money from both sides of the war. A retired Israeli army officer, Yair Klein, was arrested by the Sierra Leone government in January on charges of fraud regarding the purchase of a helicopter from Belarus. Klein has been providing military training and matériel in Sierra Leone since 1996. In 1991, the Israeli government had convicted Klein of illegally selling arms and training to Colombian groups that the Colombian government described as fronts for the Medellín drug cartel.

The involvement of the British mercenary firm Sandline in arming the Sierra Leone government became a point of scandal in the British Parliament in 1998, as alleged British government involvement in the arrangement violated an arms embargo on Sierra Leone.

The *Washington Post* article also cited Zeev Morgenstern, of Rex Mining, who also agreed to arrange arms deliveries to the Sierra Leone government in exchange for franchises in the country's diamond mines.

In short, the people and government of Sierra Leone have been caught on the one side by drug-fueled gangs which use child-soldiers as their preferred cannon fodder, and on the other, by similar interests which seek to protect them from the RUF.

Meanwhile, Sierra Leone's diamonds flow out of the country through illicit channels to the major diamond center of Antwerp, Brussels, where their origin is untraceable.

Robert McNamara in Vietnam: still fighting Britain's Cold War

by Michael O. Billington

Argument Without End: In Search of Answers to the Vietnam Tragedy

by Robert S. McNamara, James G. Blight, and
Robert K. Brigham

New York: Public Affairs, 1999
479 pages, hardbound, \$27.50

Robert McNamara, one of the primary architects of America's disastrous war against Vietnam in the 1960s and 1970s, and Gen. Vo Nguyen Giap, the leading strategist and commander-in-chief of Vietnam's victory in that war, joined forces to organize a series of six extraordinary seminars in Hanoi, between November 1995 and February 1998, bringing together several of the leading political, military, and intelligence officers who had confronted each other in that conflict. In *Argument Without End*, McNamara and his associates have published excerpts from these fascinating and historic dialogues, packaged between endless, lying commentary and spin by the Americans — mostly by McNamara.

The dialogues themselves are extremely useful and enlightening, showing the senior Vietnamese representatives — all in their 70s and 80s — to be men and women of enormous personal integrity and wisdom. They all have spent their entire lives fighting for Vietnam's independence — from French colonialism, from Japanese wartime occupation, and, finally, from America's misguided effort to defend the very European colonial policies which President Franklin Roosevelt had fought to eliminate altogether. These men and women have also been leaders in Vietnam's efforts to build a sovereign nation out of the wreckage left behind by McNamara and his ilk. Their poignant reflection upon Vietnam's unfulfilled hopes for America's support after World War II against British and French recolonization, and again after the 1954 Geneva Accords ended French colonial control, are only surpassed by their insight into the psychological character of America's descent into madness under the axiomatic mental

straitjacket of the Cold War.

The Vietnamese used both ruthless truthfulness and humor to cut through the blocked state of mind of their American counterparts. When McNamara's proposed agenda began with the year 1961, the Vietnamese insisted that the war could never be understood unless the dialogue included the crucial U.S.-Vietnam relations in the 1940s and 1950s. The Americans rejoined that none of them had been involved during that period, and most of those who were, are dead. Vietnam's retired Foreign Minister Nguyen Co Thach turned to his associate, Foreign Ministry official Luu Doan Huynh, and said: "Excuse me, Huynh, are you dead? You're not dead, are you?" Huynh conceded his current state of existence, and Thach turned to McNamara and said, "You see, he is not dead. And I am not dead, either. Many of us on this side of the table are not dead. We would be happy to discuss the significance of the Geneva Conference [in 1954] with anyone you send to Hanoi who is not dead."

McNamara's geopolitics

The conferences in Hanoi grew out of McNamara's 1995 *mea culpa* in the book *In Retrospect: The Tragedy and Lessons of Vietnam*, in which McNamara confessed that American policy in Vietnam was "wrong — terribly wrong." But, of course, McNamara did not acknowledge that the Vietnam War was the intentional creation of the Anglophile elite of the U.S. establishment, not as a just war, nor even as a war whose purpose was to *win*. McNamara, in fact, together with Averell Harriman, McGeorge Bundy, William Bundy, and a few others within the Kennedy administration, was the implementor of the British-designed Cold War, which called for a sustained proxy war between the superpowers, whose purpose was to fulfill Britain's postwar division of the world into warring camps, without quite reaching the level of mutual thermonuclear annihilation. McNamara comes close to admitting this in *Argument Without End*, when he describes the policy of "flexible response" — which he takes credit for formulating in 1962 — as follows:

"Thus, acts of war are chosen in part for their *signalling*



Robert McNamara and Gen. Vo Nguyen Giap in Hanoi, Nov. 9, 1995, from *Argument Without End*. Giap told McNamara that the war may have been a tragedy for Americans, “but for us, the war against you was a noble sacrifice. We did not want to fight the U.S. We did not. But you gave us no choice.”

value as well as their capacity to disable an opponent. It is *cautious* when confronting a nuclear opponent because of the ever-present fear of escalation to nuclear war. It is concerned with *limited objectives*, not with the destruction of the opponent” (emphasis in the original).

But such British imperial “balance of power” geopolitics is not acknowledged to be the sole *cause* of the war. Rather, McNamara goes to great lengths to argue that the cause of the war was “mutual misunderstandings and missed opportunities,” that the blame must be equally shared for the terrible tragedy, which neither side really wanted. His only proof for this nonsense consists of repeating it at least 10,000 times, before, during, and following each section of transcribed dialogue, and occasionally raising his voice in infantile emotional outbursts of “you were *wrong*—we were wrong, *but you were wrong, too!*”

It was to prove this insane premise that McNamara went to Hanoi to organize the conferences, meeting with the venerable General Giap. The General set the tone for the later conferences in his rebuttal to McNamara’s repeated insistence that the “tragedy” of the war was due to “mutual misunderstanding.” General Giap’s response parallels a point recently developed by Lyndon LaRouche in regard to the Prometheus story in Greek mythology, the immortal who defied Zeus by providing mankind with the knowledge of the use of fire and other arts required for the development of new technologies (see LaRouche, “Prometheus and Europe,” *EIR*, July 23, 1999). For this disobedience—freeing mankind from enslavement to the false gods of Olympus—Prometheus was chained to a rock, to be freed only if he revealed his secret foreknowledge regarding the inevitable downfall of Zeus himself. The typically blocked, oligarchical analysis of this story is that Prometheus is the tragic figure, suffering horribly for a seeming eternity. However, LaRouche insists, it is

clearly Zeus who is the tragic figure, incapable of altering his terribly flawed axioms about the world, eventually bringing about his own demise, and that of Mt. Olympus itself.

‘You gave us no choice’

Like Prometheus, General Giap stood up to the doomed gods of the Anglo-American establishment, represented by Robert Strange McNamara:

“You are wrong to call the war a ‘tragedy’—to say that it came from missed opportunities. Maybe it was a tragedy for you, because yours was a war of aggression, in the neo-colonialist style or fashion. . . . So, yes, it was tragic, because they died for a bad cause. But for us, the war against you was a noble sacrifice. We did not want to fight the U.S. We did not. But you gave us no

choice. . . . There were no missed opportunities for us. . . . I think we would do nothing different, under the circumstances.”

McNamara, however, proceeded to prove his inability to break from his fixed preconceptions, by repeating *ad nauseam* that, by the end of the Hanoi meetings, “Many—not all, but many—of our Vietnamese colleagues would . . . ultimately disagree profoundly with Giap’s self-satisfied assessment.” Not only is this insulting, but, from the evidence of the dialogues themselves, it is a total lie.

The ultimate purpose of McNamara’s effort is not simply to justify himself, nor to assuage his guilt by claiming that he “meant well” despite his infamous “body-count” approach to judging the war’s progress. Rather, “Body-Count” Bob continues to serve his mentors in London in distorting the history of the 20th century, in order to facilitate the new version of world empire, now called “globalization,” under the destructive domination of global speculators, international financial institutions, and the unrestrained military power of the London-directed NATO or UN strike forces. As I demonstrated in “Britain’s Cold War Against FDR’s Grand Design: The East Asian Theater, 1943-63” (*EIR*, Oct. 15, 1999), the primary target of London’s Cold War was FDR’s idea of a U.S.-Russia-China alliance after World War II, dedicated to the elimination of European colonialism, and to the development of modern, sovereign nation-states in the Third World through American System methods of science, technology, and education.

Colonialism under a new name

To that end, Britain worked on both sides of Winston Churchill’s Iron Curtain to keep the Cold War going. After Roosevelt’s death, London’s agents Harriman and Dean Acheson drove President Truman into embracing Churchill’s



On Sept. 2, 1945, Ho Chi Minh began his inaugural address to the citizens of newly independent Vietnam by quoting the U.S. Declaration of Independence, and then said, "The entire Vietnamese people are determined to sacrifice all their lives and property in order to safeguard their independence and liberty."

recolonization of Asia, changing the *name* of London's colonial wars into a crusade against "communism" by the "free world." The United States foolishly played the role assigned by London, contrary to the true principles and interests of the American Republic.

McNamara openly embraces this role for the United States, quoting Dean Rusk that the United States only supported French recolonization in Vietnam due to the overriding necessity to keep France on "our side" against the Soviet threat in Europe. "The French blackmailed us," said Rusk.

To McNamara, the Cold War was absolutely necessary, and justified any policy, anywhere in the world, which cohered with Cold War objectives, just as the British argue today that speculative looting of developing economies must be accepted in order to preserve the objectives of "free trade and globalization," and that the unilateral military destruction of targeted, weak nations is necessary to preserve the objectives of "human rights" and the "rule of law."

McNamara repeatedly rants at his Vietnamese counterparts, that Vietnam was only looking out for its own interests, whereas the United States was acting on the basis of a superior, global perspective, and that, therefore, the Vietnamese were "wrong, terribly wrong" to think of the United States as imperialists. As conference participant Nicholas Katzenbach said to the Vietnamese, "You . . . were totally focussed on what happened here . . . and drew the conclusion that the U.S. was pro-colonial . . . even though almost everything that we did and said opposed colonialism in most parts of the world."

While the following excerpts from the dialogues demonstrate that the Vietnamese team utterly rejected such lies, as well as the attempt to "share the blame," they also show that

the Vietnamese did not understand the British, nor the British subversion of U.S. policy, and thus could not explain or understand America's failure to live up to its historical, moral purpose, as represented by FDR.

Such an understanding is crucial in order to bring about the global alliances necessary to confront the catastrophic economic and strategic breakdown unfolding today.

Sharp exchanges

The following are excerpts from comments by conference participants:

Tran Quanc Co, First Deputy Foreign Minister, retired, comments in response to McNamara's insistence that both sides misunderstood the other's "mind-set":

"Yes, in one way, the Vietnamese mind-set was wrong. Prior to 1945, the Vietnamese people perceived the U.S. to be a world leader in the fight against fascism. At that time, the Vietnamese people considered the U.S. to be the only powerful Western country that opposed colonialism. Because of this, Vietnam had hoped that the U.S. would sympathize with the Vietnamese people's legitimate struggle for independence, freedom and happiness. Unfortunately, reality proved that it was not so. . . .

"Mr. McNamara admits mistakes, which we admire, but he unfortunately attributes most mistakes to misjudgments and miscalculations. But we must also ask: What about values and intentions? As I understand it, the right to self-determination—the independence of a nation—belongs to the general values of the world community. What about U.S. support for the French colonialists after World War II, in defiance of its own democratic traditions?"

Luu Doan Huynh, Institute for International Relations, Ministry of Foreign Affairs:

"The U.S. mind-set toward Vietnam was influenced by some sort of irrational apprehension or nightmare. . . . Everything, it seems, was perceived through the lens of Cold War politics. It was because of this that you gentlemen could not understand the rise of nationalist movements throughout the Third World."

Nguyen Khac Huynh, Institute of International Relations, Ministry of Foreign Relations:

"The French were our defeated enemy of long standing. The U.S. was the enemy on the horizon. The British we knew little about, except we thought they and the U.S. generally agreed on almost everything."

Chester Cooper of the U.S. team interrupted at that point, saying, "I hope I have disabused you of at least that mistaken belief [laughter]."

Nguyen Khac Huynh responded: "Not entirely, not entirely. I am not talking about hatred between Dulles and Eden. I am talking about policies. . . .

"About the issue of whether or not the U.S. was a 'colonialist' power. . . . The U.S. did not precisely follow the example of the English or the French. . . . The U.S. used a slightly different approach. It set up a puppet regime through the use

of economic and military assistance that was under U.S. control. In this regime, the U.S. Ambassador played the role of a French or British governor-general. . . . In case the government did not satisfy the U.S., the U.S. would not hesitate to replace it.”

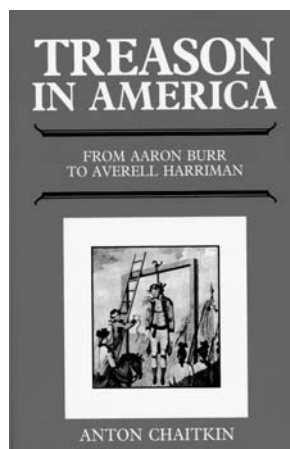
[Note: Following this chapter, McNamara totally misrepresents Mr. Huynh’s meaning by claiming that he had referred to South Vietnamese President Ngo Dinh Diem, and not to the U.S. Ambassador, as the equivalent of the French colonial governor. McNamara ridicules this as “incorrect” and “incomprehensible.” The well-known fact is, that Averell Harriman and McGeorge Bundy had coerced President Kennedy to appoint Henry Cabot Lodge as Ambassador to South Vietnam as a “strong man.” Harriman’s aide Roger Hilsman gloated in his memoirs that Lodge was America’s “pro-consul,” sent to get rid of Diem.¹]

Luu Doan Huynh: “To say that, before Geneva (1954), and just after Geneva, the American government knew nothing about Vietnam . . . , that is wrong. I say this because already in 1946, 1947, 1948, many of your Foreign Office officials spoke about Ho Chi Minh. What did they say? ‘Yes, he is a communist, but he is a nationalist first. . . .’ That is a

1. Roger Hilsman, *To Move a Nation: The Politics of Foreign Policy in the Administration of John F. Kennedy* (New York: Doubleday, 1967).

Treason in America

From Aaron Burr To Averell Harriman



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“Then, in 1950, you discarded all these correct and sensible views of U.S. officials and said that the struggle of the Democratic Republic of Vietnam is a part of the Chinese expansionist game in Asia. There you were wrong. If I may say so, you were not only wrong, but you had, so to speak, lost your minds. . . . For anyone who knows the history of Indochina, this is incomprehensible. This is the initial ‘original sin’—if I may use the Catholic term—the ‘original sin’ of the U.S. in 1950, not before, not after, is when you began your downfall.”

Nguyen Co Thach, Foreign Minister, retired, comments in response to McNamara arguing that North Vietnam didn’t try hard enough to convince the United States that they only wanted a coalition government, a neutral government, in the South:

“Back then, the U.S. did not want to discuss [neutrality]. . . . Because there was no discussion then, there’s nothing, really, to talk about now. Forget it. It’s just idle speculation. . . . It was obvious then, to us—to me—that you did not care to learn what we thought, what we were trying to do, what we might agree to.”

[Note: McNamara shot back: “We never knew! Averell Harriman and I were the strongest advocates of a neutral solution, and had we even an inkling of what we now know, we would have pursued it vigorously with both President Kennedy and President Johnson.” In fact, Harriman’s aide Roger Hilsman openly acknowledged at the time that the U.S.-run coup against President Diem in 1963 was entirely due to Diem’s moves toward accepting the North’s proposals for a neutral, coalition government.]

Tran Quang Co, in response to the question of why the massive U.S. bombing of the North did not drive the Vietnamese leadership to agree to talks, even while the bombing continued, and McNamara’s breathtaking gall in asking, “Were you not influenced by the loss of life?”:

“U.S. aggression did have some positive use. Never before did the people of Vietnam, from top to bottom, unite as they did during the years that the U.S. was bombing us. Never before had Chairman Ho Chi Minh’s appeal—that there is nothing more precious than freedom and independence—gone straight to the hearts and minds of the Vietnamese people as at the end of 1966.

“But if Mr. McNamara thinks that the North Vietnamese leadership was not concerned about the suffering of the Vietnamese people, with deaths and privation, then he has a huge misconception of Vietnam. That would be [switching to English] ‘wrong, terribly wrong!’ ”

Michael Billington is now serving his eighth year of a 77-year sentence in Virginia state prison. Ostensibly convicted on charges of “securities fraud,” he in fact was railroaded into prison because of his association with Lyndon LaRouche.

Setback for free trade in New Zealand

New Zealand's new coalition government includes vigorous opponents of free-market "reforms."

Fifteen years of Mont Pelerin Society-directed free-market "reforms" in New Zealand have suffered their first serious setback, following the defeat of Al Gore's buddy, Prime Minister Jenny Shipley, and her National Party, in the Nov. 28 election. The new Prime Minister-elect, Labour Party leader Helen Clark, whose party won 52 seats in the 120-seat Parliament, will govern in coalition with the anti-free market Alliance party, which won 11 seats.

The fallout from the 15 years of austerity policies dominated the election: The Labour Party campaigned for a freeze on privatizations and tariff cuts, more money for industry, and more money for the needy; the Alliance went even further, calling for the abolition of the regressive consumption tax, the goods and services tax (GST), and a 5% tariff increase. Although the resulting three-seat majority wasn't exactly a landslide, according to one longtime political observer, retired economics professor Wolfgang Rosenberg, "This might be the beginning of the collapse of the all-or-nothing free-trade policy that has characterized the past 15 years."

Ironically, the two major players in the new governing coalition, Labour leader Helen Clark and Alliance leader Jim Anderton, were both members of the 1984-90 Labour government that began the much-despised economic reform process. During that period, Labour in New Zealand pioneered the "Third Way" free-market and anti-welfare agenda now championed by Britain's Tony Blair, driven by the Mont Pelerin Society (MPS) connections of Finance Minister

Roger Douglas. The country's radical experiment with free trade, privatization, deregulation, and cost-rationalization, which became derogatorily termed "Rogernomics," saw its famous welfare state dismantled, real unemployment balloon from being nearly nonexistent in the 1960s, to well over 15% of the workforce, its industrial base smashed, and youth suicide become the highest in the world. The British Crown's MPS touted the New Zealand "model" all over the world, and used it as the basis for "reforms" in Australia, South America, and Russia. This was especially true for privatizations: More than 80% of New Zealand's state asset sales were snapped up for a song by members of the New Zealand Business Roundtable, the MPS front which wrote the reform agenda that Douglas implemented.

However, this new agenda was vigorously opposed by Anderton, and to varying degrees by other members of the Labour Party, including Clark. In 1989, Anderton split from Labour and formed the Alliance, a grouping of anti-free-market minor political parties comprised mainly of the old left wing of Labour. Labour lost power to the National Party in 1990, which saw another split in the party, this time when the right-wing "reformers"—Roger Douglas and his sidekick Richard Prebble—formed the Association of Consumers and Taxpayers (ACT), a precursor to Blair's idea of the "stakeholder" society.

Meanwhile, under the Nationals, the reform agenda begun by Labour was intensified. New Finance Minister Ruth Richardson, an MPS member,

embarked on a "reform" spree so draconian that it was dubbed "Ruthenasia": She slashed health and education; legislated trade unionism almost out of existence with the Employment Contracts Act, which enshrined single employee-employer contracts as the basis for industrial relations and didn't mention unions once; and legislated to guarantee a balanced government budget, irrespective of the social consequences. The biggest casualty was the hospital system: Hospitals were privatized and put on strictly controlled budgets, and waiting lists for treatments or surgeries blew out, resulting in many avoidable deaths.

In 1993, Clark defeated Mike Moore, a staunch free-market exponent, for the Labour Party leadership; Moore has since become director general of the World Trade Organization. According to Rosenberg, Labour under Clark is a much more moderate party without the ACT free-market elements of Douglas, Prebble, and Moore. "I wouldn't like to say Labour has been purged completely of those forces," he said, "but they are certainly more under control."

It was this combination of Clark's more moderate Labour Party, and the Anderton Alliance, that was finally successful against Shipley, who took over as Prime Minister in 1997. Under Shipley, New Zealand's collapse has climaxed: Years of more and more free trade have resulted in a permanently negative balance of payments, and the national debt has risen to over NZ \$100 billion, greater than the national income. Another symptom has been the growing exodus of New Zealanders, which reached 65,000 last year alone; in fact, more than 10% of New Zealand's population of less than 4 million people live in Australia. In her victory speech, Clark called on these expatriates to return to help rebuild the country.

International Intelligence

Mahathir's coalition wins Malaysia elections

Malaysia's ruling Barisan Nasional (BN) coalition, headed by Prime Minister Dr. Mahathir bin Mohamad, won a total of 149 out of 193 seats in the country's parliament in the Nov. 29 national elections, but failed to break the grip of the opposition PAS party over the state of Kelantan and, in fact, lost the neighboring state of Terengganu to PAS control. The four-party opposition coalition, Barisan Alternatif (BA), won 44 seats. The result, however, signals erosion in BN's support, down from 166 seats in the 1995 election, whereas the opposition doubled its seats in 1999.

Dr. Mahathir's UMNO party led the vote with 72 seats; PAS won the most opposition seats, securing 27, up from 8 seats previously. Dr. Mahathir easily retained his seat in Kedah for a seventh term, but his majority slipped to 10,138 votes from 17,226 in 1995.

A sympathy vote swept Wan Azizah, the wife of jailed former Finance Minister Anwar Ibrahim, into his vacant seat in Penang. But the National Justice party (Keadilan), which she founded, did far worse than expected, winning only five seats. The BN took all six seats in Kuala Lumpur, a severe blow to the Keadilan party, which had bid to win three of them.

There were surprising upsets in individual races: Lim Kit Siang, head of the opposition Democratic Action Party and a 30-year veteran in Parliament, lost his seat, as did fellow DAP member Karpal Singh, the most flamboyant of Anwar's attorneys. Chandra Muzaffar, a close ally of Anwar, who is well connected to Western non-governmental organizations, and a guiding figure in the BA, lost his race.

Probes of Netanyahu's finances heating up

Following another ten-hour police interrogation of Benjamin Netanyahu on Nov. 28, police sources told the Israeli daily *Ha'aretz* that there is enough evidence to indict the former Israeli Prime Minister. He could face several charges, including bribe taking, de-

frauding the Prime Minister's Office, and breach of trust. Others involved in the case are his wife Sarah, the former Director General of the Prime Minister's Office, Moshe Leon, and former head of the Prime Minister's Bureau, Uri Elitzur. Elitzur used to be a leader of the Yesha Council of settlers in the occupied territories.

The Nov. 29 issue of *Ha'aretz* also reported that Knesset (parliament) Member Ophir Pines-Pas, chairman of the One Israel bloc (formerly the Labor Party), called for a probe of 19 non-profit organizations working for Netanyahu's party, the Likud, or for the National Union party, as well as his re-election campaign. Pines-Pas made the appeal to State Comptroller Eliezer Goldberg. Pines-Pas told a news conference: "There are associations that were directly or indirectly involved in the 1999 elections, including Chabad Youth, Lev Ha'aretz, Golan Tourism, Revivers of Jewish Settlement in Hebron, the Yesha Council, and others, that were directly financed by the Prime Minister's office. The associations worked directly for Netanyahu, the Likud, and the National Union, and allegedly broke the party financing law."

Pines-Pas also called for an investigation of Netanyahu's relations with foreign millionaires, including Americans Ronald Lauder, Irving Moskowitz, Sheldon Edelson, and Marion Josephson, and Australian Joseph Gutnick.

ASEAN, EU uphold a unitary Indonesia

On Nov. 27, during a dialogue in Manila between leaders from the Association of Southeast Asian Nations and China, Japan, and South Korea, Singapore Prime Minister Goh Chok Tong urged the group to draft a statement expressing support for Indonesia's territorial integrity. The general topic of the ASEAN plus three meeting was regional security, with special focus on combatting separatism. Goh told *Asiaweek* in an interview released on Nov. 29, "Indonesia is a huge anchor. If it begins to break up, we are going to have general instability in the whole region for many years to come."

The result of Goh's initiative was re-

flected in the Chairman's Statement, point 7: "President Abdurrahman Wahid of Indonesia briefed the meeting on the latest developments in Aceh [province]. In this connection, the heads of state/government reiterated their full respect for the sovereignty and territorial integrity of the Republic of Indonesia." Philippines President Joseph Estrada later underscored the message, insisting to reporters that "Aceh is part of the territory of the Republic of Indonesia. . . . This is different from East Timor. We are supporting Indonesia to protect its territorial integrity." President Wahid assured his interlocutors that independence will not be an option for Aceh, saying, "We will defend our territorial integrity at all cost."

On Nov. 29, the Finnish Embassy in Jakarta released a statement declaring, "The European Union wants to see a strong, united, and democratic Indonesia." The statement endorsed Wahid's efforts to find a peaceful solution to the situation in Aceh and other provinces, and called on all parties to refrain from violence.

Kazak, Uzbeki leaders on state visits to China

China received state visits from both Kazakhstan President Nursultan Nazarbayev and Uzbekistan President Islam Karimov in November. Nazarbayev arrived in Beijing on Nov. 23 for a five-day visit, during which he and President Jiang Zemin signed the "Joint Communiqué of the People's Republic of China and the Republic of Kazakhstan on the Complete Resolution of All Border Issues." The communiqué stated that "all border issues between China and Kazakhstan have been resolved completely." The two also signed a joint statement emphasizing economic cooperation, including to "complete an assessment of a China-Kazakhstan oil pipeline project as soon as possible"; "improve cooperation in transportation areas along the Silk Road"; and push forward "negotiations that will lead to the signing of governmental agreements on water resources."

In broader areas, the statement said: "Both sides will coordinate efforts to effectively combat national splittism, religious

LIPENG, Chairman of China's National People's Congress (parliament), arrived in Israel on Nov. 25, the highest Chinese official to visit since diplomatic relations began in 1992. As a snub, however, Avraham Burg, Speaker of the Israeli Knesset (parliament), met with Tibet's Dalai Lama on Nov. 24, despite his government's request to cancel the meeting. In turn, Israel upgraded Li's trip to an official state visit, from that of a parliamentary visit.

THE IRANIAN Intelligence Ministry arrested 34 members of the radical Shi'ite Muslim Mahdaviat movement who were said to be planning political and sectarian violence, including assassinating the President and former President. "Among its aims and objectives were creating plots to murder and plant bombs in Sunni areas of the country in order to fan differences and religious strife," said a ministry statement on Nov. 25.

CROATIA'S 11-member Constitutional Court, on Nov. 26, authorized the automatic transfer of the powers of President Franjo Tudjman to Speaker of the Parliament Vlatko Pavletic, for an interim period of 60 days. Tudjman underwent emergency surgery for possible intestinal cancer on Nov. 1.

KURDISH PKK terrorist leader Abdullah Ocalan will appeal a verdict upholding his death sentence, asking for a review by Turkey's Chief Prosecutor Vural Savas. If that fails, his lawyers announced on Nov. 26, they will appeal to the European Court of Human Rights. Prime Minister Bulent Ecevit, a strong opponent of capital punishment, responded, "We will have to consider the [European] court's decision."

IRAQ agreed on Nov. 27 to six more months of the UN's oil-for-food regime, while the UN Security Council debates how to resume inspections, but lift sanctions. Meanwhile, British and U.S. bombers struck a primary school on Nov. 28 in the northern Kurdish oil city of Mosul.

extremism, terrorism, illegal arms trafficking, drug smuggling, illegal immigration, and other types of crimes. Both will actively implement the Bishkek statement signed by heads of state of China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan on Aug. 25, 1999."

It added, "Both sides are willing to make joint efforts to promote improvement of the situation in the Asia-Pacific region to ensure peace, security, and stability," and that the two countries "will participate in bilateral and multilateral consultations on security issues in Asia."

Uzbekistan's President Karimov arrived in Beijing on Nov. 8 for three days, and met with Jiang to discuss new economic cooperation. Karimov stressed the importance of joint efforts to fight against national separatism and religious extremism. Also, Prime Minister Zhu Rongji emphasized to Karimov, the importance China places on developing economic relations with Uzbekistan and other Central Asian countries, especially in the context of China's development of its western region.

Lee Teng-hui hits popular Taiwan candidate

Taiwan independent Presidential candidate James Soong, former Secretary General of the ruling Kuomintang (KMT) during 1988-92, appointed Governor of Taiwan (1992-96), and then elected Governor until the end of 1998, was expelled from the party on Nov. 16, along with six of his closest advisers and members of his gubernatorial government. The heavy-handed act was taken by the KMT's Evaluation and Discipline Committee, because of Soong's decision to run as an independent Presidential candidate, rather than back President Lee Teng-hui's hand-picked successor, Vice President Lien Chan, one of the richest men in Taiwan. A special rule was put together regarding KMT legislators who publicly support Soong, because the KMT fears losing its majority in the Taiwan Parliament. A decision will be taken *after* the election whether to expel them.

Soong is the leading candidate, with a 13-17% lead in all the polls. He is against the

theater missile defense provocation against Beijing, and wishes to develop three links with mainland China: open trade, travel, and communications.

According to two KMT legislators, the Military Intelligence Bureau (MIB) was assigned to wiretap Soong's phone immediately after Soong returned from a trip to the United States in March. Three MIB officers, requesting anonymity, told KMT legislator Chen Chao-jung about this order. The KMT leadership has also issued an order prohibiting police officers from publicly supporting Soong's candidacy.

Bouteflika blasts murder of Algerian FIS leader

Algerian President Abdelaziz Bouteflika denounced the Nov. 23 assassination of Abdelquader Hachani, a leader of the opposition Islamic Salvation Front (FIS). "This criminal act proves that the enemies of peace . . . whether inside Algeria or abroad, want to harm the Algerian people, who are healing their wounds."

Algeria has been torn by civil war since 1992, when the military cancelled the second round of general elections after the FIS had won the first round. Since then, gang-countergang bloodletting, between a faction of the military called the "eradicators" and the London-based Armed Islamic Group, has left more than 300,000 dead, many of them FIS leaders or their families. Since his election this year, Bouteflika has committed himself to ending the violence, in concert with the FIS.

Bouteflika promised, "All means will be mobilized to unmask the forces of evil and treachery." Hachani's death "is a tragedy for Algeria that will aggravate the crisis."

Sources have told *EIR* that the killing was carried out by the eradicators as a warning to Bouteflika, who was elected with the military's backing, to reverse course on his peace effort, which has included a recent meeting with the Pope. A few days earlier, individuals wearing army uniforms ambushed a bus, killing 19 people, including women and children, near an army base outside of Algiers. The source characterized this incident too, as a warning.

LaRouche to black legislators: Here's how to solve the crisis

On Dec. 2, Lyndon H. LaRouche, Jr. spoke before the National Black Caucus of State Legislators (NBCSL), in person, at their annual conference in Baltimore, Maryland. The event marked a breakthrough in LaRouche's campaign for the Democratic Presidential nomination.

In a 23-minute speech before an audience of about 200 people, reprinted below, LaRouche outlined the three principal dangers that the nation faces: a financial collapse; a financial hyperinflationary blowout; or a breakdown of civilization under these economic conditions—the spread of terrorism, social upheaval, and wars around the globe.

So, what do we do? he asked. "What has to be done, is very simple. But it's also very dangerous and very complicated. What we have to do, is immediately declare the present world financial system—which is bankrupt, hopelessly bankrupt, can not be saved—has to be declared bankrupt." In the place of this bankrupt monetary system, we have to set up a new monetary system, of the type that worked after World War II: a New Bretton Woods System.

How are we going to do that? In part, by changing the way we do politics in the United States, he said. We've got to bring the people back into politics. This will not be done, in such a time of global crisis, with "bite-sized slogans." It will be done by bringing together constituency groups to *think* about what must be done.

LaRouche's appearance in Baltimore shows that those in the Democratic National Committee (DNC), and London, and elsewhere, who believed that they could keep the LaRouche campaign in a box, or wipe it out, have been proven wrong. The climate of fear, which has prevented millions of Americans—and others around the world—from stepping forward to recognize and support LaRouche's ideas, has been penetrated by the leading constituency group of African-Americans in the United States.

In a webcast dialogue with civil rights leaders on Nov. 23, LaRouche had pointed out that his major problem was the

many supporters who held back, out of fear of speaking out. But now, a crucial group of those supporters has stepped forward, and set an example for others.

LaRouche was the third Democratic candidate to speak at the Baltimore conference. Vice President Al Gore, Jr. had spoken the day before, and Bill Bradley spoke on the morning of Dec. 2. LaRouche was eloquently introduced by former South Carolina state legislator Theo W. Mitchell, who was himself the victim of a political witch-hunt run by the U.S. Department of Justice against black elected officials, and, like LaRouche, was unjustly imprisoned.

Campaign against DNC racism

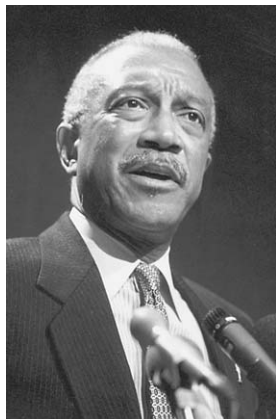
LaRouche's speech to the NBCSL came as a series of ads was beginning to run in African-American and Hispanic newspapers around the country, under the headline "Stop Racist Attempt to Overturn Voting Rights Act" (see text, below). The ads include an open letter from more than 350 state legislators, civil rights leaders, and others, to Democratic Party Chair Ed Rendell and DNC Chair Joe Andrew, demanding that the party leaders issue a public repudiation of arguments made before a Federal district court on behalf of the DNC by attorney John C. Keeney, Jr.

Keeney was speaking at a hearing related to a 1996 lawsuit brought by LaRouche and others, which charged that Donald Fowler, then chairman of the DNC, violated the 1965 Voting Rights Act, when he ordered state party chairmen to "disregard" the votes of Democrats who had cast their ballots for LaRouche in the primaries. Keeney's argument concluded with a call for nullification of the Voting Rights Act as "unconstitutional."

LaRouche has vowed to turn up the heat against these racists, and those who tolerate them. "We are going to take a hard-ball position," he told supporters from New York State during a webcast on Nov. 27. "We're going to put firecrackers under their feet, and they're going to dance."

The man who should be President

Introducing Lyndon LaRouche to the National Black Caucus of State Legislators on Dec. 2 was The Honorable Theo Mitchell, Esq., of South Carolina, attorney, former longtime member of the South Carolina Legislature, and South Carolina Democratic Party nominee for Governor in 1990. Mitchell was expelled from the Senate and imprisoned, as the result of a political witch-hunt by the U.S. Department of Justice.



It's good being in your presence again, Mr. Candidate.

I had the pleasure of serving with this distinguished and most powerful political body from its inception, until we were involuntarily separated a few years ago.

I wanted to say greetings from South Carolina, and I'm proud to know that there are as many here from South Carolina as there are. I'm told that this is the largest of the NBCSL conventions, and I certainly think that it's most fitting on the eve of Millennium 2000, as it relates to the next millennium, the next century, the next period of time in which matters of such a gravity—that this powerful organization must be at the cutting, and on the cutting edge.

And that's why I'm here. Because I commend the President, the Executive Committee, and you for extending invitations to those who offer to lead this nation into the next, challenging millennium.

And certainly, there are those who have taken direct advantage of our vote, our voice, and our power; but yet, they are silent when it comes to toeing the line and biting the bullet; but yet, [they] walk away sometimes without even saying "thank you"—having what I call Alzheimer's Disease: forgetting everything, remembering nothing except the next election that would benefit them.

I've been asked to introduce a man that I personally know, and have worked with, for several years—not reading a resumé, but someone who has given up some rear-end (and some of you know what I mean) in standing tall against those who would ostracize you and me, and for those who have no voice, nothing but hope and aspirations, but no mechanism to implement.

It isn't easy for a person to be completely blacked out, to tell their story—especially in a time when the conspiracy of silence with the media could make one appear to be a "radical," a "malcontent," and anything that is negative the media will pick up and print.

Resumés come and resumés go, but it takes action, it takes position, to establish character, which, they say, is what you are at night—not what people say you are during the day.

My friend Lyndon H. LaRouche, Jr. is a man who has definitely gotten a raw deal, like many of us have, more particularly in taking the point in exposing governmental indiscretions, among other things; one who has been victimized by his government, ostracized by his party, and certainly misunderstood by many people. He's been called everything except what he is, and that is: someone who has paid some dues and given up some rear-end, by trying to have a fair policy for Africa and South America; by bringing to the forefront the victimization of African-Americans under the FBI and the Justice Department "Operation Fruehmenschen" doctrine; who certainly assisted me and others in regard to exposing "sting" operations that have been set up to destroy and to imprison African-American people.

He was born in Rochester, New Hampshire, and he's married to Helga Zepp-LaRouche, the founder of the Schiller Institute. He's the Founding and Executive Editor of *Executive Intelligence Review*. He's a prolific writer, having written *The Road to Recovery*, *To Save the Nation*, and *So, You Wish To Learn All About Economics?* among many other reports and articles and books.

Some of you have read his materials, his philosophy, his feeling of fairness as far as life is concerned. And most catching to me is the fact—in knowing him as a man of God, who believes that God created man in His own image, and is imbued with certain rights that are of a human value and nature.

He has stood toe to toe against those who would oppress you and me, and [has] given up five years of his life for views in which human rights and human dignity—that is the hallmark of what we all seek, and why we are all here today to participate.

He is the principal in the case of *LaRouche v. Fowler*, which precluded him, as well as some of us, from being on Democratic ballots. And he has challenged certain Democratic leadership. And that relates to something that you'll hear more about tomorrow: the Voting Rights Act and the effort to nullify it.

My friend has run for President no less than four times. There have been challenges [to his] being a *bona fide* Democrat.

It is my pleasure to introduce to you—and I'm so glad that those of you who are here, did in fact stay to learn more about Lyndon H. LaRouche, Jr., the man who should be President of the United States.

Thank you. God bless you.

LaRouche: Bring people back into politics

On Dec. 2, Lyndon H. LaRouche, Jr. addressed the National Black Caucus of State Legislators. Here are his remarks. Subheads have been added:

There are three points of business, and I would like to have it not as an election campaign speech in the ordinary sense.

There are three points of business which we have to transact together to launch, over the coming months, between now and approximately March of the coming year, to change the course of history, including politics inside the United States today.

The three points are, first of all, the fact that we face a global crisis which can not be avoided, which is much more important than you're hearing about from *any* of the campaigns currently, from any of the press currently, which is going to determine the course of life on this planet for decades to come. And the decisions have to be made about *now*.

Secondly, there's a question of what the solution is to this crisis. And that's a decision that has to be made *soon*, a decision I hope we could persuade the incumbent President of the United States, Bill Clinton, to get off his you-know-what and begin finally to fight for principle, rather than try and propitiate his enemies — but it has to be done.

Thirdly, what you and I and others must do in the coming weeks to change American politics fundamentally, from politicians who commit the sin of Esau — of betraying what is fundamental for the whole, for the hope of a bowl of pottage — to stick to the real issues.

No crisis more deadly than the present

Now, firstly, *we are in the worst financial crisis in the Twentieth Century*. There has been no financial crisis at any other period of time in this century which is more profound, more deadly, than the present. Those who tell you that there's prosperity, that this economy is going to go upward and onward forever, are either lying to you, or just lying to themselves.

There is no prosperity, and you know it. Half the income, the personal family income of this nation, goes to less than 20% of the population — the 20% which this fellow Dick Morris said politics should go to; the Democrats should go to appeal to the 20% in suburbia, and others, who control most of the active voting and political machines in the Democratic and Republican Party both, who are shaping politics, because they're interested in keeping *their money*. And they want politics to enable them to make money without actually working to earn it, by gambling on Wall Street and things like

that. Or, working for jobs that are useless, which are highly overpaid as well.

Whereas, the 80% of the population, which gets less than half of the total net personal income of this nation — this under conditions that are worse and worse: The jobs are gone, the factories are gone, the farmers are going — almost wiped out. *The average physical income per capita of most people in this country is 50% of what it was thirty years ago.*

Don't count the money. Count what you can eat. Count the education. Look at your hospital care. Look at your educational system. Look at the highways. Look at the power stations, the electricity supply. Look at what you can afford, what you can't afford, as ordinary people. It's much worse.

Now, don't look for a financial crisis like a Wall Street crash of 1929. That's not the main thing. We've already had a number of those since 1996. We had the "Asia Crisis," so-called, which was not an Asia crisis, but it hit hardest in Asia, in the fall of 1997.

We had a big crisis in the summer of 1998, which scared the pants off nearly everybody on Wall Street. And they've been pumping money into Wall Street ever since, trying to bail it out.

We've had a crash in Brazil in February 1999. We had crashes all over the place. We have a Japan crash in process. We have a Europe crash, which broke out last week, in which the government of Germany joined with the government of France in turning against the policies of the United States. Not because they had courage, but because they want to survive. And they can't survive under the present policies of the United States.

Therefore, they're fighting Clinton on this issue — at the WTO [World Trade Organization] conference, out there in Seattle now.

What we're facing is not a new crisis. We've got all the crises you need, and more coming. No one can tell you what day this system will end, what week, or even what month, except that it will be soon. What we're looking at is not a financial crisis like '29. We're looking at the *end* of the road — the point of no return.

Three possible crises

What we have, is three possible crises we are facing now. Number one, we could have — and we've already had the threat of it — what is called a deflationary crisis. That is, a chain-reaction — a sudden, chain-reaction collapse, which wipes out about 40%, 50%, 60% of the so-called Wall Street values, the indexes. That could happen at any time. It almost happened in October — September and October of 1998.

At that point, they became scared. They pumped money in like mad. We're now at the point that if they continue to pump money in the way they've been doing in the past year, we are headed for something like what happened in Germany in 1923, when the pumping of money into the system to try to keep it afloat, led into a general inflation, a hyperinflation, where, by over the summer of 1923 to the fall of 1923, it

reached the point that there was no more German money. It had all blown out. The currency was no good.

At that point, the United States stepped in and bailed out Germany and gave it a currency. *We are at that point on the world scale today.*

Now, if that doesn't blow out first, if we don't have a deflationary crisis first, and if we don't have a hyperinflation in prices of commodities — like petroleum is going up in price: \$25, to almost \$30 a barrel. That's going to have an effect. There's going to be an energy crisis this month. How severe? We don't know, but it's coming.

Commodity prices and food prices are going up, in a hyperinflationary spiral, such as happened in Germany in 1923, in the summer of 1923 and into the fall. That's what we face.

We've got a third thing. You see it on the headlines from Seattle: An international terrorist gang, deployed out of London, with branches in Canada, in British Columbia, and into the Northwest United States, has tried to run a terrorist escape which is going to escalate in the Seattle area around the WTO conference.

We've known about this for some time — not that it was going to happen at the WTO, but that it was being unleashed. And it's going to hit. It's planned. They have plans to cause it, and they have plans to deal with it.

They have plans to manipulate politics with the use of terrorism by governmental agencies which, on the one side, deploy the terrorists; on the other side, send the police down to try to beat on them. And they're playing both sides against the middle.

On top of that, we have a spread of wars around the world beyond belief. We're not headed toward a general war now, like we feared back when the Soviet Union was still alive. But, we're headed for many little wars. We're headed for wars that you can't win — wars like Vietnam, where neither side wins and everybody loses, the way we lost in Vietnam, and everybody else did, too.

But that's spreading all over the world. It's happening in the Balkans. It's happening in Colombia. It's about to break out in Venezuela. It's breaking out in Brazil. Ecuador is bankrupt. Argentina is disintegrating. Africa is a mass of genocide, supported by our State Department. And I've got friends dying — leading people in Africa, dying all the time, being murdered as a part of this genocide. Former leading figures in their own countries and parties, are being wiped out.

We have wars spreading into Asia: Central Asia, Transcaucasia. This former Soviet Union — Russia — is building up, and preparing for attacks against it. It has drawn a line in the sand from which they're not going to retreat, from Chechnya.

So, we could get into a mess now, of general chaos like they had, say, in the Fourteenth Century in Europe: of chaos, terrorism, fighting in the streets, madness in general, wars spreading, little wars, bigger wars, spreading all over the world.

So, those are the three problems, the three dangers we face: a financial collapse, a financial hyperinflationary blow-

out, or a breakdown of civilization under these economic conditions.

The system must be declared bankrupt

What do we do about it?

The problem is that there's no one in the world who's in a position and has the guts to do the right thing on it right now. President Clinton doesn't have the guts to do anything about it — even though he does know what the problem is, and does know what he *should* do.

But after what they did to him, between last fall into the spring, he's no longer the same man he was. All his fighting spirit, such as it was, has been drained out of him for the time being.

What has to be done, is very simple. But it's also very dangerous and very complicated.

What we have to do, is immediately declare the present world financial system — which is bankrupt, hopelessly bankrupt, can not be saved — has to be declared bankrupt.

How? How do you do that?

Well, what you do, is you get a few nations together, they have an emergency conference, including the President of the United States, including the government of China, including the government of India, including at least some governments in western Europe, and governments elsewhere, who meet together and say, "We don't care what the rest of the governments of the world are saying. *Here's what we're going to do*, in terms of our policies and our relations with one another. *We are going to cancel the present world financial and monetary system.* We're going to cancel it the way a government should, by putting it officially into bankruptcy reorganization, the way you put anything that's bankrupt into bankruptcy reorganization."

You've got to keep society going, you've got to keep the pensions paid, you've got to save the savings of the small people. You've got to keep employment going. You've got to keep services going. You've got to keep government going, and you've got to get back on rebuilding.

In other words, you've got to do all the things that we are supposed to have learned from the experience of 1929-34, when Franklin Roosevelt saved the people of the United States from a nightmare beyond belief.

We have to establish a new monetary system among these nations. Whatever the other nations want to do, let them go their own way. We're going to save ourselves. We're going to collaborate to do it.

Set up a New Bretton Woods system

This means a partnership of the government of the United States, with China, with India, with numbers of other Asian countries, trying to bring our friends in Africa — to save their lives. Some countries, perhaps, in South America, some countries in western Europe. Pull these nations together and say: "We are cancelling the existing monetary system, and we're setting up a new one." So, what do you do?

You set up a system of the type that worked once: the system, the postwar system, up to 1958 and beyond, the so-called Old Bretton Woods System. You restore the power of sovereign government, end globalization, go back to government and its authority as the prime force. *Because only government can create credit.*

We must put this thing into bankruptcy, we must get the credit created, not only to maintain the existing system—economic system, but to expand it. We've got to create jobs. We've got to open infrastructural jobs. We've got to get the health care system back in place. We've got to restore the educational system. We've got to build our high-tech industries. We've got to restore farming. We've got to get real jobs back into the United States and other parts of the world.

These kinds of things. We need an economic system like that we had under the Old Bretton Woods System. And we have to do that with government.

Finally, what we have to do, is we have to change the way we do politics in the United States. Go back to something that we used to do maybe about thirty-odd years ago. *We've got to bring the people back into politics.* Forget the 20% with the high income. We've got to get African-Americans, Hispanic-Americans, senior citizens (who are also practically an oppressed race nowadays), labor, and other people who are *real people*, meeting together, making policy, not trying to buy bite-sized slogans of phony politicians and media.

We have got to get together and *think* together, and discuss and understand these problems, and we've got to meet with other people, in other groups, bring them together, to bring the people back into politics, take it away from the news media, take it away from the corrupt politicians. *It is we who can organize the voters to the polls.* If we get enough groups together, we're going to succeed. Thank you.

Documentation

Officials demand DNC repudiate racist policy

The following press release was issued on Nov. 30 by Lyndon LaRouche's Presidential campaign committee, LaRouche's Committee for a New Bretton Woods.

Today's *Philadelphia Tribune* carries the first of a series of advertisements that Democratic Presidential candidate Lyndon LaRouche's campaign committee has placed in African American and Hispanic newspapers across the United States.

The ads carry the headline, "Stop Racist Attempt To Overturn Voting Rights Act," and include an open letter to Democratic Party Chair Ed Rendell and Democratic National Committee Chair Joe Andrew, demanding that the Party leaders

issue a public repudiation of arguments made before a federal district court panel on behalf of the Democratic National Committee by attorney John C. Keeney, Jr.

Keeney's argument, which the letter decries as "implicitly pro-racist," was made in the course of a hearing related to a 1996 lawsuit brought by LaRouche and Democratic voters from Virginia, Louisiana, Texas, and Arizona, which charged that Donald Fowler, then Chairman of the DNC, violated the Voting Rights Act when he ordered state Democratic Party chairs to disregard the votes of thousands of Democrats who had cast their votes for Lyndon LaRouche. Keeney's argument concluded with a call for nullification of the 1965 Voting Rights Act.

The letter was initiated by South Carolina attorney Theo W. Mitchell, who had a long and distinguished career as a member of the South Carolina State Legislature, first in the House, and then in the Senate. Mitchell also was the South Carolina Democratic Party nominee for Governor in 1990. The letter is signed by over 100 State Legislators and other elected officials, as well as civil rights and religious leaders from across the United States. [See text, below.]

The ads represent the latest salvo in a mounting offensive by candidate LaRouche, in which he has vowed to "clean the racists out of the Party leadership."

Trying to calm what has become a tidal wave of fury directed at the Washington, D.C. office of the DNC, Party spokesmen have been repeatedly caught disseminating what they know to be false information in response to calls and inquiries placed by angry Party members and officials. According to a LaRouche spokesman, by Monday of this week [Nov. 29], Duane Ingram, the DNC's Director of Correspondence, and Denise Outlaw, the Executive Assistant to the National Chair, were trying to convince callers that, in fact, it was LaRouche's lawsuit that represented the threat to the Voting Rights Act! Both were quoted as telling callers that LaRouche was "spreading disinformation through the irresponsible use of the Internet and bulk e-mails."

Within hours, the LaRouche campaign's website (www.larouchecampaign.org) was shut down, and the campaign's e-mail account closed. Both actions, which campaign officials called "highly suspicious," occurred without prior notification. When LaRouche campaign officials demanded an explanation from the service providers, the only explanation offered was that "there had been complaints."

LaRouche's national spokeswoman, Debra Freeman, said the campaign was investigating the source of the so-called complaints. "A preliminary investigation indicates a tightly coordinated effort by a small group of individuals whose singular goal was shutting down the website of a Presidential campaign. One name that seems to pop up repeatedly is that of David Whitmer, the outgoing Chair of the Loudoun County Democratic Party." Whitmer, who also owns Whitmer Internet Consultants, is a self-identified "LaRouche-hater" who attempted to bar LaRouche supporters from serving on the Loudoun County Democratic Central Committee.

Freeman said that although she was not prepared to say that sabotage of the website was directly linked to the appearance of the ads, the timing did raise suspicions. "It is our expectation that the campaign's Internet capability will be fully restored within 24 hours. Meanwhile, we are conducting more thorough investigation of these events, and are also consulting the campaign's attorneys regarding possible legal action." She said the campaign will continue to run the ads, and added that she would join Theo Mitchell and some of the other signers in a press conference on Friday, Dec. 3 at the National Black Caucus of State Legislators Convention in Baltimore.

Stop racist attempt to overturn Voting Rights Act

The following is the text of the open letter which is being run as an advertisement in African American and Hispanic newspapers around the United States. Initiated by Hon. Theo Mitchell, Esq., it has been signed by over 350 dignitaries, including a former Congressman, state legislators, municipal and other elected officials, Democratic Party officials, civil rights and religious leaders, farm and trade union leaders, media representatives, and leaders of other constituency groups.

November 10, 1999

To: The Hon. Ed Rendell, Chairman, Democratic Party
The Hon. Joe Andrew, Chairman, Democratic National Committee

Gentlemen:

We were shocked and disgusted to learn that on August 16, 1999 the Democratic National Committee (DNC), through its attorney, John C. Keeney, Jr., submitted a plainly anti-civil rights, implicitly pro-racist argument before a Federal district court panel, which concluded with a call for nullification of the 1965 Voting Rights Act.

The argument was made in the course of a hearing on a DNC motion to dismiss a lawsuit brought by Democratic Presidential candidate Lyndon LaRouche, and Democratic voters from Virginia, Louisiana, Texas, and Arizona. The lawsuit, which was filed in 1996, charges that Donald Fowler, then chairman of the DNC, violated the Voting Rights Act, when he ordered state Democratic parties to disregard the votes of thousands of Democrats in the 1996 Democratic Presidential primaries and caucuses, who had cast their votes for Lyndon LaRouche. Ironically, Mr. Fowler justified his outrageous behavior by lying that Lyndon LaRouche was a racist!

First, let it be said that Lyndon LaRouche does not have to defend his qualifications as a "bona fide" Democrat. It was the LaRouche faction of the Democratic Party that took the

point against Newt Gingrich and his "Contract on America," when some of us were busy "triangulating." And, it is well known, that when President Clinton came under attack by Ken Starr, while some Democrats — cowards and traitors — called on the President to resign, the LaRouche faction of the Party mobilized support for the President, and initiated Americans to Save the Presidency.

Let it also be said, that the stink of racism in this action by attorney Keeney is, unfortunately, consistent with the racism shown by his father, John C. (Jack) Keeney, who, as a Deputy Assistant Attorney General in the Criminal Division of the Department of Justice, has been a key figure in the illegal targetting, persecution, and prosecution of African-American public and elected officials.

Gentlemen, we understand that these acts of gross injustice occurred before your terms of office began. Be that as it may, it falls upon you to effect an immediate, public repudiation of this racist policy. It is our firm position, that this must be done, not only to protect the personal honor and integrity of the Democratic Party leadership, but also because the failure to do so will surely have disastrous consequences: We will lose the Year 2000 elections, including the Congressional elections; the Democratic Party, as the party of FDR and JFK, will be destroyed; and, we will be in danger of losing all that we hold dear as Americans.

Yours,

Hon. Theo Mitchell, Esq., Democratic Senator (ret.)
South Carolina State Legislature, Former Democratic Party Nominee for Governor, South Carolina

African leaders endorse LaRouche for President

by Uwe Friesecke

From one of the most troubled areas of Africa, the two small countries of Rwanda and Burundi, Lyndon LaRouche has received endorsements for his campaign to become the Presidential candidate of the U.S. Democratic Party in 2000. The leaders of the Rally for the Return of Democracy and Refugees in Rwanda (RDR), and the Legion of Honor of the late President Melchior Ndadaye of Burundi, who are supporting LaRouche, have, over the last six years, experienced the full duplicity of the Western governments' policy toward Africa, which led to the destruction of their people. It was the cynical attitude of those governments in particular vis-à-vis this part of Africa, that led to the ongoing human catastrophe in Central Africa. While Western government leaders are championing "human rights" and "democracy" around the world in every public utterance on foreign policy they make, they have in reality supported the most barbaric colonial policy in Cen-

tral Africa.

Lady Lynda Chalker, British Minister for Colonial Affairs under the last Conservative government, and today special adviser to the World Bank, unleashed, at the beginning of the 1990s, through Ugandan dictator Yoweri Museveni, a process of wars in the region which has cost the lives of more than 6 million people. And U.S. Secretary of State Madeleine Albright and her Assistant Secretary Susan Rice have been the most arrogant spokeswomen for U.S. support for this British-designed policy, which includes the attempts to destroy the nation of Sudan through support for the so-called rebel, John Garang.

Often, African political representatives shake their heads when they look at U.S. Africa policy, and ask themselves: Why is the U.S. government doing this to Africa? Why is it following the imperial path of the British Commonwealth? Has America forgotten its own past, its own revolution against the British monarchy more than 200 years ago? Why are, especially, African-Americans so silent on Africa's misery? And why do they so often support the wrong policy, such as that of the International Monetary Fund (IMF) and the World Bank, which causes entire nations in Africa to die?

In the search for an America which represents the tradition of 1776 and of Presidents Abraham Lincoln, Franklin Roosevelt, and John Kennedy, and the America of Rev. Martin Luther King, Jr.'s civil rights movement, African political representatives have found Lyndon LaRouche and his political movement in the United States.

Many of those who have signed the endorsements that we publish here, participated on April 26-27, 1997 in a seminar on "Peace Through Development in Africa's Great Lakes Region," sponsored by the Schiller Institute and the Bonn-based Forum for Peace and Democracy. Speakers included Lyndon and Helga LaRouche, Schiller Institute leaders, *EIR* intelligence directors, and representatives from half a dozen African nations—many of them living in exile. The transcript of the seminar is available as an *EIR* Special Report.

LaRouche represents hope for Africa

The two statements of endorsement show that LaRouche represents the hope for Africa, which otherwise is almost lost, when one looks at the record of U.S. Africa policy. These statements reflect the thinking of many Africans, that the power of the U.S. Presidency, if it were seriously applied to freedom, justice, and development in Africa, would be strong enough to check British, French, or any other forms of colonialism on the continent. If LaRouche's agenda for a New Bretton Woods and a just, new world economic order were implemented, there would be hope for Africa again. On the other hand, these African leaders know, that if the next U.S. President would be a George W. Bush or an Albert Gore, the human suffering and destruction of nations would go on unchecked.

But these calls of endorsement for Lyndon LaRouche are

not only a message to the American people. They are also directed at the political leadership in Africa itself. Because, too many heads of state and members of governments in Africa have made their deals with the new Western colonialists. Over the last 20 years, only a few leaders have fought against the neo-colonialist oppression, that originated with the Western powers.

May these courageous endorsements from Rwanda and Burundi therefore also initiate a debate within the corridors of power in Africa, that it is still worthwhile to fight for the ideals of the anti-colonial struggle, rather than to capitulate to the new colonial powers such as the British Commonwealth, the IMF, and the World Bank.

Endorsements

Rwanda's RDR: LaRouche has the moral qualities required

The following statement was issued by the Rally for the Return of Refugees and Democracy in Rwanda. A subhead has been added.

Lyndon LaRouche is a friend of Africa. His commitment to our continent goes back more than 25 years. Already in 1974, Mr. LaRouche set up a task force which exposed and denounced the global holocaust caused by the International Monetary Fund and World Bank monetary policy in Africa.

Mr. LaRouche condemned the influence of both neo-Malthusian doctrine, and the policy of budget cuts dictated to Africa in a neo-colonial way by international monetary institutions. Not only does this policy deepen the recession and crush economic growth, but it also leads to a drop in income and a vicious circle of new budget cuts. More seriously, it accelerates the process of disintegration of national economies by lowering per-capita physical production, and it undermines human creation, as well as the basis of the social and economic life of our citizens and nations.

In April 1975, Mr. LaRouche counterposed to this policy the idea of great projects for Africa, such as road and rail networks, and the development of the Sudanese savanna and the West African Sahel, a potential breadbasket of Africa. Later, with the founding of the Committee for a New Africa Policy in August 1980, headed by Hulan Jack, one of his African-American associates, Mr. LaRouche launched his campaign for the overall industrialization of Africa.

In this setting, he was to come out with his most constructive criticisms, in particular with his famous analysis of the Lagos Action Plan of April 1980, pointing out the conceptual errors of this plan and emphasizing the institutional obstacles to development of nation-states on our continent. He then



Jean Gahururu, of the Forum for Peace and Democracy.

formulated the idea of an “African renaissance,” developing his Leibnizian conception of the very close union between cultural, social, economic, and political progress, on the one hand, and scientific, technological, and infrastructure progress, on the other.

In 1985, the National Democratic Policy Committee, the LaRouche wing of the Democratic Party, proposed a series of related development projects. Among those relevant to the Great Lakes region were a rail network starting from Egypt, crossing Sudan, and including Uganda, Rwanda, Burundi, Kenya, and Tanzania, as well as water management programs for the Nile basin and Lake Victoria. Mr. LaRouche proposed that a pact signed by the nation-states concerned by these projects be institutionalized.

Presently, especially in connection with the dirty wars in the Great Lakes region, Mr. LaRouche is one of the few statesmen to have publicly denounced the ongoing genocide against the Rwandan people and the region. He has not only attacked as immoral, illegitimate, and unjust, the genocide wars unleashed by these criminals against peace and humanity in our region. But he has also succeeded in inspiring, with his passion for truth and justice, his *agapē*, a regional political leadership which is concerned about the survival of a disintegrating Africa.

A test case for all humanity

Indeed, Mr. LaRouche considers the Rwanda cauldron as a typical example of what could become the threshold of a “new Dark Age” in Africa, a test case for the conscience of all humanity. In Africa, humanity must prove it has both the morality and the energy needed to survive.

When Mr. LaRouche takes up this crucial life-and-death issue for peoples and nations, he goes far beyond mere sterile words; he shares with us the suffering that these conflicts in the Great Lakes region cause. He expressed that clearly, during an important conference organized by his movement at the end of April 1997, in Walluf, Germany, and he has repeatedly proven that he can put himself in the place of the victims, for example, as he said, of “that child who dies by the side of the

road, at the hands of torturers and gangsters.”

And he knows how to raise the real questions posed by that child who dies: “What about the faces, what about the individuality, what about the personality, the possible future, of that child, of that woman, of that family? What are we going to say? We have the test of death, which we have to face in our own life. That is, did we simply use this mortal existence to get pleasure and satisfaction, or did we use the talent given to us, to return it, when we die, somewhat enriched? Did we make something of our lives?”

Being convinced of his true friendship and his passion for Africa, for the Great Lakes region and Rwanda (*inshuti uyibona mu byago*, that is, it is in misfortune that you recognize your true friends), the RDR, the Rally for the Return of Refugees and Democracy in Rwanda, supports the candidacy of Mr. LaRouche for the Democratic Presidential nomination in the year 2000 in the United States of America.

We can say, as he himself repeats, that as President of the United States, Mr. LaRouche, in the tradition of Franklin Delano Roosevelt, will “be answerable not only to Americans but to others,” and to the world. Mr. LaRouche considers those “others” as his equals, free and sovereign, created in *imago viva Dei* (in the living image of God), which is one of the most fundamental moral qualities required of the new President of the United States of America, and of a world in the throes of large-scale wars and economic depression.

For the RDR and by procurement,

Jean N. Gahururu, Commissioner for Human Rights and for Socio-Economic and Humanitarian Affairs

Burundi: Ndadaye’s Legion of Honor backs LaRouche

The following endorsement of Lyndon LaRouche for President was issued by Melchior Ndadaye’s Legion of Honor. Subheads have been added.

1. Six years ago, something rather unexpected occurred in the heart of Africa. For the first time in its recent post-independence history, the nation of Burundi was put back on the world map, on June 1, 1993, as an exemplar of a truly modern nation-state where peaceful socio-political change creates the conditions for a) sovereignty, b) development, and c) justice.

2. Where oligarchical rule prevails, as had been the case in Burundi for over three decades of minority Tutsi dominance and black-on-black apartheid, none of the above determinants of peace could possibly exist or be envisioned. The victory of Melchior Ndadaye’s Frodebu Party (Front pour la Démocratie au Burundi) in the first-ever free and fair elections in June 1993, clearly marked the end of Burundi’s apartheid. Ndadaye’s Frodebu Party emerged as a champion for the

cardinal virtues of visionary leadership not only in this former Belgian colony, but also in the mineral-rich Great Lakes region.

3. From day one of Ndadaye's foredoomed Presidential term, the region's mouthpieces of Tutsi oligarchical rule, vis-à-vis Museveni, Kagame, and Buyoya, and their British supranational prompters in London's metal estates and outlets, as well as in the Bretton Woods arenas, were loath to accept Frodebu's political and economic reforms, which they considered to be a major threat to their vested interests for survival.

By the time President Ndadaye rounded out his initial diplomatic moves in Africa (Arusha peace talks on Rwanda [August 1993]; Franco-African Summit in Mauritius [October 1993], and in the UN General Assembly [October 1993]; bilateral talks in Washington and consultations with the World Bank and the IMF [International Monetary Fund] [October 1993]; bilateral talks in Paris [October 1993]), he was already set up for assassination, because his earnest political discourse on "social and economic justice," "sovereignty of the nation-state," and "peace and democracy through development" rather than Malthusian population policies, thus far implemented by Ndadaye's predecessor and enemy Buyoya, simply was revolutionary.

When Ndadaye was murdered by the Tutsi military, we expected the friends of Burundi all over the world to come forward and uphold peace and justice. Instead, we and the people of Burundi were betrayed by the international community in general and Western governments in particular, which did nothing to help restore constitutional law in our country.

'A celebrated Friend of Africa'

4. In a desperate search for solace, amidst silence, betrayal, and a genocidal onslaught in the aftermath of Ndadaye's demise, some of us loyal friends and trusted appointees of Ndadaye came to discover Lyndon LaRouche, a celebrated Friend of Africa. Looking back, those of us who, since 1994, were privileged enough to get to know Lyndon LaRouche and his truly revolutionary ideas, now know that we have a tremendous opportunity to carry over Ndadaye's dream beyond the localized predicament of Burundi, Rwanda, and Central Africa, into a grander scheme to bring back the continent of Africa from its current abyss and to build a new, just world economic order for the survival of mankind.

5. We are wisely reminded by Mr. LaRouche, the greatest economist of our time, that the ongoing systemic financial crisis is, in itself, a revolutionary moment of opportunity, whereby worthy leaders and their supporters have no choice but to respond, to revitalize the idea of the nation-state and its underlying principle of fostering the general welfare, not just by catering for the needs of those populations living today, but more importantly, for their posterity.

6. We are at a critical day and time when only historic and able leadership can make a difference. This we see in the person of Lyndon LaRouche. He and his policies represent



*Jacques
Bacamurwanko,
former Burundi
Ambassador to the
United States.*

the United States in the tradition of Abraham Lincoln and Franklin Delano Roosevelt who, at the end of World War II, took a stand to end colonialism once and for all.

President Bill Clinton was, and still is challenged by such a historical opportunity, if he just had the guts to do what needs to be done, which is to convene an emergency meeting of world leaders and have them declare officially that the world's financial institutions are bankrupt, and to start reorganizing the world's financial system accordingly, by putting a premium on financial institutions for national development, with the urgent mission of steering nation-states out of speculative, suicidal, and genocidal projects designed to keep oligarchies afloat at the expense of the general welfare.

'Not a job for a kid'

As we say in Kirundi, "*Si aho gutuma umwana*" ("This is not a job for a kid"). This mission is too delicate to be accomplished by immature leaders.

Lyndon LaRouche, as President of the United States, clearly would have the courage to accomplish these urgently needed strategic policy shifts.

7. Therefore, the undersigned Friends and Appointees of Melchior Ndadaye, collectively referred to as "Ndadaye's Legion of Honor," and proudly so,

- Cognizant of both the magnitude of the impending crisis that has developed out of the oligarchy's madness and panic, as well as the window of opportunity that the year 2000 U.S. Presidential race could offer if LaRouche's supporters and friends seize it in earnest, bearing in mind the historical leadership role played by great American Presidents at the time of similar systemic crises,

- Knowing that there is not a single institution in the world that can be as powerful in determining the course of events in international affairs and foreign policy as the Presidency of the United States,

- Confident that none of the candidates so far paraded by the oligarchical news media qualify to match Lyndon LaRouche's ability to successfully tackle the global financial crisis, as well as the reputation he commands internationally

among other great nations, such as China, India, and Russia, that hold the key to remedying the world crisis through a strategic partnership with the United States,

Hereby endorse Democratic Party candidate for the U.S. Presidency Mr. Lyndon LaRouche.

We truly believe putting LaRouche on the year 2000 Presidential ballot is the only hope for a just and lasting peace in Burundi, in Rwanda, in the Great Lakes, in the Horn of Africa, and all over the conflict-torn continent.

LaRouche's policies can heal Africa

We believe that only LaRouche's policies can heal Africa from the structures of sin it has been subjected to by the British-American-Commonwealth policies, especially the structural adjustment policies designed and implemented by the IMF and the World Bank to keep Africa poor, indebted, and backward.

We encourage all our friends and supporters of the LaRouche Presidential campaign who are actively involved in organizing voters at the grassroots, in petitioning for LaRouche, and in raising the money that is needed to get things done in this unique Presidential race, to use every available and imaginable medium to reach out to those U.S. citizens who are generally considered second-class, or who are generally not aware that their votes do count and can make a huge difference at this critical juncture. We are indeed well-informed that it is these so-called marginal and unexpected votes that have in past Presidential elections clearly shown where Republican and Democratic nominees actually stand on such vital issues as health care, education, justice, civil rights, general welfare, social security, and foreign policy.

Our own findings and lessons from the epochal victory of Frodebu Party candidate Melchior Ndadaye in June 1993 in Burundi are edifying. There is no such thing as a first-class or a second-class citizen when it comes to going to the polls. Once the voters understand that Presidential elections are not about Hollywood celebrities or sports events or job fairs, but about serious participation in political decision-making processes at local, state, and federal levels by the voters' own folks, then you have silenced the powerful media chains run by the financial oligarchies.

The world now critically needs a mature leader like LaRouche—a competent and courageous President truly in charge of the White House, a President who wields this power for building a new just world economic order, in which all people on this planet can enjoy peace, justice, and general welfare.

Washington, Nov. 17, 1999, endorsed by:

Jacques Bacamurwanko, Burundi's former Ambassador to the United States

Joseph Bangurambona, Burundi's former Ambassador to Kenya

Perpetue Nshimirimana, Burundi's former Ambassador to the United Nations in Geneva

Isaie Kubwayo, former Member of Parliament

Reports point to U.S. human rights violations

by Marianna Wertz

Two recent reports put a spotlight on ongoing and serious violations of international standards of human rights in the U.S. justice system. The first, "International Perspectives on the Death Penalty," by the Washington, D.C.-based Death Penalty Information Center (DPIC), is the first comprehensive report on the use of capital punishment in the United States, as viewed from the standpoint of modern international human rights standards. The second, "United States of America, Rights for All: Betraying the Young," by Amnesty International, focusses on violations of international norms of human rights for treatment of children in the U.S. justice system.

While the Amnesty report, coming as it does from a London-based non-governmental organization whose purpose is to undermine national sovereignty, must be read with this in mind, its factual content, as well as that of the DPIC report, is startling, and underscores the importance of making the kind of changes in the U.S. justice system for which the LaRouche political movement has been calling for many years. While America must not allow London to use these issues to dictate policy to it, neither can honest Americans tolerate the conditions to which these reports point.

Unless immediate changes are made, the reports make clear, not only will the United States continue to lose the respect of many important allies, but also, nations such as Russia and China, at whom the United States repeatedly points the "human rights" finger, will, with increasing legitimacy, point right back at America's hypocrisy. In the area of capital punishment, in fact, while the number of U.S. executions is expected to top 100 this year, setting a record since the 1976 reinstatement of the death penalty in the United States, Russia this year joined most of the civilized nations of the world in abolishing the death penalty, and China, since 1996, has cut by half the number of executions it carries out annually, bringing its rate to roughly the same per capita as the United States (see **Table 1**).

Beyond the loss of its reputation, however, these reports make clear that in fact the United States is now *becoming* the kind of "human rights violator" nation which the U.S. State Department so readily denounces around the world, as police-state methods increasingly take over the American justice system.

TABLE 1

International executions in 1998

(confirmed judicial executions)

China	1,067	Kyrgyzstan	4
Congo (Democratic Republic)	100	Pakistan	4
United States of America	68	Zimbabwe	2
Iran	66	Palestinian Authority	2
Egypt	48	Lebanon	2
Belarus	33	Bahamas	2
Taiwan	32	Guatemala	1
Saudi Arabia	29	Ethiopia	1
Singapore	28	Syria	1
Sierra Leone	24	United Arab Emirates	1
Rwanda	24	Thailand	1
Vietnam	18	Russian Federation	1
Yemen	17	Sudan	1
Afghanistan	10	Somalia	several
Jordan	9	St. Christopher & Nevis	?
Kuwait	6	Iraq	?
Japan	6	Uzbekistan	?
Nigeria	6	Total 1998	1,625
Oman	6	Total 1997	2,375
Cuba	5	Total 1996	4,272

Source: Amnesty International Report 1999.

While 105 nations have abolished the death penalty, almost half since 1980, the United States is moving in the opposite direction. While China still executes the most people, it has cut its executions by more than half since 1996, while the United States is well on its way to executing a record 100 people this year.

Focus on children

Because a nation's treatment of its most vulnerable populations is key to judging its human rights record, both reports focus on the American criminal justice system's treatment of children, and both document pervasive violation of fundamental human rights standards in this area.

The cover of the Amnesty report, a photo of then-12-year-old Nathaniel Abraham, speaks volumes on this subject. Nathaniel was the youngest American citizen ever to be tried for murder as an adult. In a November trial in Michigan, which drew widespread international criticism, Nathaniel faced a sentence of life imprisonment without parole if found guilty of first degree murder. At least in part because of the publicity, the jury voted on Nov. 16 to find him guilty of second degree murder, which carries the lesser, but still stark, possible maximum sentence of life in prison with possibility of parole.

The International Covenant on Civil and Political Rights, which the United States ratified in 1992, while reserving the right not to implement the provision prohibiting capital punishment for minors, specified the rights of minors who are accused or convicted of violating criminal law. These

rights — all of which are being systematically violated in the U.S. justice system today — include:

1. the death penalty must not be imposed for crimes committed by people when they were under 18 (Article 6(5));

2. the right not to be subjected to torture or cruel, inhuman and degrading treatment or punishment (Article 7);

3. rights that provide for fair trials (Article 14);

4. the right of children who are incarcerated to be kept separate from adults (Article 10).

State-sanctioned killing of minors

With respect to the death penalty for minors, the United States was one of only three countries which took reservation to Article 6. Norway's and Ireland's reservations became moot when they abolished the death penalty. The United States reserves the right "to impose capital punishment on any person (other than a pregnant woman) duly convicted under existing or future laws permitting the imposition of capital punishment, including such punishment for crimes committed by persons below 18 years of age."

Eleven countries formally protested the U.S. reservation to Article 6, including close allies France, Sweden, Belgium, Denmark, Finland, Germany, Italy, the Netherlands, Norway, Portugal, and Spain.

The U.S. Supreme Court has ruled that it is not a cruel and unusual punishment to apply the death penalty to those who were 16 or 17 years old at the time of their crime. Justice Antonin Scalia, whose repudiation of constitutional norms of justice has characterized his sordid term on the bench, in the opinion upholding the death penalty for juvenile offenders, explicitly rejected the notion that world-wide perceptions of decency were relevant to the Court's consideration.

Since the founding of the United States, approximately 355 juveniles have been executed, according to the DPIC report. Twenty-three states presently either have no age restriction on the use of the death penalty, or specifically allow it for those who committed their crime while under the age of 18. Since 1973, states in the United States have sentenced more than 180 juvenile offenders to death and have carried out 13 executions. Ten of the 13 executions have occurred in the 1990s, including seven in George W. Bush's Texas. In June 1998, seventy people were on death row for crimes they

committed when they were under 18 years of age.

The U.S. record stands out like a sore thumb internationally. Although records on executions of minors are incomplete, only five other countries—most of which have been high on the U.S. human rights target list—are known to have executed juvenile offenders since 1990: Iran, Nigeria, Pakistan, Saudi Arabia, and Yemen. The United States executed ten juvenile offenders in that time, more than any other country.

Torture and cruel punishment

Both reports document the systematic use of what must be truthfully called torture, as well as cruel and unusual punishment, against minors and others incarcerated in the United States. The DPIC report cites the typical death-row experience as “torture,” involving an average of nine years in a six- by nine-foot isolated cell, with little chance for exercise, visitors, or contact with other human beings, all the while never knowing when the death sentence will be carried out.

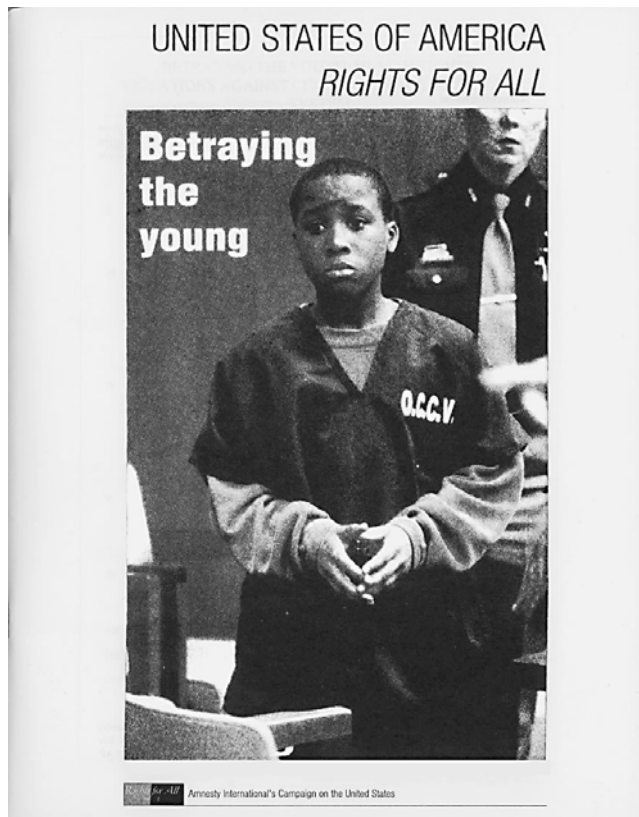
The Amnesty Report is jam-packed with evidence of serious abuses of human rights norms in the incarceration of youths in the United States, including excessive use of incarceration; excessive incarceration of mentally ill youth, because of lack of available mental health facilities; excessive use of force and restraints; excessive use of solitary confinement; the failure to separate incarcerated children from adults, subjecting the children to potential physical and sexual harm from adult inmates; the use of harsh and inflexible sentences; and the lack of access to education and other services. With respect to each of these areas of abuse, the report cites relevant American and international human rights laws, which are being systematically violated in state after state.

To give concrete examples, a 1997 investigation of Georgia’s juvenile detention facilities by the Department of Justice found that children with mental illness were often hit, shackled, put in a restraint chair for hours, and sprayed with pepper spray. In a 1997 report from Florida, a 14-year-old child incarcerated at the Pahokee juvenile institution said he was shackled to his bed for three hours after he repeatedly banged on the door of his solitary confinement cell to ask staff for toilet paper.

Treatment of the mentally ill

A second major focus of both reports is the woeful treatment of the mentally ill, including mentally ill youth, in America’s justice system. This highly vulnerable population is also protected by international human rights treaties, but, as these reports demonstrate, America’s mentally ill are increasingly being incarcerated rather than treated, as treatment centers shut down to save tax dollars.

In Virginia, whose record on abuse of human rights is most evident in the long, unjust imprisonment of several lead-



The cover of Amnesty International’s pamphlet on human rights violations in the United States.

ers of the LaRouche political movement, roughly half of all youths in juvenile prisons require mental-health treatment. The *Richmond Times-Dispatch* recently reported that some judges are deliberately sending youths to the overcrowded correctional centers for psychiatric treatment, because there is no room in the one remaining 48-bed state mental institution for children and adolescents.

Amnesty International quoted Chris Siegfried, Senior Community Mental Health Consultant for the U.S. National Mental Health Association, that “social workers in a number of states . . . instruct desperate parents to have their children arrested in order to get services, because community health services are so scarce.”

The execution of those with mental retardation and severe mental illness has also raised an international outcry. At least 34 individuals with identified mental retardation have been executed since 1976 (about 6% of all executions). A recent report from the Justice Department revealed that 16% of inmates in the nation’s prisons suffer from mental illness.

Both these reports are readily available and should be widely read and circulated. As the world moves toward abolishing some of the worst human rights abuses, the United States will either join this effort or suffer justified international scorn and loss of its proud heritage.

President Clinton says he defended U.S. Constitution against Starr

by Edward Spannaus

In a Nov. 5 interview with ABC News reporter Carole Simpson, President Bill Clinton said that he did the right thing “to stand and fight for my country and the Constitution and its principles,” during the \$50 million assault on his Presidency. It was the first time since the impeachment that the President has come out swinging, and again defining the impeachment as an attack on the Constitution.

When President Clinton was asked if he had regrets about his Presidency, he answered: “No. I have regrets because I made a personal mistake, but I disagree. I think historians will say that I did the right thing to stand against a tide that would have done permanent and terrible damage to the Constitution and the framework.”

Clinton acknowledged that he had made a personal mistake, but he said that Independent Counsel Kenneth Starr had spent \$50 million “trying to ferret it out and root it out,” and that “all the other charges were totally false — bogus, made up; and people were persecuted because they wouldn’t commit perjury against me. People were indicted because they wouldn’t.

“So I think when historians get a little space, they will say, ‘I don’t know how those people stood up to that, but, boy, I’m glad they did because it preserved the Constitution.’ ”

Starr is confronted

The day before President Clinton’s interview with ABC, Starr was confronted over his undisclosed conflicts of interest when he took the position as independent counsel in 1994. The exchange took place during what was billed as Starr’s first public speech since resigning in October, in an appearance before a 600-person luncheon meeting of the Fairfax County Chamber of Commerce in northern Virginia. The event was broadcast nationally that evening on C-SPAN television.

In the first question following his speech, Starr was questioned about his close friend and former law partner Theodore Olson, who coordinated “get Clinton” operations for billionaire Richard Mellon Scaife. Olson was the lawyer for the American Spectator Education Foundation, and he organized the “Arkansas Project” at a meeting in his office in late 1993, which planned out how to dig up dirt on Bill Clinton. The

“Arkansas Project” was financed by \$2.4 million provided by the British- and U.S.-trained intelligence asset Mellon Scaife.

Olson and his wife Barbara also hosted a series of Friday-night meetings at their Great Falls, Virginia home, comprised of journalists, lawyers, judges, and others who planned out the news media and legal attacks on the President. Starr has never before been publicly asked about those meetings.

Starr’s ‘lessons’

Starr spent the first five minutes of his Fairfax speech talking about how nice it is to be staying at home, playing “Mr. Mom.” Turning to the theme of his speech, “The Lessons of the Recent Past,” Starr made a number of points. Among these were that the independent counsel law is unworkable, and how the Attorney General had blocked his investigation. Starr’s third point was that “communication is key,” and that he should have been providing the American people with much more information about how his investigation was proceeding. And his fifth and final point was, “Be grateful for your friends,” in which he praised his staff and friends who stood with him while he was under attack.

Immediately after Starr’s speech, *EIR* Law Editor Edward Spannaus walked up to the microphone and said he wanted to ask a question “on the fifth point that Mr. Starr raised — about one’s friends.” The following then transpired, in which Starr notably did not deny any of the allegations about the famous “Olson Salon,” but did deny that he had known about a number of the critical events at the time he was appointed.

Spannaus: “I wonder if you could communicate with the American people about one of your friends, who is Ted Olson. Before you were first interviewed to be independent counsel, in January 1994, your close friend and former law partner Theodore Olson was involved in the ‘Arkansas Project,’ with money paid for by Richard Mellon Scaife, attempting to dig up derogatory information on the President of the United States.

“Your best friend, Theodore Olson, was at that point *already* representing David Hale, who became your star witness in the McDougal-Tucker trial.

“Did you disclose the fact that your close friend and for-

mer law partner was already engaged in creating the grounds for what you later did?

“It has also been reported that you were in attendance a number of times at get-togethers on Friday evenings at the home of—[chairman interrupts]—at the home of Theodore Olson and Barbara Olson. This included some of the President’s most virulent adversaries, such as the *Wall Street Journal* Editorial Page editor Robert Bartley, *American Spectator* publisher Emmett Tyrrell, Judge [Robert] Bork, Judge [Laurence] Silberman, the British reporter Ambrose Evans-Pritchard. Were you in attendance at those meetings, which were planning out much of the campaign against the President? And wasn’t this a conflict of interest, that meant you never should have taken this job in the first place?”

Starr ducks the question

Starr gave a rambling and confused answer, that began: “I guess one place is to thank the questioner for his very gracious view that I am imbued with complete knowledge of all those things that, yes, my friends, and I do claim a lot of people, including Ted, as my friends, and in fact, my former law partner.

“But virtually all of—if this will provide any assurances—that you’ve reported—perhaps it won’t—but at least for purposes of responding, briefly, so that perhaps we can have other questions as well.”

Without denying the truth of what Spannaus had said, Starr said that much of this “was completely unknown to me.” But, he went on to say that when allegations were made, especially with respect to David Hale, he had agreed that there should in fact be an independent investigation. “That investigation was done, and it was done under the direction of Michael Shaheen, a resident of Arlington County, and a wonderful career person, who served with great distinction in the Office of Professional Responsibility.” (Of course, what Starr did not mention was that Shaheen had a reputation as “Mr. Cover-Up” during his 27 years as the Justice Department’s internal investigator.)

Shaheen found the allegations regarding David Hale to be “either without foundation in fact, or otherwise not supporting any further action at all,” Starr said, taking advantage of the fact that the details of Shaheen’s investigation have not been made public.

After the question period, Spannaus went up to Starr, and said: “I expected you to cite the Shaheen investigation, but what about the evenings, the Friday night soirés, the Olson Salon—were you there?” Starr demurred, saying that “if this is on the record,” Spannaus should give him a call—which Starr has not yet returned.

The ‘rule of law’

The issue of the impeachment came up again on Nov. 12, when one of the central participants of the “Olson Salon,” former Federal Judge Robert Bork, gave a speech on the “The

Rule of Law” to the annual convention of the Federalist Society in Washington. In contrast to the President’s defense of the Constitution a week earlier, Bork put heavy emphasis on the failed impeachment of President Clinton as a prime example of the breakdown of the “rule of law”—a British-inspired notion which stands in the sharpest opposition to the republican conception of U.S. Constitutional law.

(Bork himself, it is worth noting, had already been a vigorous advocate of the impeachment of President Clinton in late 1997, before the public had ever heard of Monica Lewinsky.)

Bork declared that the rule of law “was born in Europe, and exported to America, and it’s fundamental to Western civilization.” But, he lamented, the rule of law no longer commands much respect, citing the impeachment of the President, in which Bork claimed that “it was indisputable that he had committed high crimes and misdemeanors, but his supporters and I think most of the public said it was ‘just about sex.’”

Bork said that we as a society have grown accustomed to, and have come to expect, nullification of law, at all levels of our legal system. “And now we’ve seen Senate nullification of the law of impeachment.” Bork complimented the House Republicans for displaying “considerable courage” in impeaching the President in the face of hostile polls, but he complained that “the Senate Republicans, though they were sworn to sit as a court, refused even to allow a full and fair trial. In fact, they did great disservice to the rule of law.”

Bork also blamed the failure of the impeachment on “the hate campaign” directed at Ken Starr, House Judiciary Committee Chairman Rep. Henry Hyde (R-Ill.), and the House managers, saying that it was conducted “in order to discredit them and their findings in advance, and it was largely effective.”

Bork was introduced by none other than Theodore Olson, who went into an extended account of how, according to the news media, the Federalist Society had “created Ken Starr,” that it secretly controlled the independent counsel’s investigation, and controlled the court that appointed Starr.

After Bork’s speech, a participant went up to Olson and started joking with him that he had left out the part about his house and “the Friday night parties where everything was planned.”

“That’s the Lyndon LaRouche stuff, that organization,” Olson immediately said. “I read that stuff, and then I hadn’t heard about it for a while.” When his interlocutor mentioned that the *New Yorker* magazine had said the same thing, Olson continued: “They started something, and then the Lyndon LaRouche people have got a thing going. . . . The Lyndon LaRouche people have extrapolated it to this incredible level of, uh, it’s sort of like . . . black helicopters.” Olson did acknowledge that Starr “started his law practice with my law firm, we’ve known one another for a long time.”

Olson’s wife Barbara, by the way, has just published a particularly nasty attack on Hillary Clinton, in a book entitled *Hell to Pay*.

National News

House extends R&D tax credit

On Nov. 18, the House of Representatives passed the Work Incentives Improvement Act of 1999 by a vote of 418-2, which authorizes a five-year extension of the Research and Development Tax Credit. The Tax Credit had lapsed in June, and the House Committee on Science had been lobbying for the enactment of a permanent credit, but the full House would only extend it for five years.

While a positive policy, to encourage private companies to invest in R&D, the motivation behind the extension only shows the bankruptcy of the Conservative Revolutionaries' economic ideology. In welcoming the House vote, Committee chairman James Sensenbrenner (R-Wisc.) stated, "As Federal discretionary spending for R&D is squeezed, incentives must be used to maximize private sector innovation and maintain our global leadership in high-tech, high-growth industries that help keep our economy the strongest in the world."

The R&D tax credit was first enacted 18 years ago, during the Reagan administration, to try to make up in the private sector for the cuts in R&D in the Federal budget.

Dominican daily exposes DNC racism

The Dominican Republic's daily *El Siglo* on Nov. 29 published a commentary by Jorge Meléndez titled, "The Democratic Party's 'Democracy' in the U.S.A.," on the attempts by former Democratic National Committee chairman Don Fowler, his attorney John Keeney, Jr., et al., to do away with the 1965 Voting Rights Act. This article, along with one published the week before by the daily *Hoy*, is bound to have widespread repercussions, since the U.S.'s ambassador-designate to the Dominican Republic is Charles Manatt, one of Fowler's predecessors at the DNC.

El Siglo cites Keeney's "unbelievable

argument" on behalf of declaring the Voting Rights Act unconstitutional (see *EIR*, Nov. 5 and Nov. 26), proving that a faction of the DNC "is not only racist, but does not respect democracy." They fear Lyndon LaRouche, who averaged 8% of the vote in the 1996 Democratic primaries, and whose influence "is growing in the whole world and in the United States." For example, LaRouche "has just received the endorsement of former Mexican President José López Portillo." After reporting how the Voting Rights Act came about in response to the racist actions of the Jim Crow Democratic Party during the 1960s, and how LaRouche is suing Fowler for instructing Democratic state chairmen in 1996 to "disregard" votes for LaRouche in the primaries that won him delegates to the Democratic Convention, the article states that in the eyes of Fowler and company, "when LaRouche wins, it is the voters who are mistaken," as happened in 1986 in Illinois and in the last U.S. primary elections. But these same people demand that other countries "hold free, democratic elections, and seek to give us lessons in democracy. How can they seek to be exemplars of democracy in the world, when in their own house they apply methods that are at odds with the most elemental principles of respect for others, and they opt for racist and anti-democratic means?"

Pentagon document hails relations with Britain

"The United Kingdom remains our closest partner in political, security and intelligence matters," a classified Pentagon document reported in April, as Defense Secretary William Cohen was about to meet with British Prime Minister Tony Blair, about a week before the NATO summit.

A background document prepared for Cohen, entitled "U.K. Scope Paper," also said that the British "continue to cooperate closely with the United States on many key issues on our foreign and defense policy agendas"—citing NATO, Bosnia and Kosovo, and the Persian Gulf.

Other than in the Blair government's approach toward Europe, the Pentagon docu-

ment reported, "there are few apparent differences between the stated foreign policy goals of Labour and its Conservative predecessor. The Labour Government continues to support a strong defense—over some objections within the old left of the Labour Party—and is working to keep a military that can deploy with U.S. forces."

The Pentagon document also predicted that Blair and the Labour Party "look a sure bet to win a second term in 2000 or 2001."

The documents were reported in the London *Guardian* on Nov. 29.

Brzezinski seeks UN role in Chechnya

Former U.S. National Security Adviser and geopolitical nut-case Zbigniew Brzezinski, in a commentary in the Paris daily *Le Monde* published on Nov. 18, called for a United Nations intervention in Chechnya, modelled on that in East Timor. Entitled "Russian Genocide in Chechnya," the article asserts that Russia is out to massacre all Chechens.

"Central European secret services recently furnished highly alarming, precise information concerning projects Russia has to destroy Chechnya totally," Brzezinski writes. "Among the weapons they will try to deploy are fuel-air explosives which pour out combustible compounds on the targetted territories with a generalized explosion that sows death everywhere."

Brzezinski complains that a Russian victory would destabilize the southern Caucasus, reinforce the Russian hard-liners who want to eliminate Eduard Shevardnadze in Georgia, counter American policies in the southern Caucasus and Central Asia, and cut "Azerbaijan and Central Asia off from the West; and also the political control over the Baku-Soupsa pipeline."

"The U.S. government should not follow the political line of 'all united against bin Laden,'" he writes, because "terrorism is not the central geopolitical question nor the moral problem to invoke." Instead, financial aid to Russia should be cut, and "moral" pressure should be brought to bear.

"Finally, the United Nations must also

play a role,” Brzezinski concludes. “Even if Chechnya is worse than Kosovo, Russia is not Serbia, and a NATO-type action is not appropriate. The Chechnya conflict more resembles that of East Timor, where strong international pressure, without military threats, convinced Indonesia that a peaceful settlement would be more profitable to its national interests.”

In another article, published in the *New York Times* on Nov. 19, Brzezinski developed the same theme: “Let’s state the obvious: The only fair and workable solution, good both for the Chechens and for the Russians, is self-determination for Chechnya.”

Colorado schools crack down on drug dispensing

The Colorado Board of Education voted that teachers may not force students to take psychotropic drugs, by refusing to let them attend class unless they are drugged, the *New York Times* reported on Nov. 24. One motivation is that the Littleton, Colorado student killer Eric Harris was taking the anti-depressant Luvox during his murder rampage. Luvox, in addition to Ritalin, is one of the drugs frequently forced on students.

Dr. Peter R. Breggin, of the International Center for the Study of Psychiatry and Psychology in Bethesda, Maryland, testified before both the Board of Education and the State Legislature on the question, saying, “We’re drugging them into submission, rather than identifying and meeting the genuine needs of the family, the school, and the community. . . . It’s wrong in principle.”

California investigates Irving Moskowitz

The California Joint Legislative Audit Committee has launched an investigation into the financial dealings of Irving Moskowitz, a supporter of Israel’s former Prime Minister Benjamin Netanyahu and a major funder of terrorists committed to creating a “Greater

Israel.” According to a Nov. 6 article by Joe Segura in the *Long Beach Press Telegram*, the committee is looking into possible violations of state law by Moskowitz’s Hawaiian Gardens gambling operations near Los Angeles, which have been used to fund Netanyahu, the Temple Mount crazies, and the takeover of Arab land. The probe comes at the same time that the State Attorney General is reviewing Moskowitz’s application for a permanent gambling license.

According to former Hawaiian Gardens district City Councilman Kathy Navejas, the investigation came about primarily as a result of the efforts of a group of rabbis she has been working with to shut down Moskowitz’s operations. The LaRouche movement has helped to energize the campaign to expose Moskowitz; the rabbis recently held a rally in Hawaiian Gardens against Moskowitz, and a Moskowitz employee came running out demanding to know why they were working with Navejas and “that anti-Semitic LaRouche.”

For background to the affair, see Harley Schlanger, “Terrorist Funder Moskowitz Threatens Middle East Peace,” *EIR*, Sept. 5, 1997.

Representative Hall: No ‘prosperity’ here

Rep. Tony Hall (D-Ohio) issued his yearly report card on how Congress dealt with the problem of hunger, on Nov. 23. He excoriated the 106th Congress’s record in virtually all areas, except that it increased funding for the Meals on Wheels program by 31%.

“Children—especially those under age 6—fared worst of all,” he said. “Some 42% of young children live at or near poverty; one in 10 lives in extreme poverty; and yet nearly two-thirds live in families that receive no public assistance whatsoever.”

He added that poverty among children is one-third higher than it was a generation ago, and that poor *legal* immigrants suffer hunger at rates ten times higher than citizens. Plus, he said, “poverty among families where at least one parent works is at an all-time high.”

Hall gave the 106th Congress a grade of D+.

LAROCHE’S Committee for a New Bretton Woods made its first submission for Presidential primary campaign matching funds on Dec. 1. The total matchable amount submitted was \$739,685 in contributions, given by 5,700 contributors. Certification for virtually the full amount is expected shortly, and the first payment—a percentage of what is owed—will be made to the campaign in early January.

AL GORE will meet with Ukrainian President Leonid Kuchma in Washington on Dec. 8. Kuchma recently won reelection, in a campaign that many observers charged was marked by widespread vote fraud and intimidation of Kuchma’s electoral opponents.

MARION BARRY, the former Washington, D.C. Mayor, charged on Nov. 20 that the Justice Department and the FBI are still out to get him. “They thought they were going to get this big, major conviction,” he said, “send me to jail for five to ten years, destroy my political ability to do something. . . . They can’t get over it. But they ought to get over it, because I’m not doing anything illegal. They’re not going to entrap me in anything, because I know how to deal with them now.”

‘THE ROAD TO RECOVERY,’ Lyndon LaRouche’s campaign program book, has been translated into Chinese, and was released in a special edition of *EIR*’s Chinese newsletter, in a run of 10,000 copies.

CYBER WARFARE is at the top of defense planners’ agenda, the *Times* of London reported on Nov. 20. Said CIA director George Tenet: “We face a growing cyber threat, the threat from so-called weapons of mass disruption. Potential targets are not only governmental computers but the lifelines that we all take for granted—our power grids and our water and transportation systems.”

Editorial

Will December be the month from Hell?

The level of orchestrated violence at the Nov. 30-Dec. 3 World Trade Organization summit in Seattle, and the heavy hand of Prince Philip's eco-terrorist brigades in that violence, are strongly suggestive that "Operation Surety," and all the other nasty destabilizations being hatched in London, are set to blow up before the end of December. Lyndon LaRouche is operating from the strategic assessment that the British financial oligarchy is fully prepared to unleash as much chaos as possible, over the immediate days and weeks ahead.

Just consider the following: As of Wednesday, Dec. 1, the Seattle Police were out again, in full riot gear, to counter highly organized eco-terrorists, who had staged full-scale riots and looting on Tuesday morning, completely shutting down the opening session of the WTO, and then had done so again on Tuesday evening, once more cancelling most scheduled meetings. The masked and armed eco-terrorists effectively used the larger number of innocent, peaceful, leftist demonstrators—especially nursing mothers—as a shield and a screen. The only time that there was any semblance of order, was during the AFL-CIO labor march, which was an impressive display of the growing sentiment that the free-trade system has got to go.

EIR has obtained evidence, from the Internet and from other sources, that planning for the Seattle violence had been under way since the beginning of the year. The British group "Reclaim the Streets," which conducted the riots in the City of London and at Stonehenge on June 18, had been working closely with "Earth First!" and the other U.S.-based eco-terror gangs, running training camps north of Seattle, and staging joint recruiting sessions in London and elsewhere. A top British terrorist leader visited Seattle recently, to help prepare these riots. And *EIR* reporters on the scene found significant numbers of British subjects among the armed paramilitary rioters, who wore black ski-masks, and came equipped with gas-masks, cellular phones, tear-gas grenades, and large

M-80 firecrackers. It was only once they began to confiscate gas-masks and cell-phones, that the Seattle police began to regain any degree of control of the center of the city.

Recall that in the late summer, the British media "leaked" out the existence of "Operation Surety," a replay of the 1974-75 Special Air Services coup maneuvers, ostensibly to deal with the likelihood of Y2K-related year-end chaos and violence. The FBI shortly afterwards came out with their own wacko study, "Project Megiddo," claiming that millenarian cults were about to unleash a massive terror wave all across America, possibly also involving the playing out of the Temple Mount scenario for a Mideast religious war, triggered by terrorism by Jewish and Christian fundamentalists at the Al Aqsa mosque in Jerusalem.

Recall, also, that since Nov. 10, the Russian government has filed at least two formal diplomatic protests with the Blair government of Britain, over the persistent British protection and sponsorship of the so-called "Islamist" terrorist networks, that have played a hand in the ongoing efforts to destabilize the Caucasus region of Russia, to break up Russia into a string of Balkanized mini-states, and facilitate the British oil cartels' grab for the Caspian Sea and Central Asian oil and natural gas reserves. The same British crowd behind these destabilizations, is also hankering for a destabilization of China, playing the Taiwan Strait provocations, the "Islamist" destabilization of western China, and other nastiness, to bust up that nation, as well.

All of the essentials of this strategic picture, as well as the nation-state-centered solutions to this oligarchical flight-forward, are spelled out clearly by LaRouche, in the newly released *EIR* video, "Storm Over Asia." *EIR* is holding a premier showing of the video at the National Press Club in Washington, D.C., on Dec. 9, for an audience of diplomats, journalists, and other influentials.

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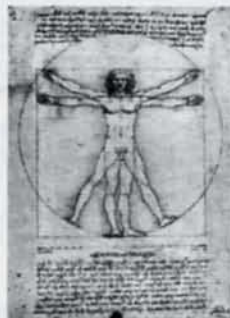
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